



UNICHEM
LABORATORIES LTD.

June 19, 2020

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, June 19, 2020:

1. Approved the unaudited financial results (standalone & consolidated) for the quarter ended March 31, 2020.
2. Approved the audited financial results (standalone & consolidated) for the year ended March 31, 2020.
3. Recommended Dividend of Rs.4/-(200%) per equity share of Rs. 2/- each, for the year ended March 31, 2020, subject to approval of shareholders at the ensuing Annual General Meeting.
4. Approved convening the 57th Annual General Meeting (AGM) of the Company on Saturday, August 29, 2020.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, August 24, 2020 to Saturday August 29, 2020 (both days inclusive) for the 57th Annual General Meeting (AGM) and payment of Dividend, if declared, at the forthcoming AGM.
6. The Dividend, if declared at the 57th AGM, shall be paid to the shareholders on Friday, September 4, 2020.



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Enclosed herewith please find:-

- a. Unaudited financial results (Standalone & Consolidated) for the quarter ended March 31, 2020 and Audited (Standalone & Consolidated) for the year ended March 31, 2020 and the Auditors Reports thereon;
- b. Declaration to the effect that the Report of the Auditors is with unmodified opinion with respect to the audited financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2020.

The Board meeting commenced at 11.45 am and concluded at 1:30 p.m.

Kindly take the same on your records.

Thanking you,
FOR UNICHEM LABORATORIES LIMITED

Pradeep Bhandari
Head- Legal & Company Secretary
Encl: a/a



UNICHEM
LABORATORIES LTD.

June 19, 2020

Department of Corporate Services

Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers

Dalal Street,

Mumbai- 400 001

Dear Sirs,

Mr. Hari K

Asst. Vice President - Operations

National Stock Exchange of India Ltd

Exchange Plaza, Bandra – Kurla Complex

Bandra (East), Mumbai – 400 051

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

Sub: Declaration with respect to audit report with unmodified opinion on the unaudited financial results (standalone & consolidated) for the quarter ended March 31, 2020 and audited (standalone & consolidated) for the year ended March 31, 2020.

We hereby declare that unaudited financial results(standalone & consolidated) for the quarter ended March 31, 2020 and the audited financial results (standalone and consolidated) for the year ended March 31, 2020, have been approved by the Board of Directors of the Company at their meeting held today, i.e. Friday, June 19, 2020. The statutory auditors of the Company have not expressed any modified opinion(s) in their audit report.

However, we request you to take note of the Emphasis of Matter paragraph given by the auditors in their report on the standalone and consolidated results, which is as under:

We draw attention to note no. 7 and 8 of the consolidated and standalone statements respectively which informs that the General Court of the European Union had on 12th December, 2018 rejected the appeal and confirmed the fine of Euro 13.96 Million (equivalent to Rs. 11,614.72 lakhs) imposed by the European Commission jointly and severally on the Company and its subsidiary (Niche Generics Limited, UK). 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 European Union and outcome of the appeals are awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. This matter was also reported earlier under 'Emphasis of Matter' paragraph in our report on the standalone and consolidated financial statements for the year ended 31st March, 2019. Our opinion is not modified in respect of above matter."

Kindly take the same on your records.

Thanking you,

FOR UNICHEM LABORATORIES LIMITED

Pradeep Bhandari

Head- Legal & Company Secretary

UNICHEM LABORATORIES LIMITED
CIN: L99999MH1962PLC012451
Statement of standalone unaudited financial results for the quarter & audited financial results for the year ended 31st March, 2020.
₹ Lakhs

Particulars	Quarter ended 31st Mar'20 (Unaudited)	Quarter ended 31st Dec'19 (Unaudited)	Quarter ended 31st Mar'19 (Unaudited)	Year ended 31st Mar'20 (Audited)	Year ended 31st Mar'19 (Audited)
CONTINUING OPERATIONS					
I Revenue from operations	21,607.15	23,119.50	27,708.14	90,488.53	96,773.89
II Other income	1,912.91	2,300.85	2,255.82	9,917.01	10,154.23
III Total income (I+II)	23,520.06	25,420.35	29,963.96	1,00,405.54	1,06,928.12
IV EXPENSES					
Cost of materials consumed (including provisions)	8,631.27	11,092.41	10,405.29	40,020.76	44,317.29
Purchase of stock-in-trade	38.45	8.67	10.71	104.37	20.86
Changes in inventories of finished goods and work-in-progress	(664.67)	(1,474.90)	1,294.26	(1,849.58)	(3,053.94)
Employee benefits expense	5,335.14	5,081.73	4,781.33	20,515.66	17,676.03
Finance costs	58.52	41.84	41.15	128.18	61.71
Impairment loss on financial assets [refer note 4]	-	-	460.59	-	863.42
Depreciation and amortization expense	1,911.23	1,725.71	1,772.22	7,108.96	6,171.25
Other expenses	9,364.59	10,981.83	11,236.65	40,758.37	43,029.52
Total expenses (IV)	24,674.53	27,457.29	30,002.20	1,06,786.72	1,09,086.14
V Profit/(loss) before exceptional items and tax (III- IV)	(1,154.47)	(2,036.94)	(38.24)	(6,381.18)	(2,158.02)
VI Exceptional items	-	-	-	-	-
VII Profit/(loss) before tax (V-VI)	(1,154.47)	(2,036.94)	(38.24)	(6,381.18)	(2,158.02)
VIII Tax expense					
(1) Current tax	-	-	-	-	-
(2) Deferred tax (credit) [Refer note 6]	0.25	-	(407.52)	(749.56)	(2,737.77)
(3) Short / (excess) provision for tax (earlier years) [refer note 5]	-	-	-	-	(124.45)
IX Profit/(loss) for the period from continuing operations (VII-VIII)	(1,154.72)	(2,036.94)	369.28	(5,631.62)	704.20
DISCONTINUED OPERATIONS					
X Discontinued operations					
Profit/(loss) before tax from discontinued operations [refer note 7]	-	-	974.25	-	246.96
Tax on discontinued operations	-	-	349.24	-	71.24
X Profit/(loss) from discontinued operations (after tax)	-	-	625.01	-	175.72
XI Profit/(loss) for the period (IX+X)	(1,154.72)	(2,036.94)	994.29	(5,631.62)	879.92
XII Other Comprehensive Income/(Loss)					
A. (i) Items that will not be reclassified subsequently to profit or loss	443.38	13.42	(31.64)	299.50	(41.41)
(ii) Income tax expense / (credit) relating to items that will not be reclassified to profit or loss	0.25	-	9.87	-	12.92
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)	443.63	13.42	(21.77)	299.50	(28.49)
XIII Total Comprehensive Income for the period (XI+XII)	(711.09)	(2,023.52)	972.52	(5,332.12)	851.43
XIV Paid-up equity share capital (Face value of ₹ 2/- per share)	1,408.12	1,408.12	1,407.67	1,408.12	1,407.67
XV Other Equity (Reserves excluding revaluation reserve)				2,63,310.26	2,71,785.74
XVI Earnings per equity share (for continuing operation) in ₹:					
(1) Basic	(1.65)	(2.89)	0.52	(8.00)	1.00
(2) Diluted	(1.65)	(2.89)	0.52	(8.00)	1.00
XVII Earnings per equity share (for discontinued operation) in ₹:					
(1) Basic	-	-	0.89	-	0.25
(2) Diluted	-	-	0.89	-	0.25
XVIII Earnings per equity share (for discontinued & continuing operation) in ₹:					
(1) Basic	(1.65)	(2.89)	1.41	(8.00)	1.25
(2) Diluted	(1.65)	(2.89)	1.41	(8.00)	1.25

Notes :

- The above standalone financial results for the quarter and year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 19th June, 2020. The statutory auditors have expressed an unqualified audit opinion on these standalone financial results for the year ended 31st March, 2020.
- The above 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. Effective from 1st April, 2019, the Company has adopted Ind AS 116-Leases and this did not have any material impact on the financial results of the Company.
- Operating Segment : The Company has a single reportable segment i.e. 'Pharmaceuticals'.
- Impairment loss on financial assets in standalone financial results include provision for impairment of long-term investments in its subsidiary "Unichem Farmaceutica Do Brazil Ltda" of ₹ Nil for the quarter ended 31st March 2020 (₹ Nil for the quarter ended 31st December 2019, ₹ Nil for the quarter ended 31st March 2019, ₹ Nil for year ended 31st March 2020, ₹ 302.83 lakhs for year ended 31st March 2019).
- Short / excess provision for income tax (net) of earlier years is on account of final tax liability as per returns filed and assessments completed.
- Deferred tax assets is recognised on tax loss (which includes weighted deduction in respect of R&D expenditure and excludes exempt income), unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.
- Profit in discontinued operations for the quarter ended 31st March, 2019 mainly includes reversal of provision for doubtful debts of ₹ 521.83 lakhs and other writebacks.
- 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. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. Based on above, fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 11,614.72 lakhs) is disclosed under contingent liability. The statutory auditors have given Emphasis of Matter in their audit report on standalone and consolidated financial results for the year ended 31st March, 2020.

- 9 In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors. Considering that the Company is in the business of manufacturing and supplying pharmaceutical products which is categorized under essential goods, management believes that the impact of the pandemic may not be significant. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.
- 10 Subsequent to year ended 31st March, 2020, the Company has invested Euro 10,60,000 (equivalent to ₹ 872.06 lakhs) in equity shares of its subsidiary "Unichem Laboratories Ltd., Ireland".
- 11 The Board recommends a final dividend of ₹ 4/- per share (200 %) (face value of ₹ 2/- per share) for the year ended 31st March, 2020. 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%).
- 12 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'20	Quarter ended 31st Dec'19	Quarter ended 31st Mar'19	Year ended 31st Mar'20	Year ended 31st Mar' 19
Total R&D expenditure	3,127.15	4,587.25	3,524.29	15,640.75	15,903.85

- 13 Statement of Standalone Assets and Liabilities:

₹ Lakhs

Particulars	As at 31st Mar,2020	As at 31st Mar,2019
	Audited	Audited
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	79,615.13	78,515.58
(b) Right of use assets	2,878.65	-
(c) Capital work-in-progress	33,083.54	9,025.44
(d) Investment property	359.59	365.90
(e) Other intangible assets	-	-
(f) Financial assets		
(i) Investments	24,917.28	24,169.70
(ii) Loans	7.95	6.39
(iii) Other financial assets	1,003.35	974.19
(g) Other non-current assets	10,176.48	4,655.20
	1,52,041.97	1,17,712.40
Current assets		
(a) Inventories	31,556.80	27,417.85
(b) Financial assets		
(i) Investments	41,910.22	80,075.13
(ii) Trade receivables	32,309.79	33,134.65
(iii) Cash and bank balances		
Cash & cash equivalents	20,307.86	18,865.82
Other bank balances	229.21	236.85
(iv) Loans	4.40	5.71
(v) Other financial assets	1,532.97	2,365.48
(c) Other current assets	22,620.23	23,121.29
	1,50,471.48	1,85,222.78
Non Current Assets held for sale	-	87.19
TOTAL ASSETS	3,02,513.45	3,03,022.37
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,408.12	1,407.67
(b) Other equity	2,63,310.26	2,71,785.74
	2,64,718.38	2,73,193.41
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	148.00	-
(b) Provisions	2,351.21	1,459.90
(c) Deferred tax liabilities (net)	-	749.57
(d) Other long term liabilities	469.21	469.21
	2,968.42	2,678.68
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,521.41	-
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	247.91	258.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,574.25	19,011.33
(iii) Lease liabilities	1.72	-
(iv) Other financial liabilities	7,119.37	3,344.79
(b) Other current liabilities	4,381.19	3,411.06
(c) Provisions	980.80	1,125.06
	34,826.65	27,150.28
TOTAL EQUITY AND LIABILITIES	3,02,513.45	3,03,022.37

14 Statement of Standalone Cash flows:

Particulars	₹ Lakhs	
	Year ended 31st March, 2020 (Audited)	Year ended 31st March, 2019 (Audited)
A. Cash Flow from Operating Activities		
Net Profit/(loss) before tax from continuing operations	(6,381.18)	(2,158.02)
Net Profit/(loss) before tax from discontinued operations	-	246.96
Net Profit/(Loss) before tax	(6,381.18)	(1,911.06)
Adjustments:		
Depreciation / amortisation (including investment property)	7,115.27	6,177.56
Loss / (profit) on sale / discard of property, plant and equipment (net)	187.83	1,027.80
Unrealised exchange difference (net)	(1,263.07)	320.54
Expenses for purchase of investments	-	194.75
Rent income	(44.43)	(190.51)
Guarantee commission income	(93.11)	(252.26)
Finance cost (including interest impact on financial assets / liabilities)	128.18	61.71
Provision for doubtful debts, loans, advances & deposits (net)	(35.25)	(754.39)
Employees compensation expenses (ESOP)	173.61	349.65
Fair value gain on investments (net)	(2,735.30)	(2,711.05)
Interest income	(3,852.96)	(4,490.62)
Excess provision for expenses written back	(39.70)	(205.75)
Impairment loss on financial assets		
- investments in subsidiary	-	302.83
- inter corporate deposits & interest thereon	-	560.59
Dividend income	(157.64)	(1,099.12)
	<u>(616.57)</u>	<u>(708.27)</u>
Operating Profit/(loss) Before Working Capital Changes	(6,997.75)	(2,619.33)
Working capital Adjustments:		
Trade receivables & other assets	3,392.10	(13,798.82)
Inventories	(4,138.95)	(6,642.25)
Trade payable & other liabilities	3,295.83	(1,349.77)
	<u>2,548.98</u>	<u>(21,790.84)</u>
Cash Generated from / (used in) Operations	(4,448.77)	(24,410.17)
Direct taxes refund received (payment made)	264.58	(720.03)
Net Cash Flow from/(used in) Operating Activities A	(4,184.19)	(25,130.20)
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment including Capital WIP	(37,886.89)	(19,181.98)
Proceeds from sale of property, plant and equipment	203.21	276.33
Investments made		
- in subsidiaries (at cost)	(143.73)	(3,851.72)
- others (FVTOCI) [including incidental acquisition expenses]	-	(12,195.37)
Sale / (purchase) of current investment (net)	29,614.92	(2,524.49)
Inter - Corporate deposits (placed) / Matured	-	(500.00)
Rent received (including amount received in advance)	44.43	40.31
(Increase) / decrease in escrow bank accounts	7.64	1,092.79
Interest received	4,443.85	3,482.35
Dividend received	157.64	1,099.12
Net cash flow from / (used in) Investing Activities B	(3,558.93)	(32,262.66)
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	1,425.63	-
Proceeds from employee stock option plan	10.35	21.28
Receipt / (payment) of long term loan from BIRAC	-	(46.94)
Payments of Lease liability	(15.64)	-
Finance cost paid (Incl. interest impact on financial assets / liabilities)	(118.52)	(228.59)
Dividend paid (inclusive of dividend tax)	(3,403.36)	(4,234.58)
Net cash flow from/ (used) in Financing Activities C	(2,101.54)	(4,488.83)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	(9,844.66)	(61,881.69)
Cash and Cash Equivalents at the beginning of the year	18,865.82	66,030.88
Add: Current Investments reclassified as cash and cash equivalents during the year	11,286.70	14,716.63
	<u>30,152.52</u>	<u>80,747.51</u>
Cash and Cash Equivalents at end of the year	20,307.86	18,865.82

Note: The disclosure is an extract of the audited statement of standalone cashflows for the year ended 31st March 2020 and 31st March 2019.

By Order of the Board
For Unichem Laboratories Limited

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

Place: Mumbai
Date: 19th June, 2020

UNICHEM LABORATORIES LIMITED
CIN: L99999MH1962PLC012451
Statement of consolidated unaudited financial results for the quarter & audited financial results for the year ended 31st March, 2020.
₹ Lakhs

Particulars	Quarter ended 31st Mar'20 (Unaudited)	Quarter ended 31st Dec'19 (Unaudited)	Quarter ended 31st Mar'19 (Unaudited)	Year ended 31st Mar'20 (Audited)	Year ended 31st Mar'19 (Audited)
CONTINUING OPERATIONS					
I Revenue from operations	32,022.66	29,705.30	37,490.42	1,21,062.12	1,18,004.68
II Other income	1,182.22	2,509.58	2,071.38	9,131.31	9,841.29
III Total income (I+II)	33,204.88	32,214.88	39,561.80	1,30,193.43	1,27,845.97
IV EXPENSES					
Cost of materials consumed (including provisions)	9,547.48	11,075.83	11,573.25	42,143.46	47,691.79
Purchase of stock-in-trade	38.45	8.67	10.71	104.37	20.86
Changes in inventories of finished goods and work-in-progress	(570.72)	(2,124.95)	(510.71)	(3,575.68)	(3,247.73)
Employee benefits expense	7,486.58	6,599.52	6,684.10	27,327.99	23,852.32
Finance costs	239.47	231.68	422.14	784.72	752.23
Impairment loss on financial assets	-	-	460.59	-	560.59
Depreciation, amortization expense and Impairment loss	2,296.21	1,947.32	1,902.90	8,166.94	6,736.68
Other expenses	14,184.78	15,862.03	16,738.24	60,143.92	57,476.28
Total expenses (IV)	33,222.25	33,600.10	37,281.22	1,35,095.72	1,33,843.02
V Share of profit/(loss) in associate (net of tax)	61.42	45.26	(7.70)	81.27	6.52
VI Profit/(loss) before exceptional items and tax (III- IV+V)	44.05	(1,339.96)	2,272.88	(4,821.02)	(5,990.53)
VII Exceptional items	-	-	-	-	-
VIII Profit/(loss) before tax (VI-VII)	44.05	(1,339.96)	2,272.88	(4,821.02)	(5,990.53)
IX Tax expense					
(1) Current tax	291.71	(8.70)	713.81	547.24	713.83
(2) Deferred tax (credit) [Refer note 5]	1,471.17	128.46	(1,615.06)	649.99	(4,024.15)
(3) Short / (excess) provision for tax (earlier years) [Refer note 4]	-	-	-	-	(124.45)
X Profit/(loss) for the period from continuing operations (VIII-IX)	(1,718.83)	(1,459.72)	3,174.13	(6,018.25)	(2,555.76)
DISCONTINUED OPERATIONS					
XI Discontinued operations					
Profit/(loss) before tax from discontinued operations [refer note 6]	-	-	974.25	-	246.96
Tax on discontinued operations	-	-	349.24	-	71.24
Profit/(loss) from discontinued operations (after tax)	-	-	625.01	-	175.72
XII Profit/(loss) for the period (X+XI)	(1,718.83)	(1,459.72)	3,799.14	(6,018.25)	(2,380.04)
XIII Other Comprehensive Income/(Loss)					
A. (i) Items that will not be reclassified subsequently to profit or loss	443.38	13.42	(31.64)	299.50	(41.41)
(ii) Income tax expense / (credit) relating to items that will not be reclassified to profit or loss	0.25	-	9.87	-	12.92
B. (i) Items that will be reclassified to profit or loss	201.51	(223.82)	(104.53)	6.14	215.46
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	645.14	(210.40)	(126.30)	305.64	186.97
XIV Total Comprehensive Income for the period (XII+XIII)	(1,073.69)	(1,670.12)	3,672.84	(5,712.61)	(2,193.07)
XV Paid-up equity share capital (Face value of ₹ 2/- per share)	1,408.12	1,408.12	1,407.67	1,408.12	1,407.67
XVI Other equity (Reserves excluding revaluation reserve)	-	-	-	2,51,727.05	2,60,583.02
XVII Earnings per equity share (for continuing operation) in ₹:					
(1) Basic	(2.44)	(2.07)	4.51	(8.55)	(3.63)
(2) Diluted	(2.44)	(2.07)	4.51	(8.55)	(3.63)
XVIII Earnings per equity share (for discontinued operation) in ₹:					
(1) Basic	-	-	0.89	-	0.25
(2) Diluted	-	-	0.89	-	0.25
XIX Earnings per equity share (for discontinued & continuing operation) in ₹:					
(1) Basic	(2.44)	(2.07)	5.39	(8.55)	(3.38)
(2) Diluted	(2.44)	(2.07)	5.40	(8.55)	(3.38)

Notes :

- The above consolidated financial results for the quarter and year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 19th June, 2020. The statutory auditors have expressed an unqualified audit opinion on these consolidated financial results for the year ended 31st March, 2020.
- The above 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. Effective from 1st April, 2019, the Company has adopted Ind AS 116-Leases and this did not have any material impact on the financial results of the Company.
- Operating Segment : The Company has a single reportable segment i.e. 'Pharmaceuticals'.
- Short / excess provision for income tax (net) of earlier years is on account of final tax liability as per returns filed and assessments completed.
- Deferred tax assets is recognised on tax loss (which includes weighted deduction in respect of R&D expenditure and excludes exempt income), unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.
- Profit in discontinued operations for the quarter ended 31st March, 2019 mainly includes reversal of provision for doubtful debts of ₹ 521.83 lakhs and other writebacks.
- 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. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. Based on above, fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 11,614.72 lakhs) is disclosed under contingent liability. The statutory auditors have given Emphasis of Matter in their audit report on standalone and consolidated financial results for the year ended 31st March, 2020.

8 In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The Company (including subsidiaries) have adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors. Considering that the Company is in the business of manufacturing and supplying pharmaceutical products which is categorized under essential goods, management believes that the impact of the pandemic may not be significant. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

9 The Board recommends a final dividend of ₹ 4/- per share (200 %) (face value of ₹ 2/- per share) for the year ended 31st March, 2020. 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%).

10 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'20	Quarter ended 31st Dec'19	Quarter ended 31st Mar'19	Year ended 31st Mar'20	Year ended 31st Mar' 19
Total R&D expenditure	3,127.15	4,587.25	3,524.29	15,640.75	15,903.85

11 Statement of Consolidated Assets and Liabilities:

Particulars	₹ Lakhs	
	As at 31st Mar,2020	As at 31st Mar,2019
	Audited	Audited
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	81,519.78	80,449.82
(b) Right of use assets	4,931.39	-
(c) Capital work-in-progress	33,046.97	9,238.89
(d) Investment property	359.60	365.91
(e) Goodwill	154.51	154.51
(f) Other intangible assets	-	24.55
(g) Investment accounted for using the equity method	627.48	546.21
(h) Financial assets		
(i) Investments	12,450.82	12,008.12
(ii) Loans	7.95	6.39
(iii) Other financial assets	1,003.35	974.19
(i) Deferred tax assets (net)	293.75	1,668.45
(j) Other non-current assets	11,431.37	5,595.50
	1,45,826.97	1,11,032.54
Current assets		
(a) Inventories	39,654.10	33,866.46
(b) Financial assets		
(i) Investments	41,910.22	80,075.13
(ii) Trade receivables	39,013.99	43,604.89
(iii) Cash and bank balances		
Cash & cash equivalents	22,621.99	19,704.67
Other bank balances	759.06	394.26
(iv) Loans	4.40	5.71
(v) Other financial assets	1,532.97	2,365.48
(c) Other current assets	23,149.89	23,824.82
	1,68,646.62	2,03,841.42
Non current assets held for sale	-	87.19
TOTAL ASSETS	3,14,473.59	3,14,961.15
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,408.12	1,407.67
(b) Other equity	2,51,727.05	2,60,583.02
	2,53,135.17	2,61,990.69
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	1,845.35	-
(b) Provisions	2,351.21	1,459.90
(c) Deferred tax liabilities (net)	-	749.57
(d) Other long term liabilities	469.21	469.21
	4,665.77	2,678.68
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,403.36	19,966.55
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	247.91	258.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,773.69	21,882.49
(iii) Lease liabilities	402.06	-
(iv) Other financial liabilities	7,270.29	3,371.17
(b) Other current liabilities	4,531.48	3,474.26
(c) Provisions	980.80	1,125.06
(d) Current tax liabilities (net)	63.06	214.21
	56,672.65	50,291.78
TOTAL EQUITY AND LIABILITIES	3,14,473.59	3,14,961.15

₹ Lakhs

Particulars	Year ended 31st March, 2020 (Audited)	Year ended 31st March, 2019 (Audited)
A. Cash Flow from Operating Activities		
Net Profit/(loss) before tax from continuing operations	(4,821.02)	(5,990.53)
Net Profit/(loss) before tax from discontinued operations	-	246.96
Net Profit/(Loss) before tax	(4,821.02)	(5,743.57)
Adjustments:		
Depreciation / amortisation (including investment property) and Impairment loss	8,172.20	6,742.99
Loss / (profit) on sale / discard of property, plant and equipment (net)	185.73	1,027.80
Unrealised exchange difference (net)	(548.92)	404.34
Expenses for purchase of investments	-	194.75
Rent income	(38.12)	(190.52)
Share of (profit) / loss from associate	(81.27)	(6.52)
Finance cost (including interest impact on financial assets / liabilities)	784.72	752.23
Provision for doubtful debts, loans ,advances & deposits (net)	(35.25)	(685.72)
Employees compensation expenses (ESOP)	241.66	393.84
Fair value gain on investments (net)	(2,735.30)	(2,711.05)
Interest income	(3,869.15)	(4,497.85)
Excess provision for expenses written back	(39.70)	(205.75)
Impairment loss on financial assets [inter corporate deposits & interest thereon]	-	560.59
Dividend income	(157.64)	(1,099.12)
	1,878.96	680.01
Operating Profit/(loss) Before Working Capital Changes	(2,942.06)	(5,063.56)
Working capital Adjustments:		
Trade receivables & other assets	6,309.42	(19,788.94)
Inventories	(5,787.64)	(6,580.02)
Trade payable & other liabilities	4,835.74	(124.79)
	5,357.52	(26,493.75)
Cash Generated from / (used in) Operations	2,415.46	(31,557.31)
Direct taxes refund received (payment made)	(433.81)	(1,219.65)
Net Cash Flow from/(used in) Operating Activities A	1,981.65	(32,776.96)
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment including Capital WIP	(38,615.20)	(19,430.72)
Proceeds from sale of property, plant and equipment	588.20	276.33
Investments made -others (FVTOCI) [including incidental acquisition expenses]	-	(12,195.37)
Sale / (purchase) of current investment (net)	29,614.92	(2,524.49)
Inter - Corporate deposits (placed)/ Matured	-	(500.00)
Rent received (including amount received in advance)	38.12	40.31
(Increase) / decrease in escrow bank accounts	(364.80)	1,144.48
Interest received	4,460.04	3,489.58
Dividend received	157.64	1,099.12
Net cash flow from / (used in) Investing Activities B	(4,121.08)	(28,600.76)
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	(1,658.98)	4,937.83
Proceeds from employee stock option plan	10.35	21.28
Payments of Lease liabilities	(470.62)	-
Receipt / (payment) of long term loan from BIRAC	-	(46.94)
Finance cost paid (Incl. interest impact on financial assets / liabilities)	(707.34)	(919.11)
Dividend paid (inclusive of dividend tax)	(3,403.36)	(4,234.58)
Net cash flow from/(used) in Financing Activities C	(6,229.95)	(241.52)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	(8,369.38)	(61,619.24)
Cash and Cash Equivalents at the beginning of the year	19,704.67	66,607.28
Add: Current Investments reclassified as cash and cash equivalents during the year	11,286.70	14,716.63
Cash and Cash Equivalents at end of the year	30,991.37	81,323.91
	22,621.99	19,704.67

Note: The disclosure is an extract of the audited statement of consolidated cashflows for the year ended 31st March 2020 and 31st March 2019.

13 The consolidated figures for the corresponding quarter ended 31st March 2019 are approved by the Board of Directors and have not been subjected to Limited review by the auditors.

By Order of the Board
For Unichem Laboratories Limited

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

Place: Mumbai
Date: 19th June, 2020



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, 2020

1. Opinion

We have audited the accompanying Statement of standalone financial results ("the Statement") of **Unichem Laboratories Limited** ("the Company") for the year ended 31st March, 2020, 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").

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) give 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, 2020.

2. Basis for Opinion

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 Standalone Financial Results 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 opinion

3. Emphasis of matter

We draw attention to note 8 of the Statement, which informs that the General Court of the European Union had on 12th December, 2018 rejected the appeal and confirmed the fine of Euro 13.96 Million (equivalent to Rs. 11,614.72 lakhs) imposed by the European Commission jointly and severally on the Company and its subsidiary (Niche Generics Limited, UK). 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 European Union and outcome of the appeals are awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. This matter was also reported earlier under 'Emphasis of Matter' paragraph in our report on the standalone and consolidated financial statements for the year ended 31st March, 2019. Our opinion is not modified in respect of above matter.



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)

4. Management's responsibility for the Statement

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are 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 are 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 are also responsible for overseeing the Company's financial reporting process.

The results for the quarter ended 31st March, 2020 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2020 and the published unaudited figures for the nine-months ended 31st December, 2019, which were subjected to a limited review.

5. Auditor's responsibility

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

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)

- 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 Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Standalone Financial Results.

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 number: 116560W / W100149

M. V. Mody

Milan Mody

Partner

Membership number: 103286-

UDIN: 20103286AAAABS6155

Place: Mumbai

Date: 19th June, 2020



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 year ended 31st March, 2020

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, 2020 ("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").

Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31st March, 2019, as reported in these financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.

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, these consolidated financial results:
 - a) includes 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, incorporated on 27th June, 2019.
 - b) includes 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) give 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 loss and other comprehensive income and other financial information of the Group for the year ended 31st March, 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* 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 consolidated financial statements under the provisions of the



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)

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 opinion

Emphasis of Matter

4. We draw attention to note 7 of notes to the Statement, which informs that the General Court of the European Union has on 12th December, 2018 rejected the appeal and confirmed the fine of Euro 13.96 Million (equivalent to Rs. 11,614.72 lakhs) imposed by the European Commission jointly and severally on the Holding Company and its subsidiary (Niche Generics Limited, UK). The Holding 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 European Union and outcome of the appeals is awaited. This matter was reported under 'Emphasis of Matter' paragraph in auditor's report for the standalone and consolidated financial statement for the year ended 31st March, 2019. Our opinion is not modified in respect of above matter.

Management's Responsibility for Consolidated Financial Results

5. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss 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 of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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, 2020 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2020 and the published unaudited figures for the nine-months ended 31st December, 2019, which were subjected to a limited review.



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)

Auditors Responsibility

6. Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 these consolidated financial results.

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 consolidated financial results, 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 consolidated 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results 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 consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, 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.



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)

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results 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 Consolidated Financial Results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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. 48,676.90 lakhs as at 31st March, 2020, total revenues (including other income) of Rs. 22,209.93 lakhs and Rs. 83,884.88 lakhs and share of total loss after tax amounting to Rs. 712.83 lakhs and Rs. 187.84 lakhs for the quarter and year ended 31st March, 2020 respectively, and net cash inflow of Rs. 1,354.96 lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, 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 consolidated financial statements also include the Group's share of net profit of Rs. 61.42 lakhs and Rs. 81.27 lakhs for the quarter and year ended 31st March 2020, 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 consolidated financial results, 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 are solely based on the information provided 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 Registration No.116560W / W100149



Milan Mody

Partner

Membership No. 103286

UDIN: 20103286AAAABT2275

Place: Mumbai

Date: 19th June, 2020

