



**Registered & Corporate Office :** Unichem Bhavan, Prabhat Estate, S. V. Road, Jogeshwari (West), Mumbai-400102, INDIA.

May 29, 2018

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 held on May 29, 2018**

We would like to inform you that Board of Directors at its Meeting held today, i.e. Tuesday, May 29, 2018:

1. Approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018.
2. Recommended Dividend of Rs. 5/- (250%) per equity share of Rs. 2/- each, for the year ended March 31, 2018, subject to approval of Shareholders at the ensuing Annual General Meeting.
3. Approved convening the 55<sup>th</sup> Annual General Meeting (AGM) of the Company on Saturday, July 28, 2018.
4. Approved closure of the Register of Members and Share Transfer Books of the Company from Monday, July 23, 2018 to Saturday, July 28, 2018 (both days inclusive) for the purpose of AGM and payment of dividend, if declared, by the Shareholders.
5. Approved the resignation of Mr. Ramdas Gandhi, Independent Director of the Company with effect from the close of working hours on May 29, 2018, due to his advanced age.
6. Approved the re-appointment of Dr. Prakash A. Mody as the Chairman & Managing Director of the Company for a term of five years with effect from July 1, 2018 upto June 30, 2023, subject to the approval of the Shareholders at the ensuing AGM and approval of Central Government, if required.
7. Approved the re-appointment of Mr. Prafull Anubhai, Mr. Prafull Sheth and Mr. Anand Mahajan as Independent Directors of the Company for a second term of five years with



**UNICHEM**  
**LABORATORIES LTD.**

Fax No : 91 (22) 2678 4391 / 5198  
Tel. No. : 91 (22) 66888333  
Website : <http://www.unichemlabs.com>  
CIN : L99999MH1962PLC012451.

**Registered & Corporate Office** : Unichem Bhavan, Prabhat Estate, S. V. Road, Jogeshwari (West), Mumbai-400102, INDIA.

effect from April 1, 2019 upto March 31, 2024, subject to the approval of Shareholders at the ensuing AGM.

8. The Dividend, if declared at the 55<sup>th</sup> AGM, shall be paid to the shareholders on or before August 3, 2018.

Enclosed herewith please find:-

- a. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018 and the Auditors Reports thereon;
- b. The Report of the Auditors with unmodified opinion with respect to the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018. Declaration to that effect is also enclosed herewith.

The Board meeting commenced at 11.30 am and concluded at 1:30 p.m.

Kindly take the same on your records.

Thanking you,  
**FOR UNICHEM LABORATORIES LIMITED**

*Neema Thakore*

Neema Thakore  
Head- Legal & Company Secretary  
Encl: a/a



May 29, 2018

The Corporate Relationship Dept.  
BSE Limited  
1<sup>st</sup> Floor, P.J.Towers  
Dalal Street, Fort  
Mumbai - 400 001

The Manager  
Listing Dept.  
The National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051

Dear Sirs,

**Sub: Declaration with respect to Audit report with unmodified opinion to the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018**

We hereby declare that Audited Financial Results(Standalone and consolidated) for the quarter and year ended March 31, 2018, have been approved by the Board of Directors of the Company at their meeting held today, i.e. May 29, 2018. 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 auditor in their report on consolidated financial statements as under:

"We draw attention to note 13 to the Statement, which describes the uncertainty related to outcome of appeal against fine imposed by European Commission jointly and severally on the Holding Company and its subsidiary (Niche Generics Limited, UK) amounting to Euro 13.97 Million (equivalent to Rs.11,267.85 lakhs). This point was also reported under 'Emphasis of Matter' paragraph by erstwhile auditor in the previous year for consolidated financial statement. Our opinion is not modified in respect of above matter."



**UNICHEM**  
**LABORATORIES LTD.**

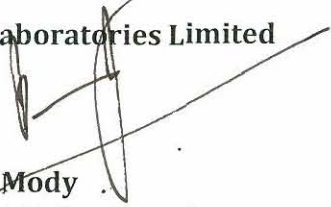
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The note on the above matter first appeared in the Limited Review Report issued by the erstwhile auditor on the Statement of Unaudited Financial Results for the Quarter ended June 30, 2014 and Independent Auditor's Report issued by erstwhile auditor on the Audited Consolidated Financial Statements for the year ended March 31, 2015, March 31, 2016 and March 31, 2017. The Current Auditors have reported the above matter in their audit report for condensed consolidated financial statements for the nine-months ended December 31, 2017.

The above declaration is made in pursuant to Regulation 33 (3) (d) of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Unichem Laboratories Limited**

  
**Dr. Prakash A. Mody**  
**Chairman & Managing Director**

UNICHEM LABORATORIES LIMITED

CIN: L99999MH1962PLC012451

Statement of Audited Results for the quarter and year ended 31st March, 2018.

₹ Lakhs

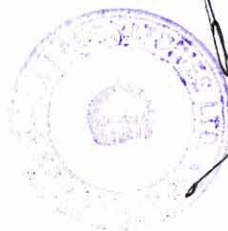
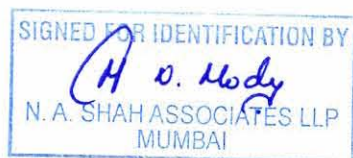
Particulars	Standalone (Audited)					Consolidated (Audited)	
	Quarter ended 31st March'18	Quarter ended 31st Dec.'17	Quarter ended 31st March'17	Year ended 31st March'18	Year ended 31st March' 17	Year ended 31st March' 18	Year ended 31st March'17
<b>CONTINUING OPERATIONS</b>							
I Revenue from operations (inclusive of excise duty-refer note 7 below)	20,510.72	16,021.40	15,491.66	66,973.05	57,702.28	81,839.69	69,866.67
II Other Income	4,542.99	560.71	(19.10)	6,288.60	719.25	6,100.62	550.39
III Total Income (I+II)	25,053.71	16,582.11	15,472.56	73,261.65	58,421.53	87,940.31	70,417.06
<b>IV EXPENSES</b>							
Cost of materials consumed	9,520.06	8,484.87	11,626.54	34,598.21	25,623.05	38,772.89	26,242.32
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1,401.26	(106.58)	(4,974.19)	470.21	(667.85)	(2,948.21)	(324.98)
Excise duty on sale of goods	-	-	38.20	39.34	95.26	39.34	95.26
Employee benefits expense	3,606.39	3,816.09	2,802.82	14,653.63	11,768.07	20,064.22	16,903.78
Finance costs	51.19	93.02	35.59	316.69	199.76	800.76	335.86
Depreciation and amortization expense	1,275.34	1,152.74	997.46	4,504.12	3,941.13	5,050.84	4,351.63
Other expenses (refer note 5 below)	8,581.92	9,224.47	7,067.58	30,834.49	26,685.57	39,113.70	31,089.63
Total expenses (IV)	24,436.16	22,664.61	17,594.00	85,416.69	67,644.99	100,893.54	78,693.50
V Share of profit/(loss) in associate	-	-	-	-	-	(22.32)	18.75
VI Profit/(loss) before exceptional items and tax (III- IV+V)	617.55	(6,082.50)	(2,121.44)	(12,155.04)	(9,223.46)	(12,975.55)	(8,257.69)
VII Exceptional items	-	-	-	-	-	-	-
VIII Profit/(loss) before tax ( VI-VII)	617.55	(6,082.50)	(2,121.44)	(12,155.04)	(9,223.46)	(12,975.55)	(8,257.69)
IX Tax expense							
(1) Current tax (set off against tax on discontinued operations)	-	590.94	(409.61)	-	(1,408.08)	115.26	(1,365.94)
(2) Deferred tax	397.88	(901.37)	(1,198.29)	1,257.90	(262.25)	1,490.95	180.59
(3) Short / (excess) provision for tax (earlier years) (refer note 6 below.)	(60.78)	24.66	-	(1,271.99)	-	(1,271.99)	-
X Profit/(loss) for the period from continuing Operations (VIII-IX)	280.45	(5,796.73)	(513.54)	(12,140.95)	(7,553.13)	(13,309.77)	(7,072.34)
<b>DISCONTINUED OPERATIONS</b>							
XI Discontinued Operations (refer note 3 below)							
A. Profit/(loss) before tax from discontinued operations (refer note 9 below.)	229.13	2,055.77	4,426.85	15,358.12	22,383.15	15,358.12	22,383.15
B. Gain on sale of identified business (net)	-	321,731.05	-	321,731.05	-	321,731.05	-
Profit/(Loss) for the period from discontinued operations(A+B)	229.13	323,786.82	4,426.85	337,089.17	22,383.15	337,089.17	22,383.15
Tax on discontinued operations (refer note 8 below)	284.83	67,286.99	766.87	69,288.37	4,443.30	69,288.37	4,443.30
XI Profit/(loss) from discontinued operations (after tax)	(55.70)	256,499.83	3,659.98	267,800.80	17,939.85	267,800.80	17,939.85
XII Profit/(loss) for the period (X+XI)	224.75	250,703.10	3,146.44	255,659.85	10,386.72	254,491.03	10,867.51
XIII Other Comprehensive Income/(Loss)							
A. (i) Items that will not be reclassified subsequently to profit or loss	(104.53)	(75.55)	(234.37)	(180.08)	(280.53)	(180.08)	(280.53)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	131.00	-	157.00	-	157.00
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	(278.55)	90.38
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	(104.53)	(75.55)	(103.37)	(180.08)	(123.53)	(458.63)	(33.15)
XIV Total Comprehensive Income for the period (XII+XIII)	120.22	250,627.55	3,043.07	255,479.77	10,263.19	254,032.40	10,834.36
XV Paid-up equity share capital (Face value of ₹ 2/- per share)	1,406.74	1,818.72	1,817.53	1,406.74	1,817.53	1,406.74	1,817.53
XVI Other Equity ( Reserves excluding revaluation reserve)				274,759.86	111,255.27	266,601.64	104,544.42
XVII Earnings per equity share (for continuing operation) in ₹:							
(1) Basic	0.31	(6.38)	(0.57)	(13.39)	(8.31)	(14.67)	(7.78)
(2) Diluted	0.31	(6.37)	(0.56)	(13.38)	(8.30)	(14.67)	(7.77)
XVIII Earnings per equity share (for discontinued operation) in ₹:							
(1) Basic	(0.06)	282.12	4.03	295.27	19.74	295.27	19.74
(2) Diluted	(0.06)	281.80	4.02	295.08	19.71	295.08	19.71
XIX Earnings per equity share (for discontinued & continuing operation) in ₹:							
(1) Basic	0.25	275.74	3.46	281.88	11.43	280.60	11.96
(2) Diluted	0.25	275.43	3.46	281.70	11.41	280.41	11.94

SIGNED FOR IDENTIFICATION BY  
  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI



## Notes :

- 1 The audited standalone financial results for the quarter and year ended 31st March, 2018 and audited consolidated financial results for the year ended 31st March 2018 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 29th May, 2018. The statutory auditors have expressed an unqualified audit opinion on these standalone and consolidated financial results.
- 2 The above audited standalone and 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 prescribed under Section 133 of the Companies Act, 2013.
- 3 During the quarter ended 31st December 2017, based on the approval obtained from the Shareholders, the Company has transferred its business of manufacture, sale, marketing and distribution of domestic formulations in India and Nepal ("Identified Business") by way of slump sale on going concern basis to Torrent Pharmaceuticals Limited ("Torrent"). Identified Business includes portfolio of several brands in India and Nepal, manufacturing facility at Sikkim and employees performing work in relation to said business. Gain on sale of Identified Business (net) amounting to ₹ 321,731.05 lakhs has been recognised and disclosed under discontinued operations in the above results [Refer Serial no. XI (B) above]. Pursuant to the above transfer of Identified Business and gain on such transfer of Identified Business, previous period / year figures are regrouped into continuing & discontinued operations and the financial results of discontinued operations for the quarter ended 31st December, 2017 (in respect of standalone financial results) and year ended 31st March 2018 are not comparable with previous periods.
- 4 Operating Segment : The Company has a single reportable segment i.e. 'Pharmaceuticals'.
- 5 Other expenses (continuing operations) in standalone financial results include provision for impairment of long-term investments in Unichem Farmaceutica Do Brazil Ltda of ₹ Nil for the quarter ended 31st March, 2018 (₹ 318.38 lakhs for the quarter ended 31st December, 2017, ₹ 576.30 lakhs for the quarter ended 31st March, 2017, ₹ 511.71 lakhs for the year ended 31st March, 2018 and ₹ 2,690.78 lakhs for the year ended 31st March, 2017).
- 6 Short / excess provision for income tax (net) of earlier years is on account of reworking the provision for tax in respect of earlier years on the basis of acceptance of the Company's view in computation of tax liability under u/s 115JB (MAT) of the Income tax Act, 1961 as per assessment order passed by the tax authority.
- 7 Revenue for periods reported upto 30th June, 2017 are inclusive of excise duty. As per Ind AS 18 "Revenue", the revenue is reported net of GST after 30th June, 2017. Accordingly, the revenue for the current periods are not strictly comparable to the preceding periods.
- 8 Tax on discontinued operations for the year ended 31st March, 2018 is net of MAT credit for earlier years recognised to the extent of utilisation.
- 9 During the quarter ended 31st March, 2018, capital investment subsidy of ₹ 229.13 lakhs is recognised based on the certainty of realization. This subsidy is in respect of investment made in capital assets during year 2009-10, in regard to manufacturing facility at Sikkim.
- 10 During the quarter ended 31st March, 2018, the Company has concluded the buyback of 20,600,000 equity shares aggregating 22.65% of the paid-up equity share capital of the Company at a price of ₹ 430 per equity share. The Company has funded the buyback from its securities premium account, general reserve and retained earnings. Further, capital redemption reserve of ₹ 412.00 lakhs representing the nominal value of the shares bought back has been created as an appropriation from retained earnings. Transaction costs related to buyback are adjusted against retained earnings (net of tax).
- 11 The Board recommends a final dividend of ₹ 5/- per share (250%) (face value of ₹ 2/- per share) for the year ended 31st March, 2018. 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 ₹ 3 per share (150%).
- 12 Director's remuneration for the year 2017-2018 is within the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013. The amount in excess of the limits is reversed and recovered from the Director in the quarter ended 31st March 2018 based on the profit for the year.
- 13 The Company and its Subsidiary (Niche Generics Limited, UK) have submitted appeal in September 2014 against the European Commission (EU) decision to impose an unjustified fine of Euro 13.97 million (equivalent to ₹ 11,267.85 lakhs) in respect of breach of EU competition law. The management is of the view that since there is no wrong doing on the part of the Company and the Subsidiary, appropriate relief would be granted by the EU General Court. The statutory auditors have given Emphasis of Matter in their audit report on consolidated financial results for the year ended 31st March 2018.



Particulars	Standalone		Consolidated	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	55,111.92	46,417.02	57,244.41	48,402.71
(b) Capital work-in-progress	23,553.08	24,725.96	23,815.05	24,997.55
(c) Investment property	372.22	378.53	372.22	378.53
(d) Goodwill	-	-	154.51	154.51
(e) Other intangible assets	-	-	46.10	164.33
(f) Financial assets				
(i) Investments	8,324.83	8,137.10	548.27	572.49
(ii) Loans	6.94	8.59	6.94	8.59
(iii) Other financial assets	940.58	1,258.55	940.58	1,258.55
(g) Deferred tax assets (net)	-	-	360.53	591.30
(h) Other non-current assets	1,246.34	643.41	2,231.22	1,289.98
	<b>89,555.91</b>	<b>81,569.16</b>	<b>85,719.83</b>	<b>77,818.54</b>
<b>Current assets</b>				
(a) Inventories	20,775.60	25,398.41	27,286.44	28,171.09
(b) Financial assets				
(i) Investments	89,555.14	800.24	89,555.14	800.23
(ii) Trade receivables	22,704.98	29,649.22	27,222.35	31,531.55
(iii) Cash and bank balances				
Cash & cash equivalents	66,064.03	777.39	66,640.43	1,120.91
Other bank balances	1,296.49	238.64	1,505.59	492.86
(iv) Loans	5.34	8.58	5.34	8.58
(v) Other financial assets	2,925.00	249.46	2,925.00	249.47
(c) Other current assets	17,409.21	11,602.94	18,037.25	12,471.30
	<b>220,735.79</b>	<b>68,724.88</b>	<b>233,177.54</b>	<b>74,845.99</b>
<b>TOTAL ASSETS</b>	<b>310,291.70</b>	<b>150,294.04</b>	<b>318,897.37</b>	<b>152,664.53</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	1,406.74	1,817.53	1,406.74	1,817.53
(b) Other equity	274,759.86	111,255.27	266,601.64	104,544.42
	<b>276,166.60</b>	<b>113,072.80</b>	<b>268,008.38</b>	<b>106,361.95</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	32.68	43.77	32.68	43.77
(ii) Other financial liabilities	-	2,014.59	-	2,014.59
(b) Provisions	1,075.90	2,532.61	1,075.90	2,532.61
(c) Deferred tax liabilities (net)	3,429.01	2,449.51	3,429.01	2,449.51
	<b>4,537.59</b>	<b>7,040.48</b>	<b>4,537.59</b>	<b>7,040.48</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	-	55.14	15,028.72	9,762.20
(ii) Trade payables	21,150.94	22,827.58	22,623.49	21,073.42
(iii) Other financial liabilities	4,164.87	4,436.52	4,201.88	5,275.18
(b) Other current liabilities	1,875.18	1,236.33	2,100.79	1,526.11
(c) Provisions	1,935.27	1,457.39	1,935.27	1,457.39
(d) Current tax liabilities (net)	461.25	167.80	461.25	167.80
	<b>29,587.51</b>	<b>30,180.76</b>	<b>46,351.40</b>	<b>39,262.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>310,291.70</b>	<b>150,294.04</b>	<b>318,897.37</b>	<b>152,664.53</b>

15 In respect of standalone financial results, figures for the quarter ended 31st March, 2018 are the balancing figures between the audited figures for the year ended 31st March, 2018 and the published year to date audited figures for the nine months ended 31st December, 2017.



By Order of the Board  
For Unichem Laboratories Limited

Dr. Prakash A. Mody  
Chairman & Managing Director  
DIN No.: 00001285

Place: Mumbai  
Date: 29th May, 2018

SIGNED FOR IDENTIFICATION BY  
*N. A. Shah*  
N. A. SHAH ASSOCIATES LLP  
MUMBAI

Report on quarterly and year to date 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 quarterly & year to date standalone financial results**

1. We have audited the accompanying standalone financial results ('the Statement') of **Unichem Laboratories Limited ('the Company')** for the quarter and year ended 31<sup>st</sup> March 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 which has been initialed by us for identification purpose.

**2. Management's Responsibility**

The Statement is the responsibility of the Company's Management and has been approved by the Board of directors. The Statement have been prepared on the basis of the audited standalone financial results for the nine-month period ended 31<sup>st</sup> December, 2017 and the audited annual standalone financial statements for the year ended 31<sup>st</sup> March, 2018 which have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

**3. Auditor's Responsibility**

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

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.





# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Report on quarterly and year to date standalone financial results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) – (continued)

## 4. Opinion

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) in this regard; and (b) give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India of the net profit (financial performance including other comprehensive income) and other financial information for the quarter and year ended 31<sup>st</sup> March 2018.

## 5. Other matters

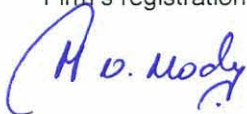
- a) The figures for the quarter and year ended 31<sup>st</sup> March 2017 are based on the quarterly Statements and annual financial statements that were audited by the erstwhile auditors whose report dated 30<sup>th</sup> May, 2017 expressed unmodified opinion.
- b) As mentioned in note 3 of the Statement for the quarter and year ended 31<sup>st</sup> March 2018, during the quarter ended 31<sup>st</sup> December 2017, the Company has transferred its domestic formulation business in India and Nepal (i.e. discontinued operations) to Torrent Pharmaceuticals Limited. Accordingly the previous period / year figures are regrouped into continuing and discontinued operations. These regrouped previous period / year figures are prepared and certified by the Management.
- c) The figures for the quarter ended 31<sup>st</sup> March 2018 are the balancing figures between audited figures for the year ended 31<sup>st</sup> March 2018 and the published year-to-date audited figures up to 31<sup>st</sup> December 2017.

Our opinion is not qualified in regard to above matters.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm's registration number: 116560W/W100149



**Milan Mody**

Partner

Membership number: 103286



Place: Mumbai

Date: 29<sup>th</sup> May, 2018

Auditor's Report on consolidated year to date 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 31<sup>st</sup> March 2018**

1. We have audited the 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 31<sup>st</sup> March 2018 ("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 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 which has been initialed by us for identification purpose.

**2. Management's Responsibility for Consolidated Financial Results**

The Statement is the responsibility of the Company's Management and has been approved by the Board of directors. The Statement have been prepared on the basis of the audited annual consolidated financial statements for the year ended 31<sup>st</sup> March, 2018 which have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

**3. Auditors Responsibility**

Our responsibility is to express an opinion on the Statement prepared on the basis of the audited annual consolidated financial statements for the year ended 31<sup>st</sup> March 2018.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

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

## 4. Opinion

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 6 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

(b) includes annual unaudited financial results of the following associate:

- i. Synchron Research Services Pvt. Ltd.

(c) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 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 net profit (Financial performance including other comprehensive income) and other financial information for the year ended 31<sup>st</sup> March 2018.

## 5. Emphasis of Matter

We draw attention to note 13 to the Statement, which describes the uncertainty related to outcome of appeal against fine imposed by European Commission jointly and severally on the Holding Company and its subsidiary (Niche Generics Limited, UK) amounting to Euro 13.97 Million (equivalent to Rs. 11,267.85 lakhs). This point was also reported under 'Emphasis of Matter' paragraph by erstwhile auditor in the previous year for consolidated financial statement. Our opinion is not modified in respect of above matter.

## 6. Other Matters

(a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs 30,123.02 lakhs and total net liabilities of Rs. 1,930.09 lakhs as at 31<sup>st</sup> March, 2018, total revenues (including other income) of Rs. 47,932.31 lakhs and net cash inflow amounting to Rs. 167.62 lakhs for the year ended on that date, 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 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, in so far as it relates to aforesaid subsidiaries located outside India is based on the report of other auditors.



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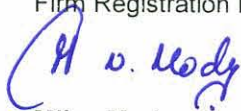
Auditor's Report on consolidated year to date results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued)

- (b) The consolidated financial statements also include the Group's share of net loss of Rs. 22.32 lakhs for the year ended 31<sup>st</sup> March 2018, as considered in the consolidated financial statements, 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 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, 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.
- (c) The figures for the year ended 31<sup>st</sup> March 2017 are based on the annual consolidated financial statements that were audited by the erstwhile auditors whose report dated 30<sup>th</sup> May, 2017 expressed unmodified opinion.
- (d) As mentioned in note 3 to the statement, during the year the Holding Company has transferred its domestic formulation business in India and Nepal (i.e. discontinued operations) to Torrent Pharmaceuticals Limited. Accordingly the previous year figures are regrouped into continuing and discontinued operations. These regrouped previous year figures are prepared and certified by the Management.

Our report is not modified on the above matters.

**For N. A. Shah Associates LLP**

Chartered Accountants  
Firm Registration No.116560W / W100149



**Milan Mody**  
Partner  
Membership No. 103286



Place: Mumbai  
Date: 29<sup>th</sup> May, 2018