

Annexure J to Directors' Report

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L99999MH1962C012451
2. Name of the Company: Unichem Laboratories Limited
3. Registered address: Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari(West), Mumbai 400 102
4. Website: www.unichemlabs.com
5. E-mail ID: shares@unichemlabs.com
6. Financial Year reported: April 1, 2016 to March 31, 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Pharmaceuticals (Code: 210) 21001 and 21002 - Manufacture and sale of Pharmaceutical products.
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Anti-hypertensive, Gastro Intestinal and Anti-Infective
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5):

The Company has 5 (five) foreign Wholly Owned Subsidiaries located in USA, Brazil, UK, Ireland and South Africa.
 - (b) Number of National Locations:

The Company has 7(seven) plants situated at Roha, Maharashtra; Pilerne, Goa; Baddi, Himachal Pradesh; Pithampur, Madhya Pradesh; Ghaziabad, Uttar Pradesh; Rangpo, East Sikkim and Kolhapur, Maharashtra. The R&D Centre, called the Center of Excellence (COE) is located at Goa. The Company's Registered Office is located at Mumbai, Maharashtra.

The Company has 20 (twenty) Carrying and Forwarding Agents, 4 (four) Consignee Agents, 6 (six) Distributors and 3 (three) Warehouses across the country for domestic formulations including generics.
10. Markets served by the Company – Local/State/National/International
India and 91 (ninety one) countries for exports

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (INR): 1,817.53 lacs
2. Total turnover (INR): 1,41,385.22 lacs (Standalone)
3. Total profit after taxes (INR): 10,386.72 lacs (Standalone)
4. The Company's total spending on CSR for the year ended March 31, 2017, was ₹ 122.20 lacs which is 0.87% of the average profits, for the last 3 (three) financial years.

5. List of activities in which expenditure in 4 above has been incurred:
- Health
 - Education
 - Sanitation
 - Environment
 - General Welfare and Development

The details of the CSR activities is given under Annexure I to the Directors' Report.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
As on March 31, 2017, the Company had 5 (five) Wholly Owned Subsidiaries.
- Do the subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):
All the subsidiaries are incorporated outside India and comply with the requirements of the respective countries where they operate.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
Other entities like suppliers, distributors, etc. do not directly participate in the Business Responsibility Initiatives of the Company. However, the Company expects that all third party business partners adhere to business principles consistent with those of the Company.

SECTION D: BR INFORMATION

- Details of the Director/Directors responsible for implementation of the BR Policy/Policies:
 - DIN Number: 00001285
 - Name: Dr. Prakash A. Mody
 - Designation: Chairman & Managing Director
- Details of the BR head

No	Particulars	Details
1	DIN Number (if applicable)	00001285
2	Name	Dr. Prakash A. Mody
3	Designation	Chairman & Managing Director
4	Telephone number	(022) 66888404
5	e-mail id	shares@unichemlabs.com

3. Principle-wise (as per NVGs) BR Policy/Policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	Business Ethics	Product Responsibility	Well Being of Employees	Share holders Engagement	Human Rights	Environment	Public	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have Policy/Policies for....	Y	Y	Y	Y	Y	Y	See Note 1	Y	Y
2	Has the Policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the Policy conform to any National/International Standards? If yes, specify? (50 words)	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	-	See Note 2	See Note 2
4	Has the Policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by HR head)	-	Y (Signed by MD)	Y (Signed by MD)
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the Policy to be viewed online.	See Note 3	See Note 3	See Note 3	See Note 3	Available on the intranet of the Company	See Note 3	-	See Note 3	See Note 3
7	Has the Policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have in-house structure to implement the Policy/Policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the Policy/Policies/to address stakeholders' grievances related to the Policy/Policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this Policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

Note 1: The Policy is broadly covered in various HR Polices and Practices as also the Company's Code of Business Conduct and Ethics.

Note 2: All the Polices of the Company abide by the laws of the Country.

Note 3: The link for viewing the policies is: http://unichemlabs.com/wp-content/uploads/2016/12/business_responsibility_policies.pdf

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P7 (Public Policy)
1	The Company has not understood the Principles	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the Policies on specified principles	-
3	The Company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 (six) months	-
5	It is planned to be done within the next 1 (one) year	-
6	Any other reason (please specify)	The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time, in a responsible manner, on suggested measures to be taken by the Government to address issues related to the pharmaceutical industry. Thus, the Company has not formulated a specific policy for the same.

4. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6months, Annually, More than 1 year:
Annually

5. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report would be a part of the Annual Report for 2016-2017 and can be accessed on the website of the Company namely :

http://unichemlabs.com/wp-content/uploads/2016/12/business_responsibility_policies.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has a policy on Code of Business Conduct and Ethics and a Whistle Blower Policy which is applicable to the Directors, employees and all other stakeholders. The Company also has in place the policy of Prevention of Sexual Harassment at Workplace which is applicable to all stakeholders. These policies are posted on the website of the Company www.unichemlabs.com and the intranet of the Company. These Policies empower Directors, employees and all other stakeholders to report unethical behavior, actual or suspected fraud or violation of the Company's Polices. These Policies provide for swift redressal and institute specific mechanisms to deal with reported incidents.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:

The Company has not received any complaint pertaining to violation of the Policy for Prevention of Sexual Harassment at Workplace, the Code of Business Conduct and Ethics or the Whistle Blower Policy during the financial year under review.

Details relating to shareholders complaints is given under Corporate Governance Report of the Annual Report for 2016-2017.

Principle 2 (Product Responsibility)

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - (a) Losar – Time tested evidence based Antihypertensive
 - (b) Unienzyme – Time tested product for indigestion and related symptoms
 - (c) Ampoxin – First Line Anti-Infective for Skin and Soft Tissue Infections (SSTIs) and Respiratory Track Infections (RTIs)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
The Company manufactures and sells Formulations, Active Pharmaceutical Ingredients and Generics at its world class accredited manufacturing plants. Since consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
The Company's products do not have any broad-based impact on energy and water consumption by consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so:
The Company has a Standard Operating Procedure for appointing Vendors. Materials are sourced from approved Vendors both locally and internationally. The Company conducts regular audits for these Vendors. The frequency depends on the key materials procured and their value. The Audits include sample approvals and performance trials. The Company has developed a long standing business relationship with these Vendors. Annual freight contracts for movement of materials are entered into with local and national transporters of repute and good credit standing.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding the place of work?
 - (a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?
The Company procures materials and avails services from all over the country, with preference to those located around its manufacturing facilities. Small vendors who fit into the standard operating norms of the Company are appointed to supply materials. The Company saves on transportation as well as inventory carrying costs as a result of procurement of material from the local vendors. As a procurement policy the Company sources many packaging materials from vendors located in areas surrounding the manufacturing plants which are situated at Goa, Sikkim, Baddi and Ghaziabad. The Company encourages all small manufacturers to develop quality manufacturing units in and around the Company's manufacturing facilities.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so:
The Company has in place a mechanism for recycling products and waste. The waste generated in the Company's operations is either recycled or disposed safely. Every manufacturing facility has its own Effluent

Treatment Plant which ensures that the discharge of waste and solvents is within the limits stipulated by the respective pollution control boards. About 30-40% of the waste water generated in the Plants is recovered, recycled and reused, thereby saving usage of fresh water. Treated waste water is used for gardening and sanitation.

In addition, the Company is planning to invest at all its API facilities to install Zero Liquid discharge plants wherein water will be reused in the utility processes, either in cooling towers or steam generation boilers.

Principle 3 (Well being of Employees)

1. Please indicate the Total number of employees:
5,189 permanent employees as on March 31, 2017
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:
1,096 as on March 31, 2017
3. Please indicate the number of permanent women employees:
311 as on March 31, 2017
4. Please indicate the number of permanent employees with disabilities:
Nil as on March 31, 2017
5. Do you have an employee association that is recognized by management?
The Company's manufacturing facility at Roha has a Union recognized by the management known as Bhartiya Kamgar Sena.
6. What percentage of your permanent employees are members of this recognized employee association?
About 1.61 % of the permanent employees are members of this recognized employee association.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?
 - (a) Permanent Employees – About 90-100% of operating personnel are trained in safety and skill upgrading. Safety training and Skill upgrading is imparted to employees at the time of joining. Thereafter, training on firefighting and first aid are imparted at scheduled intervals.
 - (b) Permanent Women Employees – About 90-100% of the permanent women employees (being operating personnel) are trained in safety and no discrimination is being made while imparting training to women employees vis-à-vis their male counterparts.
 - (c) Casual/Temporary/Contractual Employees – 80-100% in operating functions are trained.
 - (d) Employees with Disabilities – Not applicable

Principle 4 (Stakeholders Engagement)

1. Has the Company mapped its internal and external stakeholders?
Yes. The major stakeholders identified by the Company are its employees, business associates, patients, doctors, suppliers, vendors, shareholders, investors, regulatory authorities and Government organizations and intermediaries.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?
Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:
The Company has identified some stakeholder groups as disadvantaged, vulnerable and marginalized. These include, among others, individuals who cannot afford quality health and education, communities from low socio-economic strata such as Adiwasis, people with visual disabilities, and children with congenital heart defects who do not have the financial resources to undergo surgery. Unichem directly and with the help of NGOs and charitable trusts, engages with such groups to identify their needs and address them to the extent possible.

Principle 5 (Human Rights)

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
The Company has in place Policies and processes that cover various aspects of human rights, specific to employees. In addition, the Company's Whistle Blower Policy covers internal and external stakeholders.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
During the year under review, the Company did not receive any complaint pertaining to human rights.

Principle 6 (Environment)

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
This Policy covers only the Company. The Subsidiary Companies are independent companies located outside India and are guided by their own policies and laws of the countries where they are located.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes, please give hyperlink for webpage etc.:
Conservation of natural resources has always been a priority for the Company. Optimum utilisation of resources has been the prime motto. The Environment Policy of the Company is available on the website at http://unichemlabs.com/wp-content/uploads/2016/12/business_responsibility_policies.pdf All efforts are made to recycle water and waste and eliminate over utilization of resources. The Company implements safe and automated practices in manufacturing and other processes. Systems are regularly updated and conform to various applicable laws and regulations. This results in continuous and dynamic improvement in quality of working and services.
3. Does the Company identify and assess potential environmental risks?
The Company's manufacturing facilities are internationally accredited by reputed agencies. The Company identifies and assesses the risks internally. Wherever required, assistance is sought from external agencies for formulating environment management plans. These plans are assessed at regular intervals by the management.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed:
The Company does not presently have any project related to Clean Development Mechanism.
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.:
The Company has undertaken energy efficient initiatives at different locations which is given under annexure E to Directors' Report.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes
7. Number of Show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year:
There were no show cause/legal notices pending as at the end of the financial year.

Principle 7 (Public Policy)

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:
 - (a) Confederation of Indian Industry (CII)
 - (b) The Associated Chamber of Commerce and Industry (ASSOCHAM)
 - (c) Indian Pharmaceutical Association (IPA)
 - (d) Indian Drug Manufacturers' Association (IDMA)
 - (e) Bulk Drug Manufacturers Association (BDMA)
 - (f) Bombay Chamber of Commerce and Industry (BCCI)
 - (g) Federation of Pharma Entrepreneurs (FPA)
 - (h) National Safety Council
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No? if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):
The Company actively participates in putting forth its views on areas concerning the pharmaceutical industry such as accessibility to medicines, making medical treatment easily accessible to the under privileged, predictable pricing policies, economic reforms and Corporate Social Responsibility.

Principle 8 (CSR)

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof:
The Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education, protection of environment, general welfare and development of needy sections of the Society especially the economically backward sections, sanitation and general welfare are the other areas in which the Company concentrates its CSR activities. While the focus of CSR efforts will be in the locations 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 given under Annexure I to the Directors' Report. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

2. Are the programs/projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?

The CSR programs are undertaken by the Company directly, through recognized public charitable trusts and projects in partnership with Government.

3. Have you done any impact assessment of your initiative?

The impact assessment of the CSR initiatives is regularly done by the Company through its internal monitoring and assessing mechanism. At regular intervals feedback and progress of the CSR projects are obtained from the concerned organizations and agencies.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the year the Company has spent ₹ 122.20 lacs towards community development programmes namely towards health, education, sanitation, environment, general welfare and development. During the year the Company started CSR activities in and around its manufacturing facilities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:

Regular visits are undertaken to ensure that the CSR initiatives are adopted by the communities. Feedback obtained is then used to improve the projects undertaken. Details of these CSR activities being adopted by the communities is given under Annexure I to the Directors' Report.

Principle 9 (Customer Relations)

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year?

As on March 31, 2017, about 3.5% of customer complaints received during the year were pending. These have since been resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information):

The Company follows the applicable Laws, Rules and Regulations with respect to labeling and displaying of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so:

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 Limited, contending that they had acted in breach of EU competition law as Niche Generics Limited 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 wrong doing 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.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Consumer surveys are regularly carried out by the Company at Doctor levels directly by its field force. External expertise and agencies are also engaged from time to time.

For and on behalf of the Board of Directors,

Dr. Prakash A. Mody

Chairman & Managing Director
(DIN No.: 00001285)

Mumbai
May 30, 2017