

Touching Human Lives



Annual Report
2015 - 16



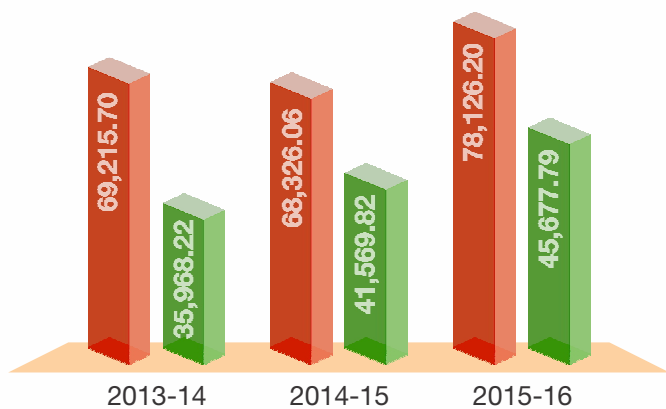
UNICHEM
LABORATORIES LTD.



Financial Highlights

Sales Mix by Geographical Segment* (₹ in lacs)

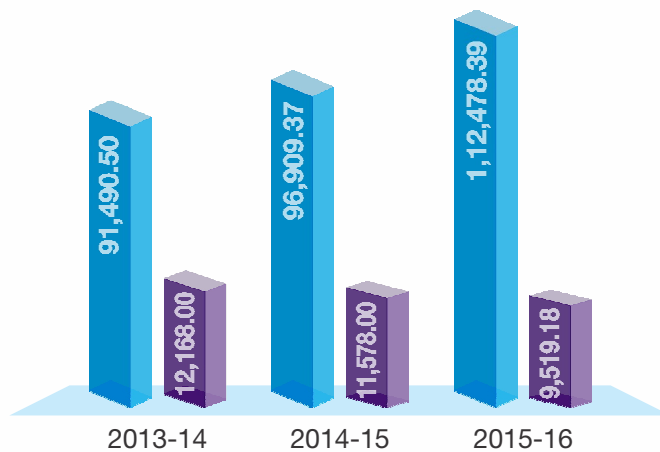
India Outside India



* Including Income from operations

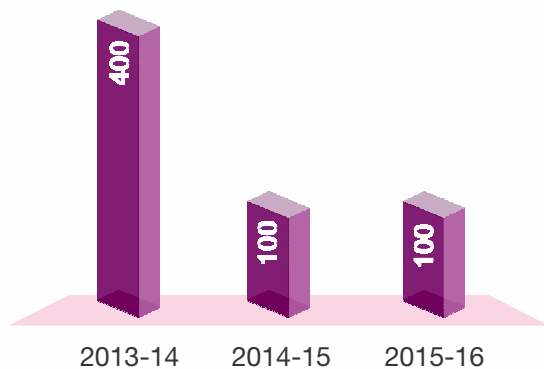
Sales Revenue Mix* (₹ in lacs)

Formulations API

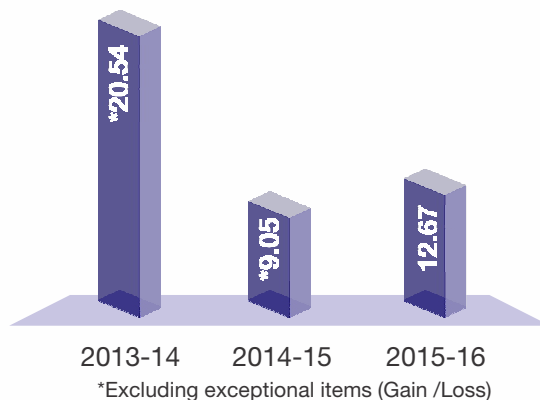


* Excluding Income from operations

Dividend (in %)

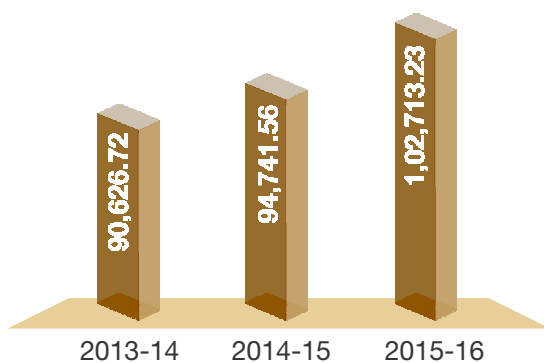


Return on Capital Employed (in %)

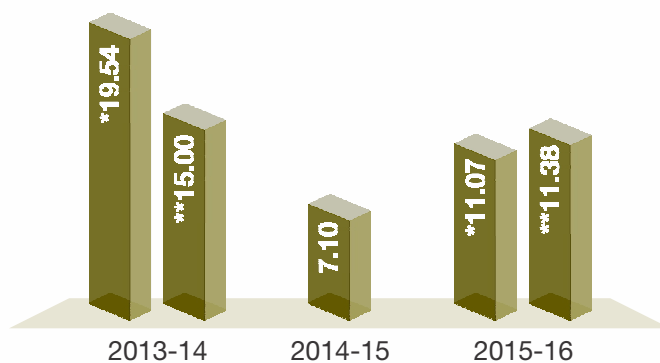


*Excluding exceptional items (Gain / Loss)

Net Worth (₹ in lacs)



Earnings per share (Basic) (in ₹)



* EPS including exceptional items (Gain / Loss)

** EPS excluding exceptional items (Gain / Loss)



Board of **Directors**



(L) to (R)

Anand Mahajan
Independent Director

Prafull Sheth
Independent Director

Dr. (Mrs.) B. Kinnera Murthy
Independent Director

Dr. Prakash A. Mody
Chairman & Managing Director

Prafull Anubhai
Independent Director

Ramdas Gandhi
Independent Director



Message from the **Chairman**



Dear Shareholders,

I take this opportunity to share with you the 53rd Annual Report of your Company.

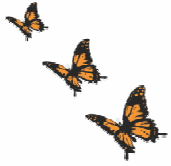
The bedrock of your Company has always been “Quality and Reliability”, having 4 USFDA re-certified plants. I am extremely pleased to inform you that your Company has received Establishment Inspection Reports (EIRs) for its Formulation plants at Goa and Ghaziabad and also API plant at Roha, resulting in re-certification from the USFDA. I am also happy to apprise you that your Company’s API plant at Pithampur underwent a successful USFDA inspection, with no adverse observations highlighted during their audit, thereby enabling the continuation of Company’s business and supplies to the US market.

Your Company’s International Formulation business continues to showcase robust growth. Unichem’s US subsidiary has reported a revenue growth of over 30% in the financial year 2015-

2016. Having all the regulatory approvals in place and the expanded formulation capacities available at Goa, we continue to remain highly optimistic on our US Formulation business. With the rise in ANDA approvals received by your Company during the financial year 2015- 2016 along with State of the Art infrastructure in place, Unichem is ready for the next leg of growth in various regulated markets. Our focus on R&D remains pivotal to spark further ANDA and DMF filings. With promising new products in our R&D pipeline we look at a brighter future for our International business, especially US.

In our Domestic business, we have undertaken various strategic initiatives and investments. With this, the financial year 2015- 2016 has seen an improvement in performance, having reported a growth of 14% as against Indian Pharma Market’s (IPM) growth of 12.6%. Therapeutic categories of Cardiovascular and Neuropsychiatry steered the growth in the Chronic segment. Similarly, our Acute segment continued the growth momentum witnessed last year. The focus remains on increasing customer base, market share and productivity. Moreover, your Company has also identified other growing therapies for its future growth and has launched new products by way of in-licencing.

The financial year 2015- 2016 saw more action from the domestic pricing regulatory bodies which brought more molecules under price



control coupled with reduction in prices across products. Notwithstanding these challenges your Company reported higher growth compared to IPM's growth.

The challenges faced by your Company in the recent past have made us more vigilant and resilient. Unichem has rich values and history, and needless to mention, our endeavour remains to preserve our core values and at the same time make Unichem a much stronger Company. Our desire remains to grow beyond the market growth rate.

In order to maintain our high standards of supplying quality medicines we continue to upgrade all our plants. Your Company continues to invest heavily in its Capex programme, which is aimed at modernizing all its plants and also making investments in various R&D projects. We have spent around ₹ 14,000 lacs during the financial year 2015- 2016, which was funded from our internal accruals, without availing any debt. With higher R&D spends in the coming years, your Company looks forward to reap benefits from successful projects by leveraging its reach and relations with various customers in the US and other developed markets.

Your Company's Consolidated Sales/Income from Operations (Net) stood at ₹ 1,33,456.38 lacs as compared to ₹ 1,20,179.34 lacs in the

previous year. Net profit after tax and exceptional items (Gains) stood at ₹ 10,803.41 lacs as against ₹ 7,539.01 lacs of previous year, reflecting a robust growth of 43% in profitability.

Your Company has continued its practice of rewarding its shareholders with Dividends. The Board has declared and paid an Interim Dividend of ₹ 2/- (100%) per equity share of ₹ 2/- each. The said Interim Dividend has been confirmed by the Board as Final Dividend for the financial year ended March 31, 2016.

Last but not the least; I would like to thank all our stakeholders for their continued trust and support. I would also like to thank our esteemed Board members for their guidance and support. I am grateful to our Customers, Business Associates, Banks and Medical Fraternity who have reposed their faith in us. I would also like to extend my appreciation to our employees for their unparalleled energy and commitment.

At Unichem we remain excited about our future with a passionate team and well balanced strategy to make the most of unfolding opportunities, thereby creating greater value for all our stakeholders.

Dr. Prakash A. Mody
Chairman & Managing Director



India Formulation Business

New Initiatives



Making difference in Anti-diabetic market through DPP4* inhibitors (Teneligliptin)



Unienzyme – Exploring OTX potential

Venturing into Cosmetology with modern hair care therapy



*DPP4 – Dipeptidyl peptidase-4 Inhibitors



Key Formulations

Cardio / Diabeto

LOSAR
Losartan Potassium 25mg / 50mg

Telsar[®]
(telmisartan 20/40/80mg)

OLSAR[®]
Olmesartan Medoxomil 10mg/20mg/40mg

LOSAR-H
Losartan 50 mg + HCTZ 12.5 mg

METRIDE[®]
(Metformin ER 500mg + Glimepiride 1/2mg)

POSMEAL-MD[®]
Voglibose Mouth Dissolving 0.2mg/0.3mg Tablets

UNISTAR
Rosuvastatin 5/10/20mg+Aspirin 75/150mg

Tolol-xr[®]
(Metoprolol Succinate Extended Release 12.5/25/50/100 mg Tablets)

CNS

Serta[®]
Sertaline 250/100mg

Pre gaba[®]
Pregabalin / Pregabalin Sustained Release 75 mg

C-Pram S
Escitalopram 5/10/20mg Tab.

Levtam[®]
Levetiracetam 250/500mg Tab.

Acute

Ampoxin[®]
Amoxicillin + Cloxacillin
Inf Caps Syrup

Ampoxin-CV[®]
Amoxicillin + Clavulanic Acid

UNIENZYM[®]
(Fungal Diastase 50 mg + Pepsin 10 mg / 5 ml)
Liquid

Vizylac
250 million spores of Lactic Acid Bacteria/
Sachet Dry Syrup

UVA CEF 200 mg
Cefpodoxime proxetil 200mg Tablets
Tablets

LeZyncet[®]
Levocetirizine 5mg Tablets/2.5mg/5ml Syrup

Linux 600mg
Lincolid 600mg IV & Tablets
TABS/I.V.

Pre gaba-M[®]
Pregabalin 75/150mg + Methylcobalamin 750mcg Cap.

Driven by 3500+ field employees



Reaching across the World with Quality and Reliability





QUALITY is our Passion



Roha (API)



Pithampur (API)



Ghaziabad (Formulations)



Baddi (Formulations)



Goa (Formulations)



Logos used for representation purpose only. Trademarks and Logos are owned by their respective authorities



Sikkim (Formulations)



R & D facility, Goa



Corporate Social Responsibility (CSR)

Adiwasi Unnati Mandal



Amrut Mody School of Management



Vision Foundation of India



Muktangan





Corporate Social Responsibility

Corporate Social Responsibility (CSR)

Your Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education and development of needy sections of the Society especially the economically backward section are the other areas in which your Company concentrates its CSR activities. Given below are the various CSR activities undertaken by your Company during the financial year 2015-2016.

Adiwasi Unnati Mandal (AUM)

Adiwasi Unnati Mandal (AUM) was founded by the late Mr. Amrut Mody alongwith co-founder the late Mr. Shantibhai Sheth. Your Company's Chairman & Managing Director is a trustee at AUM and has carried over his father's legacy to achieve the mission of AUM which caters to various needs of the Adiwasi population of Shahpur Taluka of Thane District especially for the economically backward section. AUM has a strong and dedicated team of Doctors and Paramedicals.

AUM has been providing the following community services:

- medical activities through OPD camps.
- donation of spectacles after cataract surgery.
- dental extractions, treatment and preventive care amongst children.
- special treatment for Tuberculosis, Leprosy and Epilepsy.
- equipment for school laboratory; sports, note books, compass boxes and lunch boxes to school children.
- mid-day meals like Khichadi along with biscuits, fruit juices, milk powder and drinking water to Adiwasis.
- improving hygiene by providing wash room facilities.
- career guidance to S.S.C. and H.S.C. students and distribution of awards to top rankers.

AUM has its own "Amrutshanti Community and Health Centre" at Taki in Shahpur Taluka, where it

caters mainly to medical needs of the Adiwasi population.

Unichem as a part of its CSR activities has contributed a sum of ₹ 3 lacs during the year under review towards the various activities of AUM.

Amrut Mody School of Management (AMSoM)

Your Company has been the chief donor of AMSoM which is promoted by the Ahmedabad Education Society. During the year under review, your Company as a part of its CSR activities, contributed a sum of ₹ 200 lacs in memory of Unichem's promoter, the late Mr. Amrut Mody who was a pioneer in the Indian Pharmaceutical Industry and a visionary technocrat. This makes a total contribution of ₹ 1,500 lacs till date, spread over the last 5 years. He was instrumental in supporting and contributing a number of endowments to educational institutions during his life time. AMSoM took its current shape after the Ahmedabad Education Society established the Ahmedabad University.

The main aim of the Ahmedabad University is to provide global education at local cost, context and ethos. Towards this direction, the University and its faculty and students are deeply interested in and involved with community work as part of the personality building requirement.

The funds contributed by your Company were primarily used to upgrade the facilities and to meet the development costs associated with international collaborations. Accordingly during the year 2015-2016 support from your Company was used in part to meet the cost of continuing collaboration with the Judge Business School, Cambridge University for enhancing the EMBA program. The remaining funds were deployed to upgrade the facilities at AMSoM class rooms, library, procurement of audio/video equipment etc.

Vision Foundation of India

Vision Foundation of India is a non profitable and non Governmental charitable institution established



in the year 1993 and registered under The Bombay Public Trust Act, 1950. It is committed to transform lives by giving the gift of sight to the lower socio economic strata of the Society through their project, “Rashtriya Netra Yagna”. The primary objective of the project is to eradicate blindness and eye disease from the marginalized sections of Society. The quality of eye care and medical technology available in the market, though increasing, is still beyond the reach of most affected people in the country. Vision Foundation of India empowers these people by giving them eye care free of cost, through State of the Art infrastructure and instruments. It believes that a lack of money should never be the reason to have poor or no vision. Your Company as a part of its CSR activities has contributed a sum of ₹ 25 lacs to this foundation during the financial year 2015-2016.

With the funds contributed by your Company, the Vision Foundation of India organized free eye check up camps through its associate hospitals in the states of Andhra Pradesh, Karnataka, Odisha and Uttar Pradesh and reached 12,787 patients in the rural, tribal and slum areas. Over 1,000 patients in these areas have benefitted with cataract surgeries. All these patients were operated free of cost by the associate hospitals.

Muktangan

Muktangan initiative of the Paragon Charitable Trust, is a new model of education providing quality, child-centred, inclusive, English medium schooling to thousands of underprivileged children in Mumbai. Muktangan works in close partnership with the Municipal Corporation of Greater Mumbai and a number of NGOs across India. Muktangan ensures that underprivileged communities benefit from quality, English medium education for both children and adults.

The support of ₹ 25 lacs provided by your Company has been utilized for the running of the Muktangan Sayani MPS Middle School at Mumbai during the academic year 2015-2016.

Your Company’s support has been crucial in the upkeep of livelihoods of 22 community teachers and education of 124 children between 5th to 8th Standard at the Sayani MPS Middle School. Between the months of June, 2015 to April, 2016, the students were imparted an English medium school education through an inclusive school environment consisting of a five and half day time tabled school week that covered academic subjects taught in accordance with a State Government prescribed syllabus content using Muktangan’s active constructive methodology. The programme also catered to 6 students with special needs studying at the school.

In addition, these students were also exposed to co-curricular subjects like dance, drama, music, PE and ICT culminating in the participation of students in annual programmes such as:

Expressions: Muktangan’s annual dance and drama programme where students from 5th to 7th Standard performed on stage in January, 2016.

Project Day: Students from 1st to 8th Standard picked a project from their text books and built project models around the topic for display on project day at their schools in February, 2016.

Annual Day: At the end of the academic year students, parents and teachers put up a year end show of music and dance to celebrate the close of another successful academic year in April, 2016.

ICT: In an attempt to provide students at Muktangan with a 21st century skill set, they were exposed to an intensive ICT programme called Computer Masti that teaches computers to students by building on its basics thus introducing computers to the students as programmable entities. During the academic year, as part of their syllabus, 8th Standard students constructed their own digital stories.



Corporate Information

Board Committees

Audit Committee	- Mr. Prafull Anubhai - Chairman Mr. Ramdas Gandhi Mr. Prafull Sheth
Stakeholders' Relationship Committee	- Mr. Ramdas Gandhi - Chairman Dr. Prakash A. Mody Mr. Prafull Anubhai
Nomination and Remuneration Committee	- Mr. Prafull Anubhai - Chairman Mr. Prafull Sheth Mr. Ramdas Gandhi
Corporate Social Responsibility Committee	- Dr. Prakash A. Mody - Chairman Mr. Prafull Anubhai Mr. Ramdas Gandhi Dr. (Mrs.) B. Kinnera Murthy

Registered and Corporate Office

Unichem Laboratories Limited

CIN:L99999MH1962PLC012451

Unichem Bhavan, Prabhat Estate, Off S. V. Road, Jogeshwari (West)

Mumbai - 400 102. • Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391

Website: www.unichemlabs.com • E-mail Id.: shares@unichemlabs.com

Plant Locations

Formulation Plants

GHAZIABAD

C 31-32, Industrial Area
Meerut Road, Ghaziabad - 201 003
Uttar Pradesh

GOA

Plot No. 17A & 18
Pilerne Industrial Estate
Pilerne Bardez - 403 511, Goa

BADDI

Bhatauli Kalan
District Solan, Baddi - 173 205
Himachal Pradesh

SIKKIM

NH- 31A, Bagheykhola, Majithar
Rangpo, East Sikkim - 737 138

API Plants

ROHA

99, MIDC Area, Roha
District Raigad - 402 116
Maharashtra

PITHAMPUR

Plot No. 197, Sector -I
Pithampur
District Dhar - 454 775
Madhya Pradesh

Contents

Five-year Financial Highlights	12
Notice	14
Directors' Report and Annexures	19
Management Discussion and Analysis	44
Corporate Governance Report	49
Auditors' Certificate on Corporate Governance	58
Auditors' Report on Standalone Financial Statements	59
Standalone Financial Statements	66
Auditors' Report on Consolidated Financial Statements	91
Consolidated Financial Statements	94
Proxy Form	111

Statutory Auditors

B. D. Jokhakar & Co.

Chartered Accountants
8, Ambalal Doshi Marg, Fort
Mumbai - 400 001

Chief Finance & Compliance Officer

Mr. Rakesh Parikh

Company Secretary & Compliance Officer

Mrs. Neema Thakore
Head - Legal & Company Secretary

Registrar and Share Transfer Agents

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai - 400 078
Tel.: (022) 2594 6970 • Fax.: (022) 2594 6969
E-mail Id.: mt.helpdesk@linkintime.co.in



Five-year Financial Highlights

Balance Sheet

(₹ in lacs)

As at 31st March	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
TOTAL EQUITY & LIABILITIES					
Equity share capital	1,806.43	1,809.13	1,812.55	1,815.38	1,816.87
Share Application Money	3.45	-	-	-	-
Reserve & surplus	71,195.27	79,486.15	88,814.17	92,926.18	100,896.36
Net worth	73,005.15	81,295.28	90,626.72	94,741.56	102,713.23
Loans & Borrowings	4,836.11	3,097.81	2,429.53	2,106.63	2,772.36
Creditors & Liabilities	20,955.38	24,980.92	23,428.14	21,387.26	25,539.88
Deferred tax liability	3,847.43	3,897.43	4,177.43	3,932.54	3,131.54
TOTAL LIABILITIES	102,644.07	113,271.44	120,661.82	122,167.99	134,157.01
ASSETS					
Net block	38,521.10	42,621.78	39,371.69	39,586.60	38,119.98
Capital WIP (Including Capital Advances)	13,733.74	13,743.80	8,848.82	12,297.45	24,056.10
NB + CWIP	52,254.84	56,365.58	48,220.51	51,884.05	62,176.08
Investments	10,611.93	14,026.34	11,992.05	15,264.82	11,043.10
Current Assets					
Inventories	14,113.11	13,163.39	18,623.73	18,648.31	20,065.54
Trade Receivables	18,482.47	21,227.64	21,127.51	20,619.35	26,538.73
Cash and bank balance	1,386.12	1,666.00	4,082.60	1,971.05	1,094.10
Loans & advances	5,795.60	6,822.49	16,615.42	13,780.41	13,239.46
TOTAL ASSETS	102,644.07	113,271.44	120,661.82	122,167.99	134,157.01



Five-year Financial Highlights

Statement of Profit and Loss

(₹ in lacs)

For the year ended 31st March	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Sales and income from operations	80,836.95	101,295.71	105,183.92	109,895.88	123,803.99
Other Income	939.47	1,406.70	4,283.91	1,996.77	2,265.50
Total Income	81,776.42	102,702.41	109,467.83	111,892.65	126,069.49
Material consumption	19,428.55	26,127.92	27,103.30	30,618.22	32,319.94
Purchase of finished goods	10,290.78	10,784.43	12,758.93	12,934.66	13,752.69
Increase/ (Decrease) in stocks of- semi- finished and finished goods	(202.58)	1,007.31	(2,758.11)	(769.16)	(871.23)
Research & Development Expenses	3,794.02	3,610.73	5,215.10	4,642.14	4,386.77
Staff costs (Excluding R&D)	10,488.40	12,801.50	14,713.82	17,804.19	20,948.38
Excise Duty	518.22	774.02	766.42	797.42	1,562.85
Other expenses	23,776.82	27,622.06	29,271.25	33,710.25	37,464.52
Total cost	68,094.21	82,727.97	87,070.71	99,737.72	109,563.92
PBDIT	13,682.21	19,974.44	22,397.12	12,154.93	16,505.57
Finance Cost	329.85	248.16	248.16	236.86	227.61
PBDT	13,352.36	19,726.28	22,148.96	11,918.07	16,277.96
Depreciation & Amortisation	2,828.81	3,481.65	4,266.58	3,768.30	3,499.12
Profit before tax	10,523.55	16,244.63	17,882.38	8,149.77	12,778.84
Exceptional Items (expenses before tax)	-	-	-	-	353.00
Current tax	2,215.00	3,235.03	3,778.11	1,811.05	3,169.97
Deferred tax	66.00	50.00	522.00	(101.00)	(801.00)
Profit after tax before Exceptional Items	8,242.55	12,959.60	13,582.27	6,439.72	10,056.87
Exceptional items Income (net of taxes)	-	-	4,114.55	-	-
Profit after tax & Exceptional Items	8,242.55	12,959.60	17,696.82	6,439.72	10,056.87
Note:					
Exports at FOB value	22,362.01	32,157.11	32,643.87	36,657.22	38,995.58
Equity dividend	2,713.44	4,071.16	7,251.29	1,815.42	1,816.86
Expenditure on R&D :					
-Capital	1,946.90	6,565.76	1,233.38	902.47	337.26
-Recurring	3,794.02	3,610.73	5,215.10	4,642.14	4,386.82
Total R & D expenditure	5,740.92	10,176.49	6,448.48	5,544.61	4,724.08

Key Ratios & EPS

As at 31st March	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Debt: Equity Ratio	0.07:1	0.04:1	0.03:1	0.02:1	0.03:1
Per share Data					
EPS (₹) excluding exceptional Items	9.13	14.33	15.00	7.10	11.38
EPS (₹) including exceptional Items	9.13	14.33	19.54	7.10	11.07
Dividend (%)	150%	225%	400%	100%	100%
Dividend (in ₹) per Share	3.00	4.50	8.00	2.00	2.00
Book Value per Share (₹)	80.82	89.87	100.00	104.38	113.07



Notice

NOTICE is hereby given that the 53rd Annual General Meeting of the Members of **UNICHEM LABORATORIES LIMITED**, will be held on Saturday, July 23, 2016 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the Report of the Auditors thereon.
2. To confirm the Interim Dividend of ₹ 2/- (100%) per equity share declared and paid by the Board of Directors as Final Dividend for the financial year ended March 31, 2016.

3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of the ordinary resolution passed by the Members at the 51st Annual General Meeting of the Company and the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of B. D. Jokhakar & Co., Chartered Accountants (Firm Registration No.104345W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-2017, at such remuneration as may be determined by the Board of Directors and the said Auditors, be and is hereby ratified;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and the Company Secretary be and are hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Dr. Prakash A. Mody (DIN No. 00001285) who had been appointed as the Managing Director of the Company w.e.f. July 13, 2013 as a non retiring Director in terms of the Articles of Association of the Company and who, in terms of the provisions of the Companies Act, 2013 (the Act), retires by rotation and being eligible has offered himself for re-appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) a remuneration not exceeding ₹ 6.50 lacs (Rupees Six Lacs Fifty Thousand Only) plus applicable service tax and reimbursement of out of pocket expenses as approved by the Board of Directors of the Company payable to Y. R. Doshi & Co., Cost Accountants, (Firm Registration No. 000003) for conducting Cost Audit of the records maintained by the Company for the financial year ending March 31, 2017, be and is hereby ratified;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and the Company Secretary be and are hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

By order of the Board of Directors,
For **Unichem Laboratories Limited**

Mumbai
May 20, 2016

Neema Thakore
Head – Legal & Company Secretary

Registered Office:
Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai – 400 102



Notice

UNICHEM

NOTES:

1. A statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, (the Act), with respect to the items of Special Business is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from July 18, 2016 to July 23, 2016 (both days inclusive) for annual closing.
3. IN TERMS OF SECTION 105 OF THE ACT A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A Member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as a proxy and such a person shall not act as a proxy for any other person or shareholder.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the Meeting. A Proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate Resolution/authority, as may be applicable.
5. Details of the Director seeking re-appointment at the Annual General Meeting, form an integral part of the Notice and are provided in the statement pursuant to Section 102 of the Act. The Director has furnished the requisite declaration for his re-appointment.
6. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
7. Members/Proxies are requested to bring their copy of the Annual Report to the Meeting alongwith duly filled in attendance slips for attending the Meeting.
8. Members seeking any information with regard to the Annual Report are requested to write to the Company at an early date to enable the Company to compile the information and provide replies at the Meeting.
9. An electronic copy of the 53rd Annual Report (including the Notice) of the Company *inter alia* indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the Members

whose e-mail ids are registered with the Company/ depository participant(s) for communication purposes. For Members other than the above, physical copies of the Annual Report are being sent in the permitted mode.

10. Members may also note that an electronic copy of the 53rd Annual Report including Notice alongwith Attendance Slip and Proxy Form will also be available on the Company's website at www.unichemlabs.com Even after registering for e-communication, Members are entitled to receive free of cost such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send their request to the Company's investor e-mail id: shares@unichemlabs.com
11. A route map showing directions to reach the venue of the 53rd Annual General Meeting is given at the end of this Annual Report as per the requirement of the Secretarial Standards-2 on General Meetings.
12. The Company has transferred on due dates, the unpaid or unclaimed dividend declared upto the financial year ended March 31, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 11, 2015 (date of last Annual General Meeting), on the website of the Company as also on the website of the Ministry of Corporate Affairs.
13. Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account pursuant to the SEBI Listing (Obligation and Disclosure Requirements) Regulations, 2015:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at April 1, 2015	269	5,13,485
Number of shareholders who approached the Issuer for transfer of shares from the Unclaimed Suspense Account and to whom the shares were transferred from the Unclaimed Suspense Account during the year	5	1,760
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at March 31, 2016	264	5,11,725



14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN to the depository participants with whom they maintain their demat accounts. Members holding shares in the physical form should submit their PAN to the Registrar/Company.
15. All documents referred to in the accompanying Notice and statement under Section 102 of the Companies Act, 2013, shall be open for inspection at the Registered Office of the Company (Monday to Friday) from 11.00 a.m. to 1.00 p.m., up to the date of the Annual General Meeting of the Company.
16. Voting through electronic means:
 - a. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 53rd Annual General Meeting (AGM) of the Company by 'remote e-voting' (e-voting at a place other than the venue of the AGM). The business may be transacted through remote e-voting services provided by the Central Depository Services Limited (CDSL).
 - b. The facility for voting through polling paper shall also be made available to those shareholders who are present at the 53rd AGM, but have not cast their votes by availing the remote e-voting facility. Members who have exercised their voting through the remote e-voting facility may attend the Meeting but shall not be entitled to cast their vote again at the Meeting.
 - c. The Company has appointed Ms. Ragini Chokshi & Associates, Practicing Company Secretary (C.P.No.1436) as Scrutinizer for conducting the remote e- voting and voting process at the AGM in a fair and transparent manner.
 - d. Instructions to Members for remote e-voting :
 - (i) The remote e-voting period begins on Tuesday, July 19, 2016 at 10.00 a.m. (IST) and ends on Friday, July 22, 2016, at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 16, 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Only members holding shares in physical or in demat form as on July 16, 2016 shall be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on shareholders.
- (v) Now enter your User ID:
 - a. For CDSL: 16 digit beneficiary ID;
 - b. For NSDL: 8 character DP ID followed by 8 digit Client ID;
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (vi) Next, enter the Image Verification as displayed and click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat and Physical Forms	
PAN	<p>Enter your 10 digit PAN issued by the Income-Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/depository participant are requested to use the sequence number which is printed in the Attendance Slip indicated in the PAN field.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or DOB (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the Depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly to the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that such company

opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xii) Click on the relevant EVSN, <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xviii) If a demat account holder has forgotten the changed password then enter the User ID and Image Verification code, click on Forgot Password and enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available from android based mobiles. The m-Voting app can be downloaded from Google Play store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non Individual shareholders and Custodians:
 1. Non Individual shareholders and Custodians (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com

3. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same. This should be e-mailed to the helpdesk.evoting@cdslindia.com
 4. After receiving login details, a compliance user should be created using the admin login and password. The compliance user will be able to link the account (s) for which they wish to vote on.
 5. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they will be able to cast the votes.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com
 - e. The voting rights of shareholders shall be in proportion to their share of the paid up capital of the Company as on the cut-off date, July 16, 2016.
 - f. The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than 3 (three) days of conclusion of the AGM, make and submit a consolidated Scrutinizer's Report and submit it to the Chairman. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.
 - g. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. July 23, 2016.

By order of the Board of Directors,
For **Unichem Laboratories Limited**

Mumbai
May 20, 2016

Neema Thakore
Head – Legal & Company Secretary

Registered Office:
Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai – 400 102



Annexure to Notice

A statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, (the Act).

Item No. 4

Dr. Prakash A. Mody was re-appointed as the Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. from July 1, 2013. The said appointment was approved by the shareholders at the Annual General Meeting of the Company held on July 19, 2013 by way of an Ordinary Resolution.

Dr. Prakash A. Mody retires by rotation at the ensuing Annual General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013 (the Act). The Act provides that Independent Directors are not subject to retirement by rotation and two-thirds of the remaining Directors shall be subject to retirement by rotation. Since all the Directors except Dr. Mody are Independent Directors, Dr. Mody will retire by rotation and being eligible offers himself for re-appointment.

A notice in writing, under Section 160 of the Companies Act, 2013 has been received from a Member of the Company signifying his intention to propose Dr. Prakash A. Mody as a candidate for the office of Director.

As per the clarification issued by the Department of Company Affairs (Int. Circular No. 3(No.8/16(1)/61-PR, dated May 9, 1961) under the Companies Act, 1956 (said Act), in relation to appointment of Managing Director "an MD's office as MD does not suffer any break if he retires as a Director under Section 255 of the said Act and is re-elected as Director in the same Meeting." Upon his re-appointment as a Director, Dr. Prakash A. Mody shall continue to hold office as the Chairman & Managing Director of the Company.

Details as required under Regulation 36 of the SEBI Listing (Obligation and Disclosure Requirements) Regulations, 2015

Dr. Prakash A. Mody is the Chairman & Managing Director of Unichem Laboratories Limited. He is the son of founder promoter the late Mr. Amrut Mody. After graduating he completed his post graduation at University of Mumbai. He has done his PhD in organic chemistry. He is also a Graduate Alumni of Harvard Business School.

He is the past president of the Indian Pharmaceutical Alliance, the industry body representing research based National Pharmaceutical Companies.

Dr. Prakash A. Mody is the Chairman of the Company's Stakeholders' Relationship Committee and Corporate Social

Responsibility Committee. He holds 4,22,87,278 equity shares of the Company.

Dr. Mody is an Independent Director of Kewal Kiran Clothing Limited and is a member of the Nomination and Remuneration Committee of the said Company.

Dr. Mody is not related to any Director of the Company.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the Notice.

The Board of Directors are of the opinion that the knowledge and vast experience of Dr. Mody will be of immense benefit to the Company and recommends the Ordinary Resolution for your approval.

Item No. 5

The Board of Directors at its Meeting held on May 20, 2016, based on the recommendation of the Audit Committee, appointed Y. R. Doshi & Co., (Firm Registration No. 000003) Cost Accountants, Mumbai as Cost Auditors for undertaking Cost Audit of the Cost Accounting Records maintained by the Company for the financial year ending March 31, 2017, at a remuneration not exceeding ₹ 6.50 lacs (Rupees Six Lacs Fifty Thousand Only) plus service tax as may be applicable and out of pocket expenses at actuals. The auditors have confirmed that they are eligible for appointment as Cost Auditors.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the said Cost Auditors requires to be ratified by the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board of Directors recommends the Ordinary Resolution for your approval.

By order of the Board of Directors,
For **Unichem Laboratories Limited**

Mumbai

May 20, 2016

Neema Thakore

Head – Legal & Company Secretary

Registered Office:

Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai – 400 102



Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 53rd Annual Report on the business and operations of your Company for the financial year ended March 31, 2016.

Financial Highlights

The table below gives the financial highlights of the Company on Standalone basis for the year ended March 31, 2016 as compared to the previous financial year.

For the year ended
(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
Sales / Income from operations (Net of Excise Duty)	1,22,241.14	1,09,098.46
Other Income	2,265.50	1,996.77
Total Income	1,24,506.64	1,11,095.23
Profit before Tax and Exceptional items	12,778.84	8,149.77
Exceptional Items	353.00	-
Profit before tax	12,425.84	8,149.77
Tax expenses (including deferred Tax and short/excess provision pertaining to previous years)	2,368.97	1,710.05
Profit after Tax and Exceptional items	10,056.87	6,439.72

Note: Previous year's figures have been re-grouped/re-classified wherever necessary.

Review of Operations

During the year under review, Stand alone Sales/Income from operations (Net) increased to ₹ 1,22,241.14 lacs from ₹ 1,09,098.46 lacs in 2014-2015, registering a growth of 12.05%. Consolidated Sales/Income from Operations (Net) stood at ₹ 1,33,456.38 lacs in 2015-2016 as compared to ₹ 1,20,179.34 lacs for the year ended March 31, 2015, registering an increase of 11.05%.

Appropriations

An amount of ₹ 74,071.11 lacs is proposed to be carried forward in the Profit & Loss Account. During the year under review, no amount was transferred to General Reserve.

Dividend

The Board of Directors at its Meeting held on March 9, 2016 declared an Interim Dividend of ₹ 2/- (100%) per equity share of ₹ 2/- each. The Dividend was paid to the shareholders on March 28, 2016. The said Interim Dividend has been confirmed by the Board as Final Dividend for the financial year ended March 31, 2016.

Employees Stock Option Scheme

During the year under review, 6,74,451 options having a face value of ₹ 2/- were exercised and the same were allotted (on *pari passu* basis) under the Employees Stock Option Scheme - 2008. Details of the Employees Stock Option Scheme - 2008 are set out as Annexure A to this Report.

Research and Development (R&D)

Kindly refer to the write up in the section, Management Discussion and Analysis.

Management Discussion and Analysis

A detailed review on the operations and performance of the Company is given in the Management Discussion and Analysis, which forms part of this Annual Report.

Corporate Governance

A detailed report on Corporate Governance as required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), forms part of this Annual Report. The Auditors' Certificate on compliance with the conditions of Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

Consolidated Financial Statements

In accordance with the Accounting Standards AS - 21 on Consolidated Financial Statements, and the Listing Regulations, your Directors provide the Audited Consolidated Financial Statements in the Annual Report.

Review of Subsidiaries and Associates

Your Company has five Subsidiaries and one Associate Company. Financials of the Subsidiaries and Associate Company are disclosed in the Consolidated Financial Statements, which form part of this Annual Report.



A statement containing salient features of the Financial Statements of the Subsidiaries and Associate Company, pursuant to Section 129 of the Companies Act, 2013 and Rules made thereunder is annexed to this Report as Annexure B in the prescribed Form AOC -1 and hence not repeated here for the sake of brevity.

Synchron Research Services Private Limited (Synchron) is an Associate Company in terms of Section 2 (6) of the Companies Act, 2013. Synchron is a leading contract research organization in India which offers competitive and high quality clinical trial services to domestic and international pharmaceutical and bio-pharmaceutical companies. Your Company avails such services from Synchron from time to time, on competitive terms.

On internal assessment of long term strategic investments made by the Company in its Wholly Owned Subsidiary, Unichem Farmaceutica Do Brazil Ltda., considering its past performance, results, assets, expected cash flows, projections and having confidence in the business model and strategy of the said Subsidiary achieving its goals given favourable business opportunities, the management has determined an amount of ₹ 2,277.63 lacs as diminution for the year (previous year ₹ 434.55 lacs) taking the accumulated provision to ₹ 3,581.41 lacs (previous year : ₹ 1,303.77 lacs) on total investment of ₹ 5,695.88 lacs made therein and the same is considered adequate by the Board of Directors as at the balance sheet date.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Risk Management

The Company has formulated a policy on Risk Management. Risks are classified in different categories such as Financial, Operational, Legal and Strategic risks. A risk register is prepared for identification of risk and formulating mitigating plans.

Credit Rating

ICRA has re-affirmed your Company's A1+rating for short-term debt (including Commercial Paper) Programme of ₹ 1,500 lacs. The rating indicates strong degree of safety regarding timely payment of financial obligations.

Directors and Key Managerial Personnel

At the Annual General Meeting of the Company held on July 11, 2015, the shareholders approved the

appointment of Dr. (Mrs.) B. Kinnera Murthy as an Independent Director to hold office for a period of three (3) consecutive years upto March 20, 2018.

All the Independent Directors have furnished declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and the Listing Regulations.

Dr. Prakash A. Mody retires by rotation at the ensuing Annual General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013 (the Act). The Act provides that Independent Directors are not subject to retirement by rotation and two thirds of the remaining Directors shall be subject to retirement by rotation. Since all the Directors except Dr. Mody are Independent Directors, Dr. Mody will retire by rotation and being eligible offers himself for re-appointment.

Dr. Mody is the Chairman & Managing Director of the Company. Upon his re-appointment as a Director, he shall continue to hold office as the Chairman & Managing Director of the Company.

Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting seeking your approval to the aforesaid re-appointment. The information required under Regulation 36 of the Listing Regulations is provided in the Notice of the 53rd Annual General Meeting and the statement annexed thereto.

Dr. Prakash A. Mody, Chairman & Managing Director, Mr. Rakesh Parikh, Chief Finance & Compliance Officer and Mrs. Neema Thakore, Head - Legal & Company Secretary were the Key Managerial Personnel during the financial year.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013, (the Act):

1. that in preparation of annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and no material departures, have been made from the same;
2. that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and profit for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in



Directors' Report

UNICHEM

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that the annual accounts have been prepared on a going concern basis;
5. that the internal financial controls were in place and that they were adequate and operating effectively and;
6. that systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, performance evaluation of the Board, its Committees, the Chairman & Managing Director and the Independent Directors was carried out. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has adopted a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The details of this Policy are provided in the Corporate Governance Report.

Meetings

During the year, 5 (five) Board Meetings were held, the details of which are given in the Corporate Governance Report.

Audit Committee

The constitution of the Audit Committee, its scope, role and terms of reference are as per the provisions of the Companies Act, 2013, the Rules made thereunder and the Listing Regulations. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

Whistle Blower Policy

The Company has in place a Whistle Blower/Vigil Mechanism through which its Stakeholders, Directors and Employees can report their genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's 'Code of Business Conduct and Ethics'. The said Policy provides for adequate safeguards against victimization and also direct access to the Audit Committee. The e-mail id for reporting genuine concerns is whistleblower@unichemabs.com

Significant and Material orders passed by the Regulators/Courts/ Tribunals

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and its operations in the future.

However the Board of Directors would like to inform that on July 9, 2014, the European Commission decided to impose an unjustified fine of € 13.97 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd., (Niche) contending that they have acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) 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 and Niche have submitted appeals in September 2014, to the EU General Court seeking appropriate relief in the matter. Your Company has challenged this order and the proceedings are currently ongoing.

Material changes and commitment, if any, affecting the financial position of the Company from the end of the financial year till the date of this Report

There have been no material changes and commitments, if any affecting the financial position of the Company between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

Related Party Transactions

All Related Party Transactions entered during the financial year under review were in the ordinary course of business and on arm's length basis, except for increase in remuneration payable to Ms. Supriya Mody, daughter of Dr. Prakash A. Mody, Chairman & Managing Director of the Company upto a sum not exceeding ₹ 65 lacs (Rupees Sixty Five Lacs Only) in a financial year starting from April 1, 2015 inclusive of perquisites ("Maximum Remuneration"). The said transaction, not being an arm's length transaction, but a transaction in the ordinary course of business was duly approved by the shareholders at the Annual General Meeting held on July 11, 2015.

All other Related Party Transactions that were entered into during the year under review were on an arm's length basis and in the ordinary course of business. The Audit Committee has given prior approval for Related Party Transactions. The Policy on Related Party Transactions (Policy) as approved by the Board is uploaded on the Company's website and the weblink is provided in the Corporate Governance Report. The Board of Directors of the Company has approved the criteria for omnibus approval of Related Party Transactions by the Audit Committee within the overall framework of the Policy.



Details of Related Party Transactions not on arm's length basis but in the ordinary course of business for which prior approval of the Audit Committee and shareholders' approval has been sought and details of Material Related Party Transactions which are on arm's length basis and in the ordinary course of business entered during the financial year under review as required under Section 134(3)(h) of the Companies Act, 2013 are annexed as Annexure C in the prescribed format, Form AOC 2, forming an integral part of this Report.

Except to the extent of the shares held in the Company and the remuneration if any, drawn from the Company none of the Directors and the Key Managerial Personnel have any pecuniary relationships or transactions *vis-à-vis* the Company.

Disclosure under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this Policy. The Company has not received any complaints during the year under review.

Auditors

B. D. Jokhakar & Co., were appointed as Statutory Auditors to hold office from the conclusion of the 51st Annual General Meeting (AGM) to the conclusion of the fourth consecutive AGM, (subject to ratification of the appointment by the Members at every AGM held after the 51st AGM). A proposal for ratification of the appointment of the Statutory Auditors for the financial year 2016-2017 is placed before the Members at the ensuing AGM. The said Auditors have confirmed their eligibility for appointment in terms of Section 139 of the Companies Act, 2013.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013 and therefore no details are disclosed under Section 134 (3)(ca) of the Act.

A Resolution seeking ratification of their appointment, forms part of the Notice convening the 53rd Annual General Meeting and the same is recommended for your consideration and approval.

Cost Auditors

The Board of Directors at its Meeting held on May 20, 2016, based on the recommendation of the Audit Committee, appointed Y. R. Doshi & Co., (Firm Registration No. 000003) Cost Accountants, Mumbai, as Cost Auditors for undertaking Cost Audit of the Cost Accounting Records maintained by the Company for the financial year 2016-2017 at a remuneration not exceeding ₹ 6.50 lacs (Rupees Six Lacs Fifty Thousand Only) plus service tax as may be applicable and out of pocket expenses at actuals. The said Auditors have confirmed their eligibility for appointment as Cost Auditors. The remuneration payable to the said Cost Auditors is required to be placed before the Members at the ensuing Annual General Meeting for ratification and a suitable Resolution has been set out in the Notice of the 53rd Annual General Meeting of your Company. The Cost Audit Report for the year ended March 31, 2015 was filed with the Ministry of Corporate Affairs on September 29, 2015.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed Alwyn Jay & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure D to this Report. There is no qualification, reservation, adverse remark or disclaimer in the said Report. During the year under review, the Secretarial Auditors have not reported any matter under Section 143 (12) of the Act, and therefore no details are disclosed under Section 134 (3)(ca) of the Act.

Internal control systems and their adequacy

Kindly refer to the write up in the section Management Discussion and Analysis.

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134 (3)(m) of the Companies Act, 2013 and Rules made thereunder are set out in Annexure E to this Report.

Extract of Annual Return

Form MGT-9 providing an extract of the Annual Return in terms of Section 92 of the Companies Act, 2013 and the Rules made thereunder is annexed as Annexure F to this Report.

Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as Annexure G to this Report.



Directors' Report

UNICHEM

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees particulars, which is available for inspection at the Registered Office of the Company as per details mentioned in the Notice of the 53rd Annual General Meeting on any working day of the Company upto the date of the 53rd Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Company's Registered Office.

Human Resources and Employee Relations

Kindly refer to the write up in the section Management Discussion and Analysis.

Quality and Environment

Your Company's mission envisages a strong sense of commitment to work towards being a caring pharmaceutical company, which will continuously strive to enhance health through quality products. Your Company aims at consistently providing products that meet customer needs as well as national and international regulatory requirements as may be applicable. It has been steadily raising the bar, setting higher goals for incremental performance and enlarging the scope of its initiatives. The environmental policy of your Company emphasizes at being a caring company, which shall protect and promote the environment by complying with applicable environmental regulations and preventing pollution in all its operations.

With a view to meet this challenge, our manufacturing facilities plant trees and saplings in the Company premises. Our employees spread awareness amongst the locals about planting more trees and making less use of plastic bags. Similarly, various initiatives are taken at our manufacturing locations to reduce waste across the plants and reduce usage of paper by recycling waste paper. Training programmes are organised from time to time to create environmental awareness amongst the employees. To conserve water, the Company has devised various water saving methods which are monitored on day to day basis.

Your Company continues to strive for energy saving and conservation of natural resources. In some of our Active Pharmaceutical Ingredients (API) Plants your Company has installed online effluent monitoring equipment which is connected to the system of the Central Pollution Control Board.

At the manufacturing units, several green initiatives have been undertaken, most significant being soil conservation, recycling of treated effluent water and using solar energy for street lighting.

Corporate Social Responsibility (CSR)

Your Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education and development of needy sections of the Society especially the economically backward section are the other areas in which your Company concentrates its CSR activities. While the focus of CSR efforts will be in the areas around Company operations, the Company may also undertake projects looking into other societal needs. The CSR policy is available on the website of the Company and the Annual Report on CSR activities, as required under Section 135 of the Companies Act, 2013, is annexed as Annexure H to this Report. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

During the year under review the total amount to be spent was ₹ 291.33 lacs. The Company spent ₹ 253 lacs on CSR which is 1.74% of the average profits, for the last three financial years. Balance amount of ₹ 38.33 lacs remained unspent.

The Company has plans to scale up its CSR activities in areas of education and health in a structured manner to meet the objectives of its CSR Policy in the coming years. Further certain funds even though allocated to approved educational projects by the CSR committee, were not disbursed since there was no requirement for these funds from the organizations/institutions during the year under review.

Health and Safety

Health and Safety issues are addressed systematically, effectively and proactively. Your Company takes pride in providing various forms of medical assistance to the families of its employees and also to all those living in surrounding villages. Periodic health check ups are carried out for all employees and regular training programmes are organised on safety and precautionary measures. Fire fighting training programmes and first aid training camps are organised regularly to educate workers and employees at the plant locations and corporate office.

Acknowledgement

Your Directors acknowledge the support and wise counsel extended to the Company by analysts, bankers, Government agencies, shareholders, investors, suppliers, distributors, stockists and others associated with the Company as its business partners. Your Directors also acknowledge the trust reposed in the Company by the



medical fraternity and patients. We look forward to having the same support in our mission to enhance health through quality products.

Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference

to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Annexure A to Directors' Report

Disclosures in the Directors' Report on Employees Stock Option Scheme- 2008

The details of Stock Options are given herein below:

Particulars	ESOP – 2008		
a. Options granted	1,25,000 (in 2008-2009) 7,43,750 (in 2009-2010) 2,25,000 (in 2013-2014)		
b. The pricing formula	@ ₹ 46/- per equity share of face value of ₹ 2/- each		
c. Options vested	7,23,251		
d. Options exercised	6,74,451		
e. The total number of shares arising as a result of exercise of options	6,74,451		
f. Options lapsed*	2,01,749		
g. Variation of terms of options	Nil		
h. Money realised by exercise of options	₹ 3,10,24,746		
i. Total number of options in force	48,800		
j. Employee wise details of options granted during the year:			
i. Senior Managerial Personnel	Nil		
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil		
iii. Identified employees who were granted options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil		
k. Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings per share'.	Diluted EPS before Exceptional Items per equity share (as per Standalone Accounts): ₹ 11.36 Diluted EPS after Exceptional Items per equity share (as per Standalone Accounts): ₹ 11.05		
l. Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options. Impact of the difference on profits and EPS.	Not Applicable		
m. Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock:			
- Weighted average price (₹)	For Options granted on 26.3.2009	For Options granted on 17.6.2009	For Options granted on 8.3.2014
- Weighted average Fair value (₹)	115.0	115.0	46.0
	68.13	102.05	149.49
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:			
- Risk free interest rate (%)	For Options granted on 26.3.2009	For Options granted on 17.6.2009	For Options granted on 8.3.2014
- Expected life (Years)	5.3200	4.6244	9.0109
- Expected volatility (%)	5	5	5
- Expected dividend yield (%)	41.0	41.2	26.47
- The price of the underlying share in the market at the time of option grant (₹)	3.7	3.8	3.8
	160.05	211.50	221.90

*Options due to employees who are no longer associated with the Company.

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Annexure B to Directors' Report

FORM AOC-1

Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/Associate Companies/Joint Ventures

Part "A" : Subsidiaries

(₹ in lacs)

1	Name of the Subsidiary Company	Unichem Farmaceutica Do Brasil Ltda	Unichem Laboratories Limited, Ireland	Unichem Pharmaceuticals (USA), Inc	Niche Generics Limited	Unichem S.A (Proprietary) Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2015 to March 2016	April 2015 to March 2016	April 2015 to March 2016	April 2015 to March 2016	April 2015 to March 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	1 BRL = ₹ 18.3795	1 EURO = ₹ 75.0573	1 USD = ₹ 66.0989	1 GBP = ₹ 94.9690	1 SAR = ₹ 4.4525
4	Share Capital	5,695.88	871.69	2,951.92	1,624.12	12.14
5	Reserves & surplus	(5,339.34)	(963.45)	369.66	(3,235.66)	(42.57)
6	Total Assets	356.54	(91.76)	3,321.58	640.69	(30.43)
7	Total Liabilities	-	-	-	2,252.23	-
8	Investments	-	-	-	-	-
9	Turnover	431.32	193.75	21,200.15	7,901.91	208.03
10	Profit before Taxation	(615.23)	(226.57)	1,474.06	(1,207.20)	(24.74)
11	Provision for Taxation	-	-	554.39	4.02	-
12	Profit after Taxation	(615.23)	(226.57)	919.67	(1,211.22)	(24.74)
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14	% of share holding	100	100	100	100	100

Notes:

1. Name of Subsidiaries which are yet to commence operations : None
2. Names of Subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

1	Name of the Associate Company	Synchron Research Services Private Limited
2	Latest audited Balance Sheet Date	March 31, 2015
3	Shares of Associate/Joint Ventures held by the company on the year end: No. of shares (equity) Amount of investment in Associates/Joint Venture Extend of Holding %	2,08,333 ₹ 569.31 lacs 32.11%
4	Description of how there is significant influence	Percentage of holding of share capital
5	Reason why the associate is not consolidated	Associates required to be consolidated have been consolidated.
6	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 110.09 lacs
7	Profit/(Loss) for the year: i. Considered in Consolidation ii. Not considered in Consolidation	₹ (36.95) lacs 0

Notes:

1. Names of Associates or Joint Ventures which are yet to commence operations : None
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year: None

As per our report of even date attached
For B. D. Jokhakar & Co.,
Chartered Accountants

For and on behalf of the Board of Directors,

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Annexure C to Directors' Report

AOC -2

Pursuant to Clause (h) of sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014

Disclosure of particulars of contract/arrangement entered into by the Company with Related Parties referred to in sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contract or arrangement or transaction not at arm's length basis

Name of Related Party and nature of relationship	Ms. Supriya Mody, daughter of Dr. Prakash A. Mody, Chairman & Managing Director.
Nature of contract/arrangement /transaction	Increase in remuneration payable to Ms. Supriya Mody already holding office or place of profit in the Company under Section 314 (1B) of the erstwhile Companies Act, 1956 and now falling under Section 188 (1)(f) of the Companies Act, 2013.
Duration of the contract/arrangement/transaction	Ongoing
Salient terms of the contract or arrangement or transaction including the value if any	Increase in remuneration payable to Ms. Supriya Mody, upto to a sum not exceeding ₹ 65 lacs (Rupees Sixty Five Lacs Only) in a financial year starting from April 1, 2015 inclusive of perquisites ("Maximum Remuneration").
Justification of entering into such contract or arrangement or transaction	<p>Ms. Supriya Mody holds a MBA degree from London Business School and Bachelors degree in Business Administration from the Ross School of Business, USA. She also holds Post Graduate Certificate in Financial Markets Module from Association of Mutual Funds of India. Prior to joining Unichem Laboratories Limited, she has rich experience and successful career behind her having worked in organizations like Merrill Lynch, Tower Capital & Securities Private Limited and ASK Raymond James Securities (I) Private Limited.</p> <p>Ms. Mody is currently working as Associate Vice President (International Business). Her present role is crucial to provide impetus to the expanding International Business in the emerging market business of the Company. She is focusing on tapping the potential markets and reports to the Chairman & Managing Director.</p> <p>The said transaction is in the ordinary course of business, but not on arm's length basis.</p>
Date of approval by the Board	May 9, 2015
Amount paid as advances, if any	Nil
Date on which the Special Resolution was passed	July 11, 2015



2. Details of material contract or arrangement or transaction at arm's length basis

The details of material contract or arrangement or transaction on arm's length basis for the year ended March 31, 2016 are as follows.

Name of Related Party	Unichem Pharmaceuticals (USA) Inc, a Wholly Owned Subsidiary (WOS) of the Company.
Nature of contract/arrangement/transaction	Sale of finished goods.
Duration of the contract/arrangement/transaction	Ongoing
Salient terms of the contract or arrangement or transaction including the value, if any	Sale of finished goods to the said WOS during the financial year 2015-2016 was ₹ 16,316.69 lacs. These transactions were on arm's length basis and in ordinary course of business.
Date of approval by the Board	Not Applicable
Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Annexure D to Directors' Report

Form No. MR. 3

Secretarial Audit Report for the financial year ended March 31, 2016

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members
Unichem Laboratories Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Unichem Laboratories Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 1, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015);



- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the Company has not issued any debt securities during the year under review;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable as the Company has not delisted/nor proposed to delist its equity shares during the year under review and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable as the Company has not bought back nor proposed to buy back any of its securities during the year under review.
- (vi) Based on the representation made by the management of the Company, the following Laws are specifically applicable to the Company:
 - 1. Drugs and Cosmetics Act, 1940
 - 2. Drugs Pricing Control Order, 2013
 - 3. The Pharmacy Act, 1948
 - 4. Trade Marks Act, 1999
 - 5. Indian Copyright Act, 1957
 - 6. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - 7. The Narcotic Drugs and Psychotropic Substances Act, 1985 and
 - 8. Food Safety and Standards Act, 2006

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India and made applicable effective July 1, 2015 and
- (ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective December 1, 2015).

During the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards as mentioned above and there were no non-compliances that have come to our knowledge.



We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for a meaningful participation at the Meeting.

The Minutes of the Board Meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the Directors present.

We further report that during the audit period no material events/actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines and Standards.

We further report that based on review of compliance mechanism established by the Company and on the basis of the compliance certificates issued by the Company Secretary and the various functional heads and taken on record by the Board of Directors at their Meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with its size of operations, to monitor and ensure compliance with all applicable Laws, Rules, Regulations and Guidelines.

For ALWYN JAY & CO.,
Company Secretaries

Ronald D'Mello
Partner

FCS No. 3818
Certificate of Practice No. 14353

Mumbai
May 20, 2016



Annexure E to Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2016

a. Conservation of Energy

(i) Steps and impact

- Improved natural illumination to reduce power consumption.
- Maintaining the power factor at 0.99 to avail rebate on electricity bill.
- Arrest leakage in terms of steam, water and compressed air.
- External chemical cleaning of chilled and hot water coils for better heat transfer and to avoid losses.
- The Poly Vinyl Chloride (PVC) fills of cooling towers have been replaced to improve the efficiency of the cooling towers.
- During winter season the ambient condition is used to minimize the running hours of the chillers.
- Replacement of old non energy efficient Air Handling Units (AHU) with double skin insulated AHUs with Variable Frequency Drive (VFD) driven motors and plug fans.
- New energy efficient heat recovery chillers have been procured along with two brine chillers for substantial reduction in power consumption.
- Saving on diesel achieved by introducing automatic voltage regulator in H.T. Line.
- Saving on diesel achieved by introduction of fuel sticks as an additive in the diesel storage tanks.
- Rain water harvesting commissioned for Goa expansion.

(ii) Steps taken by the Company for utilizing alternate sources of energy

No alternative source of energy was used during the period under review.

(iii) Capital investment on energy conservation equipment: ₹ 72.5 lacs

b. Technology Absorption

(i) Efforts towards technology absorption

The technologies developed by the Research and Development (R&D) department of the Company have been commercialized and adopted by the Company's manufacturing facilities subject to permissions and approvals from the concerned regulatory authorities. At its State of the Art R&D facility at the Centre of Excellence, Goa, the Company has especially invested in prototype plant equipments in its Kilo Lab and Formulation Development Lab where plant simulation experiments are carried out. This helps to anticipate and address scale up issues that the laboratory developed process may face in the Plant during technology transfer exercise. In addition, Quality by Design (QbD) trials are performed in these labs to define the design space within which the process can be safely scaled up and operated in the Plants.

(ii) Benefits derived

- The Research and Development activities undertaken by the Company have resulted in launching of new products at the right time in International as well as Domestic markets in various therapeutic segments.
- Approval of first Abbreviated New Drug Application (ANDA) under Para IV certification by the USFDA.



- Products developed for the International market will result in increased business to the Company in current and future years.
- Reduction in the number of regulatory queries leading to speedy approvals.
- Research and development in biotechnology has resulted in consistent and cost effective processes for four Biosimilar products.
- Biosimilar and fermentation based products under development for Indian and International markets will result into new business opportunities for the Company in the biotechnology sector in future years.
- Filing of patent applications.

(iii) **Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year)**

The Company has not imported any technology.

(iv) **Expenditure incurred on Research and Development**

The Company has incurred a total expenditure of ₹ 5,833.51 lacs (includes capital and recurring expenses) towards Research and Development.

c. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo are given in the notes to the accounts.

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Annexure F to Directors' Report

Form No. MGT 9 - Extract of annual return as on financial year ended March 31, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I Registration and Other Details

i	CIN	L99999MH1962PLC012451
ii	Registration Date	August 22, 1962
iii	Name of the Company	Unichem Laboratories Limited
iv	Category/Sub-category of the Company	Public Company, Company having share capital
v	Address of the Registered Office and contact details	Unichem Bhavan, Prabhat Estate, Off S.V. Road Jogeshwari (West), Mumbai - 400 102 E-mail Id.: shares@unichemlabs.com Website: www.unichemlabs.com Tel.: (022) 6688 8333, Fax.: (022) 2679 4391
vi	Whether listed company	Yes
vii	Name, address and contact details of the Registrar and Transfer Agent, if any.	Link Intime Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg Bhandup (West), Mumbai - 400 078 E-mail Id.: rnt.helpdesk@linkintime.co.in Tel.: (022) 2594 6970, Fax.: (022) 2594 6969

II Principal Business Activities of the Company

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Pharmaceuticals	21001 and 21002	100%

III Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Niche Generics Limited, UK The Cam Center, Wilbury Way Hitchin, Hertfordshire SG4 OTW, England	Not Applicable	Subsidiary	100	2(87)
2	Unichem Farmaceutica Do Brasil Ltda, Brazil Avenida Sete De Setembro 1564, Centro Vila Dirce Diadema, CEP -09912-010 S o Paulo - Brazil	Not Applicable	Subsidiary	100	2(87)
3	Unichem Laboratories Limited, Ireland Studio 8b, Ard Gaoithe Commercial Centre Ard Gaoithe Business Park Cashel Road, Clonmel, County Tipperary, Ireland	Not Applicable	Subsidiary	100	2(87)
4	Unichem Pharmaceuticals (USA) Inc. 777 Terrace Avenue, Suite 102 Hasbrouck Heights, NJ 07604, USA	Not Applicable	Subsidiary	100	2(87)
5	Unichem SA (Pty) Limited, South Africa Adrina Building, 1st Floor, 32 Kilinkenber Street Van Der Hoff Park, Potchefstroom, 2531	Not Applicable	Subsidiary	100	2(87)
6	Synchron Research Services Pvt. Ltd Synchron House, B/H, Mondeal Park Near Gurudwara, S.G. Highway, Ahmedabad	U85110GJ1998PTC034181	Associate	32.11	2 (6)



Annexure F to Directors' Report

UNICHEM

IV Shareholding Pattern (equity share capital breakup as percentage of total equity)

(I) Category wise shareholders

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2015				No. of Shares held at the end of the year as on March 31, 2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,55,10,550	-	4,55,10,550	50.14	4,55,10,550	-	4,55,10,550	50.10	(0.04)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	4,55,10,550	-	4,55,10,550	50.14	4,55,10,550	-	4,55,10,550	50.10	(0.04)
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	4,55,10,550	-	4,55,10,550	50.14	4,55,10,550	-	4,55,10,550	50.10	(0.04)
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	4,55,10,550	-	4,55,10,550	50.14	4,55,10,550	-	4,55,10,550	50.10	(0.04)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1,11,27,971	-	1,11,27,971	12.26	1,14,89,525	500	1,14,90,025	12.65	0.39
b) Banks / FI	50,924	2,300	53,224	0.06	63,163	500	63,663	0.07	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	25,33,447	-	25,33,447	2.79	19,32,147	-	19,32,147	2.13	(0.66)
g) FIs	27,35,305	1,500	27,36,805	3.02	30,69,925	-	30,69,925	3.38	0.36
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
-Foreign Mutual Fund	33,802	-	33,802	0.04	45,103	-	45,103	0.05	0.01
-Foreign Banks	500	-	500	-	500	-	500	-	-
Sub-total (B)(1)	1,64,81,949	3,800	1,64,85,749	18.16	1,66,00,363	1,000	1,66,01,363	18.27	0.11
(2) Non-Institutions									
a) Bodies Corporates									
i) Indian	60,96,538	34,590	61,31,128	6.75	65,12,374	80	65,12,454	7.17	0.42
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	1,48,74,931	27,98,632	1,76,73,563	19.47	1,49,80,085	22,01,902	1,71,81,987	18.91	(0.56)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	27,21,224	1,09,540	28,30,764	3.12	22,33,884	10,67,140	33,01,024	3.63	0.51
c) Others (specify)									
-Non Resident Indians	7,34,843	21,720	7,56,563	0.83	9,38,582	3,220	9,41,802	1.04	0.21
-Overseas									
-Corporate Bodies	16,250	-	16,250	0.02	16,250	-	16,250	0.02	0.00
-Foreign Nationals	-	8,750	8,750	0.01	6,750	-	6,750	0.01	0.00
-Clearing Members	75,853	-	75,853	0.08	67,562	-	67,562	0.07	(0.01)
-Trusts	8,770	9,57,600	9,66,370	1.06	8,674	-	8,674	0.01	(1.05)
-Market Maker	5,138	-	5,138	0.01	3,832	-	3,832	-	(0.01)
-Hindu Undivided Family	1,91,442	-	1,91,442	0.21	5,51,847	-	5,51,847	0.61	0.40
-Foreign Bodies	1,16,605	-	1,16,605	0.13	1,39,105	-	1,39,105	0.15	0.02
Sub-total (B)(2)	2,48,41,594	39,30,832	2,87,72,426	31.69	2,54,58,945	32,72,342	2,87,31,287	31.62	(0.07)
Total Public Shareholding (B)= (B)(1)+(B)(2)	4,13,23,543	39,34,632	4,52,58,175	49.86	4,20,59,308	32,73,342	4,53,32,650	49.90	0.04
C. Shares held by Custodian for GDRs and ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8,68,34,093	39,34,632	9,07,68,725	100.00	8,75,69,858	32,73,342	9,08,43,200	100.00	0.00


(ii) Share holding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year as on April 1, 2015			Shareholding at the end of the year as on March 31, 2016			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Dr. Prakash A. Mody	4,13,37,342	45.54	-	4,22,87,278	46.55	-	1.01
2	Mrs. Anita Mody	13,23,400	1.46	-	13,23,400	1.46	-	-
3	Ms. Shwetambari Mody	9,49,936	1.05	-	-	-	-	(1.05)
4	Ms. Suparna Mody	9,49,936	1.05	-	9,49,936	1.05	-	-
5	Ms. Supriya Mody	9,49,936	1.05	-	9,49,936	1.05	-	-
	Total	4,55,10,550	50.14	-	4,55,10,550	50.10	-	(0.04)

(iii) Change in promoters' shareholding

Particulars	Shareholding at the beginning of the year as on April 1, 2015		Cumulative Share holding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4,55,10,550	50.14	4,55,10,550	50.10
Changes during the year	(9,49,936)	(1.05)	4,45,60,614	49.05
	9,49,936	1.05	4,55,10,550	50.10
At the end of the year as % on March 31, 2016	4,55,10,550	50.10	4,55,10,550	50.10

Note: There is no change in absolute shareholding of the Promoters between April 1, 2015 to March 31, 2016. The decrease in % of total shareholding of the Promoter and the Promoter group from 50.14% to 50.10% is due to ESOP allotment of 74,475 equity shares.

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRS & ADRS)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on April 1, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ICICI Prudential Long Term Equity Fund (Tax Saving)				
	At the beginning of the year	83,99,898	9.25	83,99,898	9.25
	Shares bought during the year	58,065	0.06	84,57,963	9.31
	At the end of the year as on March 31, 2016	84,57,963	9.31	84,57,963	9.31
2	Reliance Capital Trustee Co. Ltd. A/C Reliance Mid and Small Cap Fund				
	At the beginning of the year	21,01,058	2.31	21,01,058	2.31
	No changes during the year	-	-	21,01,058	2.31
	At the end of the year as on March 31, 2016	21,01,058	2.31	21,01,058	2.31
3	Arox Investment and Finance Pvt. Ltd.				
	At the beginning of the year	15,97,763	1.76	15,97,763	1.76
	No changes during the year	-	-	15,97,763	1.76
	At the end of the year as on March 31, 2016	15,97,763	1.76	15,97,763	1.76
4	General Insurance Corporation of India				
	At the beginning of the year	17,00,001	1.87	17,00,001	1.87
	Shares sold during the year	(2,00,000)	(0.22)	15,00,001	1.65
	At the end of the year as on March 31, 2016	15,00,001	1.65	15,00,001	1.65
5	Family Investment Private Limited				
	At the beginning of the year	14,38,522	1.58	14,38,522	1.58
	No changes during the year	-	-	14,38,522	1.58
	At the end of the year as on March 31, 2016	14,38,522	1.58	14,38,522	1.58
6	Airborne Investment and Finance Pvt. Ltd				
	At the beginning of the year	11,49,452	1.27	11,49,452	1.27
	No changes during the year	-	-	11,49,452	1.27
	At the end of the year as on March 31, 2016	11,49,452	1.27	11,49,452	1.27
7	Mr. Ajit Vishnu Shirodkar				
	At the beginning of the year	-	-	-	-
	Shares bought during the year	9,00,000	0.99	9,00,000	0.99
	At the end of the year as on March 31, 2016	9,00,000	0.99	9,00,000	0.99



Annexure F to Directors' Report

UNICHEM

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on April 1, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	**Unichem Laboratories Limited - Unclaimed Suspense Account				
	At the beginning of the year	-	-	-	-
	Shares bought during the year	5,11,725	0.56	5,11,725	0.56
	At the end of the year as on March 31, 2016	5,11,725	0.56	5,11,725	0.56
9	Cobra India (Mauritius) Limited				
	At the beginning of the year	-	-	-	-
	Shares bought during the year	4,50,000	0.50	4,50,000	0.50
	At the end of the year as on March 31, 2016	4,50,000	0.50	4,50,000	0.50
10	Nordea 1 Sicav - Indian Equity Fund				
	At the beginning of the year	1,31,364	0.14	1,31,364	0.14
	Shares bought during the year	2,62,076	0.29	3,93,440	0.43
	At the end of the year as on March 31, 2016	3,93,440	0.43	3,93,440	0.43
11	*Bajaj Allianz Life Insurance Company Ltd.				
	At the beginning of the year	5,91,054	0.65	5,91,054	0.65
	Shares sold during the year	(4,01,054)	(0.44)	1,90,000	0.21
	At the end of the year as on March 31, 2016	1,90,000	0.21	1,90,000	0.21
12	*Privatbank Ihag Zurich Ag				
	At the beginning of the year	8,02,631	0.88	8,02,631	0.88
	Shares sold during the year	(6,38,573)	(0.70)	1,64,058	0.18
	At the end of the year as on March 31, 2016	1,64,058	0.18	1,64,058	0.18
13	*Mr. Amrut Vitthal Das Mody				
	At the beginning of the year	9,00,000	0.99	9,00,000	0.99
	Shares sold during the year	(9,00,000)	(0.99)	-	-
	At the end of the year as on March 31, 2016	-	-	-	-
14	*Mr. Ramu Sitaram Deora				
	At the beginning of the year	3,37,457	0.37	3,37,457	0.37
	Shares bought during the year	9,116	0.01	3,46,573	0.38
	At the end of the year as on March 31, 2016	3,46,573	0.38	3,46,573	0.38
15	*Infina Finance Pvt. Ltd.				
	At the beginning of the year	3,39,205	0.37	3,39,205	0.37
	Shares sold during the year	(2,09,205)	(0.23)	1,30,000	0.14
	At the end of the year as on March 31, 2016	1,30,000	0.14	1,30,000	0.14

* Ceased to be in Top 10 shareholders as on March 31, 2016. The same are reflected above since the shareholders were one of the Top 10 shareholders as on April 1, 2015.

** Unclaimed / Undelivered shares of the Company demated in Unichem Laboratories Limited - Unclaimed Suspense Account.

(V) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on April 1, 2015		Cumulative Shareholding during the year as on March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Prakash A. Mody				
	At the beginning of the year	4,13,37,342	45.54	4,13,37,342	45.50
	Shares bought during the year	9,49,936	1.05	4,22,87,278	46.55
	At the end of the year as on March 31, 2016	4,22,87,278	46.55	4,22,87,278	46.55
2	Mr. Prafull Anubhai				
	At the beginning of the year	25,000	0.03	25,000	0.03
	No changes during the year	-	-	25,000	0.03
	At the end of the year as on March 31, 2016	25,000	0.03	25,000	0.03
3	Mr. Ramdas Gandhi				
	At the beginning of the year	20,000	0.02	20,000	0.02
	Allotment of shares pursuant to ESOP on August 7, 2015	7,500	0.01	27,500	0.03
	At the end of the year as on March 31, 2016	27,500	0.03	27,500	0.03



Sr. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year as on April 1, 2015		Cumulative Shareholding during the year as on March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mr. Prafull Sheth At the beginning of the year Allotment of shares pursuant to ESOP on August 7, 2015 At the end of the year as on March 31, 2016	- 7,500 7,500	- 0.01 0.01	- 7,500 7,500	- 0.01 0.01
5	Mr. Anand Mahajan At the beginning of the year Allotment of shares pursuant to ESOP on August 7, 2015 At the end of the year as on March 31, 2016	17,500 7,500 25,000	0.02 0.01 0.03	17,500 25,000 25,000	0.02 0.03 0.03
6	Dr. (Mrs.) B. Kinnera Murthy At the beginning of the year Changes during the year At the end of the year as on March 31, 2016	- - -	- - -	- - -	- - -
7	Mr. Rakesh Parikh (Chief Finance & Compliance Officer) At the beginning of the year Changes during the year (Allotment of shares pursuant to ESOP on July 11, 2015, January 23, 2016 and March 9, 2016) At the end of the year as on March 31, 2016	29,575 4,050 33,625	0.03 0.01 0.04	29,575 33,625 33,625	0.03 0.04 0.04
8	Mrs. Neema Thakore (Head - Legal & Company Secretary) At the beginning of the year Changes during the year At the end of the year as on March 31, 2016	- - -	- - -	- - -	- - -

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22.08	2,084.55	Nil	2,106.63
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.11	Nil	Nil	0.11
Total (i+ii+iii)	22.19	2,084.55	Nil	2,106.74
Change in Indebtedness during the financial year				
* Addition	29.80	165.06	Nil	194.86
* Reduction	Nil	318.84	Nil	318.84
Net Change	29.80	(153.78)	Nil	(123.98)
Indebtedness at the end of the financial year				
i) Principal Amount	51.44	1,930.77	Nil	1,982.21
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.55	Nil	Nil	0.55
Total (i+ii+iii)	51.99	1,930.77	Nil	1,982.76

VI Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Dr. Prakash A. Mody Chairman and Managing Director
1	Gross salary	339.86
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12.03
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	* Commission	124.03
	- as % of profit	
	- others, specify	23.40
5	Others, please specify	
6	Total (A)	499.32
7	Ceiling as per the Act: ₹ 1,240.34 lacs being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.	



Annexure F to Directors' Report

UNICHEM

B. Remuneration to other directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Names of Directors					
1	Independent Directors	Mr. Prafull Anubhai	Mr. Ramdas Gandhi	Mr. Prafull Sheth	Mr. Anand Mahajan	Dr. (Mrs.) B. Kinnera Murthy	Total
	Fee for attending Board Committee Meetings	6.3	6.3	4.9	2.5	2.7	22.7
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	**Total Managerial Remuneration						499.32
3	Overall Ceiling as per the Companies Act, 2013: ₹ 1,364.37 lacs being 11% of the Net profits of the Company calculated as per Section 198 of the Act.						

* Subject to the approval of Annual Financial Statements for the financial year 2015-2016 by the Members at the 53rd Annual General Meeting to be held on July 23, 2016.

** Exclusive of sitting fees paid to Independent Directors for remuneration, does not include sitting fees.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
	Name	Mr. Rakesh Parikh	*Mrs. Neema Thakore	**Mr. K. Subharaman	Total
	Designation	Chief Finance & Compliance Officer	Head - Legal & Company Secretary	Vice President - Legal & Company Secretary	
1	Gross salary	71.26	38.24	12.31	121.81
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	13.48	0.30	0.05	13.83
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify (Employer's Contribution to Provident Fund)	3.07	2.53	0.25	5.85
	Total	87.81	41.07	12.61	141.49

* was appointed w.e.f. May 15, 2015; **resigned w.e.f. May 18, 2015

VII Penalties/punishment/compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS Penalty Punishment Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Annexure G to Directors' Report

Particulars under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-2016**

Name of the Director	Ratio
Dr. Prakash A. Mody (Chairman & Managing Director)	197:1

Other Directors of the Company are paid only sitting fees which is not considered as remuneration.

- (ii) **The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager during the financial year 2015-2016**

Name	% increase/ (decrease)
Dr. Prakash A. Mody (Chairman & Managing Director)	6.67
Mr. Rakesh Parikh (Chief Finance & Compliance Officer)	16.80
*Mrs. Neema Thakore (Head - Legal & Company Secretary)	Not Applicable
**Mr. K. Subharaman (Vice President - Legal & Company Secretary)	Not Applicable
Other Directors of the Company are paid only sitting fees which is not considered as remuneration.	

* was appointed w.e.f. May 15, 2015

** resigned w.e.f. May 18, 2015

- (iii) **The percentage increase in the median remuneration of employees during the financial year 2015-2016**
5.61 %

- (iv) **The number of permanent employees on the rolls of the Company**

There were 5,673 employees on the rolls as on March 31, 2016.

- (v) **The explanation on the relationship between average increase in remuneration and Company performance**

The Company's standalone revenue / (Gross) increased by 12.66% against the increase in median remuneration at 5.61%. This was based on industry benchmarking, consideration towards cost of living adjustments, inflation rate and attrition factor.

- (vi) **Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company**

The revenue growth in the financial year 2015-2016 against financial year 2014-2015 was 12.66%. The aggregate increase in the remuneration of KMPs was 8.95%.

- (vii) **Variations in the market capitalisation of the Company, price earnings ratios as at the closing date of the current financial year and previous financial year**

Our market capitalization was ₹ 2,00,763 lacs as at March 31, 2016 as against ₹ 1,84,532.81 lacs as at March 31, 2015 based on share prices quoted on the National Stock Exchange of India Limited (NSE). The Price Earnings Ratio was 19.5 as at March 31, 2016 as compared to 28.71 as at March 31, 2015 (without exceptional items). The closing price of the Company's equity shares on the NSE as at March 31,



2016 was ₹ 221 representing a 2,38,580 % increase over the IPO price, adjusted for Stock splits, Rights Issue and Bonus issues to date.

(viii) **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company**

Particulars	Remuneration as a % of standalone turnover for financial year ended March 31, 2016
Dr. Prakash A. Mody (Chairman & Managing Director)	0.40
Mr. Rakesh Parikh (Chief Finance & Compliance Officer)	0.06
*Mrs. Neema Thakore- Head (Legal & Company Secretary)	0.04
**Mr. K. Subharaman- Vice President (Legal & Company Secretary)	0.00

* Appointed w.e.f. May 15, 2015

** Resigned w.e.f. May 18, 2015

(ix) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average increase in remuneration is 8.90% for employees other than Managerial Personnel and 9.77% for Managerial Personnel.

(x) **The key parameters for any variable component of remuneration availed by the Directors**

The Chairman & Managing Director of the Company is entitled to commission @ 1% of the Net profits of the Company calculated under the relevant provisions of the Act as approved by the shareholders at the Annual General Meeting held on July 19, 2013. The rest of the Non-Executive Directors, all being Independent Directors, receive only sitting fees.

(xi) **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year**

No employee received remuneration in excess of the Chairman & Managing Director.

(xii) **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Yes

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Annexure H to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-2016

1. **A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes**

Your Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education and development of needy sections of the Society especially the economically backward section are the other areas in which your Company concentrates its CSR activities. While the focus of CSR efforts will be in the areas around Company operations, the Company may also undertake projects looking into other societal needs. The CSR policy is available on the website of the Company and the web link is as under:

<http://www.unichemlabs.com/Policies-Code-of-Conduct/corporate-social-responsibility.html>

2. **Composition of the CSR Committee**

- a. Dr. Prakash A. Mody (Chairman & Managing Director)
- b. Mr. Prafull Anubhai (Independent Director)
- c. Mr. Ramdas Gandhi (Independent Director)
- d. Dr. (Mrs.) B. Kinnera Murthy (Independent Director)

3. **Average net profit of the Company for the last three financial years**

₹ 14,566.30 lacs

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above)**

₹ 291.33 lacs

5. **Details of amount spent on CSR activities during the financial year 2015-2016**

- a. Total amount to be spent for the financial year: ₹ 291.33 lacs
- b. Total amount spent for the financial year: ₹ 253.00 lacs
- c. Amount unspent, if any: ₹ 38.33 lacs

6. **Manner in which the amount was spent during the financial year is detailed below**

(₹ in lacs)

Sr.No.	CSR project / activities identified	Sector	Locations Districts / States	Amount Outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes	Cumulative expenditure up to reporting period	Amount spent: direct or through implementing agency *
1	Medical needs of Adiwasies, Health Camps and Cataract surgeries	Health	Karnataka, Odisha, Uttar Pradesh, Andhra Pradesh and Maharashtra	28.00	28.00	28.00	28.00
2	Educational Aid and Scholarships	Education	Gujarat and Maharashtra	245.00	225.00	225.00	225.00
Total				273.00	253.00	253.00	253.00

* Details of Implementing Agencies: Adiwasii Unnati Mandal, Ahmedabad University, Vision Foundation of India and Paragon Charitable Trust .



7. In case the Company has failed to spend the two percent of the average net profit of the latest three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Directors' Report

The Company has been engaged in CSR activities since many years. During the year under review the total amount to be spent was ₹ 291.33 lacs. The Company spent ₹ 253 lacs on CSR which is 1.74% of the average profits, for the last 3 (three) financial years. Balance amount of ₹ 38.33 lacs remained unspent. The Company has plans to scale up its CSR activities in areas of education and health in a structured manner to meet the objectives of its CSR policy in the coming years. Further, certain funds even though allocated to approved educational projects by the CSR Committee, were not disbursed since there was no requirement for these funds from the organizations/institutions during the year under review.

8. Responsibility statement on behalf of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

"Unichem's CSR projects/programs are entrenched in the way we do business and are guided by our corporate mission, values and aspirations. The implementation and monitoring of the CSR projects is in compliance with the provisions of Section 135 of the Companies Act, 2013."

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director & Chairman of CSR Committee



Management Discussion and Analysis

Global Pharma Market

Globally the generic drug industry has performed well in recent years, as there has been growing focus on the same worldwide. An accelerated shift to the use of generic medicines is expected, both from upcoming patent expiries in the US, and also from volume-driven growth in the largely generic-using pharmerging markets (Emerging Markets). Furthermore, governments around the world have put in place many policies that are encouraging the growth of generic usage and regulations have also established pricing systems to promote the development of the generic drugs sector.

In the US, the world's largest pharmaceutical market by value, generic drugs have emerged as an important part of the pharmaceutical industry due to which it has become imperative to develop this industry. With time, improvement has been made in existing infrastructure making it possible to achieve higher growth in the US market. The US regulators are continuously improving the existing infrastructure for approval of generic drugs.

Apart from many significant opportunities in the global market, many challenges exist as well. Around the globe, governments and healthcare activists are looking at various ways to reduce the healthcare burden. In the past few years there have been substantial consolidations amongst various retailers and distributors leading to pricing pressure in the US market.

Across the globe, development of regulations remains quite important for achieving higher cost savings without jeopardising patients' health. Regulators worldwide have shown their commitment towards patient safety as their primary objective, especially the USFDA. Their regulations have been changed with time in order to make them more amenable for both patients and drug developers. This approach has led to various changes in the way inspections and audits are carried out globally by the USFDA. The year gone by has seen many Indian Pharmaceutical Companies facing the adverse effects of non compliance with regulations laid down by USFDA mainly in the area of Quality control in manufacturing.

Your Company continually invests heavily in upgrading its manufacturing processes and improving manpower training based on guidance and recommendations shared by major regulatory authorities, thereby efficiently complying with cGMP. As a result, the USFDA issued

Establishment Inspection Reports (EIRs) for your Company's Formulation plants at Goa and Ghaziabad and also the API plant at Roha, resulting into re-certification from the USFDA. This will help your Company to pursue the high growth market of the US in a seamless manner. Apart from the highly regulated market of US, your Company also pursues various opportunities in rapidly growing non-regulated International markets. "Quality and Reliability" are fundamental values of your Company which have been the pillars of its success.

Domestic Pharmaceutical Market

Over the last decade, the Indian pharmaceutical sector has taken great strides. India's pharmaceutical sector has achieved new heights as the world's most cost effective generic drugs manufacturer. The Indian Pharmaceutical industry is globally the 3rd largest in terms of volume with a 10% share. McKinsey and Company's report projects that the Indian Pharma market will touch USD 55 billion by 2020, which will be mainly driven by a steady increase in affordability and growth in market access. At the projected scale, India's pharma market will be comparable to major developed markets barring US, Japan and China. (Source: McKinsey & Company - India Pharma 2020 Propelling access and acceptance).

During the year 2015-2016, the domestic pharmaceutical industry has clocked double digit growth and the trend is expected to continue in the future owing to various known factors such as rise in per capita income, growth in demand for medicines, improving medical infrastructure in tier II towns and growth in private insurance coverage. Adding to it will be various Government projects which will be implemented in a phased manner.

The Government of India has unveiled 'Pharma Vision 2020' which is aimed at making India a global leader in end to end drug manufacture. The dynamics of the Indian pharma market are set to change in times to come with Government sponsored programmes such as "Jan Aushadhi" coming to the fore where the Government will make a bulk purchase of generic medicines from private companies. Under the scheme, the Government plans to open around 3,000 Jan Aushadhi stores by the end of 2016. Another scheme which is already running is the "Rashtriya Swasthya Bima Yojana". This is largely focused on below poverty line segment and would lead to volume growth for the industry.



In the light of positive factors there are certain challenges which continue to exist. With the pricing regulatory authorities reviewing the existing product pricing on a constant basis and expanding the scope, the pressure of future decline in price remains high. Excessive and irrational approach to price reduction can lead to postponement of investments in introduction of newer products by the industry, which can depress market growth in the near future.

The domestic pharma market remains highly fragmented; in search of growth various companies are entering newer therapies and launching newer molecules. Your Company has made new investments to penetrate into high growing therapies of Diabetes, Dermatology and Gynecology. Your Company has launched new products in Diabetes, Dermatology and Gynecology targeting certain niche segments. Also, the Company continues to strengthen its foothold in the Cardiovascular (CVS) and Neuropsychiatry (CNS) market with further investments in marketing of existing brands and new product launches. Your Company has witnessed growth in its core portfolio of CVS and CNS in financial year 2015-2016. Your Company aims to launch many new products across various therapeutic categories. Significant investments are made across therapies covering a large gamut of specialists and various other ranks of doctors.

Unichem's Performance

Financial Highlights

Consolidated Sales/Income from operations (Net) stood at ₹ 1,33,456.38 lacs as compared to ₹ 1,20,179.34 lacs in the previous year, reflecting an overall growth of ~11%.

Standalone Sales/Income from operations (Net) stood at ₹ 1,22,241.14 lacs as compared to ₹ 1,09,098.46 lacs in the previous year, depicting an overall growth of ~12%.

Sales outside India including operating income (Gross) on consolidated basis stood at ₹ 56,893.03 lacs as compared to ₹ 52,650.70 lacs in the previous year, reflecting overall growth of ~8%.

Domestic Formulations

Chronic therapies account for ~57% in the domestic formulations portfolio, while Acute therapies account for the remaining ~43%.

Various strategies and practices implemented by your Company have started to yield results which are reflected in the performance. Some of Company's leading brands

like Losar, Trika and TG-TOR are showing progress. However, these brands remain under price control.

The growth in the Chronic segment was aided by improvement in performance in CVS category which accounts for ~42 % and also higher growth from the CNS category. The Acute segment continues to perform well with growth seen in key brands like Ampoxin, Unienzyme and Vyzilac. Your Company launched newer variants of its pillar brands thereby increasing its reach deeper in high growing markets. Your Company also launched many more new products across its portfolio, which will aid in future growth.

For the financial year 2015-2016, representative market grew by 11.5 % as against Unichem's growth of 13.7% (Source: AWACS MAT March 2016).

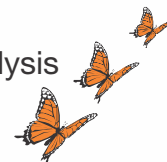
Currently ~16% of your Company's domestic formulations portfolio remains under price control.

Outlook

Going forward, growth revival in the IPM is expected to continue. Your Company remains confident of continuing and building the growth momentum seen during the financial year 2015-2016. The expected growth in domestic formulations will be mainly led by resumption of growth in the Chronic segment. With the launch of new products and new variants of older molecules, the Acute segment is also expected to carry forward above market growth witnessed in past years. However, changes in Government policies with regard to price control, banning of Fixed Dose Combinations remain key risks to overall market growth.

In the International business, Regulated markets like the US remain a key focus area. Your Company has received approvals for various products during the financial year 2015-2016 of which some have been launched during the financial year 2015-2016 and most of the remaining products will be launched in the current financial year 2016-2017. As a result, your Company is confident of maintaining and outperforming the current growth rate in US formulations. Apart from US, your Company is also spreading its wings in non-regulated markets by exploring business opportunities in high growth countries within Africa, Latin America and South East Asia regions.

Your Company sees abundant opportunities in the US generic market. To explore these opportunities, sizeable investments are made in R&D. Since R&D is the mainstay



of success in developed markets, your Company is in the process of filing of ANDAs for high value complex generic products.

Active Pharmaceutical Ingredients (APIs)

Active Pharmaceutical Ingredients (APIs) are an integral part of your Company's success. Manufacturing of API plays a very important role in the future growth path laid out by your Company. Several ANDAs filed are supported by in house APIs. With the growth in the US formulations business, backward integration remains the key to success. Backward integration helps your Company to maintain its cost competitive advantage.

With increase in demand from the US formulations business, your Company undertook capacity expansion at Pithampur API plant, a part of which was successfully commissioned during the financial year 2015-2016. Your Company undertook a considerable capex program amounting to ~ ₹ 14,000 lacs to further expand its State of the Art manufacturing units in Goa, Pithampur and also for R&D including Biosimilars projects. In addition to that further capex will be undertaken in the current financial year 2016-2017 for the API facility acquired at Kolhapur, Maharashtra. This facility will initially cater to domestic and Non-Regulated markets. Also, newly available capacities are expected to contribute positively in growth of the US formulations business.

Your Company has cumulatively filed 46 USDMFs, 24 CEPs and 214 eCTDs across Europe. In addition to captive consumption, APIs are also marketed both in the domestic and international markets.

International Business

The US is the largest pharmaceutical market in the world. Driven by factors such as large healthcare spending, high per-capita income, and strong Research and Development investments, the pharmaceutical market in the US has witnessed an upward surge over the past few years. Additionally, the share of Generics has increased steadily in the pharmaceutical market, in terms of both revenue and prescriptions. Commodity Generics form a significant share of overall generics sold in the developed markets of the US, Western Europe and Japan. With high value and complex products going off patent in recent years, the focus has shifted from plain vanilla generics to manufacturing complex or high value products. Your Company too has started its R&D stage work on various complex and high value generic products.

Your Company has cumulative filings of 36 ANDAs of which 20 have been approved. Unichem has Wholly Owned Subsidiaries in UK, USA, Brazil, South Africa and Ireland. Improvement in turnover is seen in the South African and Irish subsidiaries. The Company continues to leverage its manufacturing strengths to become the partner of choice for supply of quality generic products to global generic Companies.

US Formulations remains the biggest revenue contributor within the International business. Currently products supplied to US are from various categories like CVS, CNS, GI and Muscle Relaxants. Your Company remains cost competitive mainly because of its strong backward integration and excellent relations with various large wholesalers and distributors.

Your Company currently enjoys #1 position in some products in the US generics market, along with that it also features in the top 5 for many of its products. With the expansion of the Goa Formulation facility, supplies to the US subsidiary are expected to increase which will help in consolidating your Company's position in many existing products. Expected launch of new products will help your Company grow its US Formulation business at a much faster pace. The Company aims to gain sizeable market share with the launch of newly approved products.

Besides US other emerging markets like Africa and South East Asia are highly lucrative from the profitability perspective. Your Company is exploring various new and existing opportunities to strengthen its mark in the International markets. Going forward the Company expects to continue the healthy growth rates seen during the financial year 2015-2016 from the emerging market business.

Research and Development (R&D)

The newly established research facility at Goa called "Centre of Excellence (CoE)" currently houses all R&D activities such as API chemical synthesis (Chemical R&D), Formulation dosage development (Product Technology Development), and Analytical Research (Analytical R&D) under one roof. The CoE is a State of the Art facility, equipped with the latest infrastructure conforming to international standards.

Seeing robust sales growth in the US formulations business gives enhanced confidence to continue investment in R&D projects and also investment in R&D related infrastructure. At the CoE, Goa, your Company has



State of the Art R&D infrastructure at its disposal. Your Company remains committed towards R&D and will continue to invest ~4-6% of its total revenue in R&D projects. Currently the key focus of R&D remains for the highly regulated markets of US and EU.

Historically, Unichem's molecule selection was based on Paragraph III strategy, i.e. either all the patents listed in the Orange Book have expired or will expire till the time the ANDA is approved by FDA. This strategy was successfully exploited by the Company through efficient supply chain management and controlling the COGS, resulting in high market share in the key markets for some of its products. Four years back, the Company adopted a more aggressive Paragraph IV strategy for its product selection i.e. either the patent(s) listed in the Orange Book are Invalid or Not Infringed by Unichem's product. The Company is very pleased to report that it received its first approval under Para IV certification due to concerted R&D efforts. The Company now has a development pipeline of several Para IV products with some of them even being targeted to achieve First-To-File status.

Your Company has adopted a very aggressive project management strategy to see it through its plan of filing a higher number of high market value ANDAs. Your Company has also taken a strategic decision to support the India Domestic Marketing by developing some New Molecules for the first time in India to give them the Early Mover advantage in the market.

As Biosimilars are expected to be one of the largest sources of growth with billions of dollars worth of drugs going off patent in the coming years, your Company dedicates a certain portion of its R&D funds towards development of Biosimilars. Meanwhile, regulatory pathways have developed across the globe and biosimilars are going to be widely accepted.

Your Company has significantly invested into a backward integration policy to ensure Cost Affordable, Quality and Timely supply of APIs to its Drug Products business. At its CoE facility a very strong API process research group is working towards developing Novel, Non Infringing and Cost Effective processes of some of the very complex First-To-File Product Drug Substances, amongst others. Your Company's R&D efforts are also dedicated towards Contract Research and Formulation Development of NCEs for some of the renowned Multinationals and also co-developing generic products with some of the top Generic Companies of the world.

Infrastructure

Having State of the Art infrastructure is one of the most important areas of your Company's success in various international markets. Your Company has a dedicated investment plan for maintaining and upgrading its world class plants, in order to comply with various regulatory authorities including the USFDA.

Your Company has created world class drug manufacturing facilities across India. The Company's manufacturing plants have been accredited by highly respected international regulatory bodies like the USFDA, UK MHRA, ANVISA (Brazil), COFEPRIS (Mexico), PMDA (Japan), EUGMP, TGA (Australia), EDQM, ISO, WHO (Geneva) and OHSAS.

Human Resources

The crux of the HR philosophy at Unichem is leveraging human capital towards achievement of business goals. Operating in a knowledge intense industry and our own vision of growth, drive our need to build an agile and engaged workforce. Your Company has a diverse mix of youth and experience which nurtures the business.

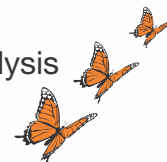
As on March 31, 2016 the total employee strength was 5,673.

Our objective to build organisational capability through skill development across levels ensures that we invest in training and enhancing people skills in line with the dynamic business needs. The Company's industrial relations continued to be harmonious during the year under review.

In our endeavour to be employee centric, your Company revamped existing HR policies to be more people friendly and offered them a better work life balance. We continued to rely on technology to reach out to employees and improve efficiencies by automating policies and work flows. During the current year, HR would focus on enabling change to deliver the desired business outcomes. The objective is to create an HR organisation focusing on responding to business challenges of tomorrow.

Internal Controls

The Company's internal control systems are commensurate with the nature and size of its business operations. These systems ensure that transactions are authorized, recorded and reported diligently, to safeguard the assets of the Company. Internal Audit was conducted



in various areas of operations of the Company. The internal audit process includes review and evaluation of effectiveness of existing processes, internal controls and compliances. It also ensures adherence to policies and systems and mitigation of operational risks perceived for each area under audit. The Management duly considers and takes appropriate action on recommendations made by the Statutory Auditors, Cost Auditors, Internal Auditors and Audit Committee of the Board of Directors.

Risks and Concerns

Risks, challenges and volatility are part and parcel of any industry and need to be lessened through well planned strategies and actions. The domestic market faces risks in terms of new molecules brought under the price control umbrella and also the ongoing issue on ban on various Fixed Dose Combinations. In order to de-risk from the current market scenario, the Company is focusing on new launches in niche areas and also improving its market reach for the existing products.

Besides, the risks in Domestic market there are various risks in the International markets as well, an important one being regulatory risk. Increase in pressure from the regulatory authorities worldwide towards compliance has resulted in many companies being suspended from production. Your Company rigorously complies with cGMP standards. Your Company has undergone successful audits from USFDA and other regulators for all its plants which cater to the International markets.

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Corporate Governance Report

Compliance with the code of Corporate Governance forms an integral part of the Company's philosophy. Unichem firmly believes that any meaningful policy on Corporate Governance must provide empowerment to the management of the Company and simultaneously create a mechanism of checks and balances that ensure that the decision making powers vested in the management are not misused and are exercised with care and responsibility to meet stakeholders' aspirations and societal expectations. The core principles of Corporate Governance i.e. trusteeship, transparency, empowerment, accountability and control form the cornerstone of Unichem's Corporate Governance philosophy. The Company continues to focus its resources, strengths and strategies to achieve the highest standards of Corporate Governance and endeavours to implement the code of Corporate Governance in its true spirit.

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable provisions of the Companies Act, 2013, a report on Corporate Governance is detailed below:

Board of Directors

Composition, attendance of Directors at Board Meetings and the last Annual General Meeting (AGM), other Directorships and Memberships and/or Chairmanships held by each Director

As on March 31, 2016, Unichem's Board comprised of 6 (six) Directors, viz., the Chairman & Managing Director and 5 (five) Non-Executive and Independent Directors. Unichem's Board met 5 (five) times during the year under review viz. May 9, 2015, July 11, 2015, October 17, 2015, January 23, 2016 and March 9, 2016 as given in **Table-1**. The intervening period between two Board Meetings was well within the time limit prescribed in the Companies Act, 2013 and the Listing Regulations.

Independent Directors' Meeting

During the year under review, the Independent Directors met on January 23, 2016 *inter alia*, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and

Table-1: Composition of Board and attendance of Meetings during the year 2015-2016

Name	Category	No. of Board Meetings held during the year 2015-2016		Whether attended last AGM held on July 11, 2015	No. of Directorships in other public companies*	No. of committee positions in other public companies**	
		Held	Attended			Member	Chairman
Dr. Prakash A. Mody (Chairman & Managing Director)	Promoter & Executive	5	5	Yes	1	0	0
Mr. Prafull Anubhai	Non-Executive, Independent	5	5	Yes	3	1	2
Mr. Ramdas Gandhi	Non-Executive, Independent	5	5	Yes	3	1	3
Mr. Anand Mahajan	Non-Executive, Independent	5	5	Yes	2	2	1
Mr. Prafull Sheth	Non-Executive, Independent	5	5	Yes	0	0	0
Dr. (Mrs.) B. Kinnera Murthy ***	Non-Executive, Independent	5	5	Yes	3	0	0

* Excludes Directorships in Pvt. Ltd. Companies, Foreign Companies (including foreign subsidiaries of Unichem Laboratories Limited) and Companies under Section 8 of the Companies Act, 2013.

** Covers only Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

*** Dr. (Mrs.) B. Kinnera Murthy was appointed as an Independent Director of the Company at the Annual General Meeting of the Company held on July 11, 2015, to hold office for a period of 3 (three) consecutive years upto March 20, 2018.



- c. Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors attended the Meeting.

Familiarisation programme for Independent Directors

As and when a new Independent Director is appointed, the Company takes steps to familiarise the Independent Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. By way of an introduction, the Company presents to the Director a corporate CD which encompasses the history and operations of the Company.

Compliances required from the Directors under the Companies Act, 2013 and the Listing Regulations are explained to them in detail. Senior Management makes presentations periodically to familiarise the Directors with the strategy and operations of the Company.

The details of such familiarisation programme have been displayed on the website of the Company and the weblink of the same is:

http://www.unichemlabs.com/pdf/newsroom/familiarisationPrograms_2015-16.pdf

Compliance with Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics. The said Code is posted on the Company's website and the weblink of the same is:

<http://www.unichemlabs.com/Policies-Code-of-Conduct/business-conduct-ethics.html>

All Board members and Senior Management Personnel have affirmed compliance with the said Code for the year

ended March 31, 2016. A declaration to this effect signed by the Chairman & Managing Director is given below:

Declaration on Code of Business Conduct and Ethics

"In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended March 31, 2016".

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director

Audit Committee

The Audit Committee met on May 9, 2015; July 11, 2015; October 17, 2015 and January 23, 2016. The composition of the Committee as on March 31, 2016 and the details on the number of Audit Committee Meetings held and attended by the Members during the financial year 2015-2016 are given in **Table-2**.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committees as given under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Chief Finance & Compliance Officer and Chief Internal Auditor & Compliance Officer and a representative of the Statutory Auditors and the Cost Auditor were regular invitees to the Meetings.

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee during the financial year 2015-2016 is given in **Table -3**.

Table-2: Composition and attendance of Audit Committee Meetings during 2015-2016

Name of Director	Position	Category	No. of Meetings attended
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent	4
Mr. Ramdas Gandhi	Member	Non-Executive, Independent	4
Mr. Prafull Sheth	Member	Non-Executive, Independent	4

Table-3: Composition and attendance of Nomination and Remuneration Committee Meetings during 2015-2016

Name of Director	Position	Category	No. of Meetings attended
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent	2
Mr. Ramdas Gandhi	Member	Non-Executive, Independent	2
Mr. Prafull Sheth	Member	Non-Executive, Independent	2



The terms of reference of the Committee are wide enough to cover matters specified for the Committee as given under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The said Committee met on May 9, 2015 and July 11, 2015.

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy considers human resources as its invaluable assets. The said Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration Policy for all employees is designed to attract talented personnel and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

Whole Time/ Managing Director

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Whole Time/ Managing Director. A proper balance between fixed and variable component is aimed at. Salary is paid based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, subject to the approval of the shareholders within the limits stipulated by the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Whole Time Director is determined keeping in view the industry benchmark and the relative performance of the Company compared to the industry performance.

Non-Executive Directors

Non-Executive Directors receive sitting fees for attending Meetings of the Board and its Committees as per the provisions of the Companies Act, 2013 and the Rules made thereunder. They have been allotted Employee Stock Options under the erstwhile Companies Act, 1956. However, they will not henceforth be eligible for Employee Stock Options, if any, introduced by the Company. Besides payment of sitting fees and dividend on equity shares if any, held by the Directors no other remuneration is paid to the Non-Executive Directors. The Nomination and Remuneration Committee may recommend to the Board, the payment of commission taking into account the evaluation of the performance of the Directors.

Key Managerial Personnel (KMP) and other Employees

The remuneration of KMP other than the Whole Time Director and other Senior Managerial Employees largely

consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience, merits and performance of each employee. The Company while deciding the remuneration package takes into consideration the current employment scenario and remuneration package prevalent in the industry and peer group companies.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations, the Board has carried out an annual performance evaluation of the working of its own performance, its Committees and the Directors individually. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who were subject to evaluation did not participate. A structured questionnaire was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's/Committees' functioning.

The evaluation of the Directors was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of risk management policies, evaluating plans with reference to risk and return, Good Governance and Leadership skills. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors

The Remuneration details are given in **Table-4**.

Shareholding of the Non-Executive Directors

Details of shares held by Non-Executive Directors as on March 31, 2016:

Name	No. of shares held
Mr. Prafull Anubhai	25,000
Mr. Ramdas Gandhi	27,500
Mr. Anand Mahajan	25,000
Mr. Prafull Sheth	7,500
Dr. (Mrs.) B. Kinnera Murthy	Nil

The Company has not issued any convertible instruments during the financial year ended March 31, 2016. None of the Directors had any relationship *inter-se*.

Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee and the details of the number of Meetings held and attended by the Members during the financial year


Table-4: Remuneration paid to the Directors for 2015-2016 (in ₹)

Name	Sitting Fees**	Commission payable for 2015-2016@	Consolidated Salary#	Perquisites and Allowances#	Total Amount
*Dr. Prakash A.Mody	Not Applicable	1,24,03,400	3,62,89,884	12,02,548	4,98,95,832
Mr. Prafull Anubhai	6,30,000	-	-	-	6,30,000
Mr. Ramdas Gandhi	6,30,000	-	-	-	6,30,000
Mr. Anand Mahajan	2,50,000	-	-	-	2,50,000
Mr. Prafull Sheth	4,90,000	-	-	-	4,90,000
Dr. (Mrs.) B Kinnera Murthy	2,70,000	-	-	-	2,70,000

* Eligible to receive commission @ 1% of the Net Profits of the Company, computed under Section 197 and 198 of the Companies Act, 2013 and the Rules made thereunder.

** Sitting Fees are exclusive of Service Tax (Service Tax paid extra under reverse charge mechanism)

Fixed Component

@ Variable Component

2015-2016 are given in **Table-5**. The Committee focuses on shareholders' grievances and strengthening of investor relations.

The Stakeholders' Relationship Committee met on May 9, 2015; July 11, 2015; October 17, 2015 and January 23, 2016. During the year 32 (thirty two) complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon valid requests for share transfers received during the year and no such request is pending.

The Company has a dedicated e-mail id shares@unichemlabs.com where investors and the other stakeholders can address their queries and grievances.

Mrs. Neema Thakore (Head - Legal & Company Secretary) is the Compliance Officer. She also acts as Secretary to the Committee.

Risk Management

Pursuant to Regulation 21 of the Listing Regulations, the Company does not come in the top 100 entities which has to mandatorily constitute a Risk Management Committee. However the Company has procedures for risk assessment and minimisation.

Corporate Social Responsibility Committee (CSR)

The composition of the Corporate Social Responsibility Committee and the details on the number of Meetings held and attended by the Members during the financial year 2015-2016 are given in **Table-6**. The terms of reference of the said Committee broadly comprise the following:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor their progress.

Meetings of the Committee were held on May 9, 2015, July 11, 2015 and January 23, 2016. The Company Secretary acts as Secretary to the Committee.

CEO and CFO Certification

The CEO and CFO have *inter alia* certified to the Board of Directors, the accuracy of financial statements and adequacy of internal controls for financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2016 and the same was placed before the Board of Directors at its Meeting held on May 20, 2016.

Table-5: Composition and attendance of Stakeholders' Relationship Committee Meetings during 2015-2016

Name of Director	Position	Category	No. of Meetings attended
Mr. Ramdas Gandhi	Chairman	Non-Executive, Independent	4
Dr. Prakash A. Mody	Member	Executive Director	4
Mr. Prafull Anubhai	Member	Non-Executive, Independent	4



Table-6: Composition and attendance of Corporate Social Responsibility Committee Meetings during 2015-2016

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody	Chairman	Executive Director	3
Mr. Prafull Anubhai	Member	Non-Executive, Independent	3
Mr. Ramdas Gandhi	Member	Non-Executive, Independent	3
*(Dr.) (Mrs.) B. Kinnera Murthy	Member	Non-Executive, Independent	1

*Appointed as a Member of the Committee w.e.f. January 23, 2016.

General Body Meetings

a. Details of last 3 (three) Annual General Meetings are given in **Table-7**.

b. Resolution passed through Postal Ballot:

No Resolution was passed by Postal Ballot during the year under review. None of the Resolutions proposed at the 53rd Annual General Meeting needs to be passed by Postal Ballot.

Disclosures

Related Party Transactions

There were no materially significant transactions with Related Parties during the financial year, which were in conflict with the interest of the Company at large. The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website and the weblink of the same is:

http://www.unichemlabs.com/Policies-Code-of-Conduct/related_party_transactions.html

Details of Non compliance

During the past 3 (three) years there have been no instances of non compliance by the Company with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital markets.

Material Subsidiary

The Company has formulated a Policy on material subsidiary and the same is displayed on the Company's website and the weblink of the same is http://www.unichemlabs.com/Policies-Code-of-Conduct/Policy_on_Material_Subsidiaries.html

Whistle Blower Policy

The Company has in place a Whistle Blower/Vigil Mechanism through which its Stakeholders, Directors and Employees can report their genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. The said Policy provides for adequate safeguards against victimization and also direct access to the Audit Committee. The e-mail id for reporting genuine concerns is whistleblower@unichemabs.com

Compliance with the Mandatory Requirements of the Listing Regulations

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

Adoption of Non Mandatory Requirements

The Company has not adopted the non mandatory requirements of the Listing Regulations.

Table-7: Details of the last 3 (three) Annual General Meetings (AGM)

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each meeting
52nd	2014-2015	M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor 18/20 K. Dubhash Marg Mumbai 400 001	July 11, 2015	3.00 p.m.	No Special Resolutions were passed at this Meeting.
51st	2013-2014	Hall of Culture, Nehru Centre Dr. Annie Besant Road, Worli Mumbai - 400 018	July 12, 2014	3.00 p.m.	Substitution of the Articles of Association to the entire exclusion of all the Articles contained in the existing Articles of Association.
50th	2012-2013	Hall of Culture, Nehru Centre Dr. Annie Besant Road, Worli Mumbai - 400 018	July 19, 2013	12.30 p.m.	No Special Resolutions were passed at this Meeting.



Management Discussion and Analysis Report

The information required under the Management Discussion and Analysis Report is separately given in this Annual Report.

Brief profile of Directors seeking appointment/re-appointment

As required, a brief profile and other particulars of the Director retiring by rotation/re-appointment is given in the Notice of the 53rd Annual General Meeting and forms a part of this Report.

Commodity price risk or foreign exchange risk and hedging activities

During the financial year ended March 31, 2016, the Company managed its foreign exchange risk and hedged to the extent considered necessary/permitted. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in the Financial Statements.

Means of Communication

- The Unaudited quarterly/half yearly results are announced within 45 (forty five) days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in a local language (Marathi) newspaper, within 48 (forty eight) hours of approval thereof. Presently the same are not sent to the shareholders separately.
- The Company's financial results and official press releases are displayed on the Company's website: www.unichemlabs.com
- Any presentation made to the institutional investors and / or analysts are also posted on the Company's website.
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. The said information is also filed electronically with NSE through NSE's NEAPS portal.

- A separate dedicated section under "Investors", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

General Shareholder Information

Date, Time and Venue of 53rd AGM

Date: July 23, 2016

Time: 3.00 p.m.

Venue: Hall of Culture, Nehru Centre
Dr. Annie Besant Road, Worli
Mumbai – 400 018

Financial Year – April 1, 2015 to March 31, 2016

Dates of Book Closure

July 18, 2016 to July 23, 2016 (both days inclusive)

Dividend Payment Date

Interim Dividend of ₹ 2/- (100%) per share having a face value of ₹ 2/- each, declared and paid by the Board of Directors on March 28, 2016 has been confirmed as Final Dividend for the year ended March 31, 2016.

Stock Exchanges on which shares are listed

The Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)

The Annual Listing Fees for the year 2015-2016 are paid by the Company.

Stock Codes

BSE 506690
NSE UNICHEMLAB

Unclaimed Dividend

The Dividends for the following financial years remaining unclaimed for 7 (seven) years, will be transferred to the Investor Education and Protection Fund. **Table-8** provides the transfer dates. Shareholders who have not claimed their Dividends are requested to do so before these are statutorily transferred. Shareholders who have not encashed their Dividend warrants are requested to immediately approach the Investor Relations Department of the Company for issue of duplicate dividend warrants.



Table-8: Unclaimed Dividend

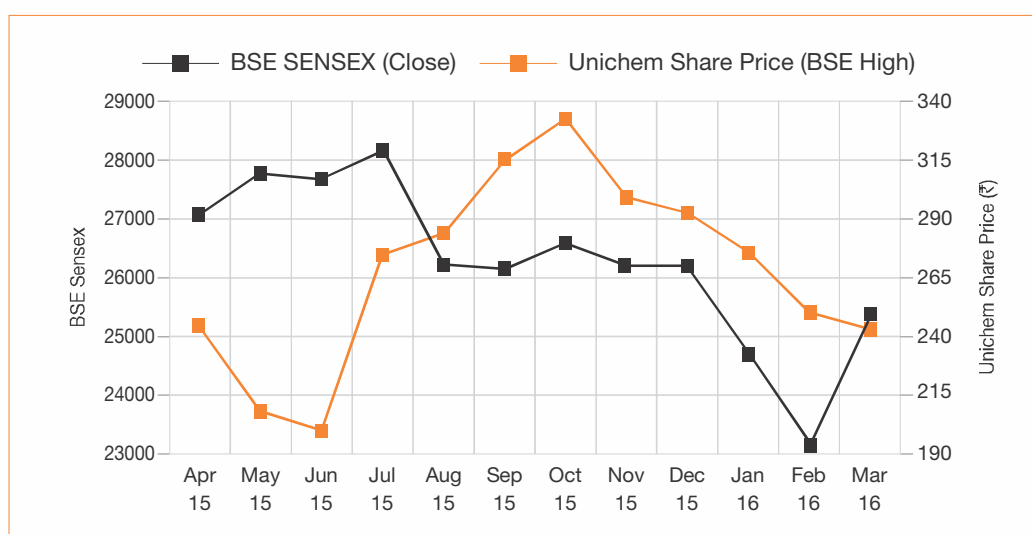
Financial Year	Type of Dividend	Date of Declaration of Dividend	Last date for claiming unclaimed Dividend
2008-2009	Final	22.7.2009	28.8.2016
2009-2010	Interim	22.10.2009	28.11.2016
2009-2010	Final	10.5.2010	16.6.2017
2010-2011	Interim	16.10.2010	22.11.2017
2010-2011	Final	28.7.2011	3.9.2018
2011-2012	Final	27.9.2012	3.11.2019
2012-2013	Final	19.7.2013	25.8.2020
2013-2014	Interim	18.1.2014	24.2.2021
2013-2014	Final	12.7.2014	18.8.2021
2014-2015	Final	16.7.2015	22.8.2022
2015-2016	Interim	9.3.2016	15.4.2023

Market Price data

(Figures in ₹)

Month	High (BSE)	Low (BSE)	High (NSE)	Low (NSE)
April, 2015	242.00	196.65	242.00	195.20
May, 2015	210.75	186.60	211.25	185.00
June, 2015	199.25	174.00	199.40	173.00
July, 2015	271.95	186.15	271.70	186.45
August, 2015	282.75	205.50	284.30	226.00
September, 2015	315.25	250.05	316.80	253.10
October, 2015	334.00	276.30	334.10	278.80
November, 2015	297.10	258.25	296.90	258.10
December, 2015	291.00	261.10	290.95	261.10
January, 2016	271.85	200.20	271.30	202.90
February, 2016	256.85	189.00	256.90	188.50
March, 2016	241.40	199.00	242.00	196.50

Share Performance of the Company in comparison to broad based indices of BSE-Sensex





Registrar and Share Transfer Agents (RTA)

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, LBS Marg

Bhandup (West), Mumbai – 400 078

Tel: (022) 2594 6970, Fax: (022) 2594 6969

E-mail Id.: rnt.helpdesk@linkintime.co.in

Share Transfer System

Share transfers are registered and returned within a month from the date of receipt, subject to the documents being valid and complete in all respects. Share certificates duly endorsed are issued or transferred to all those shareholders who opt to hold shares in physical mode.

The Company has delegated the authority to approve share transfers to its RTA, Link Intime India Pvt. Ltd. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as

required under Regulation 40 (9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

There are no legal proceedings pending against the Company before the Company Law Board in respect of dispute over title to shares in which the Company has been made a party.

Dematerialisation of Shares and Liquidity

The Company's equity shares form part of the dematerialisation segment for all investors. As on March 31, 2016, 96.40% of the paid up capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Distribution of Shareholding on March 31, 2016

Sr. No.	Share Holding of Nominal Value (₹)	No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Share Holding
1	Upto 5,000	23,014	96.33	1,08,00,618	11.89
2	5,001 – 10,000	517	2.16	35,36,395	3.89
3	10,001 – 20,000	170	0.71	23,93,113	2.63
4	20,001 – 30,000	67	0.28	16,55,958	1.82
5	30,001 – 40,000	25	0.10	8,81,613	0.97
6	40,001 – 50,000	24	0.10	11,11,177	1.22
7	50,001 – 1,00,000	21	0.09	13,56,881	1.50
8	1,00,001 and above	52	0.23	6,91,07,445	76.08
	Grand Total	23,890	100.00	9,08,43,200	100.00

Financial Calendar (Tentative)

Results for the Quarter and year ending on	Tentative date
Unaudited results for the first quarter ending June 30, 2016	Third week of July 2016
Unaudited results for the second quarter and half year ending September 30, 2016	Third week of October 2016
Unaudited results for the third quarter and nine months ending December 31, 2016	Third week of January 2017
Audited results for year ending March 31, 2017	Third week of May 2017

Plant locations: The data is given at page 11 of the Annual Report.

Address for correspondence

Registered and Corporate Office

Unichem Bhavan, Prabhat Estate, Off S. V. Road

Jogeshwari (West), Mumbai – 400102

Tel.: (022) 6688 8333

Fax.: (022) 2678 4391

Website: www.unichemlabs.com

For Secretarial matters

Ms. Shalini Kamath / Mr. Dilip Bhor

Unichem Bhavan, Prabhat Estate, Off S. V. Road

Jogeshwari (West), Mumbai – 400102

Tel.: (022) 6688 8478 / 439

E-mail Id.: shares@unichemlabs.com



Shareholding Pattern as on March 31, 2016			
Category	Category of Shareholder	As on March 31, 2016	
		Total No. of shares	As a %
(A)	Promoter and Promoter Group	4,55,10,550	50.10
(B)	Public shareholding		
	1) Institutions		
	Mutual Funds	1,14,90,025	12.65
	Foreign Portfolio Investors	30,69,925	3.38
	Financial Institutions/Banks	63,663	0.07
	Insurance Companies	19,32,147	2.13
	Foreign Mutual Funds	45,103	0.05
	Foreign Banks	500	0.00
	2) Non institutions		
	i. Individual shareholders holding nominal share capital up to ₹ 2 lacs	1,79,58,101	19.77
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lacs	26,64,015	2.93
	Any Other (specify)		
	i. Trusts	8,674	0.01
	ii. Foreign Nationals	6,750	0.01
	iii. Hindu Undivided Family	5,51,847	0.61
	iv. Non Resident Indians (Non Repat.)	6,06,305	0.67
	v. Non Resident Indians (Repat.)	3,35,497	0.37
	vi. Overseas Bodies Corporates	16,250	0.02
	vii. Clearing Members	67,562	0.06
	viii. Market Maker	3,832	0.00
	ix. Bodies Corporate	65,12,454	7.17
	Grand Total	9,08,43,200	100.00

Auditors Certificate

The Statutory Auditors Certificate on compliance with the conditions of Corporate Governance is annexed herewith.

For and on behalf of the Board of Directors,

Mumbai
May 20, 2016

Dr. Prakash A. Mody
Chairman & Managing Director



Auditors' Certificate on Corporate Governance

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
Unichem Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Unichem Laboratories Limited (the Company), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges (April 1, 2015 to November 30, 2015) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations (December 1, 2015 to March 31, 2016).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. D. Jokhakar & Co.
Chartered Accountants
Firm Registration No: 104345W

Raman H. Jokhakar
Partner
Membership No. 103241

Mumbai
May 20, 2016



Independent Auditors' Report to the Members of Unichem Laboratories Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Unichem Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.



Emphasis of Matter

We draw attention to Note 34 to the standalone financial statements relating to increase in the provision for diminution of long-term investments in Unichem Farmaceutica Do Brazil Ltda, from ₹ 434.50 lacs in the previous year to ₹ 2,277.63 lacs for the year under report, based on internal assessment and other factors more elaborately stated in the said Note.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no 29 and 30 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B. D. Jokhakar & Co.
Chartered Accountants
Firm Registration No.: 104345W

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 20, 2016



ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements of even date)

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, some of the fixed assets of the Company have been physically verified during the year by the management in accordance with a phased program of verification designed to cover all assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management, except for the inventories lying with the third parties, which have however, been confirmed by them. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, sub clause (a), (b) and (c) of the paragraph 3 (ii) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act relating to the manufacture of Bulk Drugs and pharmaceutical specialties and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues in respect of income tax (including TDS), sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending as on 31st March, 2016 are as given below:



Name of the Statutes	Nature of the dues	Amount (₹ in lacs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	31.04	AY: 2008-09 to AY: 2009-10	Commissioner of Income Tax – (Appeals)
U.P. Value Added Tax Act, 2008	Penalty	20.44	FY: 2008-09	Hon'ble High Court of Judicature at Allahabad
Central Excise Act, 1944	Duty and Penalty	119.38	FY: 2003-2004 to 2008-2009	Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Duty and Penalty	11.05	FY: 2007-08 to FY: 2009-10, FY: 2011-12	Commissioner of Central Excise (Appeal)
Service Tax Laws	Disallowance of Service Tax Credit	12.06	FY: 2005-06 to FY: 2010-11	Appellate Tribunal (CESTAT), New Delhi
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	6.38	FY: 2011-12 to FY: 2015-16	Commissioner of Central Excise (Appeal), Kolkata – III
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	139.87	January 2012 to March 2012	Appellate Tribunal (CESTAT)
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	10.58	FY: 2007-08 to FY: 2010-11	Appellate Tribunal (CESTAT)
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	373.77	FY: 2008-09 to FY: 2012-13	Appellate Tribunal (CESTAT)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and Governments. Therefore, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained except in case of term loans amounting to Rs. 29.36 lacs disbursed but pending utilisation, which were placed in a separate bank account.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



Independent Auditors' Report

UNICHEM

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act. Therefore, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

For B. D. Jokhakar & Co.
Chartered Accountants
Firm Registration No.: 104345W

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 20, 2016



ANNEXURE B TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Unichem Laboratories Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;



- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. D. Jokhakar & Co.
Chartered Accountants
Firm Registration No.: 104345W

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 20, 2016



Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,816.87	1,815.38
(b) Reserves and Surplus	3	100,896.36	92,926.18
(2) Non- current liabilities			
(a) Long term borrowings	4	51.44	22.08
(b) Deferred tax liabilities (Net)	5	3,131.54	3,932.54
(c) Other Long term liabilities	6	1,930.77	2,084.55
(d) Long - term provisions	7	1,257.55	887.56
(3) Current liabilities			
(a) Short-term borrowings	8	790.15	-
(b) Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		18,963.35	14,262.90
(c) Other current liabilities	10	4,742.95	3,631.53
(d) Short- term provisions	11	576.03	2,605.27
TOTAL		134,157.01	122,167.99
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		38,119.98	39,586.60
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		23,265.12	11,866.07
(b) Non-current Investments	13	10,243.10	11,760.90
(c) Long-term loans and advances	14	3,041.85	4,459.17
(2) Current Assets			
(a) Current Investments	15	800.00	3,503.92
(b) Inventories	16	20,065.54	18,648.31
(c) Trade Receivables	17	26,538.73	20,619.35
(d) Cash and Bank Balances	18	1,094.10	1,971.05
(e) Short-term loans and advances	19	9,720.68	8,604.46
(f) Other current assets	20	1,267.91	1,148.16
TOTAL		134,157.01	122,167.99
Significant Accounting Policies	1		

Notes to Accounts form an integral part of financial statements

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

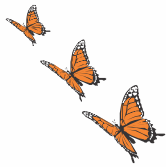
Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Statement of Profit & Loss

(₹ in lacs)

	Notes	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
INCOME			
I. Revenue from operations (Gross)	21	123,803.99	109,895.88
Less: Excise duty		1,562.85	797.42
Revenue from Operations (Net)		122,241.14	109,098.46
II. Other Income	22	2,265.50	1,996.77
III. Total Revenue (I + II)		124,506.64	111,095.23
IV. Expenses:			
Cost of materials consumed	23	32,319.94	30,618.22
Purchases of Stock -in-Trade		13,752.69	12,934.66
Changes in inventories of Finished goods, Work-in-progress and Stock -in-Trade	24	(871.23)	(769.16)
Employee benefits expense	25	20,948.38	17,804.19
Finance costs	26	227.61	236.86
Depreciation and amortization expense	12	3,499.12	3,768.30
Other expenses	27	37,464.52	33,710.25
Research & Development expense	28	4,386.77	4,642.14
Total Expenses (IV)		111,727.80	102,945.46
V. Profit before Exceptional Items & Tax (III - IV)		12,778.84	8,149.77
VI. Exceptional Item			
Exceptional Item (Before Tax) (Refer Note 37)		353.00	-
VII. Profit for the period before tax (V-VI)		12,425.84	8,149.77
VIII. Tax expense			
(1) Current tax		3,175.00	1,820.00
(2) Deferred tax	5	(801.00)	(101.00)
(3) Short / (excess) provision for taxation pertaining to previous years		(5.03)	(8.95)
Total Tax Expense (VIII)		2,368.97	1,710.05
IX. Profit for the period after exceptional items & tax (VII-VIII)		10,056.87	6,439.72
X. Earnings per equity share (Face Value Rs.2 each)			
(1) Basic (in Rs.)		11.07	7.10
(2) Diluted (in Rs.)		11.05	7.08
Significant Accounting Policies	1		

Notes to Accounts form an integral part of financial statements

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2016		For the year ended 31 st March, 2015	
A. Cash Flow from Operating Activities				
Net Profit before Tax Adjustment for :		12,425.84		8,149.77
Provision for Wealth Tax	-		6.00	
Depreciation	3,499.12		3,768.30	
Loss/(Profit) on Sale of Assets (Net)	(25.18)		(8.75)	
Unrealised Exchange difference (Net)	(285.37)		125.45	
Finance cost	227.61		236.86	
Provision for doubtful debts, loans, advances & deposits for the year	416.11		107.85	
Employees compensation expenses (ESOS)	67.27		74.51	
Loss/(Profit) on Sale of Investments	(288.06)		(96.08)	
Bad debts Written Off	322.01		33.77	
Interest income	(501.34)		(926.26)	
Excess provision for expenses written back	(107.50)		(126.48)	
Prov for Diminution in Investments	2,277.63		434.55	
Dividend Income	(0.25)		(0.19)	
		5,602.05		3,629.53
Operating Profit Before Working Capital Changes Adjusted for:		18,027.89		11,779.30
Trade receivables, Advances & other current assets	(8,264.24)		(1,237.15)	
Inventories	(1,417.23)		(24.58)	
Trade & Other Payables	6,406.66	(3,274.81)	103.12	(1,158.61)
Cash Generated from Operations		14,753.08		10,620.69
Direct Taxes Paid (Net of refund)		(3,096.52)		(1,817.33)
Net Cash Flow from Operating Activities		11,656.56		8,803.36
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(13,504.12)		(7,738.14)
Sale of Fixed Assets		97.76		105.24
Investment in subsidiary		(759.83)		(770.38)
Sale / (Purchase) of Investment in others (Net)		2,703.92		(2,936.94)
Profit / (Loss) on Sale of Investments		288.06		96.08
Inter - Corporate deposits (placed)/ Matured		2,000.00		4,100.00
Interest Income		501.34		926.26
Dividend Income		0.25		0.19
Net Cash used in Investing Activities		(8,672.62)		(6,217.69)
C. Cash Flow from Financing Activities				
Repayment of working Capital borrowings		790.15		(62.58)
Proceeds from issue of share capital including share premium		34.26		65.04
Receipt / (repayment) of other long term liabilities		(153.78)		(282.40)
Receipt of Long term Loan from BIRAC		29.36		22.08
Finance cost		(227.61)		(236.86)
Dividend paid		(3,593.83)		(3,586.22)
Dividend distribution tax paid		(739.44)		(616.29)
Net Cash used in Financing Activities		(3,860.89)		(4,697.23)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		(876.95)		(2,111.56)
Opening Balance of Cash and Cash Equivalents		1,971.05		4,082.60
Closing Balance of Cash and Cash Equivalents		1,094.10		1,971.04
Closing balance of Cash & cash Equivalents as per Note No 18		1,094.10		1,971.05
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		-		(0.01)
Closing balance of Cash & cash Equivalents as per cash flow		1,094.10		1,971.04

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Notes forming part of Financial Statements

1. Significant Accounting Policies

i. **Basis of Accounting**

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the provisions of the Companies Act, 2013 and the accounting principles generally accepted in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

ii. **Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

iii. **Inventories**

Inventories are valued after providing for obsolescences as under :

- a. Stock of Raw materials are valued at lower of cost or Net realisable value, which includes duties and taxes (Except those subsequently recoverable).
- b. Stock of Packing materials & Stores and spares are valued at cost, which includes duties and taxes (Except those subsequently recoverable).
- c. Stock of Finished products including traded goods and Semi finished goods are valued at lower of cost or net realisable value.

However Raw materials & Semi finished goods held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost

Cost includes material cost, labour, direct expenses, related production overheads and applicable taxes. Cost is determined on weighted average basis.

iv. **Fixed Assets and Depreciation/Amortisation**

Fixed Assets are recorded at cost including any directly attributable expenses incurred (net of recoverable taxes) to bring the assets to working condition for their intended use.

Cost of fixed assets not ready for their intended use at balance sheet date are disclosed under capital work-in-progress.

Advances paid towards the acquisition of fixed assets outstanding at balance sheet date are disclosed as Capital Advances under Note " Long term Loans & advances".

Depreciation is provided on Straight- Line Method on Buildings and Plant & Machinery, and on Written Down Value Method on other fixed assets at rates specified in Part C of schedule II of The Companies Act, 2013.

Leasehold Land is amortised over the period of lease. Intangible assets are amortised on straight line basis over the useful lives of the assets not exceeding 10 years.

v. **Research and Development Expenses**

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

vi. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sales of goods is recognized when significant risks and rewards of ownership are transferred to the customers.

Sales are net of sales tax, claims for date expired goods & breakage but inclusive of excise duty and rate differences, if any.



Revenue from Product development charges is recognized as and when services are rendered and related costs are incurred in accordance with the terms of the specific contracts.

Benefits on account of entitlement to import of goods free of duty under the 'Duty Entitlement Pass Book under Duty Exemption Scheme' and benefits on account of 'export promotion schemes' is accounted when the right to receive is reasonably certain.

Interest income (except interest on Income tax refund which is accounted on Cash basis.) is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

Dividend income from investment is recognized when the right to receive payment is established.

vii. Foreign Currency Transactions

The transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of transaction.

The exchange difference arising on actual settlement of foreign exchange transaction are recognized in the Profit and Loss Account of the year.

Monetary assets and liabilities in foreign exchange, which are outstanding as at the year end, are translated at the year end at the closing rate and the resultant exchange differences are recognized in the Profit and Loss Account.

Investments in foreign subsidiaries are recorded in Indian currency at the rate of exchange prevailing at the time when the original investments were made.

The premium or discounts arising at the inception of forward exchange contract is amortised as expense or income over the life of contract. Exchange differences on such contracts are recognized as gain / loss in the Profit and Loss account for the period.

viii. Government Grants

Government Grants, if any, are accounted when there is a reasonable assurance that the enterprise will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made.

Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the year end if any, is shown as current liabilities.

Grants on revenue account are credited to Profit & Loss account under the head other receipts and the relevant expenses are debited to respective heads. The unspent amount at the year end if any is shown as current liabilities.

ix. Investments

Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments.

All other investments are classified as long-term investment. Current investments are carried at the lower of cost and fair value.

Long-term investments are carried at cost less diminution in value, if any. Provisions are recognized for any decline, other than temporary, in the carrying value of long term investments as determined by the management.

x. Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognized in the Profit and Loss Account as an expense at their undiscounted amount.

Long Term Employee Benefits

(a) Defined Contribution Plans

Employee benefits in the form of employees provident fund scheme, employee state insurance schemes, employee pension scheme and superannuation are recognized in the Profit and Loss Account on accrual basis.

(b) Defined Benefit Plan

Defined Benefit Plans in form of Gratuity and Compensated Absences are provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gain or loss is charged in Profit & Loss A/c for the year.



Termination Benefits

Compensation paid to employees under Voluntary Retirement Scheme is recognized as an expense when incurred.

xi. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xii. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of leased assets are classified as operating leases. Lease rentals for asset taken on operating lease are charged to profit & loss account as incurred.

xiii. Earnings per share

The basic earning per share ("EPS") is calculated by dividing the Profit/(Loss) after Tax by the weighted average number of Equity Shares outstanding. The diluted EPS is calculated after adjusting the weighted average number of Equity shares to give effect to the potential equity shares on the stock options outstanding.

xiv. Taxation

Current tax is measured at an amount payable for the period in accordance with the Income Tax Act, 1961.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. At each Balance Sheet date, the carrying value amount of deferred tax assets are reviewed to reassure realisation.

xv. Impairment of Assets

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use.

In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

xvi. Provisions, Contingent liabilities and Contingent assets

Provision is recognized when the company has a present obligation as a result of past events and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

xvii. Employees Stock Compensation Costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost as excess of the fair value of the Company's stock on the stock option grant date over the exercise price. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

xviii. Provision for Doubtful Receivables & Advances

A percentage based provision is made for receivables & advances outstanding for more than one year based on ageing analysis thereof and a specific provision is made in cases where the collection of debt is uncertain.



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
2 SHARE CAPITAL		
AUTHORISED		
175,000,000 Equity Shares of ₹ 2/- each (Previous year : 175,000,000 Equity shares of ₹ 2/-each)	3,500.00	3,500.00
50,000,000 Unclassified Shares of ₹ 2/- each (Previous year: 50,000,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
5,000,000 Preference Shares of ₹ 10/- each (Previous year : 5,000,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	5,000.00	5,000.00

	As at 31 st March, 2016	As at 31 st March, 2015
ISSUED, SUBSCRIBED AND FULLY PAID UP		
90,843,200 Equity Shares of ₹ 2/- each fully paid up (Previous year 9,07,68,725 Equity Shares of ₹ 2/- each fully paid up)	1,816.87	1,815.38
Total	1,816.87	1,815.38

Reconciliation of Number of Shares (Equity)	2015-16		2014-15	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Number of Shares outstanding as at the beginning of the year	90,768,725	1,815.38	90,627,326	1,812.55
Add: Number of Shares allotted under ESOP during the Year	74,475	1.49	141,399	2.83
Number of Shares outstanding as at the end of the year	90,843,200	1,816.87	90,768,725	1,815.38

Rights, preferences and restrictions attached to Equity Shares.

The company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shareholders holding more than 5 per cent of total Equity Shares of Company

	As at 31 st March, 2016		As at 31 st March, 2015	
Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	42,287,278	46.55	41,337,342	45.54
ICICI Prudential	4,608,732	5.07	8,399,898	9.25

As per the records of the company , including its register of shareholders / members & other declarations received from shareholders regarding beneficial interest , the above shareholding represents both legal and beneficial ownership of shares.

(For Shares reserved for issue under ESOS, refer note 44)



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
3. RESERVES AND SURPLUS		
CAPITAL RESERVE		
Balance as per last Balance Sheet	62.50	62.50
	62.50	62.50
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	7,982.29	7,855.91
Add: Addition during the year	69.72	126.38
	8,052.01	7,982.29
SHARE OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	349.80	414.88
Less : Deduction during the year	(36.95)	(65.08)
	312.85	349.80
Less: Deferred Employees' stock compensation	(197.47)	(264.74)
	115.38	85.06
GENERAL RESERVE		
Balance as per last Balance Sheet	18,595.36	18,874.80
Less: Depreciation on account of Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II of The Companies Act, 2013	-	423.33
Deferred Tax Assets on above*	-	(143.89)
	18,595.36	18,595.36
* Deferred tax Impact on Account of Depreciation on Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II of The Companies Act, 2013		
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	66,200.97	61,946.24
Add: Profit for the year after tax	10,056.87	6,439.72
Profit available for appropriations	76,257.84	68,385.96
Less: APPROPRIATIONS		
Proposed Dividend	-	1,815.42
Interim Dividend	1,816.86	-
Tax on Proposed Dividend	-	369.57
Tax on Interim Dividend	369.87	-
Total	2,186.73	2,184.99
Net surplus in the statement of Profit & Loss	74,071.11	66,200.97
Total Reserves & Surplus	100,896.36	92,926.18
4. LONG TERM BORROWINGS		
SECURED		
Term Loan		
Loan from BIRAC	51.44	22.08
	51.44	22.08
During the year Company has taken part disbursement of term loan from BIRAC carrying interest at the rate of 2% per annum maturing after 6 years. 1st Installment is payable one year after completion of the project . (project will be completed by October 2016) and balance in 9 half yearly installments of Rs. 7.36 lacs plus interest. (Installment amount is in respect of full disbursement of Rs. 73.60 lacs) (Refer note No. 32 (b))		



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
5 DEFERRED TAX LIABILITIES (NET)	3,131.54	3,932.54
	3,131.54	3,932.54

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	As at 31 st March, 2016	Charge/(credit) for the year	As at 31 st March, 2015
Deferred Tax Liability on account of Depreciation	5,444.13	215.22	5,228.91
Sub Total	5,444.13	215.22	5,228.91
Deferred Tax Assets Provision for Doubtful Debts, Advances, leave encashment & Gratuity.	820.55	(209.41)	611.14
Provision for Diminution in Investments	1,250.04	(806.81)	443.23
Sub Total	2,070.59	(1,016.22)	1,054.37
	3,373.54	(801.00)	4,174.54
Less: Deferred Tax Assets on Exceptional Items (in F.Y. 2013-2014)	(242.00)	-	(242.00)
Net Deferred Tax Liability	3,131.54	(801.00)	3,932.54

(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
6 OTHER LONG TERM LIABILITIES		
Unsecured		
Others		
Advances from Consignment agents & Others	1,930.77	2,084.55
Total	1,930.77	2,084.55
7 LONG TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	1,257.55	887.56
Total	1,257.55	887.56
8 SHORT TERM BORROWINGS		
Secured		
From Banks		
Loans repayable on Demand (Cash credit from Banks -Refer Note No. 32 (a))	790.15	-
Total	790.15	-
Interest is payable on monthly basis which is linked to base rate		
9 TRADE PAYABLES		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No. 33)	18,963.35	14,262.90
Total	18,963.35	14,262.90
10 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	308.12	269.67
Deferred Govt Grants	12.86	5.52
Interest Accrued but not due on borrowings	0.55	0.11
Other Payables		
Statutory Dues	537.14	535.58
Payable for Capital Goods	1,200.83	632.66
Others	2,683.45	2,187.99
Total	4,421.42	3,356.23
	4,742.95	3,631.53



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
11 SHORT TERM PROVISIONS		
Provision for Employee Benefits (Consists of provision for Gratuity & Leave Encashment)	576.03	420.28
Others		
Proposed Dividend	-	1,815.42
Tax on Dividend	-	369.57
Total	576.03	2,605.27

12 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation				Net Carrying Value		
	Cost As at 01/04/2015	Addi- tions	Deduc- tions / Adjustment	Cost As at 31/03/2016	Opening As at 01/04/2015	For the year	Deduc- tions/ Transfers*	NBV transfer to General Reserve	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
a. Tangible Assets											
Land											
Freehold	248.47	-	-	248.47	-	-	-	-	-	248.47	248.47
Leasehold	2,301.23	270.39	-	2,571.62	288.29	53.39	1.13	-	342.81	2,228.81	2,012.94
Buildings **	21,755.40	85.96	(29.39)	21,811.97	5,050.45	643.15	(4.73)	-	5,688.87	16,123.10	16,704.95
Plant and Equipments	39,982.87	1,571.43	(116.55)	41,437.75	19,955.56	2,596.66	(79.96)	-	22,472.26	18,965.49	20,027.31
Furniture & Fixtures	1,361.66	51.11	(2.17)	1,410.60	1,113.71	68.58	(2.11)	-	1,180.18	230.42	247.95
Vehicles	607.98	108.39	(77.52)	638.85	344.74	101.68	(67.36)	-	379.06	259.79	263.24
Office Equipments	520.35	17.79	(1.08)	537.06	438.61	35.66	(1.11)	-	473.16	63.90	81.74
Total Tangible Assets	66,777.96	2,105.07	(226.71)	68,656.32	27,191.36	3,499.12	(154.14)	-	30,536.34	38,119.98	39,586.60
b. Intangible Assets											
Brands / trademarks	1,575.34	-	-	1,575.34	1,575.34	-	-	-	1,575.34	-	-
Total Intangible Assets	1,575.34	-	-	1,575.34	1,575.34	-	-	-	1,575.34	-	-
Total Fixed Assets (Tangible & Intangible)	68,353.30	2,105.07	(226.71)	70,231.66	28,766.70	3,499.12	(154.14)	-	32,111.68	38,119.98	39,586.60
Previous Year	64,229.79	4,503.03	(379.52)	68,353.30	24,858.10	3,768.30	(283.03)	423.33	28,766.70	39,586.60	-
Capital Work in Progress										23,265.12	11,866.07

* Transfer includes depreciation related to new projects under capitalisation allocated to Capital Work in-Progress.

** Buildings include Three Flats and a Garage amounting to Rs. 147.19 lacs (Previous year Rs. 147.19 lacs) where the co-operative society is yet to be formed.

Addition to Fixed assets and CWIP includes Rs. 337.26 Lacs (Previous year Rs. 902.47 Lacs) being expenditure on Research and Development as under:

(₹ in lacs)

Assets Description	F.Y. 2015-2016	F.Y. 2014-2015
Buildings	-	95.24
Plant & Machinery	301.60	601.15
Furniture & Fixtures	24.90	3.09
Office Equipments	0.07	2.67
Motor Car	-	17.05
Capital Work in Progress	10.69	183.27
Total	337.26	902.47



13 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at	As at
	As at 31 st March, 2016	As at 31 st March, 2015		31 st March, 2016	31 st March, 2015
OTHER INVESTMENT					
(I) UNQUOTED					
(a) INVESTMENT IN EQUITY INSTRUMENTS					
Fully Paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	Rs 10	30.38	30.38
Less : Provision for diminution in value of investments				(30.38)	(30.38)
				-	-
Fully Paid Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	Rs 10	2.00	2.00
Fully Paid Equity Shares of Unireach Healthcare Private Limited	-	10,000	Rs 10	-	1.00
Sub Total				2.00	3.00
Fully paid Equity Shares of Associates					
Fully Paid Equity Shares of Synchron Research Services Private Limited	208,333	208,333	Rs. 10	569.31	569.31
Sub Total				569.31	569.31
Fully paid Equity Shares of Subsidiaries					
Unichem Farmaceutica Do Brasil Ltda	23,214,651	19,997,731	1 Brasil Real	5,695.88	5,116.27
Less : Provision for diminution in value of investments				(3,581.41)	(1,303.77)
				2,114.47	3,812.50
Niche Generics Ltd (UK)	625,000	625,000	1 Pound	2,556.77	2,556.77
Unichem SA Pty Ltd	19,000	19,000	10 SA Rand	12.14	12.14
Unichem Pharmaceuticals USA Inc.	6,476,955	6,476,955	1 US\$	2,951.93	2,951.93
Unichem Laboratories Limited , Ireland	1,250,000	1,000,000	1 Euro	871.69	690.46
Sub Total				6,392.53	6,211.30
Total (a)				9,078.31	10,596.11
(b) Investment in Preferences Shares					
12% Redeemable Preference Share Capital in Subsidiary Niche Generics Limited, UK	1,500,000	1,500,000	1 Pound	1,164.79	1,164.79
Total (b)				1,164.79	1,164.79
Total Unquoted (a) + (b)				10,243.10	11,760.90
(II) QUOTED					
Fully paid Equity Bonus Shares					
Jindal Polyfilm Limited	2,000	2,000	Rs. 10	-	-
Jindal Poly Investment and Finance Company Ltd	500	500	Rs. 10	-	-
Aurobindo Pharma Ltd	8	4	Rs. 1	-	-
Kothari Industrial Corporation Ltd	20	20	Rs. 5	-	-
Total of Unquoted & Quoted Non current Investments				10,243.10	11,760.90
Aggregate of Unquoted Investments - At Book Value				10,243.10	11,760.90
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				8.92	4.24
Aggregate provision for diminution in value of Investments				(3,611.79)	(1,334.15)

	As at 31 st March, 2016	As at 31 st March, 2015
14 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances (Net of provision for Doubtful advances, CY Rs. 11.85 Lacs, PY Rs. 11.85 Lacs)	790.98	431.38
Other Loans & Advances		
Inter Corporate Deposits	2,000.00	4,000.00
Advance payment of Income Tax (Net of Provision for Taxation)	236.49	9.25
Loans to Employees	14.38	18.54
Total	3,041.85	4,459.17



15 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Amount	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
UNQUOTED INVESTMENT IN MUTUAL FUNDS				
Baroda Pioneer Liquid Fund - Plan B Growth		6,420.071		101.56
Baroda Pioneer Treasury Advantage Fund - Plan B Growth		12,582.826		200.00
BOI Axa Treasury Advantage Fund - Direct Plan - Growth		6,064.992		100.00
BOI Axa Treasury Advantage Fund - Regular Plan - Growth		6,139.139		100.51
Birla Sun Life Cash Plus - Growth - Regular Plan		44,627.497		100.00
DSP Black Rock Liquidity Fund - Institutional Plan - Growth		10,170.122		200.00
DWS Insta Cash Plus Fund - Growth		55,183.344		100.00
HSBC Cash Fund - Growth		29,047.401		400.00
ICICI Prudential Liquid - Direct- Growth	133,873.528		300.00	
IDFC Money Manager Fund - Treasury Plan - Growth		929,218.993		200.64
IDBI Liquid Fund - Direct Plan - Growth		6,672.887		100.00
Indiabulls Liquid Fund - Existing Plan Growth		7,386.295		100.00
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option		2,945.608		100.00
Religare Invesco Liquid Fund - Direct Plan - Growth	14,398.260	10,398.410	300.00	200.00
Religare Invesco Medium Term Bond Fund - Direct Plan - Growth	13,115.083		200.00	
Peerless Liquid Fund - Super Institution Growth		13,056.854		200.00
Pramerica Liquid Fund - Growth Option		6,712.820		100.00
Religare Invesco Credit Opportunities Fund - Direct Plan - Growth		12,632.436		200.00
Mirae Asset Cash Management Fund - Direct Plan - Growth		6,761.879		100.00
Quantum Liquid Fund - Growth Option		511,297.110		100.00
Kotak Treasury Advantage Fund - Direct Plan - Growth		902,091.499		200.00
UTI Banking & PSU Debt Fund - Regular Plan - Growth		1,819,958.918		200.14
Taurus Short Term Income Fund - Direct Plan - Growth		16,401.150		401.07
Total Investments in Mutual Funds			800.00	3,503.92
Aggregate of Unquoted Investments - At Book Value			800.00	3,503.92

(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
16 INVENTORIES (As Certified by Management)		
Raw Materials	7,128.28	6,412.37
[Include Rs. 84.47 lacs in transit, (Previous year Rs. 460.41 lacs)]		
Packing Materials	1,282.48	1,416.48
[Include Rs. 4.19 lacs in transit, (Previous year Rs. Nil)]		
Work-in- Progress	3,986.42	3,931.74
Finished Goods (excluding finished goods traded in)	4,963.47	4,430.60
[Include Rs. 390.47 lacs in transit, (Previous year Rs. 347.64 lacs)]		
Stock in trade (in respect of goods acquired for trading)	2,471.23	2,187.55
Stores and Spares	233.66	269.57
Total [Refer Note. 46]	20,065.54	18,648.31



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
17 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	2,003.94	1,927.18
Considered doubtful	696.29	564.98
	2,700.23	2,492.16
Less : Provision for Doubtful receivables	696.29	564.98
	2,003.94	1,927.18
(b) Others - Considered Good	24,534.79	18,692.17
Total	26,538.73	20,619.35
Of the above , due from Subsidiaries is ₹ 14,810.92 lacs (Previous Year ₹ 7,886.24 lacs)		
Trade Receivables are secured to the extent of Advances of ₹ 1,930.77 lacs (Previous Year Rs.2,084.55 lacs) received from Consignment Agents & Others.		
18 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	746.85	485.44
In Escrow Accounts	2.29	150.73
(ii) Cheques on hand	24.47	-
(iii) Cash on hand	12.27	15.11
(b) Other bank balances		
In Unpaid Dividend Account (Restricted Bank Balance)	308.12	269.67
In Fixed Deposits having Original maturity more than 3 months	0.10	1,050.10
Total	1,094.10	1,971.05
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Short terms Deposits	440.62	415.57
Prepaid Expenses	689.52	507.23
Balances with Revenue Authorities (Including refund receivables)	6,555.04	5,304.76
Advance against materials & expenses	905.80	1,511.46
Other Loans & advances	1,129.70	865.44
Sub Total	9,720.68	8,604.46
Doubtful		
Short terms Deposits	26.04	14.81
Other Loans & advances	197.36	188.33
	223.40	203.14
Less : Provision for Doubtful Advances	223.40	203.14
Sub Total	-	-
Total	9,720.68	8,604.46
20 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	103.49	98.67
Accrued Interest	169.34	223.76
Export incentive receivable	995.08	825.73
Total	1,267.91	1,148.16



(₹ in lacs)

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
<u>21 REVENUE FROM OPERATIONS (Gross)</u>		
Sale of products (Gross)	121,997.58	108,487.37
Other operating revenues		
Export benefits	1,422.64	1,207.32
Sundries	383.77	201.19
	1,806.41	1,408.51
Total Revenue from Operations (Gross)	123,803.99	109,895.88
<u>22 OTHER INCOME</u>		
Interest Income	501.34	926.26
[TDS deducted Rs. 44.86 lacs (Previous year Rs. 86.37 lacs)]		
Dividend Income	0.25	0.19
Net gain on sale of Long / short term investments	288.06	96.08
Profit on Sale of Assets	29.75	16.54
Other non-operating Income	634.11	679.11
Net gain on foreign currency translation and transactions	811.99	278.59
Total	2,265.50	1,996.77
<u>23 COST OF MATERIALS CONSUMED</u>		
Raw Materials	26,680.62	25,373.81
Packing Materials	5,639.32	5,244.41
Total	32,319.94	30,618.22
<u>24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE.</u>		
Inventories at the Commencement		
Finished Goods	4,430.60	3,792.91
Work in progress	3,931.74	3,859.38
Stock in Trade	2,187.55	2,128.44
	10,549.89	9,780.73
Inventories at Close		
Finished Goods	4,963.47	4,430.60
Work in progress	3,986.42	3,931.74
Stock in Trade	2,471.23	2,187.55
	11,421.12	10,549.89
(Increase) / Decrease in Finished Goods	(532.87)	(637.69)
(Increase) / Decrease in Work in progress	(54.68)	(72.36)
(Increase) / Decrease in Stock-in-Trade	(283.68)	(59.11)
Total	(871.23)	(769.16)
<u>25 EMPLOYEE BENEFITS EXPENSES</u>		
Salaries & Wages	19,243.03	16,177.13
Contribution to Provident and other funds	1,223.93	1,101.73
Expenses on Employee Stock Option Scheme	67.27	74.51
Staff Welfare Expenses	414.15	450.82
Total	20,948.38	17,804.19
<u>26 FINANCE COST</u>		
Interest expense	212.24	228.44
Other borrowing costs	15.37	8.42
Total	227.61	236.86



(₹ in lacs)

	For the year ended 31 st March, 2016		For the year ended 31 st March, 2015	
27 OTHER EXPENSES				
Consumption of Stores and Spares		1,003.02		829.04
Manufacturing Charges		687.10		687.97
Power and Fuel		3,734.49		3,836.09
Rent		184.10		191.61
Insurance		241.68		220.69
Repairs :				
Plant and Machinery		748.20		720.72
Buildings		144.05		214.02
Others		632.14		622.80
Rates and Taxes (excluding taxes on income)		1,204.27		842.67
Advertising and sales promotion		6,983.13		6,912.46
Travelling and Conveyance		4,654.98		4,647.80
Freight outward		5,292.42		4,778.34
Directors' Fees		23.74		22.60
Commission on sales		1,153.61		1,053.10
Legal & Professional Expenses		2,031.57		1,621.76
Loss on sale of assets		4.57		7.79
Contribution towards Corporate Social Responsibility (Refer Note 36)		253.00		241.75
Bad debts, loans and advances written off				
Bad debts, loans, advances and deposits written off	322.01		33.77	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	257.07	64.94	33.77	-
Provision for doubtful debts, loans, advances and deposits for the year		416.11		107.85
Establishment and Administrative Expenses		5,729.77		5,716.64
Provision for Diminution of Investment in Subsidiary		2,277.63		434.55
Total		37,464.52		33,710.25
28 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Materials		1,181.54		1,812.88
Salaries, Wages and Ex-gratia		1,547.40		1,268.09
Contribution to Provident fund and other Funds		61.65		50.13
Employee's welfare expenses		22.85		16.46
Rent		11.70		9.07
Insurance		7.13		4.83
Rates and Taxes		4.65		3.90
Repairs:				
Others		211.83		168.32
Power and fuel		249.31		240.60
Travelling and conveyance		28.58		21.62
Interest		0.48		0.11
Legal & Professional Expenses		0.87		0.56
Others		1,058.78		1,045.57
Total		4,386.77		4,642.14



29 Contingent Liabilities :

(₹ in lacs)

	2015-16	2014-15
(i) Claims not acknowledged as debts*	1,493.21	1,832.22
(ii) In respect of the Guarantees given to Bank on behalf of : -Subsidiaries	2,955.00	2,352.75
(iii) Other money for which the company is Contingently liable	394.22	224.84
Total	4,842.43	4,409.81

* includes ₹ 116.69 lacs (Previous Year ₹ 91.97 lacs) paid under protest/deposit pending adjudication under Income tax Act ,1961 and Central Excise Act 1944.

(iv) Claims made by the employees whose services have been terminated are not acknowledged as debts, the exact liability, whereof is not ascertainable.

30 On 9th July, 2014, the European Commission decided to impose an unjustified fine of € 13.97 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd 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 have submitted appeal in September 2014 to the EU General Court seeking appropriate relief in the matter.

31 Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital & other account not provided for ₹ 18,253.29 lacs (Previous year ₹ 13,747.56 lacs).

32 (a) Cash credit, ₹ 790.15 lacs (Previous Year ₹ NIL) from Bank of India and Bank of Baroda are secured against hypothecation of Inventories, Book debts and an equitable mortgage of immovable properties located at Jogeshwari, Roha, Ghaziabad on a second, subject and subservient *pari passu* charge basis (First charge holder being fully satisfied and paid.)
In addition the cash credit facilities are also secured by an equitable mortgage of the Company's immovable properties situated at Goa and Baddi on a second, subject and subservient basis. (First charge holder being fully satisfied and paid)

(b) Loan from Biotechnology Industry Research Assistance Council is secured against hypothecation of movable properties including any and all equipment , apparatus machineries , machineries spares , tools and other accessories , goods and / or other moveable property , present & future , situated at Bio technology R&D Centre , Goa.

33 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

34 The company has reviewed the investments in wholly owned subsidiaries. In respect of its investment in Unichem Farmaceutica Do Brazil Ltda, Brazil, the provision for diminution of this investment for the year has been increased to ₹ 2,277.63 compared to ₹ 434.55 lacs made for the previous year. This has resulted in the aggregate provision for diminution to ₹ 3,581.41 lacs (previous year: 1,303.77 lacs) on a total investment of ₹ 5,695.88 lacs (previous year ₹ 5,116.27 lacs). This provision for diminution for the current year is increased after an internal assessment based on circumstances prevailing as at the balance sheet date, such as past performance, results, assets, expected cashflows, projections, status of product approvals, nature of the market and regulatory conditions. The said increase in diminution and the total diminution is considered adequate as at the balance sheet date.



35 Expenditure relating to new projects have been shown under the head Capital work-in-progress as follows. (₹ in lacs)

Particulars	2015-16	2014-15
i) Power & fuel	500.09	437.01
ii) Repairs & maintenance	166.73	137.87
iii) Payroll expenses	169.00	78.50
iv) Freight	0.85	0.85
v) Insurance	4.32	4.57
vi) Travelling Expenses	8.48	5.80
vii) Rent ,Rates & Taxes	7.12	0.70
viii) Depreciation	1.13	-
ix) R&D Chemicals	507.91	-
x) Administrative expenses	76.63	377.51
xi) Legal & Professional	55.86	-
xii) Contractor charges	579.70	-
Total	2,077.82	1,042.81

36 Corporate Social Responsibility

a) Gross amount required to be spent by the company during the year: ₹ 291.33 Lacs

b) Amount spent during the year on:

(₹ in lacs)

Particulars	in cash	yet to be paid in cash	Total
i) Construction / acquisition of any asset	0.00	0	0
ii) on purpose other than (i) above	253.00	0	253.00

37 Exceptional Items

Enactment of the payment of Bonus (Amendment) Act, 2015 having come into force effective 1st day of April 2014 , the Company has made additional provision for Bonus pertaining for the period from 1st April 2014 to 31st March 2015 and has disclosed the same as an Exceptional item of ₹ 353 lacs before tax and accordingly the Profit and EPS after tax but before exceptional would be as follows.

(₹ in lacs)

The Profit after tax before exceptional item is ₹	10,334.87
The Profit after tax and exceptional item is ₹	10,056.87
The Earning Per Share after tax but before exceptional would be as follows	
Basic (in ₹)	11.38
Diluted (in ₹)	11.36

38 The company uses forward contracts to hedge its risk associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The company does not enter into forward exchange contracts which are intended for speculative purpose.

The following are the outstanding forward contracts as at 31 st March ,2016

(Value in lacs)

Currency	Buy/Sell	Foreign currency value	
		2015-16	2014-15
EURO	Sell	12.62	20.58
USD	Sell	124.98	123.91
GBP	Sell	0.00	0.70
CAD	Sell	0.00	1.95
USD	Buy	0.90	0.00

Foreign Currency exposure not hedged by forward contracts as at 31st March, 2016 are given below:

(Value in lacs)

Unhedged	Foreign currency value	
	2015-16	2014-15
A) Receivable		
EURO	37.66	22.96
USD	108.37	24.93
GBP	2.89	1.25
CAD	3.89	9.71
ZAR	45.37	0.00
B) Payable		
EURO	0.00	0.00
USD	0.00	0.20
CAD	0.11	0.03



39 Employee Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on retirement / resignation or retirement under VRS at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has a defined benefit obligation for Leave encashment which is partly funded. Generally the leave encashment is paid to employees in case of resignation, retirement under VRS or retirement except in some case the same is paid annually.

The following tables summarise the funded status and amounts recognised in the balance sheet for gratuity & leave encashment benefits.

Details of Provision for gratuity and leave encashment.

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Defined benefit obligation	1,590.51	1,421.62	1,428.17	1,147.62
Fair value of plan assets	1,224.87	1,223.62	344.09	316.34
	(365.64)	(198.00)	(1,084.08)	(831.28)
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	(365.64)	(198.00)	(1,084.08)	(831.28)

Changes in the present value of the defined benefit obligation are as follows:

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Opening defined benefit obligation	1,421.62	1,413.71	1,147.62	969.31
Interest cost	91.27	128.64	79.90	80.26
Current service cost	200.86	181.09	252.56	115.17
Benefits paid	(106.69)	(177.22)	(292.87)	(265.59)
Actuarial (gains) / losses on obligation	(16.55)	(124.60)	240.96	248.47
Closing defined benefit obligation	1,590.51	1,421.62	1,428.17	1,147.62

Changes in the fair value of plan assets are as follows:

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Opening fair value of plan assets	1,223.62	1,290.70	316.34	283.32
Expected return	96.56	119.39	22.86	25.64
Contributions by employer	15.24	0.37	-	-
Benefits paid	(106.69)	(177.22)	-	-
Actuarial gains / (losses)	2.67	(9.62)	4.89	7.38
Expenses deducted from the fund	(6.53)	-	-	-
Closing fair value of plan assets	1,224.87	1,223.62	344.09	316.34

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
	%	%	%	%
Investments with Insurer	100	100	24.09	27.56



The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Discount rate *	%	%	%	%
Expected rate of return on Plan assets*	7.80%	7.80%	7.80%	7.80%
Increase in Compensation plan cost*	7.80%	9.00%	7.80%	8.25%
	6.00%	6.00%	6.00%	6.00%

* As per Actuary Certificate

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

Amounts for the current year and previous year are as follows :

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Defined benefit obligation	1,590.51	1,421.62	1,428.17	1,147.62
Plan assets	1,224.87	1,223.62	344.09	316.34
Surplus / (deficit)	(365.64)	(198.00)	(1,084.08)	(831.28)
Experience adjustments on Plan Liability	(16.54)	(30.83)	240.95	322.39
Actuarial loss/ (gain) due to change in financial assumptions	-	(93.76)	-	(73.92)
Experience adjustments on Plan Assets	(2.67)	9.62	(4.90)	(7.38)

Statement of Profit & Loss

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss for gratuity & leave encashment benefits.

Net employee benefit expense (recognised in Employee Cost)

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Current service cost	200.86	181.09	252.56	115.17
Interest cost on benefit obligation	91.27	128.64	79.90	80.26
Expected return on plan assets	(96.56)	(119.39)	(27.75)	(33.02)
Net actuarial(gain) / loss recognised in the year	(19.22)	(114.99)	240.95	248.47
Net benefit expense	176.35	75.35	545.66	410.88

40 Segment Reporting :

Primary Segment

The Company has only one segment i.e 'Pharmaceuticals'.

Secondary Segment (By Geographical Segment)

(₹ in lacs)

Sales and Operating Income (Gross)	2015-16	2014-15
India	78,126.20	68,326.06
Outside India	45,677.79	41,569.82
Total	123,803.99	109,895.88

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.



41 Related Party Disclosures

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties are as under:

1 Relationships

(i) Subsidiaries of the Company:	(ii) Enterprises under significant influence of key management personnel:	(iii) Key Management personnel and their relatives:
Niche Generics Limited. Unichem SA Pty Ltd. Unichem Farmaceutica Do Brasil Ltda. Unichem Pharmaceuticals (USA) Inc . Unichem Laboratories Limited. (Incorporated in Ireland)	Uni Distributors Pvt. Ltd.	Dr. Prakash A. Mody (Chairman and Managing Director) Mrs. Anita Mody Ms. Supriya Mody Ms. Suparna Mody Ms Shwetambari Mody

2 (i) The following is a summary of significant related party transactions:

(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Sales of goods, etc.	18,791.13	13,752.16	-	-	-	-	18,791.13	13,752.16
Rent & Maintenance paid	-	-	14.58	14.16	8.94	8.70	23.52	22.86
Managerial remuneration	-	-	374.92	382.67	-	-	374.92	382.67
Commission	-	-	124.03	85.10	-	-	124.03	85.10
Salary	-	-	38.17	36.17	-	-	38.17	36.17
Dividend paid	-	-	1,820.42	1,820.42	-	-	1,820.42	1,820.42
Expenses Reimbursed	830.53	175.96	-	-	-	-	830.53	175.96
Investment made during the year	760.82	770.39	-	-	-	-	760.82	770.39
Total	20,382.48	14,698.51	2,372.12	2,338.52	8.94	8.70	22,763.54	17,045.73

(ii) Amounts due from / to related parties and Investments:

(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
a) Outstanding Balances								
Deposits given	-	-	45.90	45.90	-	-	45.90	45.90
Creditors	974.30	40.12	-	-	-	-	974.30	40.12
Debtors outstanding	14,810.92	7,886.24	-	-	-	-	14,810.92	7,886.24
Total Investments	13,253.19	12,492.36	-	-	-	-	13,253.19	12,492.36
Due to Directors	-	-	124.03	85.10	-	-	124.03	85.10
b) Guarantees given to bank : On behalf of Subsidiaries	2,955.00	2,352.75	-	-	-	-	2,955.00	2,352.75
	31,993.41	22,771.47	169.93	131.00	-	-	32,163.34	22,902.47



(iii) Details of material transactions during the year

(₹ in lacs)

Particulars	2015-16	2014-15
a) Sale of finished goods (Net of returns)		
Niche Generics Ltd	1,854.79	2,057.75
Unichem Pharmaceuticals (USA) Inc.	16,313.69	11,111.62
b) Investments made		
Unichem Farmaceutica Do Brasil Ltda	579.59	770.39
Unichem Laboratories Limited , Ireland	181.24	-
c) Guarantees given to Banks on behalf of Subsidiary Company		
Niche Generics Limited.	2,285.40	2,037.00
Unichem Pharmaceuticals (USA) Inc.	669.60	315.75
d) Rent & Maintenance Paid		
Mrs. Anita Mody	14.58	14.16
Uni Distributors Pvt Ltd	8.94	8.70
e) Managerial Remuneration		
Dr. Prakash A. Mody	374.92	382.67
f) Commission		
Dr. Prakash A. Mody	124.03	85.10
g) Salary		
Ms. Supriya Mody	38.17	36.17
h) Dividend Paid		
Dr. Prakash A. Mody - Dividend	1,672.49	1,653.49
i) Expenses Re - imbursement		
Niche Generics Limited.	0.56	6.32
Unichem Laboratories Limited, Ireland	-	22.66
Unichem Pharmaceuticals (USA) Inc.	829.14	116.23
Unichem Farmaceutica Do Brasil Ltda	0.83	25.79
Unichem SA Pty Ltd	-	4.96

- 3 In view of the Management , equity Investment in Synchron Research services Pvt Ltd will not result the investee company becoming a related party since there is neither control nor significant influence as defined in Accounting Standard 18 " Related Party Disclosures"

However transactions with Synchron Research Pvt Ltd are disclosed as under :

The summary of transactions with Synchron Research Pvt Ltd are as follows:

(₹ in lacs)

Particulars	2015-16	2014-15
(a) Advance recovered	83.63	52.71
(b) Amount Recoverable (Including for rent)	93.68	196.15
(c) Services Availed	169.46	94.46
(d) Rent Income	33.55	30.50
(e) Deposit For Rent	7.50	7.50
(f) Amount payable	5.34	-

42 Operating lease:

Premises and certain vehicles are obtained on operating lease and are renewable and non-cancellable. There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements. There are no sub-leases.

The aggregate lease rentals payable, are charged as rent (Refer Note no. 27 & 28) in the Statement of Profit & Loss .



43 Earning Per Share has been computed as under:

₹ in lacs except EPS

Particulars	2015-16	2014-15
Profit after Tax attributable to equity shareholders (A) (Rs. In lacs)	10,056.87	6,439.72
Weighted average number of Equity shares for Basic Earning per Share (B)	90,811,596	90,712,597
Weighted average number of Equity shares for Diluted Earning per Share(C)	90,989,729	90,944,155
Earning Per Share - Basic (A)/(B) Rs.	11.07	7.10
Earning Per Share-Diluted (A)/(C) Rs.	11.05	7.08
(Face value of Rs. 2/- per share (previous year Rs. 2/- per share))		

44 Employee share based payment plans

- i) During the year ended 31st March ,2016 the company has two share based payment arrangements which are described below:

	Type of arrangement	Date of Grant	Number granted	Contractual life	Vesting condition
ESOS 2004	Senior Management stock option scheme	23.12.2004	100,000	5 Years	As decided by Board/ Compensation Committee based on various factors
	Senior Management stock option scheme	10.02.2006	200,000	5 Years	As decided by Board / Compensation Committee based on various factors
ESOS 2008	Independent Directors stock option scheme	26.03.2009	50,000	5 Years	As decided by Board / Compensation Committee based on various factors
	Senior Management stock option scheme	17.06.2009	297,500	5 Years	As decided by Board / Compensation Committee based on various factors
	Senior Management stock option scheme	08.03.2014	225,000	5 Years	As decided by Board / Compensation Committee based on various factors

- ii) The estimated fair value of each stock option granted in all the ESOS was calculated by Black & Scholes option pricing model. The following assumptions were used for calculation of fair value of grants:

Particulars	2015-16		2014-15	
	ESOS 2004	ESOS 2008	ESOS 2004	ESOS 2008
Risk free interest rate (%)	6.60	6.30	6.60	6.30
Expected life of options (years)	5.00	5.00	5.00	5.00
Expected Volatility (%)	36.90	41.00	36.90	41.00
Dividend Yield (%)	1.40	3.70	1.40	3.70



iii) Further details of two stock option schemes are as follows

Particulars	ESOS 2004	
	2015-2016	2014-2015
Option outstanding at the beginning of the year Face Value Rs. 2 per share each (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Face Value of Rs. 2/- per share each) (Nos.)	-	-
Weighted Average Exercise Price (Rs.)	212	212
Weighted Average Fair Value of Option (Rs.)	149	149

Particulars	ESOS 2008	
	2015-2016	2014-2015
Option outstanding at the beginning of the year Face Value Rs. 2 per share each (Previous year face Value of Rs. 2/- per share each) (Nos.)	292,025	435,674
Exercised during the year (Nos.)	(74,475)	(141,399)
Lapsed during the year (Nos.)	-	(2,250)
Option outstanding at the end of the year (Face Value of Rs. 2/- per share each) (Nos.)	217,550	292,025
Weighted Average Exercise Price (Rs.)	46	46
Weighted Average Fair Value of Option (Rs.)	151	151

45 Establishment and Administrative expenses include payment to:

i. Statutory Auditors (Excluding Service Tax)

(₹ in lacs)

Particulars	2015-16	2014-15
Audit Fees	20.50	16.50
Tax Audit	5.25	5.25
Certification Charges	6.03	4.29
Reimbursement of Expenses	1.55	1.60
Total	33.33	27.64

ii. Cost Auditors (Excluding Service Tax)

Particulars	2015-16	2014-15
Audit Fees	5.50	5.00
Certification charges	0.45	0.78
Reimbursement of Expenses	0.30	0.23
Total	6.25	6.01



46 Information pursuant to the provisions of Schedule III to the Companies Act, 2013 as certified by management.

i. Opening and Closing Stock of Finished Goods Produced by the Company (₹ in lacs)

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	2,459.28	2,573.05
Bulk Drugs & Chemicals	2,504.19	1,857.55
Total	4,963.47	4,430.60

ii. Opening and closing Stock of Traded Goods purchased by Company (₹ in lacs)

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	2,471.23	2,187.55
Total	2,471.23	2,187.55

iii. Opening and closing Stock of work -in-progress produced by Company. (₹ in lacs)

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	1,632.96	1,403.76
Bulk Drugs & Chemicals	2,353.46	2,527.98
Total	3,986.42	3,931.74

iv. Sale of Goods Produced by the Company (Excluding Captive Consumption) (₹ in lacs)

Class of Goods	2015-16	2014-15
	Value	Value
Formulations	81,580.82	70,988.10
Bulk Drugs & Chemicals	9,519.65	11,578.00
Total	91,100.47	82,566.10

Note: The sales value include adjustments on account of free issues, shortages & obsolescences.

v. Sale of Traded Goods Purchased by the Company. (₹ in lacs)

Class of Goods	2015-16	2014-15
	Value	Value
Formulations	30,897.11	25,921.27
Total	30,897.11	25,921.27

Note: The sales value include adjustments on account of free issues, shortages & obsolescences.

vi. Purchases of Finished Goods (₹ in lacs)

Class of Goods	2015-16	2014-15
	Value	Value
Formulations	13,752.69	12,934.66
Total	13,752.69	12,934.66

vii. Value of Imports (CIF Basis) (₹ in lacs)

Particulars	2015-16	2014-15
Raw Materials	6,659.81	4,125.37
Packing Materials	313.73	209.69
Stores & Spare Parts	99.57	119.55
Capital Goods	1,131.25	530.97
Others	262.43	-
Total	8,466.79	4,985.58



viii. Expenditure in Foreign Currencies (On Accrual basis)

(₹ in lacs)

Particulars	2015-16	2014-15												
(a) Professional and Consultation fees	8.23	273.49												
Others	3,147.14	3,463.47												
(b) Dividend paid in foreign currency (Cash basis)														
<table border="1"> <tr> <th>Particulars</th><th>No. of Shareholders</th><th>Shares held</th></tr> <tr> <td>Final Dividend of F.Y.2013-2014</td><td>1</td><td>8750</td></tr> <tr> <td>Final Dividend of F.Y.2014-2015</td><td>1</td><td>8750</td></tr> <tr> <td>Interim Dividend of F.Y.2015-2016</td><td>1</td><td>6750</td></tr> </table>	Particulars	No. of Shareholders	Shares held	Final Dividend of F.Y.2013-2014	1	8750	Final Dividend of F.Y.2014-2015	1	8750	Interim Dividend of F.Y.2015-2016	1	6750	0.00	0.35
Particulars	No. of Shareholders	Shares held												
Final Dividend of F.Y.2013-2014	1	8750												
Final Dividend of F.Y.2014-2015	1	8750												
Interim Dividend of F.Y.2015-2016	1	6750												
	0.18	0.00												
	0.14	0.00												
Total	3,155.69	3,737.31												

ix. Earnings in Foreign Exchange (Gross on accrual basis)

(₹ in lacs)

Particulars	2015-16	2014-15
Sales & Operating Income		
Export of Goods calculated on FOB basis.	38,995.58	36,657.22
Insurance, Freight and other charges recovered	4,568.43	3,869.66
Total	43,564.01	40,526.88

x. Consumption of Raw Materials, Packing Materials, Stores and Spares.

(₹ in lacs)

Particulars	2015-16		2014-15	
	%	Value	%	Value
A. Raw Materials				
Indigenous (including canalised)	78	20,850.87	83	21,058.30
Imported (including duty and charges)	22	5,829.75	17	4,315.51
Total	100	26,680.62	100	25,373.81
B. Packing Materials, Stores and Spares				
Indigenous (including canalised)	95	6,278.23	94	5,729.48
Imported (including duty and charges)	5	364.11	6	343.97
Total	100	6,642.34	100	6,073.45

xi. Break up of Raw Materials Consumed

(₹ in lacs)

Particulars	2015-16	2014-15
	Value	Value
Ampicillin	1,671.25	1,980.26
Levetiracetam	909.34	1,417.31
Miscellaneous (none of which individually accounts for more than 10% of total consumption)	24,100.03	21,976.24
Total	26,680.62	25,373.81

Signature to the Notes 1 to 46 of the Financial Statements.

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Independent Auditors' Report to the Members of Unichem Laboratories Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Unichem Laboratories Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements 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 statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29 to the consolidated financial statements related to the outcome of fine imposed by European Commission jointly and severally against the Holding Company with its subsidiary amounting to Euro 13.97 Million.

Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets (net) of Rs. 1,944.39 lacs as at 31st March, 2016, total revenues (including other income) of Rs. 29,946.59 lacs and net cash flows amounting to Rs. 193.36 lacs 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 statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. In respect of wholly owned subsidiaries, since they are not incorporated in India, in our view, report in terms of sub-section (3) of Section 143 of the Act is not applicable.
- (b) The consolidated financial statements also include the Group's share of net loss of Rs. 36.95 lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, is based on the said unaudited financial statements. Our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, cannot be given since the said financial statements are unaudited. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable to the Holding Company and subject to sub-paragraphs (a) and (b) of the Other Matters paragraph above, with regard to our inability of reporting under Section 143(3) of the Act in respect of wholly owned subsidiaries and associate, that -
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company for the purpose of preparation of the consolidated financial statements.



- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that the wholly owned subsidiaries are incorporated outside India and an associate whose accounts are not audited as on the date of the report, reporting requirement are not applicable and not possible to report upon respectively. In respect of the Holding Company our report on adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls may be referred to Annexure B in the Independent Auditor's Report on the Standalone Financial Statements and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 29 and 30 to the consolidated financial statements.
 - ii. The Holding Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For B. D. Jokhakar & Co.
Chartered Accountants
Firm Registration No.: 104345W

Mumbai
May 20, 2016

Raman H. Jokhakar
Partner
Membership No.: 103241



Consolidated Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,816.87	1,815.38
(b) Reserves and Surplus	3	93,666.69	84,936.64
(2) Non- current liabilities			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)	4	2,303.67	2,034.61
(c) Other Long term liabilities	5	3,131.54	3,932.54
(d) Long - term provisions	6	1,930.77	2,084.55
	7	1,257.55	887.56
(3) Current liabilities			
(a) Short term borrowings	8	1,292.50	162.57
(b) Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,368.03	13,822.53
(c) Other current liabilities	10	5,082.97	4,586.03
(d) Short- term provisions	11	576.03	2,605.27
TOTAL		128,426.62	116,867.68
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		40,074.76	41,294.46
(ii) Intangible assets		237.88	304.54
(iii) Capital work-in-progress		23,713.47	12,264.29
(b) Non-current investments	13	545.26	583.21
(c) Deferred Tax Assets	14	1,015.94	1,518.23
(d) Long-term loans and advances	15	3,045.72	4,460.94
(2) Current assets			
(a) Current investments	16	800.00	3,503.92
(b) Inventories	17	23,057.06	20,767.97
(c) Trade receivables	18	22,074.71	19,157.72
(d) Cash and Bank Balances	19	2,012.61	2,696.21
(e) Short -term loans and advances	20	10,581.30	9,168.03
(f) Other current assets	21	1,267.91	1,148.16
TOTAL		128,426.62	116,867.68
Significant Accounting Policies	1		

Notes to Accounts form an Integral part of financial statements

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Consolidated Statement of Profit and Loss (₹ in lacs)

	Notes	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Income			
I. Revenue from operations (Gross)	22	135,019.23	120,976.76
Less: Excise duty		1,562.85	797.42
Revenue from operations (Net)		133,456.38	120,179.34
II. Other Income	23	1,918.59	2,038.28
III. Total Revenue (I + II)		135,374.97	122,217.62
IV. Expenses:			
Cost of materials consumed	24	36,008.16	34,278.92
Purchase of Stock-in-Trade		11,655.18	11,317.65
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade		(1,865.56)	(1,364.17)
Employee benefits expense	25	25,579.92	22,320.04
Finance costs	26	288.08	304.18
Depreciation and amortization expense		3,900.11	4,127.24
Other expenses	27	41,301.57	38,850.29
Research & Development Expense	28	4,386.77	4,642.14
Total Expenses (IV)		121,254.23	114,476.29
V. Profit before Exceptional item and tax (III - IV)		14,120.74	7,741.33
VI. Exceptional Items before tax (refer note 31)		353.00	-
VII. Profit for the period before tax (V-VI)		13,767.74	7,741.33
VIII. Tax expenses			
(1) Current tax		3,203.46	1,841.40
(2) Deferred tax	5	(271.05)	(1,619.23)
(3) Short / (Excess) provision for taxation pertaining to previous years		(5.03)	(8.95)
Total tax expenses (VIII)		2,927.38	213.22
IX. Profit for the period after exceptional & tax (VII- VIII)		10,840.36	7,528.11
X. Share in Profit / (Loss) of Associates		(36.95)	10.90
XI. Profit after tax & Share of profit/ (Loss) of Associates (IX -X)		10,803.41	7,539.01
XII. Earnings per equity share (Face value Rs. 2 each).			
(1) Basic (in Rs.)		11.90	8.31
(2) Diluted (in Rs.)		11.87	8.29
Significant Accounting Policies	1		

Notes to Accounts form an Integral part of financial statements

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016



Consolidated Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
A. Cash flow from operating activities		
Net Profit before tax Adjustment for :		
Provision for Wealth Tax	-	6.00
Depreciation	3,900.11	4,127.24
Loss/(Profit) on sale of assets (Net)	(24.96)	(2.92)
Unrealised Exchange difference (Net)	(103.16)	42.01
Finance cost	288.08	304.18
Provision for doubtful debts, loans advances & deposits for the year	424.20	129.45
Employees compensation expenses (ESOS)	67.27	74.51
Loss/(Profit) on Sale of Investments	(288.06)	(96.08)
Bad debts Written Off	322.01	33.77
Interest income	(512.77)	(934.96)
Excess provision for expenses written back	(107.50)	(126.48)
Dividend income	(0.25)	(0.19)
	3,964.97	3,556.53
Operating profit before working capital changes	17,732.71	11,297.86
Adjusted for:		
Trade & other receivables	(5,777.94)	(1,461.36)
Inventories	(2,289.09)	(418.57)
Trade & Other payables	4,650.56	230.65
Cash generated from operations	14,316.24	9,648.58
Direct taxes paid (Net of refund)	(3,124.98)	(1,838.73)
Net cash flow from Operating Activities	11,191.26	7,809.85
B. Cash flow from Investing Activities		
Purchase of fixed assets including Capital WIP	(14,189.70)	(7,868.20)
Sale of fixed assets	151.73	440.26
Sale / (purchase) of Investment in others (Net)	2,703.92	(2,936.94)
Profit / (Loss) on Sale of Investments	288.06	96.08
Inter - Corporate deposits (placed) / Matured (Net)	2,000.00	4,100.00
Interest received	512.77	934.96
Dividend on Investments	0.25	0.19
Net cash used in Investing Activities	(8,532.97)	(5,233.65)
C. Cash flow from Financing Activities		
Receipt of working Capital borrowings	1,129.93	58.71
Proceeds from issue of share capital including share premium	34.26	65.04
Receipt of short term borrowing	239.70	(451.98)
Receipt / (repayment) of other long term liabilities	(153.78)	(282.40)
Receipt of Long term Loan from BIRAC	29.36	22.08
Finance cost	(288.08)	(304.18)
Dividend paid	(3,593.83)	(3,586.22)
Dividend Distribution tax paid	(739.44)	(616.29)
Net cash used in financing activities	(3,341.88)	(5,095.24)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(683.59)	(2,519.04)
Opening balance of cash and cash equivalents	2,696.20	5,215.24
Closing balance of cash and cash equivalents	2,012.61	2,696.20
Closing balance of Cash & cash Equivalents as per Note no 19	2,012.61	2,696.21
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		(0.01)
Closing balance of Cash & cash Equivalents as per cash flow (Of the above Rs. 50.54 lacs are restricted towards LCs required for Bonds to two states by one of our subsidiary)	2,012.61	2,696.20

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

Raman H. Jokhakar
Partner
Membership No.103241
Mumbai
May 20, 2016

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

For and on behalf of the Board of Directors

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director



Notes forming part of Consolidated Financial Statements

1. Significant Accounting Policies

i Basis of Accounting:

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the provisions of Companies Act, 2013 and the accounting principles generally accepted in India and comply with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014.

ii Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

iii Principles of Consolidation:

The consolidated financial statements relate to Unichem Laboratories Limited ("The Company") and its subsidiaries Niche Generics Limited (100%) incorporated in United Kingdom, Unichem S. A. Proprietary (100%) incorporated in South Africa, Unichem Farmaceutica Do Brasil Ltda (100%) incorporated in Brazil, Unichem Pharmaceuticals (USA) Inc. (100%) incorporated in USA and Unichem Laboratories Limited, Ireland (100%) incorporated in Ireland and its associate Synchron Research Services Private Limited (32.11%) incorporated in India.

- a) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of Assets, Liabilities, Income & Expenses after fully eliminating intra-group investments.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c) Investment in associates where the Company holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
The difference between the cost of investment in the associate and the company's share in net assets at the time of recognition of such investment as associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) Where the cost of the investment is higher than the share of equity in the subsidiary at the time of acquisition, the resulting difference is treated as goodwill. Where the cost of the equity is lower than the share of equity in the subsidiary, the difference is treated as capital reserve.
- e) Financial statements of foreign subsidiaries considered as non integral in terms of AS 11 are transacted as under:
 - i) Assets and Liabilities at the rate prevailing at the end of the year.
 - ii) Revenues & expenses at yearly average exchange rates.
 - iii) Any Exchange Differences are transferred to Foreign Currency Translation Reserve.
- f) Financial statements of foreign subsidiaries which are considered as integral operation are translated as if the transactions of foreign subsidiaries have been those of company itself.
- g) During the year 2014-2015, by virtue of provisions of the Companies Act, 2013 investments made in the previous years in Synchron Research Services Private Limited amounting to Rs. 569.31 Lacs is accounted using equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements.
- h) The reporting date of Unichem S. A. Proprietary (100%) Subsidiary Company incorporated in South Africa has changed to 31st March in previous year as compared to 28th February in F.Y. 2013-2014. Accordingly financials for the period of 13 months ending on 31.03.2015 were incorporated in Consolidated Financial Statements.



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
2 SHARE CAPITAL		
AUTHORISED		
175,000,000 Equity Shares of ₹ 2/- each (Previous year: 175,000,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
50,000,000 Unclassified Shares of ₹ 2/- each (Previous year: 50,000,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
5,000,000 Preference Shares of ₹ 10/- each (Previous year: 5,000,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	5,000.00	5,000.00

	As at 31 st March, 2016	As at 31 st March, 2015
ISSUED, SUBSCRIBED AND FULLY PAID UP		
90,843,200 Equity Shares of Rs. 2/- each fully paid up (Previous year 9,07,68,725) Equity Shares of ₹ 2/- each fully paid up)	1,816.87	1,815.38
Total	1,816.87	1,815.38

	2015-16		2014-15	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Reconciliation of Number of Shares (Equity)				
Number of Shares outstanding as at the Beginning of the year	90,768,725	1,815.38	90,627,326	1,812.55
Add: Number of Shares allotted under ESOP during the Year	74,475	1.49	141,399	2.83
Number of Shares outstanding as at the End of the year	90,843,200	1,816.87	90,768,725	1815.38

Rights, preferences and restrictions attached to Equity Shares.

The company has one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shareholders holding more than 5 per cent of total Equity Shares of Company

	As at 31 st March, 2016		As at 31 st March, 2015	
Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	42,287,278	46.55	41,337,342	45.54
ICICI Prudential	4,608,732	5.07	8,399,898	9.25

As per the records of the company , including its register of shareholders / members & other declarations received from shareholders regarding beneficial interest , the above shareholding represents both legal and beneficial ownership of shares.



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
3. RESERVES AND SURPLUS		
CAPITAL RESERVE		
Balance as per last balance sheet	62.50	62.50
	62.50	62.50
CAPITAL REDEMPTION RESERVE		
Balance as per last balance sheet	834.00	834.00
	834.00	834.00
SECURITIES PREMIUM ACCOUNT		
Balance as per last balance sheet	7,982.29	7855.91
Add: Addition during the year	69.72	126.38
	8,052.01	7,982.29
SHARE OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	349.80	414.88
Less : Deduction during the year	(36.95)	(65.08)
	312.85	349.80
Less: Deferred Employees' stock compensation	(197.47)	(264.74)
	115.38	85.06
GENERAL RESERVE		
Balance as per last Balance Sheet	18,595.36	18,874.80
Less: Depreciation on account of Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II to COA , 2013		423.33
Deferred Tax Assets on above*	-	(143.89)
* Deferred tax Impact on Account of Depreciation on Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II of The Companies Act, 2013 .	18,595.36	18,595.36
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last balance sheet	548.64	671.67
Add / Less : addition / (deduction) during the year	13.33	(123.03)
	561.97	548.64
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	56,828.79	51,474.77
Add: Profit for the year after tax	10,803.41	7,539.01
Profit available for appropriations	67,632.20	59,013.78
Less: APPROPRIATIONS		
Proposed Dividend	0.00	1,815.42
Interim Dividend	1,816.86	0.00
Tax on Proposed Dividend	0.00	369.57
Tax on Interim Dividend	369.87	0.00
Total	2,186.73	2,184.99
Net surplus in the statement of Profit & Loss	65,445.47	56,828.79
Total Reserves and Surplus	93,666.69	84,936.64



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
4 LONG TERM BORROWINGS		
Secured Term Loan		
Term loans from Banks	2,252.23	2,012.53
Loan from BIRAC	51.44	22.08
Total	2,303.67	2,034.61

During the year Company has taken part disbursement of term loan from BIRAC carrying interest at the rate of 2% per annum maturing after 6 years. 1st Installment is payable one year after completion of the project .(project will be completed by October 2016) and balance in 9 half yearly installments of Rs. 7.36 lacs plus interest. (Installment amount is in respect of full disbursement of Rs. 73.60 lacs)

(₹ in lacs)

5 DEFERRED TAX LIABILITIES (NET)	3,131.54	3,932.54
	3,131.54	3,932.54

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	As at 31 st March, 2016	Charge/(credit) for the year	As at 31 st March, 2015
Deferred Tax Liability			
on account of Depreciation	5,444.13	215.22	5,228.91
Sub Total	5,444.13	215.22	5,228.91
Deferred Tax Assets			
Provision for Doubtful Debts, Advances, Leave Encashment and Gratuity	2,070.59	(1,016.22)	1,054.37
Sub Total	2,070.59	(1,016.22)	1,054.37
	3,373.54	(801.00)	4,174.54
Less: Deferred Tax Assets on Exceptional Items (in F.Y. 2013-2014)	(242.00)	-	(242.00)
Net Deferred Tax Liability Total	3,131.54	(801.00)	3,932.54
Add: Deferred Tax Assets on account of Net Operating loss carry forwards		212.24	
Capitalized development stage costs		317.71	
Sub Total		529.95	
Total		(271.05)	

(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
6 OTHER LONG TERM LIABILITIES		
Unsecured Others		
Advances from Consignment agents & Others	1,930.77	2,084.55
Total	1,930.77	2,084.55
7 LONG TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	1,257.55	887.56
Total	1,257.55	887.56
8 SHORT TERM BORROWINGS		
Secured From Banks		
Loans repayable on Demand (Cash credit from Banks)	1,292.50	162.57
Total	1,292.50	162.57



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
9 TRADE PAYABLES		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	0.00	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,368.03	13,822.53
Total	17,368.03	13,822.53
10. OTHER CURRENT LIABILITIES		
Unclaimed Dividend	308.12	269.67
Deferred Govt Grants	12.86	5.52
Interest accrued but not due on borrowings	0.55	0.11
Other Payables		
Statutory Dues	539.41	535.58
Payable for Capital Goods	1,200.83	632.66
Other	3,021.20	3,142.49
	4,761.44	4,310.73
Total	5,082.97	4,586.03
11. SHORT TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	576.03	420.28
Others		
Proposed Dividend	-	1,815.42
Tax on Dividend	0.00	369.57
Total	576.03	2,605.27



12 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation	Net Carrying Value	
	Cost As at 01/04/2015	Additions	Deductions / Adjustments due to translation	Cost As at 31/03/2016	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
a. Tangible Assets							
Land							
Freehold	248.47	-	-	248.47	-	248.47	248.47
Leasehold	2,301.23	270.39	-	2,571.62	342.81	2,228.81	2,012.94
Buildings	23,274.15	85.96	6.66	23,366.77	6,391.80	16,974.97	17,618.81
Plant and Equipments	42,046.57	2,083.36	(115.01)	44,014.92	23,999.57	20,015.35	20,805.83
Furniture & Fixtures	1,469.78	86.22	(4.96)	1,551.04	1,278.77	272.27	262.64
Vehicles	607.98	108.39	(77.52)	638.85	379.06	259.79	263.24
Office Equipments	530.68	29.54	(0.39)	559.83	484.73	75.10	82.53
Total Tangible Assets	70,478.86	2,663.86	(191.22)	72,951.50	32,876.74	40,074.76	41,294.46
b. Intangible Assets							
Goodwill	154.50	-		154.50	-	154.50	154.50
Brands / trademarks	1,575.34	-		1,575.34	1,575.34	-	-
Licences	256.49	76.66	(79.01)	254.14	170.76	83.38	150.04
Total Intangible Assets	1,986.33	76.66	(79.01)	1,983.98	1,746.10	237.88	304.54
Total Fixed Assets (Tangible & Intangible)	72,465.19	2,740.52	(270.23)	74,935.48	34,622.84	40,312.64	41,599.00
Previous Year	68,825.10	4,657.91	(1,017.82)	72,465.19	30,866.19	41,599.00	-
Capital Work in Progress						23,713.47	12,264.29

Building include Three Flats and a Garage amounting to ₹147.19 lacs (Previous year ₹ 147.19 lacs) where the co-operative society is yet to be formed

Addition to Fixed assets and CWIP includes ₹ 337.26 Lacs (Previous year ₹ 902.47 Lacs) being expenditure on Research and Development as under:

(₹ in lacs)

Assets Description	F.Y. 2015-2016	F.Y. 2014-2015
Buildings	-	95.24
Plant & Machinery	301.60	601.15
Furniture & Fixtures	24.90	3.09
Office Equipments	0.07	2.67
Motor car	-	17.05
Capital Work in Progress	10.69	183.27
Total	337.26	902.47



13 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at	As at
	As at 31st March, 2016	As at 31st March, 2015		31st March, 2016	31st March, 2015
OTHER INVESTMENT					
(I) UNQUOTED					
(a) INVESTMENT IN EQUITY INSTRUMENTS					
Fully paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	Rs 10	30.38	30.38
Less : Provision for diminution in value of investments				(30.38)	(30.38)
				-	-
Fully paid up Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	Rs 10	2.00	2.00
Fully Paid Equity Shares of Unireach Healthcare Private Limited	-	10,000	Rs.10	-	1.00
				2.00	3.00
Fully paid Equity Shares of Associates					
Fully Paid Equity Shares of Synchron Research Services Private Limited (Rs. 569.31 lacs including Goodwill of Rs. 420.85 lacs)	208,333	208,333	Rs. 10	569.31	569.31
Add: Share in Profit / (Loss) after tax of Associates				(26.05)	10.90
				543.26	580.21
TOTAL UNQUOTED INVESTMENTS				545.26	583.21
(II) QUOTED					
Fully paid Equity Bonus Shares					
Jindal Polyfilm Limited	2,000	2,000	Rs. 10	-	-
Jindal Poly Investment and Finance Company Ltd	500	500	Rs. 10	-	-
Aurobindo Pharma Ltd	8	4	Rs. 1	-	-
Kothari Industrial Corporation Ltd	20	20	Rs. 5	-	-
TOTAL QUOTED INVESTMENTS				-	-
				-	-
TOTAL NON-CURRENT INVESTMENTS				545.26	583.21
Total of Unquoted & Quoted Non current Investment				545.26	583.21
Aggregate of Unquoted Investments - At Book Value				545.26	583.21
Aggregate provision for diminution in value of Investments				(30.38)	(30.38)
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				8.92	4.24

(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
14 DEFERRED TAX ASSET	1,015.94	1,518.23
	1,015.94	1,518.23
Deferred tax assets (of subsidiaries)		
Net Operating loss carry forward	(370.15)	(979.85)
Capitalized development stage costs	(645.79)	(538.38)
Total	(1,015.94)	(1,518.23)
15 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances	790.98	431.38
(Net of provision for Doubtful advances, CY Rs.11.85 Lacs, PY Rs. 11.85 Lacs)		
Other Loans and Advances		
Inter Corporate Deposits	2,000.00	4,000.00
Advance payment of Income Tax (Net Provision for Taxation)	240.36	11.02
Loans to Employees	14.38	18.54
Total	3,045.72	4,460.94



16 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Amount	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
UNQUOTED				
INVESTMENT IN MUTUAL FUNDS				
Baroda Pioneer Liquid Fund - Plan B Growth		6,420.071		101.56
Baroda Pioneer Treasury Advantage Fund - Plan B Growth		12,582.826		200.00
BOI Axa Treasury Advantage Fund - Direct Plan - Growth		6,064.992		100.00
BOI Axa Treasury Advantage Fund - Regular Plan - Growth		6,139.139		100.51
Birla Sun Life Cash Plus - Growth - Regular Plan		44,627.497		100.00
DSP Black Rock Liquidity Fund - Institutional Plan - Growth		10,170.122		200.00
DWS Insta Cash Plus Fund - Growth		55,183.344		100.00
HSBC Cash Fund - Growth		29,047.401		400.00
ICICI Prudential Liquid - Direct- Growth	133,873.528		300.00	
IDFC Money Manager Fund - Treasury Plan - Growth		929,218.993		200.64
IDBI Liquid Fund - Direct Plan - Growth		6,672.887		100.00
Indiabulls Liquid Fund - Existing Plan Growth		7,386.295		100.00
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option		2,945.608		100.00
Religare Invesco Liquid Fund - Direct Plan - Growth	14,398.260	10,398.410	300.00	200.00
Religare Invesco Medium Term Bond Fund - Direct Plan - Growth	13,115.083		200.00	
Peerless Liquid Fund - Super Institution Growth		13,056.854		200.00
Pramerica Liquid Fund - Growth Option		6,712.820		100.00
Religare Invesco Credit Opportunities Fund - Direct Plan - Growth		12,632.436		200.00
Mirae Asset Cash Management Fund - Direct Plan - Growth		6,761.879		100.00
Quantum Liquid Fund - Growth Option		511,297.110		100.00
Kotak Treasury Advantage Fund - Direct Plan - Growth		902,091.499		200.00
UTI Banking & PSU Debt Fund - Regular Plan - Growth		1,819,958.918		200.14
Taurus Short Term Income Fund - Direct Plan - Growth		16,401.150		401.07
Total Investments in Mutual Funds			800.00	3,503.92
Aggregate of Unquoted Investments - At Book Value			800.00	3,503.92

(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
17 INVENTORIES (As Certified by Management)		
Raw Materials	7,557.25	6,963.83
(Include Rs. 84.47 lacs in transit, (Previous year Rs. 460.41 lacs))		
Packing Materials (Include Rs. 4.19 lacs in transit, (Previous year Rs. Nil))	1,282.48	1,416.48
Work -in-progress	3,986.42	3,931.74
Finished Goods (excluding finished goods traded in)	4,963.47	4,430.60
(Include Rs. 390.47 lacs in transit, (Previous year Rs. 347.64 lacs))		
Stock in trade (in respect of goods acquired for trading)	5,033.78	3,755.75
Stores and Spares	233.66	269.57
Total	23,057.06	20,767.97



(₹ in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
18 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	2,005.42	2,612.16
Considered doubtful	704.20	564.98
	2,709.62	3,177.14
Less: Provision for Doubtful receivables	704.20	564.98
	2,005.42	2,612.16
(b) Other debts - Considered Good	20,069.29	16,545.56
Total	22,074.71	19,157.72
19 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	1,127.18	1,210.15
In Escrow Accounts	2.29	150.73
(ii) Cheques on hand	24.47	
(iii) Cash-on-Hand	12.75	15.56
(b) Other bank balances		
In Unpaid Dividend Account (Restricted Bank Balance)	308.12	269.67
In Fixed Deposits having Original maturity more than 3 months	537.80	1,050.10
Total	2,012.61	2,696.21
20 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Short term Deposits	440.62	415.57
Prepaid Expenses	1,432.56	943.36
Balances with Revenue Authorities (Including refund receivables)	6,711.55	5,446.91
Advance against material & expenses	907.24	1,512.17
Other Loans & advances	1,089.33	850.02
	10,581.30	9,168.03
Considered Doubtful		
Short term Deposits	26.04	14.81
Other Loans & advances	197.36	188.33
	223.40	203.14
Less : Provision for Doubtful Loans & Advances	223.40	203.14
	0.00	0.00
Total	10,581.30	9,168.03
21 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	103.49	98.67
Accrued Interest	169.34	223.76
Export incentive receivables	995.08	825.73
Total	1,267.91	1,148.16



(₹ in lacs)

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
22. REVENUE FROM OPERATIONS (GROSS)		
Sale of products (Gross)	133,212.82	119,568.25
Other operating revenues		
Export benefits	1,422.64	1,207.32
Sundries	383.77	201.19
Total	135,019.23	120,976.76
23 OTHER INCOME		
Interest Income	512.77	934.96
(TDS deducted of Rs. 44.86 lacs (Previous year Rs. 86.37 lacs))		
Dividend Income	0.25	0.19
Net gain on sale of Long / Short term investments	288.06	96.08
Profit on Sale of Assets	29.75	16.54
Other non-operating Income	629.86	685.54
Net gain on foreign currency translation and transactions.	457.90	304.97
Total	1,918.59	2,038.28
24 COST OF MATERIALS CONSUMED		
Raw Materials	29,421.21	27,903.24
Packing Materials	6,586.95	6,375.68
Total	36,008.16	34,278.92
25 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	23,295.89	20,484.03
Contribution to Provident and other funds	1,402.00	1,222.49
Expense on Employee Stock Option Scheme	67.27	74.51
Staff Welfare Expenses	814.76	539.01
Total	25,579.92	22,320.04
26 FINANCE COST		
Interest expense	272.71	295.76
Other borrowing costs	15.37	8.42
Total	288.08	304.18



(₹ in lacs)

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
27 OTHER EXPENSES				
Consumption of Stores and Spares		1,163.70		1,029.48
Manufacturing Charges		687.10		687.97
Power and Fuel		3,824.91		3,938.64
Rent		430.78		195.65
Insurance		493.71		397.19
Repairs :				
Plant and Machinery		748.20		720.72
Buildings		144.05		214.02
Others		835.03		833.43
Rates and Taxes (excluding taxes on income)		1,357.61		1,262.94
Advertising and sales promotion		7,285.38		7,483.86
Travelling and Conveyance		4,847.77		4,855.69
Freight outward		6,974.54		5,953.85
Directors' Fees		23.74		22.60
Commission on sales		2,585.26		2,274.42
Legal & Professional Expenses		2,464.11		1,983.51
Loss on sale of assets		4.79		13.62
Contribution towards Corporate Social Responsibility		253.00		241.75
Bad debts, loans, advances and deposits written off	322.01		33.77	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	257.07		33.77	
		64.94		-
Provision for doubtful debts, loans, advances and deposits for the year		424.20		129.45
Establishment and Administrative Expenses		6,688.75		6,611.50
Total		41,301.57		38,850.29
28 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Materials		1,181.54		1,812.88
Salaries, Wages and Ex-gratia		1,547.40		1,268.09
Contribution to Provident fund & other Funds		61.65		50.13
Employees' welfare expenses		22.85		16.46
Rent		11.70		9.07
Insurance		7.13		4.83
Rates & Taxes		4.65		3.90
Repairs:				
Others		211.83		168.32
Power & fuel		249.31		240.60
Travelling & conveyance		28.58		21.62
Interest		0.48		0.11
Legal & Professional Expenses		0.87		0.56
Others		1,058.78		1,045.57
Total		4,386.77		4,642.14



- 29 A contingent liability exists in connection with a fine of just under € 14m imposed on Niche Generics Limited jointly and severally with its parent Company (Unichem Laboratories Ltd.) by the European Commission ("EC") in July 2014, contending that, Niche Generics Limited and its parent Company (Unichem Laboratories Ltd.) had acted contrary to the EU competition law as Niche Generics Limited had, in early 2005, agreed to settle a financially crippling patent litigation with a "French pharmaceutical Company, Laboratories Servier."

Niche Generics Limited profoundly disagrees with the EC's findings and is vigorously challenging the EC decision before the European Court and have it overturned.

Both, Niche Generics Limited and its parent Company (Unichem Laboratories Ltd.) have submitted an appeal in September, 2014 to the EU General Court. Niche Generics Limited has been advised by its lawyer that, although a judgement is anticipated around 2018, the appeal process before EU Courts is very slow and as this is a very complex matter, it is possible that the case may take even longer to be concluded.

Niche Generics Limited has asked that the decision and the fine be annulled in their entirety or, in the alternative, the fine be reduced.

- 30 On 9th July, 2014, the European Commission decided to impose an unjustified fine of € 13.97 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd contending that they had acted in breach of EU competition law as Niche Generic 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 have submitted appeal in September 2014 to the EU General Court seeking appropriate relief in the matter.

31 Exceptional Items

Enactment of the payment of Bonus (Amendment) Act, 2015 having come into force effective 1st day of April 2014, the Company has made additional provision for Bonus pertaining for the period from 1st April 2014 to 31st March 2015 and is disclosed the same as an Exceptional item of Rs. 353 lacs before tax and accordingly the Profit and EPS after tax but before exceptional items would be as follows.

(₹ in lacs)

The profit after tax before exceptional items is ₹	11,081.41
The profit after tax and exceptional items is ₹	10,803.41
The Earning per share after tax but before exceptional item.	
Basic (in ₹)	12.20
Diluted (in ₹)	12.18

32 Related Party Disclosures

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties are as under:

1. Relationships

(i) Enterprises under significant influence of key management personnel:

Uni Distributors Pvt. Ltd.

(ii) Key Management personnel and their relatives:

Dr. Prakash A. Mody (Chairman and Managing Director)
 Mrs. Anita Mody
 Ms. Supriya Mody
 Ms. Suparna Mody
 Ms. Shwetambari Mody
 Mr. G. M. Cole
 Mr. C. Moss
 Mr. Rajeev Lamba



2 (i) The following is a summary of significant related party transactions.

(₹ in lacs)

Particulars	Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Rent & Maintenance paid	14.58	14.16	8.94	8.70	23.52	22.86
Managerial remuneration	932.24	961.08	-	-	932.24	961.08
Commission	124.03	85.10	-	-	124.03	85.10
Dividend paid	1,820.73	1,820.77	-	-	1,820.73	1,820.77
Salary Paid	38.17	36.17	-	-	38.17	36.17
	2,929.75	2,917.28	8.94	8.70	2,938.69	2,925.98

(ii) The Company has the following amounts due from/to related parties.

(₹ in lacs)

Particulars	Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Outstanding Balances						
Deposits given	45.90	45.90	-	-	45.90	45.90
Due to Directors	124.03	85.10	-	-	124.03	85.10
	169.93	131.00	-	-	169.93	131.00

(iii) Details of material transactions during the year

(₹ in lacs)

Particulars	2015-16	2014-15
a) Rent & Maintenance Paid		
Mrs. Anita Mody	14.58	14.16
Uni Distributors Pvt Ltd	8.94	8.70
b) Managerial Remuneration		
Dr. P. A. Mody	374.92	382.67
Mr. G. M. Cole	158.11	205.94
Mr. C. Moss	178.24	174.82
Mr. Rajeev Lamba	220.97	197.65
c) Commission Paid		
Dr. P. A. Mody	124.03	85.10
d) Dividend Paid		
Dr. P. A. Mody	1,672.49	1,653.49
e) Salary paid		
Ms. Supriya Mody	38.17	36.17

3 In view of the Management, equity Investment in Synchron Research services Pvt Ltd will not result the investee company becoming a related party since there is neither control nor significant influence as defined in Accounting Standard 18, "Related Party Disclosures" However transactions with Synchron Research Pvt Ltd are disclosed as under :

The summary of transactions with Synchron Research Services Pvt Ltd are as follows:

(₹ in lacs)

Particulars	2015-16	2014-15
(a) Advance recovered	83.63	52.71
(b) Amount Recoverable (Including for rent)	93.68	196.15
(c) Services Availed	169.46	94.46
(d) Rent Income	33.55	30.50
(e) Deposit For Rent	7.50	7.50
(f) Amount payable	5.34	-



33 Segment Reporting :

Primary Segment

The Company has only one segment i.e. 'Pharmaceuticals'.

Secondary Segment (By Geographical Segment)

(₹ in lacs)

Particulars	2015-16	2014-15
Sales and Operating Income (Gross)		
Within India	78,126.20	68,326.06
Outside India	56,893.03	52,650.70
Total	135,019.23	120,976.76

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

34 Operating lease:

Premises and certain vehicles are obtained on operating lease and are renewable and non-cancellable.

There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements.

There are no sub-leases. The aggregate lease rentals payable, are charged as rent (Refer Note no. 27 & 28) in the Statement of Profit & Loss.

35 Earning Per Share has been computed as under:

(₹ in lacs except EPS)

Particulars	2015-16	2014-15
Profit after Taxation attributable to equity shareholders (A)(₹ In lacs)	10,803.41	7,539.01
Weighted average number of Equity shares for Basic Earning per Share (B)	90,811,596	90,712,597
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,989,729	90,944,155
Earning Per Share - Basic (A)/(B)	11.90	8.31
Earning per share- Diluted (A)/(C)	11.87	8.29
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		

36 Other significant Accounting Policies and notes have been set out in the notes to the Financial Statements of the Company as the same have been applied to the Accounts of the Company and it's subsidiaries except in respect of depreciation and taxation which has been provided by the foreign subsidiaries on the methods and at the rates required/permissible by the Local laws. Additional information not impacted by consolidation is also set out in the notes to the Financial Statements of the Company.

Signature to the Notes 1 to 36 of the Financial Statement.

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

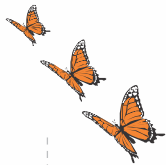
Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 20, 2016

**UNICHEM
LABORATORIES LTD.**

CIN:L99999MH1962PLC012451

Unichem Bhavan, Prabhat Estate, Off S. V. Road, Jogeshwari (West), Mumbai - 400 102

Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391

Website: www.unichemlabs.com • E-mail Id.: shares@unichemlabs.com**PROXY FORM - MGT-11**

Name of the Member(s)	:	
Registered Address	:	
E-mail Id.	:	
Folio No. / Client Id.	:	
DP ID	:	

I/We, being the Member(s) of shares of Unichem Laboratories Limited hereby appoint,

1.	Name	:	
	E-mail Id.	:	
	Address	:	
	Signature	:	

or failing her/him;

2.	Name	:	
	E-mail Id.	:	
	Address	:	
	Signature	:	

or failing her/him;

3.	Name	:	
	E-mail Id.	:	
	Address	:	
	Signature	:	

(contd.)



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Saturday, July 23, 2016 at 3.00 p.m., at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1.	Consider and adopt: a. Audited Financial Statements and Reports thereon for the year ended March 31, 2016. b. Audited Consolidated Financial Statements for the year ended March 31, 2016.
2.	Confirmation of Interim Dividend as Final Dividend for the financial year ended March 31, 2016.
3.	Ratification of appointment of B.D.Jokhakar & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration.
4.	Re-appointment of Dr. Prakash A. Mody who retires by rotation.
5.	Ratification of remuneration payable to the Cost Auditors.

Signed this day of 2016.

Signature of Shareholder

Signature of Proxyholder (s)

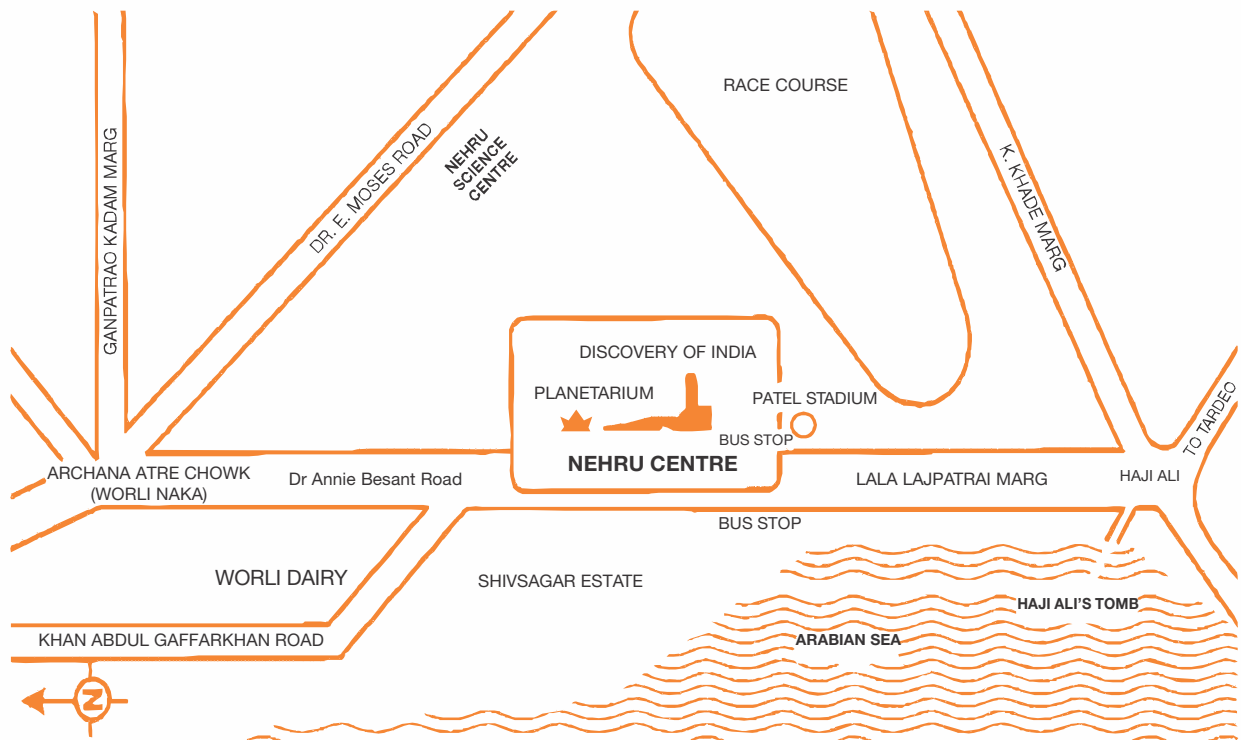
Affix
Revenue
Stamp of
₹ 1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the meeting.
2. A proxy need not be a member of the Company.



Route Map of the venue of
UNICHEM LABORATORIES LIMITED
53rd Annual General Meeting
Saturday, July 23, 2016 at 3:00 p.m.



Venue:

Hall of Culture
Nehru Centre, Dr. Annie Besant Road
Worli, Mumbai - 400018
Tel.: 91 22 2496 4676/80

Best Buses:

A1, A2, A4, 28, 33, 37, 38, 57, 80,
81, 83, 84, 85, 86, 87, 88, 89, 91, 92,
93, 125, 151, 153, 154, 166, 385,
302, 357 & 521



Unichem Bhavan, Prabhat Estate
Off S. V. Road, Jogeshwari (West)
Mumbai - 400 102, India
Tel.: (022) 6688 8333
Website: www.unichemlabs.com



UNICHEM
LABORATORIES LTD.