



UNICHEM
LABORATORIES LTD.

May 27, 2022

Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400 001

Mr. Hari K
Asst. Vice President - Operations
National Stock Exchange of India Ltd
Exchange Plaza, Bandra – Kurla Complex
Bandra (East), Mumbai – 400 051

Dear Sir,

Ref: BSE Scrip Code -506690: NSE Symbol – UNICHEMLAB

Sub: Outcome of Board Meeting

We would like to inform you that Board of Directors at its Meeting held today, i.e. Friday, May 27, 2022:

1. Approved the unaudited financial results (standalone and consolidated) for the quarter ended March 31, 2022.
2. Approved the audited financial results (standalone and consolidated) for the year ended March 31, 2022.
3. Recommended Dividend of Rs.4/- (200%) per equity share of Rs.2/- each, for the year ended March 31, 2022, subject to approval of shareholders at the ensuing Annual General Meeting.

Enclosed herewith please find:-

- a. Unaudited financial results (Standalone and Consolidated) for the quarter ended March 31, 2022 and Audited (Standalone and Consolidated) for the year ended March 31, 2022 and the Auditors Reports thereon;
- b. Statement on Impact of Audit qualification for the year ended March 31, 2022 (Standalone and Consolidated)

The Board meeting commenced at 01:00 p.m. and concluded at 03:30 p.m.

Kindly take the same on your records.

Thanking you,

FOR UNICHEM LABORATORIES LIMITED

PRADEEP
BHANDARI

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PRADEEP BHANDARI
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PRADEEP BHANDARI

Head- Legal & Company Secretary

Encl: a/a

UNICHEM LABORATORIES LIMITED

CIN: L99999MH1962PLC012451

Statement of Unaudited Standalone Financial Results for the Quarter & Audited Financial Results for the year ended 31st March, 2022

Particulars	₹ Lakhs				
	Quarter ended 31st Mar'22 (Unaudited)	Quarter ended 31st Dec'21 (Unaudited)	Quarter ended 31st Mar'21 (Unaudited)	Year ended 31st Mar'22 (Audited)	Year ended 31st Mar'21 (Audited)
I Revenue from operations	27,686.48	24,829.14	26,108.65	94,292.66	1,12,397.28
II Other income (refer note 4)	907.79	1,508.91	490.56	4,206.79	4,737.11
III Total income (I+II)	28,594.27	26,338.05	26,599.21	98,499.45	1,17,134.39
IV EXPENSES					
Cost of materials consumed	11,767.93	11,665.20	10,548.44	43,492.03	44,913.87
Purchase of stock-in-trade	27.83	24.40	5.35	134.90	53.52
Changes in inventories of finished goods and work-in-progress	(742.20)	(1,140.73)	(2,922.89)	(5,279.05)	(1,672.68)
Employee benefits expense	6,304.36	6,295.19	5,749.04	25,079.27	23,403.73
Finance costs	57.70	32.87	37.00	207.42	130.06
Impairment loss on financial assets (refer note 12)	113.90	692.17	-	806.07	-
Depreciation and amortization expenses	2,126.80	2,136.38	1,990.29	8,318.76	7,589.18
Other expenses	8,965.51	8,982.50	9,949.31	34,414.82	36,152.16
Total expenses (IV)	28,621.83	28,687.98	25,356.54	1,07,174.22	1,10,569.84
V Profit / (loss) before exceptional items and tax (III-IV)	(27.56)	(2,349.93)	1,242.67	(8,674.77)	6,564.55
VI Exceptional items	-	-	-	-	-
VII Profit / (loss) before tax (V-VI)	(27.56)	(2,349.93)	1,242.67	(8,674.77)	6,564.55
VIII Tax expense					
(1) Current tax	-	-	-	-	-
(2) Deferred tax charge / (credit) (refer note 5)	(1,760.71)	-	1,094.30	(3,155.51)	1,094.30
(3) Short / (excess) provision for tax (earlier years)	-	-	62.02	23.70	62.02
	(1,760.71)	-	1,156.32	(3,131.81)	1,156.32
IX Profit / (loss) for the period after tax (VII-VIII)	1,733.15	(2,349.93)	86.35	(5,542.96)	5,408.23
X Other Comprehensive Income / (Loss)					
A. (i) Items that will not be reclassified subsequently to profit or loss					
- Remeasurement of the net defined benefit plan	(68.82)	(37.41)	149.01	(323.91)	(97.68)
- Equity instruments through other comprehensive income	7,646.40	-	2,504.10	7,646.40	2,504.10
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss					
- Remeasurement of the net defined benefit plan	-	-	24.58	(24.58)	24.58
- Equity instruments through other comprehensive income (net)	(1,760.71)	-	(300.51)	(1,760.71)	(300.51)
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	5,816.87	(37.41)	2,377.18	5,537.20	2,130.49
XI Total Comprehensive Income for the period (IX+X)	7,550.02	(2,387.34)	2,463.53	(5.76)	7,538.72
XII Paid-up equity share capital (Face value of ₹ 2/- per share)	1,408.12	1,408.12	1,408.12	1,408.12	1,408.12
XIII Other Equity (Reserves excluding revaluation reserve)				2,65,795.97	2,68,325.35
XIV Earnings per equity share (Face value of ₹ 2/- per share) (not annualized)					
(1) Basic	2.46	(3.34)	0.12	(7.87)	7.68
(2) Diluted	2.46	(3.34)	0.12	(7.87)	7.68

- Notes:**
- The above standalone financial results for the quarter and year ended 31st March, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 27th May, 2022. The statutory auditors have expressed a qualified audit opinion on these standalone financial results for the year ended 31st March, 2022 in regard to matter given in note 6 below.
 - The above unaudited standalone financial results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ("SEBI") and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
 - Operating Segment: The Company has a single reportable segment i.e. 'Pharmaceuticals'.
 - 'Other Income' for the quarter ended 31st December, 2021 and year ended 31st March, 2022 includes dividend income of ₹ 1,000.98 lakhs received on investments in equity shares held by the Company.
 - Deferred tax assets is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.

- 6 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.

In this regard, the statutory auditors of Niche have given qualified audit opinion on the financial statement of Niche for the year ended 31st March, 2022. They have stated that previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however, following the hearing in October 2021, and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) and hence, they believe that this should be provided for in the financial statements of Niche. As per the board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore, the Directors are of the opinion that no provision should be made at this point of time. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and continued to disclose the matter under contingent liability.

As at Balance Sheet date, the Company has aggregate financial exposure of ₹ 12,267.33 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of on-going litigation as elaborated in the above para and accumulated losses in Niche as at Balance Sheet date, the statutory auditor of the Company are of the view that the Company would need to provide for impairment on the exposure involved of ₹ 12,267.33 lakhs. However, the Company is of the view that such provision for impairment on exposure would be required only in the event of unfavourable outcome of the appeal which itself is uncertain. On the above matter, the auditors of the Company have given qualified opinion in their audit report on standalone financial statement for the year ended 31st March, 2022.

Further, as per the management, the future business outlook and projections of the subsidiary are sufficient so as not to warrant any impairment on the investments in subsidiary (Niche) unless the outcome of EU matter is not in favour of the subsidiary.

- 7 Subsequent to the financial year ended 31st March, 2022, the Company has entered into binding Share Purchase Agreement ('SPA') dated 10th May, 2022 with Sekhmet Pharmaventures Private Limited ('Purchaser') and Optimus Drugs Private Limited ('Optimus') to sell its entire shareholding in Optimus to the Purchaser ('Transaction'). As per the SPA, the Company will sell 19.97% equity shares on a fully diluted basis in the first tranche and remaining 0.02% equity shares in the second tranche. For the first tranche, total consideration is ₹ 27,098.99 lakhs and for the second tranche for a price to be determined as per the said SPA after satisfaction of necessary conditions precedent. Fair value gain of ₹ 7,646.40 lakhs is recognised in Other Comprehensive Income in the current quarter and year ended 31st March 2022 based on independent valuation report and carrying value of such investment as at balance sheet date is ₹ 22,595.23 lakhs. The additional fair value gain will be recognised in the subsequent period as per SPA. The Transaction is expected to complete in the subsequent period after satisfaction of necessary condition precedents as mutually agreed between the parties under the SPA.
- 8 The Board recommends a final dividend of ₹ 4/- per share (200 %) (face value of ₹ 2/- per share) for the year ended 31st March, 2022. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The final dividend declared in the previous year and paid during the current year was ₹ 4/- per share (200%).
- 9 The aggregate amount of revenue expenditure incurred on Research and Development as included in the relevant expense heads is as tabulated below:

Particulars	₹ Lakhs				
	Quarter ended 31st Mar'22	Quarter ended 31st Dec'21	Quarter ended 31st Mar'21	Year ended 31st Mar'22	Year ended 31st Mar'21
Total R&D expenditure	3,014.73	2,641.63	3,632.35	11,274.10	12,990.81

- 10 Statement of Standalone Assets and Liabilities:

Particulars	₹ Lakhs	
	As at 31st March, 2022	As at 31st March, 2021
	Audited	Audited
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	91,089.73	81,637.22
(b) Right of use assets	5,221.93	2,985.65
(c) Capital work-in-progress	49,417.99	56,773.16
(d) Investment property	-	353.28
(e) Financial assets		
(i) Investments	12,621.69	28,399.04
(ii) Loans	11.60	7.28
(iii) Other financial assets	813.06	1,026.33
(f) Other non-current assets	15,636.32	10,187.11
	1,74,812.32	1,81,369.07
Current assets		
(a) Inventories	46,069.37	38,611.65
(b) Financial assets		
(i) Investments	26,358.02	23,642.92
(ii) Trade receivables	38,084.29	36,048.49
(iii) Cash and bank balances		
Cash & cash equivalents	9,412.69	5,259.86

Other bank balances	490.59	498.78
(iv) Loans	5.23	4.47
(v) Other financial assets	55.07	919.82
(c) Other current assets	16,573.85	25,550.67
	1,37,049.11	1,30,536.66
Non-current assets held for sale	346.96	-
TOTAL ASSETS	3,12,208.39	3,11,905.73
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,408.12	1,408.12
(b) Other equity	2,65,795.97	2,68,325.35
	2,67,204.09	2,69,733.47
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	8,901.06	-
(ii) Lease liabilities	596.21	146.16
(b) Provisions	3,996.17	3,041.36
(c) Deferred tax liabilities (net)	-	1,370.22
(d) Other non-current liabilities	469.21	469.21
	13,962.65	5,026.95
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,709.17	-
(ii) Lease liabilities	2.00	1.84
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	884.98	631.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,822.96	18,225.56
(iv) Other financial liabilities	5,245.18	11,567.20
(b) Other current liabilities	4,768.08	5,236.84
(c) Provisions	1,609.28	1,482.60
	31,041.65	37,145.31
TOTAL EQUITY AND LIABILITIES	3,12,208.39	3,11,905.73

11 Statement of Standalone Cash Flows:

₹ Lakhs

Particulars	Year ended 31st March, 2022 (Audited)	Year ended 31st March, 2021 (Audited)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	(8,674.77)	6,564.55
Adjustments:		
Depreciation / amortisation (including investment property)	8,325.07	7,595.48
Loss / (profit) on sale / discard of property, plant and equipment (net)	25.34	(2.57)
Unrealised exchange difference (net)	(163.49)	606.40
Rent income	(30.84)	(46.22)
Guarantee commission income	(28.86)	(26.60)
Finance cost	207.42	130.06
Provision for doubtful debts, loans, advances & deposits (net)	(115.33)	(18.64)
Share-based payments to employees	224.56	224.56
Fair value gain on investments (net)	(312.19)	(1,164.20)
Interest income	(627.28)	(2,287.95)
Sundry credit balances written off / (written back)	(89.01)	(41.56)
Impairment loss on financial assets		
- investments in equity instruments of associates	569.31	-
- inter corporate deposits & interest thereon	236.76	-
Dividend income	(1,001.35)	(0.36)
	7,220.11	4,968.40
	(1,454.66)	11,532.95

Working Capital Adjustments:		
Trade receivables & other assets	(5,290.27)	(7,328.96)
Inventories	(7,457.72)	(7,054.85)
Trade payables & other liabilities	(2,034.18)	(379.28)
	(14,782.17)	(14,763.09)
Cash generated from / (used in) operations	(16,236.83)	(3,230.14)
Direct taxes refund received / (payment made)	405.85	(31.07)
Net Cash Flow from / (used in) Operating Activities [A]	(15,830.98)	(3,261.21)
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment including capital work-in-progress	(12,655.90)	(28,586.29)
Proceeds from sale of property, plant and equipment	16.41	42.22
Investments made		
- in subsidiaries (at cost)	(222.90)	(872.07)
Guarantee commission income realised	590.45	
Sale / (purchase) of current investment (net)	20,180.90	18,661.31
Rent received	30.84	46.22
(Increase) / decrease in escrow bank accounts	8.19	(269.57)
Interest received	1,453.99	2,939.14
Dividend received	1,001.35	0.36
Net Cash Flow from / (used in) Investing Activities [B]	10,403.33	(8,038.68)
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	1,121.18	(1,509.78)
Receipt of term loan from bank	12,418.96	-
Repayments of long-term borrowings	(951.58)	-
Payments of lease liabilities	(15.16)	(15.20)
Finance cost paid	(156.77)	(116.58)
Dividend paid	(2,836.15)	(2,865.79)
Net Cash Flow from / (used in) Financing Activities [C]	9,580.48	(4,507.35)
Net (Decrease) / Increase in Cash and Cash Equivalents [A+B+C]	4,152.83	(15,807.24)
Add: Current investments reclassified as cash and cash equivalents during the year	-	759.24
Net (Decrease) / Increase in Cash and Cash Equivalents	4,152.83	(15,048.00)
Cash and Cash Equivalents at the beginning of the year	5,259.86	20,307.86
Cash and Cash Equivalents at the end of the year	9,412.69	5,259.86

12 Impairment loss on financial assets for the quarter ended 31st December, 2021 and year ended 31st March, 2022 includes ₹ 569.31 lakhs of provision towards impairment of equity investment in 'Synchron Research Services Private Limited' (associate company).

13 The results for the quarter ended 31st March, 2022 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2022 and the published unaudited figures for the nine-months ended 31st December, 2021, which were subjected to a limited review.

By Order of the Board
For Unichem Laboratories Limited

Prakash
Amrut Mody

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Prakash Amrut Mody
Date: 2022.05.27
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Dr. Prakash A. Mody
Chairman & Managing Director
DIN: 00001285

Place: Mumbai
Date: 27th May, 2022

ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

₹ Lakhs

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	98,499.45	98,499.45
	2.	Total Expenditure	1,07,174.22	1,19,441.55
	3.	Net Profit/(Loss)	(5,542.96)	(17,810.29)
	4.	Earnings Per Share (Basic)	(7.87)	(25.30)
	5.	Total Assets	3,12,208.39	3,02,480.88
	6.	Total Liabilities	45,004.30	47,544.12
	7.	Net Worth	2,67,204.09	2,54,936.76
	8.	Any other financial item(s) (as felt appropriate by the management)	No	No



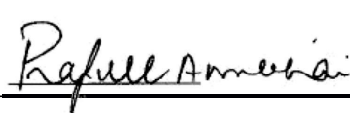

II. Audit Qualification (each audit qualification separately):**a. Details of Audit Qualification:**

On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.

In this regard, the statutory auditors of Niche have given qualified audit opinion on the financial statement of Niche for the year ended 31st March, 2022. They have stated that previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however following the hearing in October 2021, and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) and hence they believe that this should be provided for in the financial statements of Niche. As per the board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore the Directors are of the opinion that no provision should be made at this point of time. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and continued to disclose the matter under contingent liability.

As at Balance Sheet date, the Company has aggregate financial exposure of ₹ 12,267.33 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of on-going litigation as elaborated in the above para and accumulated losses in Niche as at Balance Sheet date, the statutory auditor of the Company are of the view that the Company would need to provide for impairment on the exposure involved of ₹ 12,267.33 lakhs. However, the Company is of the view that such provision for impairment on exposure would be required only in the event of unfavourable outcome of the appeal which itself is uncertain. On the above matter, the auditors of the Company have given qualified opinion in their audit report on standalone financial statement for the year ended 31st March, 2022.

Further, as per the management the future business outlook and projections of the subsidiary are sufficient so as not to warrant any impairment on the investments in subsidiary (Niche) unless the outcome of EU matter is not in favour of the subsidiary.

	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: appeared for the first time in year ended 31st March, 2022
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Refer para II (a) above for the management comments.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA
III.	<p>Signatories:</p> <p>Dr. Prakash A. Mody (Chairman & MD) Prakash Amrut Mody  Digitally signed by Prakash Amrut Mody Date: 2022.05.27 14:39:41 +05'30'</p> <p>Mr. Sandip Ghume (Deputy CFO) Sandip Rajaram Ghume  Digitally signed by Sandip Rajaram Ghume Date: 2022.05.27 14:44:00 +05'30'</p> <p>Mr. Praful Anubhai (Chairman of Audit Committee) </p> <p>For N. A. Shah & Associates LLP Chartered Accountants (FRN: 116560W/W100149)</p> <p>Mr. Milan Mody (Partner - Statutory Auditors) Membership No.: 103286 MILAN NAVIN MODY  Digitally signed by MILAN NAVIN MODY Date: 2022.05.27 15:02:56 +05'30'</p> <p>Place: Mumbai</p> <p>Date: 27th May, 2022</p>

Statement of Unaudited Consolidated Financial Results for the Quarter & Audited Financial Results for the year ended 31st March, 2022

₹ Lakhs					
Particulars	Quarter ended 31st Mar'22 (Unaudited)	Quarter ended 31st Dec'21 (Unaudited)	Quarter ended 31st Mar'21 (Unaudited)	Year ended 31st Mar'22 (Audited)	Year ended 31st Mar'21 (Audited)
I Revenue from operations	36,995.36	31,130.52	27,411.72	1,26,983.22	1,23,513.53
II Other income (refer note 4)	1,439.05	1,465.85	783.10	4,750.94	5,018.76
III Total income (I+II)	38,434.41	32,596.37	28,194.82	1,31,734.16	1,28,532.29
IV EXPENSES					
Cost of materials consumed	12,668.56	12,137.57	10,871.56	45,601.35	46,698.72
Purchase of stock-in-trade	27.83	24.40	5.35	134.90	53.52
Changes in inventories of finished goods and work-in-progress	(2,864.14)	(1,231.04)	(4,910.23)	(4,153.41)	(8,814.04)
Employee benefits expense	8,554.23	8,241.26	7,603.60	33,048.96	30,697.06
Finance costs	158.56	135.83	181.32	610.53	511.86
Impairment loss on financial assets (refer note 13)	113.91	609.98	-	723.89	-
Depreciation and amortization expenses	2,330.46	2,331.26	2,187.09	9,116.61	8,435.63
Other expenses	11,651.47	11,411.28	11,936.52	44,348.34	45,767.35
Total expenses (IV)	32,640.88	33,660.54	27,875.21	1,29,431.17	1,23,350.10
V Share of profit / (loss) in associate (net of tax)	-	(77.13)	(23.65)	(106.10)	(34.25)
VI Profit / (loss) before exceptional items and tax (III- IV+V)	5,793.53	(1,141.30)	295.96	2,196.89	5,147.94
VII Exceptional items	-	-	-	-	-
VIII Profit / (loss) before tax (VI-VII)	5,793.53	(1,141.30)	295.96	2,196.89	5,147.94
IX Tax expense					
(1) Current tax	547.40	291.97	282.17	1,050.83	1,668.26
(2) Deferred tax charge / (credit) (refer note 5)	(1,901.08)	(22.79)	(7.37)	(2,183.81)	(14.82)
(3) Short / (excess) provision for tax (earlier years)	-	-	62.02	23.70	62.02
	(1,353.68)	269.18	336.82	(1,109.28)	1,715.46
X Profit / (loss) for the period after tax (VIII-IX)	7,147.21	(1,410.48)	(40.86)	3,306.17	3,432.48
XI Other Comprehensive Income / (Loss)					
A. (i) Items that will not be reclassified subsequently to profit or loss					
- Remeasurement of the net defined benefit plan	(68.82)	(37.41)	149.01	(323.91)	(97.68)
- Equity instruments through other comprehensive income	7,646.40	-	2,504.10	7,646.40	2,504.10
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss					
- Remeasurement of the net defined benefit plan	-	-	24.58	(24.58)	24.58
- Equity instruments through other comprehensive income (net)	(1,760.71)	-	(300.51)	(1,760.71)	(300.51)
B. (i) Items that will be reclassified to profit or loss (Foreign currency translation difference)	67.90	(186.11)	36.84	(162.15)	(491.02)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	5,884.77	(223.52)	2,414.02	5,375.05	1,639.47
XII Total Comprehensive Income for the period (X+XI)	13,031.98	(1,634.00)	2,373.16	8,681.22	5,071.95
XIII Paid-up equity share capital (Face value of ₹ 2/- per share)	1,408.12	1,408.12	1,408.12	1,408.12	1,408.12
XIV Other Equity (Reserves excluding revaluation reserve)				2,60,432.98	2,54,275.36
XV Earnings per equity share (Face value of ₹ 2/- per share) (not annualized)					
(1) Basic	10.15	(2.01)	(0.06)	4.70	4.88
(2) Diluted	10.14	(2.01)	(0.06)	4.68	4.88

Notes:

- The above consolidated financial results for the quarter and year ended 31st March, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 27th May, 2022. The statutory auditors have expressed a qualified audit opinion on these consolidated financial results for the year ended 31st March, 2022 in regard to matter given in note 6 below.
- The above unaudited consolidated financial results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ("SEBI") and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
- Operating Segment: The Company has a single reportable segment i.e. 'Pharmaceuticals'.
- 'Other Income' for the quarter ended 31st December, 2021 and year ended 31st March, 2022 includes dividend income of ₹ 1,000.98 lakhs received on investments in equity shares held by the Company.
- In respect of the Company, deferred tax assets is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.

In respect of a subsidiary, deferred tax assets (net) are recognised as per applicable tax laws.

- 6 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to Rs. 11,818.62 lakhs) is continued to disclose the matter under contingent liability.

On the above matter, the auditors of the Niche have given qualified opinion in their audit report and the statutory auditor of Company have reported the said qualification in their audit report on consolidated financial statement for the year ended 31st March, 2022.

- 7 Subsequent to the financial year ended 31st March, 2022, the Company has entered into binding Share Purchase Agreement ('SPA') dated 10th May, 2022 with Sekhmet Pharmaventures Private Limited ('Purchaser') and Optimus Drugs Private Limited ('Optimus') to sell its entire shareholding in Optimus to the Purchaser ('Transaction'). As per the SPA, the Company will sell 19.97% equity shares on a fully diluted basis in the first tranche and remaining 0.02% equity shares in the second tranche. For the first tranche, total consideration is ₹ 27,098.99 lakhs and for the second tranche for a price to be determined as per the said SPA after satisfaction of necessary conditions precedent. Fair value gain of ₹ 7,646.40 lakhs is recognised in Other Comprehensive Income in the current quarter and year ended 31st March, 2022 based on independent valuation report and carrying value of such investment as at balance sheet date is ₹ 22,595.23 lakhs. The additional fair value gain will be recognised in the subsequent period as per SPA. The Transaction is expected to complete in the subsequent period after satisfaction of necessary condition precedents as mutually agreed between the parties under the SPA.
- 8 The Board recommends a final dividend of ₹ 4/- per share (200%) (face value of ₹ 2/- per share) for the year ended 31st March, 2022. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The final dividend declared in the previous year and paid during the current year was ₹ 4/- per share (200%).
- 9 The aggregate amount of revenue expenditure incurred on Research and Development as included in the relevant expense heads is as tabulated below:

₹ Lakhs

Particulars	Quarter ended 31st Mar'22	Quarter ended 31st Dec'21	Quarter ended 31st Mar'21	Year ended 31st Mar'22	Year ended 31st Mar'21
Total R&D expenditure	3,014.73	2,641.63	3,632.35	11,274.10	12,990.81

10 Statement of Consolidated Assets and Liabilities:

₹ Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Audited	Audited
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	92,448.89	83,281.41
(b) Right of use assets	6,400.01	4,606.35
(c) Capital work-in-progress	49,381.42	56,749.62
(d) Investment property	-	353.29
(e) Goodwill	154.51	154.51
(f) Investment accounted for using the equity method	-	593.23
(g) Financial assets		
(i) Investments	28.47	14,965.86
(ii) Loans	11.60	7.28
(iii) Other financial assets	813.06	1,026.33
(h) Deferred tax assets (net)	435.51	1,395.36
(i) Other non-current assets	17,364.53	11,706.50
	1,67,038.00	1,74,839.74
Current assets		
(a) Inventories	60,022.15	53,833.98
(b) Financial Assets		
(i) Investments	26,358.02	23,642.92
(ii) Trade receivables	49,543.31	25,026.95
(iii) Cash and bank balances		
Cash & cash equivalents	10,919.63	7,746.08
Other bank balances	490.59	498.78
(iv) Loans	5.23	4.47
(v) Other financial assets	55.07	919.82
(c) Other current assets	17,098.47	26,058.66
	1,64,492.47	1,37,731.66
Non-current assets held for sale	346.96	-
TOTAL ASSETS	3,31,877.43	3,12,571.40

II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,408.12	1,408.12
(b) Other equity	2,60,432.98	2,54,275.36
	2,61,841.10	2,55,683.48
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	8,901.06	-
(ii) Lease liabilities	1,457.12	1,431.02
(b) Provisions	3,996.17	3,041.36
(c) Deferred tax liabilities (net)	-	1,370.22
(d) Other non-current liabilities	469.21	469.21
	14,823.56	6,311.81
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	24,135.18	10,062.50
(ii) Lease liabilities	421.84	415.79
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	884.98	631.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,433.72	20,376.87
(iv) Other financial liabilities	5,252.86	11,618.51
(b) Other current liabilities	5,265.37	5,662.50
(c) Provisions	1,609.28	1,482.60
(d) Current tax liabilities (net)	209.54	326.07
	55,212.77	50,576.11
TOTAL EQUITY AND LIABILITIES	3,31,877.43	3,12,571.40

11 Statement of Consolidated Cash Flows:

₹ Lakhs

Particulars	Year ended	
	31st March, 2022 (Audited)	31st March, 2021 (Audited)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	2,196.89	5,147.94
Adjustments:		
Depreciation / amortisation (including investment property)	9,122.92	8,441.94
Loss / (profit) on sale / discard of property, plant and equipment (net)	23.43	52.26
Unrealised exchange difference (net)	(722.22)	761.13
Rent income	(30.84)	(46.22)
Share of (profit) / loss from associate	106.10	34.25
Finance cost	610.53	511.86
Provision for doubtful debts, loans, advances & deposits (net)	(22.06)	27.00
Share-based payments to employees	284.84	282.64
Fair value gain on investments (net)	(312.19)	(1,164.20)
Interest income	(647.77)	(2,293.95)
Sundry credit balances written off / (written back)	(89.01)	(41.56)
Impairment loss on financial assets		
- investments in equity instruments of associates	487.13	-
- inter corporate deposits & interest thereon	236.76	-
Dividend income	(1,001.35)	(0.36)
	8,046.27	6,564.79
	10,243.16	11,712.73
Working Capital Adjustments:		
Trade receivables & other assets	(27,709.88)	9,508.19
Inventories	(6,188.17)	(14,179.88)
Trade payables & other liabilities	(1,544.80)	(2,306.48)
	(35,442.85)	(6,978.17)
Cash generated from / (used in) operations	(25,199.69)	4,734.56
Direct taxes refund received / (payment made)	(761.51)	(1,436.32)
Net Cash Flow from / (used in) Operating Activities [A]	(25,961.20)	3,298.24

B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment including capital work-in-progress	(12,700.24)	(28,781.44)
Proceeds from sale of property, plant and equipment	16.41	42.22
Sale / (purchase) of current investment (net)	20,180.90	18,661.31
Rent received	30.84	46.22
(Increase) / decrease in escrow bank accounts	8.19	(269.57)
Interest received	1,474.48	2,945.14
Dividend received	1,001.35	0.36
Net Cash Flow from / (used in) Investing Activities [B]	10,011.93	(7,355.76)
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	11,484.69	(8,329.23)
Payments of Lease liabilities	(484.88)	(478.74)
Receipt of term loan from bank	12,418.96	-
Repayments of long-term borrowings	(951.58)	-
Finance cost paid	(508.22)	(433.72)
Dividend paid	(2,836.15)	(2,865.79)
Net Cash Flow from / (used in) Financing Activities [C]	19,122.82	(12,107.48)
Net (Decrease) / Increase in Cash and Cash Equivalents [A+B+C]	3,173.55	(16,165.00)
Add: Current investments reclassified as cash and cash equivalents during the year	-	759.24
Net (Decrease) / Increase in Cash and Cash Equivalents	3,173.55	(15,405.76)
Cash and Cash Equivalents at the beginning of the year	7,746.08	23,151.84
Cash and Cash Equivalents at the end of the year	10,919.63	7,746.08

- 12 Other income of subsidiary at USA for the year ended 31st March, 2021 includes write back of loan of USD 4.23 lakhs (equivalent to ₹ 313.44 lakhs) which was received under Paycheck Protection Program [PPP]. The subsidiary had initiated the loan forgiveness process with the Small Business Administration (SBA) under PPP which was approved during March 2021 and accordingly, the loan amount was written back.
- 13 Impairment loss on financial assets for the quarter ended 31st December, 2021 and year ended 31st March, 2022 includes ₹ 487.13 lakhs of provision towards impairment of equity investment in 'Synchron Research Services Private Limited' (associate company).
- 14 The results for the quarter ended 31st March, 2022 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2022 and the published unaudited figures for the nine-months ended 31st December, 2021, which were subjected to a limited review.

By Order of the Board
For Unichem Laboratories Limited

Prakash
Amrut Mody

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Prakash Amrut Mody
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Dr. Prakash A. Mody
Chairman & Managing Director
DIN: 00001285

Place: Mumbai
Date: 27th May, 2022

ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)**

₹ Lakhs

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,31,734.16	1,31,734.16
	2.	Total Expenditure	1,29,431.17	1,41,249.79
	3.	Net Profit/(Loss)	3,306.17	(8,512.45)
	4.	Earnings Per Share (Basic)	4.70	(12.09)
	5.	Total Assets	3,31,877.43	3,31,877.43
	6.	Total Liabilities	70,036.33	81,854.95
	7.	Net Worth	2,61,841.10	2,50,022.48
	8.	Any other financial item(s) (as felt appropriate by the management)	No	No
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	<p>On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to Rs. 11,818.62 lakhs) is continued to disclose the matter under contingent liability.</p> <p>On the above matter, the auditors of the Niche have given qualified opinion in their audit report and the statutory auditor of Company have reported the said qualification in their audit report on consolidated financial statement for the year ended 31st March, 2022.</p>			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: appeared for the first time in year ended 31st March, 2022			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Refer para II (a) above for the management comments.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA			

III. **Signatories:**

Dr. Prakash A. Mody (Chairman & MD)

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Mody** Digitally signed by Prakash
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Mr. Sandip Ghume (Deputy CFO)

**Sandip Rajaram
Ghume** Digitally signed by Sandip
Rajaram Ghume
Date: 2022.05.27 14:42:42 +05'30'

Mr. Praful Anubhai (Chairman of Audit Committee)

Praful Anubhai

For N. A. Shah & Associates LLP
Chartered Accountants (FRN: 116560W/W100149)

Mr. Milan Mody (Partner - Statutory Auditors)
Membership No.: 103286

**MILAN NAVIN
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NAVIN MODY
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Place: Mumbai

Date: 27th May, 2022



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Auditor's Report on standalone financial results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
Unichem Laboratories Limited

Report on Standalone Financial Results for the year ended 31st March, 2022

Qualified Opinion

1. We have audited the accompanying statement of standalone financial results ("the Statement") of **Unichem Laboratories Limited** ("the Company") for the year ended 31st March, 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - b) except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the year ended 31st March, 2022.

Basis for Qualified Opinion

3. We draw attention to note 6 of the Statement regarding the EU fine matter and the Company financial exposure of Rs. 12,267.33 lakhs in the subsidiary (Niche Generics Limited, UK) in respect of which, in our view, the Company would need to provide for impairment of exposure of Rs. 12,267.33 lakhs. However, the Company is of the view that such provision for impairment on exposure would be required only in the event of unfavourable outcome of the appeal which itself is uncertain. The impact on the Statement of including the above provision would be that the Company would show total comprehensive loss for the year of Rs. 12,273.09 lakhs and balance in other equity of Rs. 253,528.64 lakhs as at balance sheet date as against the reported figures of total comprehensive loss for the year of Rs. 5.76 lakhs and other equity of Rs. 265,795.97 lakhs.
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Management's responsibility for the Statement

5. The Statement has been prepared on the basis of the standalone annual financial statements.

The Board of Directors of the Company is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the applicable Indian accounting standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

The results for the quarter ended 31st March, 2022 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2022 and the published unaudited figures for the nine-months ended 31st December, 2021, which were subjected to a limited review.

Auditor's responsibilities for the audit of the Statement

6. Our responsibility is to express an opinion on the Statement based on our audit of such annual standalone financial statements.

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Statement of the Company to express an opinion on the Statement.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W / W100149

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Date: 2022.05.27
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Milan Mody

Partner

Membership No.: 103286

UDIN: 22103286AJSSMJ5529

Place: Mumbai

Date: 27th May, 2022


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Auditor's Report on consolidated financial results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To
The Board of Directors
Unichem Laboratories Limited**

Report on Consolidated Financial Results for the year ended 31st March, 2022

Qualified Opinion

1. We have audited the accompanying consolidated financial results of **Unichem Laboratories Limited** ("the Holding Company"), comprising its subsidiaries (the Holding and its subsidiaries collectively referred to as "the Group") and its associate for the year ended 31st March, 2022 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of other auditors referred to in paragraph 7 below on separate financial statements and on other financial information of foreign subsidiaries and an associate, the aforesaid Statement:
 - a) include annual audited financial results of the following subsidiaries:
 - i. Niche Generics Limited, United Kingdom
 - ii. Unichem Pharmaceuticals (USA), Inc., USA
 - iii. Unichem Laboratories Limited, Ireland
 - iv. Unichem SA (Pty) Limited, South Africa
 - v. Unichem Farmaceutica Do Brasil Ltda, Brazil
 - vi. Unichem (China) Pvt. Ltd.
 - b) include annual unaudited financial results of the associate: Synchron Research Services Pvt. Ltd;
 - c) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations, 2015 (as amended) in this regard; and
 - d) except for the effects of the matter described in Basis for Qualified Opinion paragraph below, gives a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India of the total comprehensive income comprising of net profit and other comprehensive income and other financial information of the Group for the year ended 31st March, 2022.

Basis for Qualified Opinion

3. We draw your attention to the following qualification to the audit opinion of the financial statements of Niche Generics Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 20th May, 2022 reproduced by us as under:

"We draw attention to note 18 of the financial statements [of Niche Generics Limited] which sets out the current on-going litigation the subsidiary is facing. Whilst previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, following the hearing in October 2021, and our review of the available documentation, our opinion is that it is more likely than not that the Company will be liable for the Euro 13.96 million fine (worth approximately GBP 11.8 million at the


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

balance sheet date). Accordingly, we believe that this should be provided for in the financial statement. The Directors' opinion is that there remains an inherent uncertainty as to the outcome of the appeal and therefore the directors are of the opinion that no provision should be made at this point in time. The impact on the financial statements of including the provision would be that the Company would show a loss for the year of approximately GBP 12.2 million and have net liabilities of approximately GBP 11.7 million at the balance sheet date."

Accordingly, the impact on the Statement of including the above provision would be that the Holding Company would show consolidated total comprehensive loss for the year of Rs. 3,137.40 lakhs and balance in other equity of Rs. 248,614.36 lakhs as at balance sheet date as against the reported figures of consolidated total comprehensive income for the year of Rs. 8,681.22 lakhs and Other equity of Rs. 260,432.98 lakhs. Also, refer note 6 of the Statement.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group and its associate, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Management's Responsibilities for the Statement

5. The Statement have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation and presentation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

The results for the quarter ended 31st March, 2022 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2022 and the published unaudited figures for the nine-months ended 31st December, 2021, which were subjected to a limited review.

Auditor's Responsibilities for the audit of the Statement

6. Our responsibility is to express an opinion on the Statement based on our audit of such annual consolidated financial statements.

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

7. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 60,378.28 lakhs as at 31st March, 2022, total revenues (including other income) of Rs. 25,258.97 lakhs and Rs. 86,520.66 lakhs and share of total profit after tax amounting to Rs. 1,408.91 lakhs and Rs. 2,894.13 lakhs for the quarter and year ended 31st March, 2022 respectively, and net cash outflow of Rs. 1,089.34 lakhs for the year ended 31st March, 2022, as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) in so far as it relates to aforesaid subsidiaries located outside India is based on the report of other auditors.
8. The Statement also include the Group's share of net loss of Rs. Nil and Rs. 106.10 lakhs for the quarter and year ended 31st March, 2022 respectively, in respect of one associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended), in so far as it relates to aforesaid associate, is based solely on the financial information provided to us by the management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W / W100149

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Date: 2022.05.27
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Milan Mody

Partner

Membership No.: 103286

UDIN: 22103286AJSRGU1942

Place: Mumbai

Date: 27th May, 2022