

2 0 1 4 - 1 5
ANNUAL REPORT



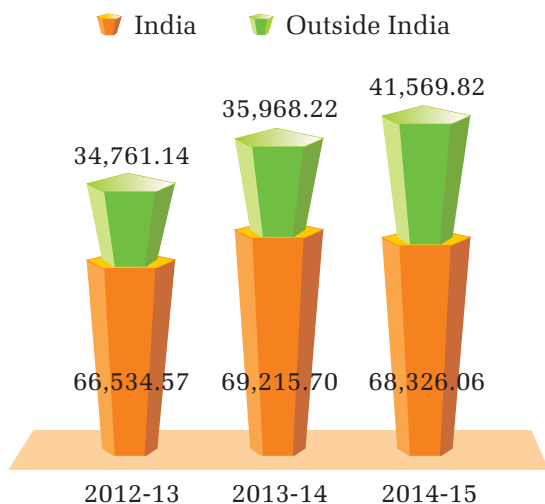
Touching
Human Lives



UNICHEM
LABORATORIES LTD.

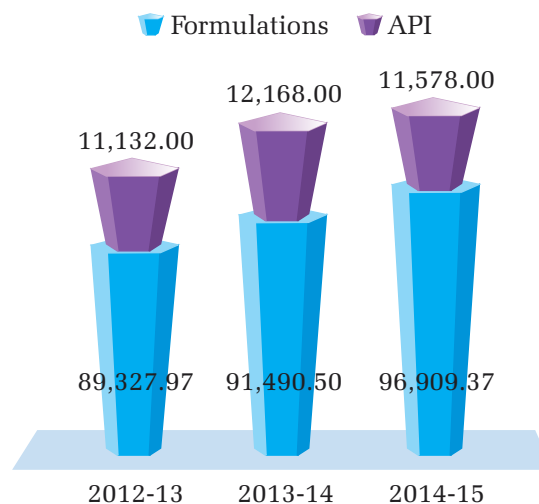
Financial Highlights

Sales Mix by Geographical Segment*
(₹ in lacs)



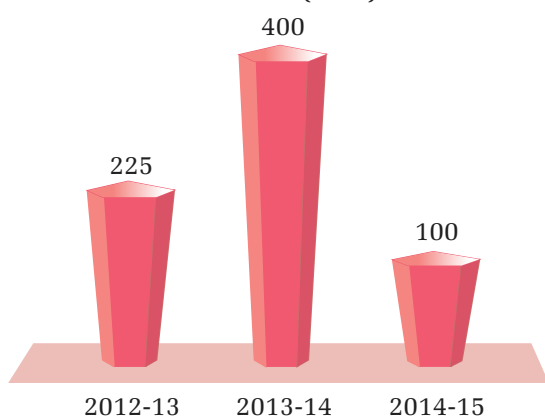
* Including Income from operations

Sales Revenue Mix*
(₹ in lacs)

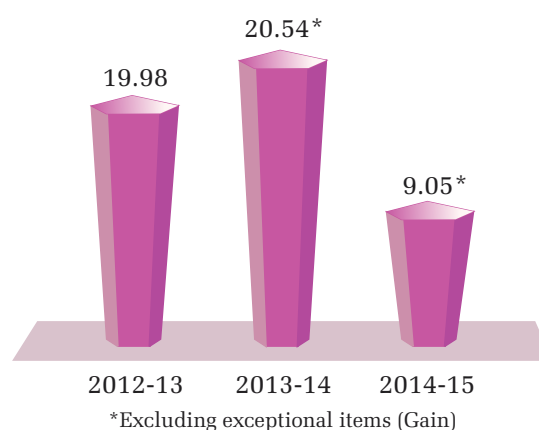


* Excluding Income from operations

Dividend (in %)

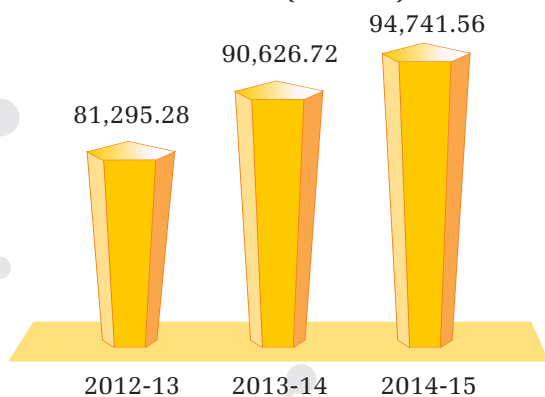


Return on Capital Employed (in %)

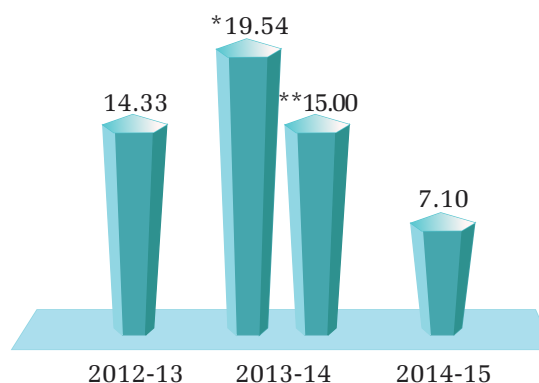


*Excluding exceptional items (Gain)

Net Worth (₹ in lacs)



Earnings per share (Basic) (in ₹)



* EPS including exceptional items (Gain)

** EPS excluding exceptional items (Gain)

Board of Directors



Dr. Prakash A. Mody
Chairman & Managing Director



Prafull Anubhai
Independent Director



Ramdas M. Gandhi
Independent Director



Prafull D. Sheth
Independent Director



Anand Mahajan
Independent Director



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

Message from the Chairman



Dear Shareholders,

I take this opportunity to share with you the 52nd Annual Report of your Company.

Being amongst one of the respected pharmaceutical Companies, Unichem focuses on improving the quality of medicines available and to make the medicines available to a large section of society at reasonable prices. In order to achieve this goal we continue to invest in our products and processes, brand building and carving out a special niche for ourselves.

As we had informed you, last year we had realigned our Acute business and this led to the Acute business showing consistent growth. I am glad to share with you that we had taken the similar realignment process to our Chronic divisions—CNS divisions have started showing encouraging results and in the last leg we have undertaken the similar exercise in our Cardiac divisions. Our endeavour remains to keep pace

and outperform the Indian Pharmaceutical Market (IPM) on a consistent basis, thereby creating value for the Company and its stakeholders.

I am happy to share with you that our performance in the key market of US remains robust where we have reported over 100% growth in topline. We continue to invest significant portion of R&D for the regulated markets, especially US. Your Company continues to file DMFs and ANDAs and has many more in its pipeline which will enable us to deliver robust growth in coming years.

Your Company believes in “Quality and Reliability” and these values have been pillars of our success in the International Markets. Unichem has always been on the right side of the stringent regulatory audits and has followed processes recommended by various regulators thereby constantly upgrading by implementing and adopting cGMP.

As you are aware Unichem has 4 manufacturing plants which have various accreditations including the USFDA. I am extremely happy to share with you that 3 plants were recently inspected by the USFDA and there were no critical observations highlighted by them. This will enable business continuity in the US. Additionally, your Company has State-of-the-Art manufacturing and R&D facilities which will

help us make further inroads in highly regulated and challenging, yet profitable markets.

At Unichem, we are determined and energized to use our strengths to make the most of the available opportunities. We have over the years developed a robust business model to adapt to the ever changing generic landscape across geographies.

Envisaging opportunities that are available to us in both domestic and international businesses, we have embarked on an aggressive Capex program covering all areas of businesses like Formulation and API. We have spent ~₹ 80 crores in the Financial Year 2014-2015. The entire sum was funded through our internal accruals and we will be spending higher sums in Financial Year 2015-2016 and Financial Year 2016-2017.

The Financial Year 2014-2015 had its own challenges as the IPM struggled to post growth in double digits in the first half of the year. However, the scenario improved significantly and IPM ended the year with a growth rate of 12.9%. This year we also saw new molecules being brought under price control. We expect more and more molecules and their combinations to come under price control in the near future as the government has made its objective clear by stating that more chronic/lifestyle diseases drugs, antibiotics, etc., may come under the price control net.

Your Company's Consolidated Sales/Income from operations (Net) stood at ₹ 1,202 crores as compared to ₹ 1,133 crores in the previous year. Net Profit after tax, excluding exceptional items (Gain) stood at ₹ 75 crores.

As a continuous effort towards rewarding shareholders, the Board of Directors at its meeting held on May 9, 2015 have recommended a dividend of ₹ 2/- (100%) per equity share of ₹ 2/- each, subject to the approval of the shareholders at the ensuing Annual General Meeting scheduled to be held on July 11, 2015.

At the end, 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. 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 commitment and contribution.

We remain excited about our future with a well balanced strategy and determination to make the most of the available opportunities, thereby creating greater value for all our stakeholders.

Dr. Prakash A. Mody
Chairman and Managing Director
May 9, 2015

Top Brands



LOSAR



Ampoxin®



UNIENZYME®

Top Brands



Telsar®



OLSAR®



METRIDE®



Trika®

Top Brands



Linx



UNISTAR



Serta®



Tolol



UVA CEF*

Top Brands



TG-tor



Pregaba-M



CORVADIL®



LeZyncet®

State-of-the-Art Manufacturing Plants



Ghaziabad



Roha



Goa



Goa CoE



Baddi



Pithampur



Sikkim

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
Risk Management Committee	- Dr. Prakash A. Mody - Chairman Mr. Prafull Anubhai Mr. Prafull Sheth Mr. Rakesh Parikh - Vice President (Finance) Mr. Vinayak Damle - Associate Vice President (Internal Audit)

Registered & 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	10
Directors' Report & Annexures	12
Management Discussion & Analysis	33
Auditors' Certificate on Corporate Governance	37
Corporate Governance Report	38
Auditors' Report on Standalone Financial Statements	47
Standalone Financial Statements	52
Auditors' Report on Consolidated Financial Statements	77
Consolidated Financial Statements	80
Notice	97
Proxy Form	105
Attendance Slip	107

Company Secretary & Compliance Officer

Mr. K. Subharaman
(upto May 18, 2015)
Mrs. Neema Thakore
(with effect from May 15, 2015)

Registrar & 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.: rnt.helpdesk@linkintime.co.in

Statutory Auditors

B. D. Jokhakar & Co.,
Chartered Accountants
8, Ambalal Doshi Marg, Fort
Mumbai - 400 001

Five-year Financial Highlights

Balance Sheet

(₹ in lacs)

As at 31st, March	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
TOTAL EQUITY & LIABILITIES					
Equity Share Capital	1,804.79	1,806.43	1,809.13	1,812.55	1,815.38
Share Application Money	-	3.45	-	-	-
Reserve & Surplus	65,997.60	71,195.27	79,486.15	88,814.17	92,926.18
Net worth	67,802.39	73,005.15	81,295.28	90,626.72	94,741.56
Loans & Borrowings	3,118.83	4,836.11	3,097.81	2,429.53	2,106.63
Creditors & Liabilities	16,863.27	20,955.38	24,980.92	23,428.14	21,387.26
Deferred Tax Liability	3,781.43	3,847.43	3,897.43	4,177.43	3,932.54
TOTAL LIABILITIES	91,565.92	102,644.07	113,271.44	120,661.82	122,167.99
ASSETS					
Net block	35,564.43	38,521.10	42,621.78	39,371.69	39,586.60
Capital WIP (Including Capital Advances)	7,912.13	13,733.74	13,743.80	8,848.82	12,297.45
NB + CWIP	43,476.56	52,254.84	56,365.58	48,220.51	51,884.05
Investment	10,014.35	10,611.93	14,026.34	11,992.05	15,264.82
Current Assets					
Inventories	13,541.83	14,113.11	13,163.39	18,623.73	18,648.31
Trade Receivables	18,394.23	18,482.47	21,227.64	21,127.51	20,619.35
Cash and Bank Balance	1,044.12	1,386.12	1,666.00	4,082.60	1,971.05
Loans & Advances	5,094.83	5,795.60	6,822.49	16,615.42	13,780.41
TOTAL ASSETS	91,565.92	102,644.07	113,271.44	120,661.82	122,167.99

Five-year Financial Highlights

Statement of Profit and Loss

(₹ in lacs)

For the year ended 31st, March	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Sales and income from operations	77,022.20	80,836.95	101,295.71	105,183.92	109,895.88
Other Income	796.22	939.47	1,406.70	4,283.91	1,996.77
Total Income	77,818.42	81,776.42	102,702.41	109,467.83	111,892.65
Material consumption	17,738.66	19,428.55	26,127.92	27,103.30	30,618.22
Purchase of finished goods	10,161.27	10,290.78	10,784.43	12,758.93	12,934.66
Increase/ Decrease in stocks of semi- finished and finished goods	(2,223.76)	(202.58)	1,007.31	(2,758.11)	(769.16)
Research & Development Expenses	3,668.32	3,794.02	3,610.73	5,215.10	4,642.14
Staff costs (Excluding R&D)	9,306.63	10,488.40	12,801.50	14,713.82	17,804.19
Excise Duty	548.46	518.22	774.02	766.42	797.42
Other expenses	21,684.26	23,776.82	27,622.06	29,271.25	33,710.25
Total cost	60,883.84	68,094.21	82,727.97	87,070.71	99,737.72
PBDIT	16,934.58	13,682.21	19,974.44	22,397.12	12,154.93
Finance Cost	194.82	329.85	248.16	248.16	236.86
PBDT	16,739.76	13,352.36	19,726.28	22,148.96	11,918.07
Depreciation & Amortisation	2,721.77	2,828.81	3,481.65	4,266.58	3,768.30
Profit before tax	14,017.99	10,523.55	16,244.63	17,882.38	8,149.77
Current tax	2,835.00	2,215.00	3,235.03	3,778.11	1,811.05
Deferred tax	313.00	66.00	50.00	522.00	(101.00)
Profit after tax before Exceptional Items	10,869.99	8,242.55	12,959.60	13,582.27	6,439.72
Exceptional items (net of taxes)	-	-	-	4,114.55	-
Profit after tax & Exceptional Items	10,869.99	8,242.55	12,959.60	17,696.82	6,439.72
Note:					
Exports at FOB value	14,585.51	22,362.01	32,157.11	32,643.87	36,657.22
Equity dividend	3,609.54	2,713.44	4,071.16	7,251.29	1,815.42
Expenditure on R&D :					
- Capital	2,582.24	1,946.90	6,565.77	1,233.38	902.47
- Recurring	3,668.32	3,794.02	3,610.73	5,215.10	4,642.14
Total R & D expenditure	6,250.56	5,740.92	10,176.50	6,448.48	5,544.61

Key Ratios & EPS

As at 31st, March	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Debt : Equity Ratio	0.05:1	0.07:1	0.04 : 1	0.03:1	0.02:1
Per Share Data					
EPS (₹) excluding exceptional Items	12.03	9.13	14.33	15.00	7.10
EPS (₹) including exceptional Items	12.03	9.13	14.33	19.54	7.10
Dividend (%)	200%	150%	225%	400%	100%
Dividend (in ₹) per Share	4.00	3.00	4.50	8.00	2.00
Book Value Per Share (₹)	75.14	80.82	89.87	100.00	104.38

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 52nd Annual Report on the business and operations of the Company for the Financial Year ended March 31, 2015.

Financial Highlights

The table given below gives the financial highlights of the Company on Standalone basis for the year ended March 31, 2015 as compared to the previous Financial Year .

For the year ended
(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Sales / Income from operations (Net of Excise Duty)	1,09,098.46	1,04,417.50
Other Income	1,996.77	4,283.91
Total Income	1,11,095.23	1,08,701.41
Profit before Tax and Exceptional items	8,149.77	17,882.38
Tax expenses (including deferred Tax & short/excess provision pertaining to previous years)	1,710.05	4,300.11
Profit after Tax and before Exceptional items	6,439.72	13,582.27
Exceptional items	-	4,114.55
Profit after Tax and Exceptional items	6,439.72	17,696.82

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

Review of Operations

During the year under review, Standalone Sales/Income from operations (Net) increased to ₹ 109,098.46 lacs from ₹ 104,417.50 lacs in 2013-2014, registering a growth of 4.48%. Consolidated Sales/Income from Operations (Net) stood at ₹ 120,179.34 lacs in 2014-2015 as compared to ₹ 113,344.79 lacs for the year ended March 31, 2014, registering an increase of 6.03%.

Appropriations

An amount of ₹ 66,200.97 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 has recommended a dividend of ₹ 2/- (100%) per equity share of ₹ 2/- each for the approval of the shareholders at the ensuing Annual General Meeting (AGM) for the year ended March 31, 2015. The Register of Members and Share Transfer Books shall remain closed from July 6, 2015 to July 11, 2015 (both days inclusive) for the purpose of AGM and dividend, if approved by the shareholders. The AGM of the Company is scheduled for July 11, 2015.

Employees' Stock Options Scheme

During the year under review, 141,399 options having a face value of ₹ 2/- each were exercised and the same were

allotted (on *pari passu* basis) under the Employees' Stock Options Scheme – 2008. Details of the Employees' Stock Options 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 and its business is given in the Management Discussion and Analysis, which forms part of this Annual Report.

Corporate Governance

A detailed report on Corporate Governance forms part of this Annual Report. The Auditors' Certificate on compliance with 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, 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, is annexed to this Report as Annexure 'B' pursuant to Section 129 of the Companies Act, 2013 and Rules made thereunder in the prescribed Form, AOC -1 and hence not repeated here for the sake of brevity.

During the year, Synchron Research Services Private Limited (Synchron) became an Associate 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 biopharmaceutical companies. Your Company avails such services from Synchron from time to time.

European Commission matter

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, (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.

Directors' Responsibility Statement

In terms of Section 134 (3) (c) of the Companies Act, 2013, your Directors state that:

1. in preparation of annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. they have selected such accounting policies and applied them 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, 2015 and profit for the year ended on that date;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. they have prepared the annual accounts on a going concern basis;
5. they have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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 and constituted a Risk Management Committee and the same is detailed in the Corporate Governance Report. Risks are classified in different categories such as Financial, Operational, Legal and Strategic risks. These risks are reviewed from time to time and controls are put in place with specific responsibility of the concerned officer of the Company.

Credit Rating

ICRA has reaffirmed your Company's A1+ rating for short-term debt (including Commercial Paper) Programme of ₹ 1500 lacs. The rating indicates strong degree of safety regarding timely payment of financial obligations.

Directors

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Dr. (Mrs.) B. Kinnera Murthy as an Additional Director of the Company in the category of Independent Directors with effect from March 21, 2015 to hold office upto the ensuing Annual General Meeting. It is now proposed to appoint her as an Independent Director of the Company for a period of three consecutive years upto March 20, 2018.

During the year under review Mr. Nasser Munjee, resigned as a Director of the Company with effect from

September 26, 2014, since the revised Clause 49 of the Listing Agreement (effective from October 1, 2014), places restrictions on the number of directorships that an individual can hold as Independent Director in listed Companies. The Board places on record its deep appreciation of the services rendered by Mr. Nasser Munjee during his tenure as a Director.

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 Clause 49 of the Listing Agreement.

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. 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 and Managing Director of the Company. As per the clarification issued by the Department of Company Affairs (Int. Circular No. 3(No.8/16(1)/61-PR, dated 9th May 1961) in relation to appointment of Managing Director: "a MD's office as a MD does not suffer any break if he retires as a Director under Section 255 of the erstwhile Companies Act, 1956 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 and Managing Director of the Company.

Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting seeking your approval to the aforesaid appointments. The information required under Clause 49 of the Listing Agreement is provided in the Notice of the 52nd Annual General Meeting and the Statement annexed thereto.

Mr. K. Subharaman, Vice President (Legal & Company Secretary) resigned from the Company and Mrs. Neema Thakore is appointed as Head - Legal & Company Secretary with effect from May 15, 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, performance evaluation of the Board, its Committees 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 the 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 five board meetings were held, the details of which are given in the Corporate Governance Report.

Whistle Blower Policy

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The same is explained in the Corporate Governance Report. The details of establishment of the reporting mechanism are disclosed on the website of the Company. No person has been denied access to the Audit Committee.

Related Party Transactions

All 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 the Related Party Transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the weblink is provided in the Corporate Governance Report.

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 workplace in line with the requirements of The Sexual Harassment of Women at 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.

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 2015-2016 is placed before the Members at the ensuing AGM. The said Auditors have given their eligibility certificate in terms of Section 139 of the Companies Act, 2013.

Cost Auditors

The Board of Directors at its meeting held on May 9, 2015, 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 Records maintained by the Company for the Financial Year 2015-2016 at a remuneration of ₹ 5.50 lacs (Rupees Five Lacs Fifty Thousand Only) plus service tax as may be applicable and out of pocket expenses at actuals. The said Auditors have given their eligibility certificate for appointment as Cost Auditors. The remuneration payable to the said Cost Auditors needs to be ratified by the Shareholders at the ensuing Annual General Meeting. The Cost Audit Report for the year ended March 31, 2014 was filed with the Ministry of Corporate Affairs on September 24, 2014.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, 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 C to this Report.

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 D 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 E to this Report.

Particulars of Employees and related disclosures

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, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is annexed as Annexure H to this Report.

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 F to this Report.

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 to consistently provide products that meet customer as well as national and international regulatory requirements as may be applicable. It has been steadily raising the bar, setting higher goals for environmental performance and enlarging the scope of 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 production across the plant 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 a day-to-day basis.

Your Company continues to strive for energy saving and conservation of natural resources. At our 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)

Unichem being a pharmaceutical company, is naturally inclined to improve the health of the general public at large and the Company is well known for its Quality and Reliability for over six decades. The present CSR initiatives focus on two main recognized activities mentioned in Schedule VII of the Companies Act, 2013, namely promoting education and promoting preventive health care particularly for scheduled tribes. The CSR policy is available on the website of the Company and the Annual Report on Corporate Social Responsibility (CSR) activities as required under Section 135 of the Companies Act, 2013 is annexed as Annexure G 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 Company spent ₹ 241.75 lacs on CSR which is 1.57 % of the average profits, for the last three Financial Years.

The Company could not spend up to 2 % of the net profits as stipulated in the Companies Act, 2013 as the Company's profits/ earnings were lesser than the previous Financial Year.

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 checkups 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 our 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.

For and on behalf of the Board of Directors,

Mumbai
May 9, 2015

Dr. Prakash A. Mody
Chairman & Managing Director

Annexure A to Directors' Report

DISCLOSURES IN THE DIRECTORS' REPORT ON EMPLOYEE STOCK OPTIONS SCHEME - 2008

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	7,17,201		
d. Options exercised	5,99,976		
e. The total number of shares arising as a result of exercise of Options	5,99,976		
f. Options lapsed*	1,69,499		
g. Variation of terms of Options	Nil		
h. Money realised by exercise of Options	₹ 27,598,896		
i. Total number of Options in force	117,225		
j. Employee wise detail 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 : ₹ 7.08 (as per standalone accounts) Diluted EPS After Exceptional Items : ₹ 7.08 (as per standalone accounts)		
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.	NA		
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 dividends 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.

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 2014 to March 2015	April 2014 to March 2015	April 2014 to March 2015	April 2014 to March 2015	March 2014 to March 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	1 BRL = ₹ 22.7931	1 EURO = ₹ 75.0113	1 USD = ₹ 61.144	1 GBP = ₹ 96.0873	1 SAR = ₹ 5.4501
4	Share Capital	5,116.29	690.45	2,951.92	1,624.12	12.14
5	Reserves & surplus	(4,724.12)	(736.87)	(550.01)	(1,645.47)	(17.82)
6	Total Assets	392.18	(46.42)	2,401.91	1,991.17	(5.68)
7	Total Liabilities	-	-	-	2,012.53	-
8	Investments	-	-	-	-	-
9	Turnover	410.68	303.55	15,232.50	8,890.64	67.28
10	Profit before Taxation	(806.20)	(387.13)	1,134.58	(690.72)	(6.91)
11	Provision for Taxation	-	-	(1,496.83)	-	-
12	Profit after Taxation	(806.20)	(387.13)	2,631.41	(690.72)	(6.91)
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14	% of share holding	100	100	100	100	100

Notes:

- Names of Subsidiaries which are yet to commence operations : None
- 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, 2014
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	NA
6	Networth attributable to shareholding as per latest audited Balance Sheet	₹ 148.48 lacs
7	Profit/Loss for the year: i. Considered in Consolidation ii. Not considered in Consolidation	₹ 10.90 lacs ₹ 23.05 lacs

Notes:

- Names of Associates or Joint Ventures which are yet to commence operations : None
- 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

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

For and on behalf of the Board of Directors,

Annexure C to Directors' Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[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 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 conduct and statutory compliance for the purpose of expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and 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 on March 31, 2015 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 on March 31, 2015 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) 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; and
- (e) 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.

Based on the representation made by the management of the Company, the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with specific applicable laws, Rules, Regulations and Guidelines viz., Drugs and Cosmetics Act, 1940, The Pharmacy Act, 1948, The Narcotic Drugs and Psychotropic Substances Act, 1985, Trademarks Act, 1999, Indian Copy Right Act, 1957, The Patents Act, 1970, Food and Drug Administration licensing terms and conditions and Food Safety and Standards Act, 2006.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as mentioned above.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the 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 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 the Company has adopted a new set of Articles of Association of the Company that is aligned to the provisions of the Companies Act, 2013 and the process of such adoption and filing of records is compliant with the provisions of the Act.

Alwyn Jay & Co.,
Company Secretaries

Mumbai
May 9, 2015

Ronald D'Mello
Partner
FCS: 3818, C.P. No. 14353

Annexure D 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, 2015.

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 PVC fills of cooling towers have been replaced to improve efficiency.
- During winter season the ambient condition is used to minimize the running hours of the chillers.
- Replacement of old non-energy efficient AHUs with double skin insulated AHUs with VFD driven motors and plug fans.
- A new energy efficient heat recovery chiller has been procured along with two brine chillers for substantial reduction in power consumption.
- Savings on diesel achieved by introducing automatic voltage regulator in H.T. Line.
- Savings on diesel achieved by introduction of fuel sticks as an additive in the diesel storage tanks.

(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:

₹ Nil.

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 manufacturing facilities of the Company subject to permissions and approvals from the concerned regulatory authorities. At its State-of-the-Art R&D facility at 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 the scale up issues that the laboratory developed process may face in the plant during technology transfer exercise. Plus 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.
- Products developed for the International market will result in increased business for

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 process for four bio similar products.
- Biosimilar and fermentation based products under development for Indian and International markets will result in new business opportunities for the Company in the biotechnology sector in future years.
- Successfully got funding approval from DBT/BIRAC, Govt. of India under BIPP scheme for development of a novel molecule having anti-cancer potential.
- Filing of Patent applications.

(iii) Information regarding imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

None.

(iv) Expenditure incurred on Research and Development:

The Company has incurred a total expenditure of ₹ 6,543.34 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 9, 2015

Dr. Prakash A. Mody
Chairman & Managing Director

Annexure E to Directors' Report

FORM NO. MGT 9- EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED MARCH 31, 2015

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (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	Limited by Shares
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 Tel.: (022) 2594 6970, Fax.: (022) 2594 6969 E-mail Id.: rnt.helpdesk@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Niche Generics Limited - UK 1, The Cam Center, Wilbury Way, Hitchin Hertfordshire, SG4 OTW, England	NA	Subsidiary	100.00	2(87)
2	Unichem Farmaceutica Do Brasil Ltd a- Brazil Avenida Sete De Setembro 1564, Centro, Vila Dirce Diadema, CEP -09912-010, São Paulo - Brasil	NA	Subsidiary	100.00	2(87)
3	Unichem Laboratories Limited, Ireland Studio 8b, Ard Gaoithe Commercial Centre Ard Gaoithe Business Park, Cashel Road, Clonmel County Tipperary, Ireland	NA	Subsidiary	100.00	2(87)
4	Unichem Pharmaceuticals (USA), Inc. 201 West Passaic Street, STE 403, Rochelle Park NJ 07662, USA	NA	Subsidiary	100.00	2(87)
5	Unichem SA (Pty) Limited, South Africa Adrina Building, 1st Floor, 32 Kilinkenberg Street Van Der Hoff Park, Potchefstroom, 2531	NA	Subsidiary	100.00	2(87)
6	Synchron Research Services Private Limited Synchron House, B/H, Mondeal Park Near Gurudwara, S.G. Highway, Ahmedabad	U85110GJ1998PTC034181	Associate	32.11	2 (6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of total Equity)

(i) Category-wise shareholders

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	45378350	0	45378350	50.07	45378350	0	45378350	49.99	(0.08)
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	132200	0	132200	0.15	132200	0	132200	0.15	(0.00)
SUB TOTAL:(A) (1)	45510550	0	45510550	50.22	45510550	0	45510550	50.14	(0.08)
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	45510550	0	45510550	50.22	45510550	0	45510550	50.14	(0.08)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	7671621	0	7671621	8.47	11127971	0	11127971	12.26	3.79
b) Banks/FI	40690	0	40690	0.04	50924	2300	53224	0.06	0.02
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	2623447	0	2623447	2.89	2533447	0	2533447	2.79	(0.10)
g) FIIS	3718450	1500	3719950	4.10	2734918	1500	2736418	3.01	(1.09)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	500	0	500	0	0	0	0	0	(0.00)
SUB TOTAL (B)(1):	14054708	1500	14056208	15.51	16447260	3800	16451060	18.12	2.61
(2) Non Institutions									
a) Bodies corporates									
i) Indian	8136275	36890	8173165	9.02	6096538	34590	6131128	6.75	(2.27)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lacs	14343341	3013542	17356883	19.15	14874931	2798632	17673563	19.47	0.32
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lacs	2551302	109540	2660842	2.94	2721224	109540	2830764	3.12	0.18
c) Others (specify)									
Clearing Member	199480	0	199480	0.22	75853	0	75853	0.08	(0.14)
Foreign Nationals	0	8750	8750	0.01	0	8750	8750	0.01	0.00
Foreign Financial	0	0	0	0	500	0	500	0.00	0.00
Institutes/Banks	647776	21720	669496	0.74	734843	21720	756563	0.83	0.09
Non Resident Indians	0	0	0	0.00	33802	0	33802	0.04	0.04
Foreign Mutual Fund	0	0	0	0.00	5138	0	5138	0.01	0.01
Directors /Relatives of									
Directors	152495	360	152855	0.17	116605	0	116605	0.13	(0.04)
Trusts	6270	957600	963870	1.06	8770	957600	966370	1.06	0.00
Hindu Undivided Family	858977	0	858977	0.95	191442	0	191442	0.21	(0.74)
Foreign Corporate Bodies	16250	0	16250	0.02	16250	0	16250	0.02	0.00
Market Maker	0	0	0	0.00	5138	0	5138	0.01	0.01
Qualified Foreign Investor- Foreign Portfolio Investor (Corporate)	0	0	0	0	387	0	387	0.00	0.00
SUB TOTAL (B)(2):	26912166	4148402	31060568	34.27	24876283	3930832	28807115	31.74	(2.53)
Total Public Shareholding (B)= (B)(1)+(B)(2)	40966874	4149902	45116776	49.78	41323543	3934632	45258175	49.86	0.08
C. SHARES HELD BY CUSTODIAN FOR GDRS AND ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A + B + C)	86477424	4149902	90627326	100.00	86834093	3934632	90768725	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS

SL. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	41337342	45.61	0	41337342	45.54	0	(0.07)
2	Mrs. Anita Mody	1323400	1.46	0	1323400	1.46	0	(0.00)
3	Ms. Shwetambari Mody	949936	1.05	0	949936	1.05	0	(0.00)
4	Ms. Suparna Mody	949936	1.05	0	949936	1.05	0	(0.00)
5	Ms. Supriya Mody	949936	1.05	0	949936	1.05	0	(0.00)
	Total	45510550	50.22	0	45510550	50.14	0	(0.08)

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

	Share holding at the beginning of the year (April 1, 2014) / end of the year March 31, 2015	Cumulative Share holding during the year (April 1, 2014 - March 31, 2015)	
	No. of shares	% of total shares of the company	No. of shares
At the beginning of the year	45510550	50.22	45510550
No change during the year	Refer note below		
At the end of the year	45510550	50.14	45510550

Note: There is no change in absolute shareholding of the Promoters between April 1, 2014 to March 31, 2015. The decrease in % of total shareholding from 50.22% to 50.14% is due to ESOP allotment of 141399 Equity shares during the year.

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS & ADRS)

SL. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the year (April 1, 2014) / end of the year March 31, 2015		Cumulative Shareholding during the year (April 1, 2014 - March 31, 2015)
		No. of shares	% of total shares of the company	No. of shares
1	Airborne Investment and Finance Private Limited			
	At the beginning of the year	1149452	1.27	1149452
	No change during the year	0	0	0
	At the end of the year	1149452	1.27	
2	Alrox Investment and Finance Private Limited			
	At the beginning of the year	1597763	1.76	1597763
	No change during the year	0	0	0
	At the end of the year	1597763	1.76	
3	Amrut Vithaldas Mody			
	At the beginning of the year	900000	0.99	900000
	No change during the year	0	0	0
	At the end of the year	900000	0.99	
4	Bajaj Allianz Life Insurance Company Limited			
	At the beginning of the year	2432954	2.68	2432954
	Decrease in Share holding during the year due to Market Sale	(1841900)	(2.03)	591054
	At the end of the year	591054	0.65	
5	DSP Blackrock Small and Mid Cap Fund *			
	At the beginning of the year	1481748	1.63	1481748
	Decrease in Share holding during the year due to Market Sale	(1481748)	(1.63)	0
	At the end of the year	0	0	
6	Family Investment Private Limited			
	At the beginning of the year	1438522	1.59	1,438,522
	No change during the year	0	0	0
	At the end of the year	1438522	1.58	
7	Grandeur Peak International Opportunities Fund *			
	At the beginning of the year	657305	0.73	657305
	Decrease in Share holding during the year due to Market Sale	(657305)	(0.72)	0
	At the end of the year	0	0	

SL. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the year (April 1, 2014) / end of the year March 31, 2015		Cumulative Shareholding during the year (April 1, 2014 - March 31, 2015)
		No. of shares	% of total shares of the company	No. of shares
8	ICICI Prudential and its various schemes At the beginning of the year Increase in Share holding during the year due to Market Purchase At the end of the year	2610057 5789841 8399898	2.88 6.38 9.25	2610057 8399898
9	Infina Finance Private Limited At the beginning of the year Decrease in Share holding during the year due to Market Sale At the end of the year	390355 (51150) 339205	0.43 (0.06) 0.37	390355 339205
10	PrivatBank Ihag Zurich AG At the beginning of the year Decrease in Share holding during the year due to Market Sale At the end of the year	803720 (1089) 802631	0.89 (0.00) 0.88	803720 802631
11	Ramu Sitaram Deora At the beginning of the year Decrease in Share holding during the year due to Market Sale At the end of the year	341820 (4363) 337457	0.38 (0.00) 0.37	341820 337457
12	Reliance Capital Trustee Co. Limited (and its various schemes) At the beginning of the year Decrease in Share holding during the year due to Market Sale At the end of the year	2286411 (185353) 2101058	2.52 (0.20) 2.31	2286411 2101058

* Ceased to be in the Top 10 shareholders as on March 31, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2014.

(V) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL

SL. No.	For Each of the Directors and Key Managerial Personnel	Share holding at the beginning of the year (April 1, 2014) / end of the year March 31, 2015		Cumulative Shareholding during the year (April 1, 2014 - March 31, 2015)
		No. of shares	% of total shares of the company	No. of shares
1	Dr. Prakash A. Mody *			
	At the beginning of the year	41337342	45.61	41337342
	No change in shareholding during the year	0	0	41337342
	At the end of the year	41337342	45.54	
2	Mr. Prafull Anubhai			
	At the beginning of the year	5800	0.01	5800
	10.5.2014 (Allotment on exercise of ESOP)	25000	0.03	30800
	26.12.2014 (Market Sale)	(5800)	(0.01)	25000
	At the end of the year	25000	0.03	
3	Mr. Ramdas Gandhi			
	At the beginning of the year	40500	0.04	40500
	31.10.2014 Market Sale)	(10000)	(0.01)	30500
	24.11.2014 (Market Sale)	(10500)	(0.01)	20000
	At the end of the year	20000	0.02	
4	Mr. Nasser Munjee **			
	At the beginning of the year	17500	0.02	17500
	12.7.2014 (Allotment on exercise of ESOP)	7500	0.01	25000
	As on the nearest benpos. after his resignation on September 26, 2014)	25000	0.03	
5	Mr. Prafull Sheth			
	At the beginning of the year	11250	0.01	11250
	20.2.2015 (Market Sale)	(11250)	(0.01)	0
	At the end of the year	0	0	
6	Mr. Anand Mahajan			
	At the beginning of the year	17500	0.02	17500
	No change in shareholding during the year	0	0	0
	At the end of the year	17500	0.02	
7	Dr. (Mrs.) B. Kinnara Murthy ***			
	At the beginning of the year	0	0	0
	No change in shareholding during the year	0	0	0
	At the end of the year	0	0	0

SL. No.	For Each of the Directors and Key Managerial Personnel	Share holding at the beginning of the year (April 1, 2014) / end of the year March 31, 2015		Cumulative Shareholding during the year (April 1, 2014 - March 31, 2015)
		No. of shares	% of total shares of the company	No. of shares
8	Mr. Rakesh Parikh (Vice President - Finance)			
	At the beginning of the year	27550	0.03	27550
	21.3.2015 (Allotment of exercise of ESOP)	2025	0.00	29575
	At the end of the year	29575	0.03	
9	K. Subharaman (Vice President (Legal & Company Secretary))			
	At the beginning of the year	15625	0.02	15625
	18.10.2014 (Allotment of Exercise of ESOP)	6000	0.01	21625
	19.11.2014 (Market Sale)	(2404)	(0.00)	19221
	At the end of the year	19221	0.02	

* There is no change in absolute shareholdings of Dr. Prakash A. Mody, between April 1, 2014 to March 31, 2015. The decrease in % of total shareholding from 45.61% to 45.54% is due to ESOP allotment of 141,399 Equity shares during the year.

** Mr. Nasser Munjee resigned with effect from September 26, 2014.

*** Dr. (Mrs.) B. Kinnera Murthy was appointed as an Additional Director with effect from March 21, 2015. Dr. (Mrs.) Murthy did not hold any shares in the Company for the period under review.

V. INDEBTEDNESS

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

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	Nil	2366.95	Nil	2366.95
ii) Interest due but not paid	Nil	0	Nil	Nil
iii) Interest accrued but not due	Nil	0	Nil	Nil
Total (i+ii+iii)	Nil	2366.95	Nil	2366.95
Change in Indebtedness during the Financial Year				
Additions	22.19	340.35	Nil	362.54
Reduction	Nil	622.75	Nil	622.75
Net Change	22.19	(282.40)	Nil	(260.21)
Indebtedness at the end of the Financial Year				
i) Principal Amount	22.08	1909.20	Nil	1931.28
ii) Interest due but not paid	Nil	0	Nil	Nil
iii) Interest accrued but not due	0.11	175.35	Nil	175.46
Total (i+ii+iii)	22.19	2084.55	Nil	2106.74

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager

(₹ in lacs)

SL. No.	Particulars of Remuneration	Name of the MD/ WTD/Manager	Total Amount
		Dr. Prakash A. Mody Chairman and Managing Director	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. (Excluding Commission-Refer SN. 4)	348.08	348.08
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	12.03	12.03
	(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	177.49	177.49
5	Others, please specify (Employers Contribution towards Provident Fund)	21.60	21.60
	Total (A)	559.19	559.19

B. Remuneration to other directors

(₹ in lacs)

SL. No.	Particulars of Remuneration	Name of Directors						
1	Independent Directors	Mr. Prafull Anubhai	Mr. Ramdas Gandhi	Mr. Nasser Munjee*	Mr. Anand Mahajan	Mr. Prafull Sheth	Dr. (Mrs.) B. Kinnera Murthy **	Total
	(a) Fee for attending Board & committee meetings	6.5	6.5	2	2	4.3	0.5	21.80
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	6.5	6.5	2	2	4.3	0.5	21.80
2	Other Non Executive Directors	-	-	-	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	6.5	6.5	2	2	4.3	0.5	21.80
	Total Managerial Remuneration- Total of (A)***							559.19

* Mr. Nasser Munjee resigned with effect from September 26, 2014.

** Dr. (Mrs.) B. Kinnera Murthy was appointed as an additional Director with effect from March 21, 2015.

*** For total Managerial Remuneration sitting fees are not included.

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

(₹ in lacs)

SL. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross Salary	Mr. Rakesh Parikh, Vice President (Finance)	K. Subharaman (Vice President Legal & Company Secretary)	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	59.34	41.71	101.05
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.81	10.78	14.59
	(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 - Employers Contribution to Provident Fund	2.71	1.89	4.59
	Total	65.86	54.38	120.24

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)
A. COMPANY Penalty Punishment Compounding	NIL	NIL	NIL	NIL
B. DIRECTORS Penalty Punishment Compounding	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NIL	NIL	NIL	NIL

Annexure F 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 2014-2015:

<u>Name of the Director</u>	<u>Ratio</u>
Dr. Prakash A. Mody (Chairman & Managing Director)	196.: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 in the Financial Year 2014-2015:

<u>Name</u>	<u>% increase/ (decrease)</u>
Dr. Prakash A. Mody (Chairman & Managing Director)	(2.19)
Mr. Rakesh Parikh – Vice President (Finance)	5.51
Mr. K. Subharaman – Vice President (Legal & Company Secretary)	5.71

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

- (iii) The percentage increase in the median remuneration of employees in the Financial Year: 6.02 %
- (iv) The number of permanent employees on the rolls of the Company: There were 5509 employees on the rolls as on March 31, 2015
- (v) The explanation on the relationship between average increase in remuneration and Company performance:

The Company's stand alone turnover increased by 4.48% against the increase in median remuneration is 6.02%. 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 Financial Year 2014-2015 against Financial Year 2013-2014 was 4.48%. The aggregate decrease in remuneration of the KMPs was 0.77% during the Financial Year 2014 -2015.

- (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 ₹ 184,532.81 lacs as at March 31, 2015 as against ₹ 207,853.77 lacs as at March 31, 2014 (based on share prices quoted on the NSE). The Price Earnings Ratio was 28.71 as at March 31, 2015 as compared to 15.35 as at March 31, 2014 (without exceptional items). The closing price of the Company's equity shares on the NSE as at March 31, 2015 was ₹ 203.3 representing a 2,19,464% increase over the IPO price, adjusted for Stock splits, Rights Issue and Bonus issues to date.

- (viii) 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 managerial remuneration is 8.60 % for employees other than Managerial Personnel and 7.34 % for Managerial Personnel.

- (ix) Comparison of remuneration of each Key Managerial Personnel against the performance of the Company:

<u>Particulars</u>	<u>Remuneration as a % of standalone turnover for Financial Year ended March 31, 2015</u>
Dr. Prakash A. Mody – Chairman & Managing Director	0.43
Mr. Rakesh Parikh – Vice President (Finance)	0.06
Mr. K. Subharaman – Vice President (Legal & Secretarial)	0.04

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

The Chairman and Managing Director of the Company is entitled for 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 receive only sitting fees.

- (xi) The ratio of the remuneration of the highest paid Director to that of that 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 and 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 9, 2015

Dr. Prakash A. Mody
Chairman & Managing Director

Annexure G to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-2015

- 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 weblink to the CSR Policy and projects or programmes.**

Unichem Laboratories Limited being a pharmaceutical Company, is naturally inclined to improve the health of the general public at large and the Company is well known for its quality and reliability for over six decades. The present CSR initiatives focus on two main recognized activities mentioned in Schedule VII of the Companies Act, 2013, namely promoting education and promoting preventive health care especially for scheduled tribes. The CSR policy is available on the website of the Company and the web link is as under:

<http://www.unichemlabs.com/investor-info/corporate-social-responsibility.html>

- Composition of the CSR Committee.**

- Dr. Prakash A. Mody – (Chairman)
- Mr. Prafull Anubhai – (Independent Director)
- Mr. Ramdas Gandhi – (Independent Director)

- Average net profit of the Company for the last three Financial Years.**

Average net Profit: ₹ 15,442.62 lacs

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

The Company is required to spend ₹ 308.85 lacs towards CSR activities in the Financial Year 2014-2015.

- Details of amount spent on CSR activities for the Financial Year.**

- Total amount to be spent for the Financial Year: ₹ 308.85 lacs
- Total amount spent for the Financial Year: ₹ 241.75 lacs
- Amount unspent, if any: ₹ 67.10 lacs
- 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 Adiwasis and health camps	Health	Shahpur, Thane, Maharashtra	8.85	23.75	23.75	23.75
2	Educational Aid and Scholarships	Education	Ahmedabad, Gujarat and Maharashtra	300	218.00	218.00	218.00
Total				308.85	241.75	241.75	241.75

* Details of Implementing Agencies: Adiwasi Unnati Mandal, Ahmedabad University, Caring Foundation, Vedanta Trust, Paragon Charitable Trust and Make a Wish Foundation of India.

6. **In case the Company has failed to spend the two percent of the average net profit of the last 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 not spent two percent of the average net profit of the last three Financial Years and the reason for the same has been explained in the Directors' Report.

7. **The Chairman of the CSR Committee has given a 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.**

Mumbai
May 9, 2015

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

Management Discussion and Analysis

GLOBAL PHARMA MARKET

Demographic trends in both developed and emerging markets create the basis for pharmaceuticals sector growth. These include an aging population; increasing population growth and rising wealth; and an increase in lifestyle and chronic diseases. While these trends are heartening from a pharmaceutical company's perspective, pharmaceutical companies around the globe continue to be battered by blockbuster drug patent expirations, ever increasing competition from generics makers, and government and health care industry efforts to control costs which is broadly demonstrated by price controls, pro-generic policies and patent challenges.

Across the globe, Governments and health care payers are looking at ways to reduce cost of rapidly rising healthcare. In recent times heavy cost of drugs has become a contentious issue and focus remains on reducing the burden on payers. Changing demographics around the world, growing awareness, affordability and patent expiries every year worth billions of dollars are offering global generic companies tremendous opportunities for consistent growth.

Having a presence in many countries across the globe is becoming an essential part of strategy for generic companies not only to leverage opportunities but also to reduce risks from regulatory and economic pressures specific to geographies. Your Company is cognizant of these facts and has been slowly diversifying its reliance on the domestic market by taking the Unichem brand to international shores. Your Company is opening up newer and newer markets for its products.

In the past few years we have seen regulators from developed markets taking a tough stand against companies not complying with Product safety standards, particularly those associated with quality systems implementation, data integrity and validation of manufacturing or testing processes around the world. This is resulting in uncertainty around the sources of adverse event reporting, as well as pharma companies looking to outsource one, or both, of the case processing and software/hardware platform burdens.

Your Company believes in "Quality and Reliability" and these values have been pillars of success in the international markets. Unichem has been always on the right side of the stringent regulatory audits and has

followed processes recommended by various regulators thereby constantly upgrading by implementing and adopting cGMP.

DOMESTIC PHARMACEUTICAL MARKET

The Indian Pharmaceutical Market (IPM) is expected to grow to USD 55 billion by 2020 mainly driven by steady increase in affordability, rise in frequency and treatment of chronic diseases, greater health insurance penetration, enhanced accessibility and launch of newer products. Further, the population growth in India is expected to increase by 1.3% every year and a steady rise in disease prevalence will increase patient pool. Secondly, the affordability of medicines will improve owing to persistent growth in incomes and higher penetration of Health/Medical Insurance. *(Source: Mckinsey & Co, India Pharma 2020)*

The Government has made public Healthcare one of its top priorities by launching policies and schemes which will benefit the mass population by making it more affordable and accessible. Government launched its pet project "Swachh Bharat Abhiyan" which is expected to have a deeper reach in creating hygiene and health awareness across all sections of the society. In addition to the newly launched "Swachh Bharat Abhiyan", health coverage through "Rashtriya Swasthya Bima Yojana" (RSBY) will further enhance the affordability of healthcare and enable rural patients to be treated for serious illnesses. All these factors together are expected to contribute to the robust growth of the overall IPM.

In recent years we have noticed that the Indian population is experiencing a shift in disease profile, moving towards Chronic/Lifestyle diseases. Keeping this in mind we have seen many companies shifting their focus towards chronic therapies especially in the areas of Cardiovascular, Neuropsychiatry, Diabetes etc. Since many years, your Company has had greater presence in the areas of Cardiovascular and Neuropsychiatry and continues to make improvements in its market share in many brands. Currently the chronic segment accounts for nearly 60% of your Company's domestic sales.

However, one of the key challenges facing the Industry as a whole is the price control on medicines introduced by the Government where the prices and margins are monitored very closely.

UNICHEM'S PERFORMANCE**Financial Highlights**

Consolidated Sales/Income from operations (Net) stood at ₹ 120,179.34 lacs as compared to ₹ 113,344.79 lacs in the previous year, reflecting an overall growth of 6.03%.

Standalone Sales/Income from operations (Net) stood at ₹ 109,098.46 lacs as compared to ₹ 104,417.50 lacs in the previous year, depicting an overall growth of 4.48%.

Sales outside India including operating income (gross) on consolidated basis stood at ₹ 52,650.70 lacs as compared to ₹ 44,895.51 lacs in the previous year, reflecting an overall growth of 17.27%.

DOMESTIC FORMULATIONS

Chronic therapies account for ~58% of domestic revenues, while acute therapies account for ~42%.

Your Company's ~43% revenues come from the Cardiac segment, making it the largest contributor to the domestic formulations' topline. Post implementation of the Drugs (Prices Control) Order, 2013. Your Company's major brands like Losar, Trika and TG-Tor came under price control which lead to lower growth compared to the IPM.

However, the acute segment continues to report strong growth with above average growth rate in comparison to the IPM.

Overall representative market grew at 11.8% and your Company grew at 8.1%.

Outlook

Going forward, we expect good growth. The Domestic Formulation Business has been recovering steadily on the back of various actions taken in the past years. The acute segment growth continues to outperform the IPM and within the chronic segment, various therapeutic categories have started yielding better results.

In the International business, regulated markets like the US remain the key focus areas for your Company as it searches for its next leg of growth. The growth so far in the USA region has been significant. We continue to invest heavily in infrastructure and R&D which will help us maintain the growth momentum and drive the growth in future.

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

Your Company manufactures a range of APIs.

Manufacturing of API plays a very important role in the future growth path laid out by your Company. Since, the Formulation supplies to the US market are increasing at a rapid pace, the backbone to this business is backward integration with our APIs. This helps us to remain cost competitive and gain market share.

In order to cater to the fast growing US business and lucrative International business to other regulated markets, your Company continues to take expansion at its Pithampur plant. This will further augment capacity. In addition, your Company has acquired an additional API facility in Kolhapur, Maharashtra, where investments are required for both domestic and international businesses to commence production.

Unichem's API business is supported with over 41 USDMFs, 24 CEPS and 240 ASMFs across Europe. In addition to captive consumption, APIs are also marketed both in domestic and international markets. Our continued focus on the API business is to be more cost efficient and vertically integrated into formulation business.

INTERNATIONAL BUSINESS

Governments and health care payers around the world are plagued by the rapidly rising cost of health care. In recent years, the high cost of drugs has become a key area of focus for reining in health care spending. Changing demographics in developed pharma markets, growing awareness and affordability of treatments in emerging economies and expiring patents for blockbuster drugs in the next few years are adding up to making generic pharmaceuticals or "generics," set for tremendous growth in the coming years. Commodity Generics form a significant share of overall generics sold in the developed markets of the U.S., Western Europe and Japan.

To tap this opportunity, your Company has filed 34 ANDAs and 17 of them have been approved (including 2 tentative approvals) and many more ANDAs are in the R&D pipeline. Across the EU 14 product registrations are filed so far.

Unichem has Wholly Owned Subsidiaries in UK, USA, Brazil, South Africa and Ireland. The focus remains on high value added generics. The Company continues to leverage its manufacturing strengths to become partner of choice for supply of quality generic products to global generic companies.

Unichem sells its products in the US market through its wholly owned subsidiary of Unichem Pharmaceuticals (USA) Inc. Currently the products sold by the Company are from various therapeutic categories which represent inherent strengths in the areas of CNS, CVS, GI, Muscle Relaxants etc. Approximately 90% of the products sold and filed for the US markets are backward integrated thereby giving the Company a highly cost competitive platform. Your Company enjoys healthy relationships with various large wholesalers and distributors for sale of its products. Your Company's strategy is to scale-up operations for sustained growth over time. The revenue from the US market showed a robust growth of over 100% as compared to the previous year. Going forward, we expect this business to grow at a robust pace despite bleak approval outlook.

RESEARCH AND DEVELOPMENT

The new research facility at Goa "Centre of Excellence (CoE)" is fully functional and operational and all R&D activities such as API chemical synthesis (Chemical R&D), Formulation dosage development (Product Technology Development) and Analytical Research (Analytical R&D) are housed under one roof. The CoE is a State-of-the-Art facility equipped with latest infrastructure conforming to international standards. The integrated research program at the CoE delivers quality output with complete protection of intellectual property in a timely manner to our customers and collaborators through efficient program management.

R&D continues to be the focus area in view of the increasing opportunities presented by products getting off patent in international markets. The Company's current R & D revenue spending is approximately 5% to 6% of total revenues. Your Company will continue to work on therapeutic segments of Cardiovascular, Psychiatry and Neurology, Musculo-skeletal, Gastro, Anti-Infective etc.

Currently the key focus of R&D remains for the highly regulated markets of US and EU. In the US market we continue our rigorous work of filing more ANDAs. Our scientists are also working on the next group on ANDAs which have higher market size in the US compared to the current lot of products filed.

Besides Generics, your Company dedicates a smaller but significant amount of R&D proportion to develop biosimilars, as they are widely expected to be the second largest source of growth with billions of dollars worth of drugs going off patent in coming years. Recently

regulatory pathways have developed across the globe and biosimilars are going to be widely accepted. Unichem's R&D efforts are also towards contract formulation development for NCEs for research based pharmaceutical companies.

INFRASTRUCTURE

The Company's infrastructure investments are in line with its purpose-inspired growth strategy to drive long term value for customers and one of the key competencies is to build world-class plants at a reasonable cost.

Unichem 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 US FDA, UK MHRA, ANVISA (Brazil), COFEPRIS (Mexico), PMDA (Japan), EUGMP, TGA (Australia), EDQM, ISO, WHO (Geneva).

HUMAN RESOURCES

Quality and Reliability are the cornerstones of all our endeavours in Unichem including the Human Resource function. Our Human Resource policies and processes are aligned to meet the business objectives. With this intent the Human Resource function focuses its people initiatives to maximise organisational performance.

Unichem had a team of 5,509 employees at the end of March 31, 2015 who are committed to the common goal of the organisation. The Human Resource function constantly works towards improving service to our internal and external customers.

We attract competent professionals who are committed to perform and provide our teams a conducive, challenging and learning work environment. We constantly explore ways in which to recruit and nurture the best talent. Internal growth opportunities provide performing individuals channels to nurture their ambitions.

As an organisation high on compliance, we have implemented a policy on Prevention of Sexual Harassment at the workplace and formed a mechanism for redressal of grievances. This has been done to provide a workplace that is safe and secure and promotes diversity. As in the past, the organisation continued to maintain and strengthen cordial industrial relations during the year.

Our training endeavours and workshops ensured that people maximised their potential both individually and collectively as a team to deliver results. Our HR Teams in the plants ensure compliance is adhered to. Our field connect, both formal and informal, enables us to help our sales teams focus on performance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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. The Company has leveraged the IT interface in the form of Governance, Risk and Control (GRC) SAP Module. Authorization to IT systems is based on risk analysis and mitigation within the framework provided by the GRC system. An Internal Audit was conducted in various areas of operations of the Company. The Management duly considers and takes appropriate action on recommendations made by the Statutory Auditors, Cost Auditors, Internal Auditors, and the Independent Audit Committee of the Board of Directors.

RISKS AND CONCERNS

The Company has a Risk Management Policy in force to review and mitigate risks relevant to environmental, operational and business risks to safeguard its interest.

The Company's continued investments in manufacturing facilities and its strategy to remain a vertically integrated pharmaceutical business is a critical differentiator to create sustainable competitive advantage not only for products launched in international markets but also for contractual supplies to global generic companies, with a conscious endeavour for market and customer diversification. To de-risk significant concentration of domestic revenues from few brands, the Company's strategy is for focused promotion of specific brands to increase their share of revenue to overall revenue.

For and on behalf of the Board of Directors,

Mumbai
May 9, 2015

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

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 31st March 2015 as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) in India.

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 as stipulated in the said Clause. 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in revised Clause 49 of the above mentioned Listing Agreement.

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 9, 2015

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 Clause 49 of the Listing Agreement 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 other Memberships and/or Chairmanships held by each Director

As on March 31, 2015, 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 10, 2014, July 12, 2014, October 18, 2014, January 17, 2015, March 21, 2015.

The intervening period between two Board Meetings was well within the time limit prescribed in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Table-1 below gives the details of the composition of the Board and the attendance record of the Directors during 2014-2015.

Table-1: Composition of Board and attendance during the year 2014-2015

Name	Category	No. of Board Meetings held during the year 2014-2015		Whether attended last AGM held on July 12, 2014	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 Director, Executive	5	5	Yes	1	0	0
Mr. Prafull Anubhai	Non-Executive, Independent	5	5	Yes	4	3	2
Mr. Ramdas Gandhi	Non-Executive, Independent	5	5	Yes	3	1	3
Mr. Anand Mahajan	Non-Executive, Independent	5	4	Yes	3	2	1
Mr. Nasser Munjee***	Non-Executive, Independent	5	2	Yes	10	1	5
Mr. Prafull Sheth	Non-Executive, Independent	5	5	Yes	0	0	0
Dr. (Mrs.) B. Kinnera Murthy ****	Non-Executive, Independent	5	1	NA	4	0	1

* Excludes directorships in Private Limited 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.

*** Mr. Nasser Munjee resigned with effect from September 26, 2014.

**** Dr. (Mrs.) B. Kinnera Murthy was appointed as an Additional Director with effect from March 21, 2015.

Independent Directors' Meeting

During the year under review, the Independent Directors met on March 21, 2015 *inter alia*, to:

- (a) Review the performance of Non-Independent Directors and the Board as a whole;
- (b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and
- (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 their 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 familiarize 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.

The Directors are also explained in detail about the compliances required from them under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations. The details of such familiarization programme have been displayed on the website of the Company and the weblink of the same is:

http://www.unichemlabs.com/investor-info/familiarization_prog_independent_directors.html

Compliance with Code of Business Conduct and Ethics

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

<http://www.unichemlabs.com/investor-info/business-conduct-ethics.html>

All Board members and Senior Management Personnel have affirmed compliance with the said code for the year ended March 31, 2015. A declaration to this effect signed by the Chairman & Managing Director is given below:

Declaration on Code of Business Conduct and Ethics

"As provided under Clause 49 (II) (E) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Business Conduct and Ethics for the Financial Year ended March 31, 2015."

Mumbai
May 9, 2015

Dr. Prakash A. Mody
Chairman & Managing Director

Audit Committee

The Board of Directors constituted the Audit Committee in the year 2000. Since then, the Company has been reviewing and making appropriate changes in the working of the Committee from time to time to bring about greater effectiveness and to comply with various requirements under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committees under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Audit Committee met on May 10, 2014; July 12, 2014; October 18, 2014 and January 17, 2015. The composition of the Committee as on March 31, 2015 and the details on the number of Audit Committee meetings held and attended by the Members during the Financial Year 2014-2015 are given in **Table-2**.

The Company Secretary acts as the Secretary to the Committee. The Vice President (Finance), Chief Internal Auditor and a representative of the Statutory Auditors were regular invitees to the meetings.

Table-2: Composition and attendance of Audit Committee during 2014-2015

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. Nasser Munjee *	Member	Non-Executive & Independent	2
Mr. Prafull Sheth **	Member	Non-Executive & Independent	2

* Mr. Nasser Munjee resigned with effect from September 26, 2014.

** Mr. Prafull Sheth was appointed as a member of the Committee with effect from October 7, 2014.

Nomination and Remuneration Committee

The Board of Directors constituted the Nomination and Remuneration Committee in the year 2013. The composition of this Committee during the Financial Year 2014-2015 is given in **Table-3**. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Committee are wide enough to cover matters specified for the Committee under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013.

The said Committee met on May 10, 2014; October 18, 2014, January 17, 2015 and March 21, 2015.

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 Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Whole Time Director. A proper balance between fixed and variable component is aimed at. Salary is paid within the limits recommended by the Nomination and Remuneration Committee and Board and approved by the shareholders within the stipulated limits of 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 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 performance evaluation of the Directors.

Key Managerial Personnel (KMP) and other Employees

The remuneration of other KMP 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, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning.

The evaluation was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations business development, human resource development, marketing and corporate communications etc. The Directors expressed their satisfaction with the evaluation process.

Table-3: Composition and attendance of Nomination and Remuneration Committee during 2014-2015

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

Remuneration of Directors :

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

Shareholding of the Non Executive Directors

Details of Shares held by the Non Executive Directors as on March 31, 2015 are given below.

Name	Number of shares held
Mr. Prafull Anubhai	25,000
Mr. Ramdas Gandhi	20,000
Mr. Anand Mahajan	17,500
Mr. Prafull Sheth	Nil
Dr. (Mrs.) B. Kinnera Murthy	Nil

Stakeholders' Relationship Committee

The Board of Directors constituted the Stakeholders' Relationship Committee in the year 2013. The composition of this Committee and the details on the number of meetings held and attended by the members during the Financial Year 2014-2015 are given in **Table-5**. The Committee focuses on Shareholders' grievances and strengthening of investor relations. The Company Secretary acts as the Secretary to the Committee and is also the Compliance Officer of the Company.

The Stakeholders' Relationship Committee met on May 10, 2014; July 12, 2014; October 18, 2014; and January 17, 2015.

During the year under review, 42 (Forty-Two) complaints were received from shareholders and investors. All the complaints have generally 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.

Corporate Social Responsibility Committee

The Board of Directors constituted the Corporate Social Responsibility (CSR) Committee in the year 2013. The composition of this Committee and the details on the number of meetings held and attended by the members during the Financial Year 2014-2015 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

Table-4: Remuneration paid to the Directors for 2014-2015 (in ₹)

Name	Sitting Fees**	Commission payable for 2014-2015@	Consolidated Salary#	Perquisites & Allowances#	Total Amount (₹)
Dr. Prakash A. Mody*	NA	8,510,300	36,967,968	1,299,460	46,777,728
Mr. Prafull Anubhai	650,000	Nil	Nil	Nil	650,000
Mr. Ramdas Gandhi	650,000	Nil	Nil	Nil	650,000
Mr. Anand Mahajan	200,000	Nil	Nil	Nil	200,000
Mr. Nasser Munjee ***	200,000	Nil	Nil	Nil	200,000
Mr. Prafull Sheth ****	430,000	Nil	Nil	Nil	430,000
Dr. (Mrs.) B. Kinnera Murthy *****	50,000	Nil	Nil	Nil	50,000

* Eligible to receive commission @1% of the Net Profits of the Company, computed under Sections 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.

*** Mr. Nasser Munjee resigned with effect from September 26, 2014.

**** Mr. Prafull Sheth was appointed as a member of the Audit Committee with effect from October 7, 2014.

***** Dr. (Mrs.) B. Kinnera Murthy was appointed as an Additional Director with effect from March 21, 2015.

Table-5: Composition of Stakeholders' Relationship Committee and attendance during 2014-2015

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

- (b) 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 10, 2014 and January 17, 2015. The Company Secretary acts as the Secretary to the Committee.

Risk Management Committee

The Board of Directors have constituted the Risk Management Committee in the year 2014. The composition of the Committee is given in **Table-7**. The Risk Management Policy is structured so that potential risks may be identified and adequately assessed and reported so that timely and effective mitigation steps can be taken.

After identifying the risks and assessing the level of impact, controls are put in place to mitigate the risk by the officers of the Company who have been identified as "Risk Controllers" and are responsible to control the exposure and balance the impact of risk on a continuous basis.

No meeting of this Committee was held during the

Financial Year 2014-2015. The Company Secretary acts as the Secretary to the Committee.

General Body Meetings

- a) Details of last 3(three) Annual General Meetings are given in **Table-8**.
- 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 52nd Annual General Meetings 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/investor-info/related_party_transactions.html

Table-6: Composition and attendance of Corporate Social Responsibility Committee during 2014-2015

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody	Chairman	Executive Director	2
Mr. Prafull Anubhai	Member	Non Executive & Independent	2
Mr. Ramdas Gandhi	Member	Non Executive & Independent	2

Table-7: Composition of the Risk Management Committee during 2014-2015

Name	Position	Category
Dr. Prakash A. Mody	Chairman	Executive Director
Mr. Prafull Anubhai	Member	Non Executive & Independent
Mr. Prafull Sheth	Member	Non Executive & Independent
Mr. Rakesh Parikh	Member	Vice President (Finance)
Mr. Vinayak Damle	Member	Associate Vice President (Internal Audit)

Table-8: Details of the last 3 Annual General Meetings (AGM)

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each 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.
49th	2011-2012	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	September 27, 2012	11.30 a.m.	No Special Resolutions were passed at this Meeting.

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://unichemlabs.com/investor-info/Policy_on_Material_Subsidiaries.html

Whistle Blower Policy

The Board of Directors of the Company has adopted the Whistle Blower Policy which is in place as required under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The details of establishment of such mechanism are disclosed on the website of the Company at www.unichemlabs.com. No person has been denied access to the Audit Committee.

The Company has complied with the Mandatory requirements of amended Clause 49 of the Listing Agreement.

Management Discussion and Analysis Report

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

Brief profile of Directors seeking appointment/re-appointment

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment is given in the Notice of the 52nd Annual General Meeting and forms a part of this Report.

CEO and CFO Certification

The CEO and the CFO have issued a Certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying the Financial Statements, the Cash Flow Statements and the Internal Control Systems for financial reporting for the Financial Year ended March 31, 2015 and the same was placed before the Board of Directors at its Meeting held on May 9, 2015.

Auditors Certificate

The Company has complied with all the mandatory requirements of Clause 49 on Corporate Governance and has obtained a certificate from its Statutory Auditors affirming the compliance.

Means of Communication

The Company has a well established system to disclose relevant information to stakeholders, including shareholders, analysts, suppliers, customers, employees and society at large. The primary source of information regarding the operations of the Company is the corporate website of the Company - www.unichemlabs.com. The Company has a separate dedicated section 'Investors' on its website where financial highlights, shareholders' information, information on unclaimed dividends, share holding pattern, details of point of contact for retail and Institutional investors, official new releases, Code of Business Conduct and Ethics and Company Policies are available. The Annual Reports for the last three Financial Years are available on the website in a user friendly form that can be easily downloaded.

The quarterly / half-yearly / annual / unaudited / audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The quarterly results and annual results of the Company are generally published in Mumbai edition of Business Standard, Sakal, Lokmat and/or Maharashtra Times. The quarterly and financial results for the year are posted on the Company's website www.unichemlabs.com. The results are also available on the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com.

All data required to be filed electronically pursuant to the Listing Agreement with the Stock Exchanges, such as quarterly financial results, shareholding pattern, quarterly report on Corporate Governance and corporate announcements are being regularly filed on Corporate Filing and Dissemination System (CFDS). Shareholders/ Investors can view the information by visiting the website of CFDS at www.corpfiling.co.in.

General Shareholder Information

Date, Time and Venue of 52nd AGM

Date: July 11, 2015

Time: 3.00 p.m.

Venue: M. C. Ghia Hall
Bhogilal Hargovindas Building
4th Floor, 18/20, K. Dubash Marg
Mumbai 400 001

Financial Year – April 1, 2014 to March 31, 2015

Dates of Book Closure

July 6, 2015 to July 11, 2015 (both days inclusive)

Dividend Payment Date

Final Dividend of ₹ 2/-(100%) per share having a face value of ₹ 2/- for the year 2014-2015, has been recommended by the Board of Directors and if approved by the Shareholders at the ensuing Annual General Meeting will be paid to the Shareholders by July 16, 2015.

Stock Exchanges on which shares are listed:

The Bombay Stock Exchange Limited (BSE)

National Stock Exchange of India Limited (NSE)

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. The **Table-9** given below gives the transfer dates. Shareholders who have not claimed the dividends are requested to do so before these are statutorily transferred. Shareholders who have not encashed their dividend warrants relating to the years given below are requested to immediately approach the Investor Relations Department of the Company for issue of duplicate dividend warrants.

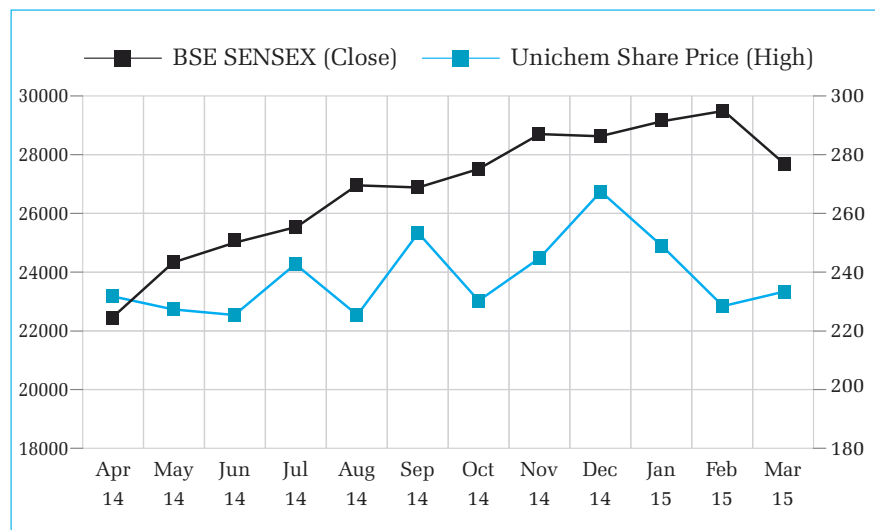
Table-9: Unclaimed dividend

Financial Year	Type of Dividend	Date of Declaration of dividend	Last date for claiming unclaimed dividend
2007-2008	Final	17.7.2008	21.8.2015
2008-2009	Interim	23.10.2008	27.11.2015
2008-2009	Final	22.7.2009	26.8.2016
2009-2010	Interim	22.10.2009	26.11.2016
2009-2010	Final	10.5.2010	14.6.2017
2010-2011	Interim	16.10.2010	20.11.2017
2010-2011	Final	28.7.2011	1.9.2018
2011-2012	Final	27.9.2012	2.11.2019
2012-2013	Final	19.7.2013	23.8.2020
2013-2014	Interim	18.1.2014	22.2.2021
2013-2014	Final	12.7.2014	16.8.2021

Market Price data

Month	High (BSE)	Low (BSE)	High (NSE)	Low (NSE)
April, 2014	234.00	212.35	234.50	211.95
May, 2014	229.00	186.55	229.40	185.50
June, 2014	228.00	190.00	228.00	187.60
July, 2014	241.45	182.00	242.90	181.25
August, 2014	227.75	205.50	228.00	205.90
September, 2014	254.45	213.00	254.40	207.00
October, 2014	229.75	191.90	230.00	190.80
November, 2014	243.40	195.55	243.30	195.20
December, 2014	267.90	221.10	268.00	220.10
January, 2015	248.00	212.00	248.80	208.00
February, 2015	229.45	203.30	229.10	203.50
March, 2015	233.05	185.10	234.00	183.70

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



Registrar and Share Transfer Agents (RTA)

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.: rnt.helpdesk@linkintime.co.in

Share Transfer System

In pursuance to the relevant provisions of the Companies Act, 2013 and the Listing Agreement, 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 shares received for transfer, to its RTA M/s. Link Intime India Private Limited. Presently, the transfers of shares which are in physical form are completed by dispatching the certificates duly transferred within a period of 15 (fifteen) days from the date of receipt of documents provided such documents are valid and

complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges 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 securities form part of the dematerialisation segment for all investors. As on March 31, 2015, 95.66% of the paid-up capital was held in the 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, 2015

Sr. No.	Share Holding of Nominal Value (₹)	No. of Share Holders	% of Total Holders	No. of Shares	% of Total Share holding
1	Upto 5,000	19,279	95.55	10,404,851	11.46
2	5,001 – 10,000	549	2.72	3,726,642	4.11
3	10,001 – 20,000	171	0.85	2,401,993	2.65
4	20,001 – 30,000	56	0.28	1,369,909	1.51
5	30,001 – 40,000	27	0.13	942,333	1.04
6	40,001 – 50,000	20	0.10	910,878	1.00
7	50,001 – 100,000	20	0.10	1,307,298	1.44
8	100,001 and above	54	0.27	69,704,821	76.79
	Grand-Total	20,176	100	90,768,725	100

Shareholding Pattern as on March 31, 2015			
Category	Category of Shareholder	As on March 31, 2015	
		Total No. of shares	As a %
(A)	Shareholding of Promoter and Promoter Group		
	1) Indian		
	Individuals/ Hindu Undivided Family	45,378,350	49.99
	Bodies Corporate	0	0
	Trusts	132,200	0.15
	2) Foreign	0	0
(B)	Public shareholding		
	1) Institutions		
	Mutual Funds / UTI	11,127,971	12.26
	Financial Institutions / Banks	53,224	0.06
	Insurance Companies	2,533,447	2.80
	Foreign Institutional Investors	2,736,418	3.01
	2) Non-institutions		
	a) Bodies Corporate	6,131,128	6.75
	b) Individuals -		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lac.	17,673,563	19.47
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac.	2,830,764	3.12
	c) Clearing Member	75,853	0.08
	d) Any Other (specify)		
	i) Non Resident Indians (Repat.)	203,088	0.22
	ii) Non Resident Indians (Non Repat.)	553,475	0.61
	iii) Foreign Mutual Funds	33,802	0.04
	iv) Foreign Financial Institutions/Banks	500	0.00
	v) Foreign Nationals	8,750	0.01
	vi) Directors/ Relatives	116,605	0.13
	vii) Trusts	966,370	1.06
	viii) Overseas Corporate Body	16,250	0.02
	ix) Market Maker	5,138	0.01
	x) Hindu Undivided Families	191,442	0.21
	xi) Foreign Portfolio Investor (Corporate)	387	0.00
	Grand-Total	90,768,725	100.00

Plant locations: The data is given at page 9 of the Annual Report.

Financial Calendar (Tentative)

Results for the Quarter and year ending on	Tentative date
Unaudited results for first quarter ending June 30, 2015	Second week of July 2015
Unaudited results for Second and half year ending September 30, 2015	Third week of October 2015
Unaudited results for third and nine months ending December 31, 2015	Third week of January 2016
Audited results for year ending March 31, 2016	Third week of May 2016

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

For and on behalf of the Board of Directors,

Mumbai
May 9, 2015

Dr. Prakash A. Mody
Chairman & Managing Director

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, 2015, 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 9, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our Report 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.
- (ii) (a) 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;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) 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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, sub clause (a) and (b) are not applicable to the Company for the year under report.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.
- (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, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (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) The Company is regular in depositing undisputed statutory dues payable in respect of including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2015 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, 2015 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	401.85	AY: 2008-09 to AY: 2010-11	Commissioner of Income Tax – (Appeals)
Income Tax Act, 1961	Penalty	190.18	AY: 2001-02 to AY: 2004-05, AY: 2006-07 and AY: 2008-09	Commissioner of Income Tax – (Appeals)
Central Sales Tax Act, 1956	CST	36.17	FY: 2010-11	Appellate Deputy Commissioner of Commercial tax, Ratlam
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	120.91	FY: 2003-2004 to 2008-2009	Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Duty and Penalty	7.77	FY: 2007-08 to FY: 2009-10, FY: 2011-12 to FY: 2013-14	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	56.56	FY: 2005-06	Additional Commissioner, Central Excise, Indore
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	2.97	FY: 2011-12 to FY: 2013-14	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	5.29	FY: 2007-08 to FY: 2010-11	Appellate Tribunal (CESTAT)
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	188.74	FY: 2008-09 to FY: 2012-13 upto August 2012	Commissioner (Appeals)

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. Therefore, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, having regard to the fact that the Subsidiaries are wholly owned, the terms and conditions of the guarantee given by the Company for loans taken by the Subsidiary from banks and financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xi) The Company has obtained term loan during the year which is to be utilised on or before October 2016 and as informed to us the said term loan is not utilised as on the date of the balance sheet.

- (xii) 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.

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

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 9, 2015

Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,815.38	1,812.55
(b) Reserves and Surplus	3	92,926.18	88,814.17
(2) Non- current liabilities			
(a) Long - term borrowings	4	22.08	-
(b) Deferred tax liabilities (Net)	5	3,932.54	4,177.43
(c) Other Long term liabilities	6	2,084.55	2,366.95
(d) Long - term provisions	7	887.56	763.55
(3) Current liabilities			
(a) Short-term borrowings	8	-	62.58
(b) Trade payables	9	14,262.90	15,113.03
(c) Other current liabilities	10	3,631.53	2,971.30
(d) Short- term provisions	11	2,605.27	4,580.26
TOTAL		122,167.99	120,661.82
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		39,586.60	39,371.69
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		11,866.07	8,630.96
(b) Non-current Investments	13	11,760.90	11,425.07
(c) Long-term loans and advances	14	4,459.17	4,841.76
(2) Current Assets			
(a) Current Investments	15	3,503.92	566.98
(b) Inventories	16	18,648.31	18,623.73
(c) Trade Receivables	17	20,619.35	21,127.51
(d) Cash and Bank Balances	18	1,971.05	4,082.60
(e) Short-term loans and advances	19	8,604.46	10,826.46
(f) Other current assets	20	1,148.16	1,165.06
TOTAL		122,167.99	120,661.82
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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

Statement of Profit & Loss

(₹ in lacs)

	Notes	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
INCOME			
I. Revenue from operations (Gross)	21	109,895.88	105,183.92
Less: Excise duty		797.42	766.42
Revenue from Operations (Net)		109,098.46	104,417.50
II. Other Income	22	1,996.77	4,283.91
III. Total Revenue (I + II)		111,095.23	108,701.41
IV. Expenses:			
Cost of materials consumed	23	30,618.22	27,103.30
Purchases of Stock -in-Trade		12,934.66	12,758.93
Changes in inventories of Finished goods, Work-in-progress and Stock -in-Trade	24	(769.16)	(2,758.11)
Employee benefits expense	25	17,804.19	14,713.82
Finance costs	26	236.86	248.16
Depreciation and amortization expense	12	3,768.30	4,266.58
Other expenses	27	33,710.25	29,271.25
Research & Development expense	28	4,642.14	5,215.10
Total Expenses (IV)		102,945.46	90,819.03
V. Profit before tax and Exceptional Items (III - IV)		8,149.77	17,882.38
VI. Tax expense			
(1) Current tax		1,820.00	3,785.00
(2) Deferred tax	5	(101.00)	522.00
(3) Short / (excess) provision for taxation pertaining to previous years		(8.95)	(6.89)
Total Tax Expense (VI)		1,710.05	4,300.11
VII. Profit for the period after tax and before Exceptional Items (V-VI)		6,439.72	13,582.27
VIII. Exceptional Items [(net of taxes) refer note 36]		-	4,114.55
IX. Profit after tax and Exceptional Items (VII + VIII)		6,439.72	17,696.82
X. Earnings per equity share (Face Value ₹ 2 each)			
(a) Before Exceptional Items			
(1) Basic (in ₹)		7.10	15.00
(2) Diluted (in ₹)		7.08	14.94
(b) After Exceptional Items			
(1) Basic (in ₹)		7.10	19.54
(2) Diluted (in ₹)		7.08	19.47
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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
A. Cash Flow from Operating Activities				
Net Profit before Tax and exceptional items		8,149.77		17,882.38
Adjustment for :				
Provision for Wealth Tax	6.00		5.00	
Depreciation	3,768.30		4,266.58	
Loss/(Profit) on Sale of Assets (Net)	(8.75)		(1,687.10)	
Unrealised Exchange difference (Net)	125.45		165.18	
Finance cost	236.86		248.16	
Provision for doubtful debts, loans, advances & deposits for the year	107.85		38.60	
Employees compensation expenses (ESOS)	74.51		32.87	
Stock Option expenses (other than employees)	-		6.79	
Loss/(Profit) on Sale of Investments	(96.08)		(260.14)	
Bad debts Written Off	33.77		21.93	
Interest income	(926.26)		(565.56)	
Excess provision for expenses written back	(126.48)		(313.63)	
Provision for Diminution in Investments	434.55		176.20	
Dividend Income	(0.19)		(96.55)	
		3,629.53		2,038.33
Operating Profit Before Working Capital Changes		11,779.30		19,920.71
Adjusted for:				
Trade receivables, Advances & other current assets	(1,237.15)		(1,265.63)	
Inventories	(24.58)		(5,460.34)	
Trade & Other Payables	103.12	(1,158.61)	(768.37)	(7,494.34)
Cash Generated from Operations		10,620.69		12,426.37
Direct Taxes Paid (Net of refund)		(1,817.33)		(3,738.89)
Net Cash Flow from Operating Activities		8,803.36		8,687.48
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(7,738.14)		(9,235.83)
Sale of Fixed Assets		105.24		14,204.53
Exceptional Items		-		3,872.55
Investment in subsidiary		(770.38)		(880.97)
Sale / (Purchase) of Investment in others (Net)		(2,936.94)		2,739.06
Profit / (Loss) on Sale of Investments		96.08		260.14
Inter - Corporate deposits (placed) / Matured		4,100.00		(8,100.00)
Interest Income		926.26		565.56
Dividend Income		0.19		96.55
Net Cash used in Investing Activities		(6,217.69)		3,521.59
C. Cash Flow from Financing Activities				
Repayment of working Capital borrowings		(62.58)		(509.47)
Proceeds from issue of share capital including share premium		65.04		78.61
Receipt / (repayment) of other long term liabilities		(282.40)		(158.81)
Receipt of Long term loan from BIRAC		22.08		-
Finance cost		(236.86)		(248.16)
Dividend paid		(3,586.22)		(7,646.47)
Dividend distribution tax paid		(616.29)		(1,307.96)
Net Cash used in Financing Activities		(4,697.23)		(9,792.26)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		(2,111.56)		2,416.81
Opening Balance of Cash and Cash Equivalents		4,082.60		1,666.00
Closing Balance of Cash and Cash Equivalents		1,971.04		4,082.81
Closing balance of Cash & cash Equivalents as per Note No. 18		1,971.05		4,082.60
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		(0.01)		0.21
Closing balance of Cash & cash Equivalents as per cash flow		1,971.04		4,082.81

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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

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 :

- Stock of Raw materials are valued at lower of cost or Net realisable value, which includes duties and taxes (Except those subsequently recoverable).
- Stock of Packing materials & Stores and spares are valued at cost, which includes duties and taxes (Except those subsequently recoverable).
- 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, 2015	As at 31 st March, 2014
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, 2015	As at 31 st March, 2014
ISSUED, SUBSCRIBED AND FULLY PAID UP		
90,768,725 Equity Shares of ₹ 2/- each fully paid up (Previous year 90,627,326 Equity Shares of ₹ 2/- each fully paid up)	1,815.38	1,812.55
Total	1,815.38	1,812.55

Reconciliation of Number of Shares (Equity)	2014-15		2013-14	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Number of Shares outstanding as at the beginning of the year	90,627,326	1,812.55	90,456,438	1,809.13
Add: Number of Shares allotted under ESOP during the Year	141,399	2.83	170,888	3.42
Number of Shares outstanding as at the end of the year	90,768,725	1,815.38	90,627,326	1,812.55

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, 2015		As at 31 st March, 2014	
Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	41,337,342	45.54	41,205,142	45.47
ICICI Prudential	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 43)

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
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	7,855.91	7,715.88
Add: Addition during the year	126.38	140.03
	7,982.29	7,855.91
SHARE OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	414.88	151.95
Add: Addition during the year	-	336.34
Less: Deduction during the year	(65.08)	(73.41)
	349.80	414.88
Less: Deferred Employees' stock compensation	(264.74)	(340.16)
	85.06	74.72
GENERAL RESERVE		
Balance as per last Balance Sheet	18,874.80	17,074.80
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)	-
	279.44	-
Add: Transfer from Profit and Loss Account	-	1,800.00
	18,595.36	18,874.80
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	61,946.24	54,533.07
Add: Profit for the year after tax	6,439.72	17,696.82
Profit available for appropriations	68,385.96	72,229.89
Less: APPROPRIATIONS		
Proposed Dividend	1,815.42	3,626.30
Interim Dividend	-	3,624.99
Tax on Proposed Dividend	369.57	616.29
Tax on Interim Dividend	-	616.07
Transfer to General Reserve	-	1,800.00
Total	2,184.99	10,283.65
Net surplus in the statement of Profit & Loss	66,200.97	61,946.24
Total Reserves & Surplus	92,926.18	88,814.17
4. LONG TERM BORROWINGS		
SECURED TERM LOAN		
Loan from BIRAC	22.08	-
	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 7 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, 2015	As at 31 st March, 2014
5 DEFERRED TAX LIABILITIES (NET)	3,932.54	4,177.43
	3,932.54	4,177.43

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	2014-15	Charge/(credit) for the year	Adjusted against Opening reserves*	2013-14
Deferred Tax Liability on account of Depreciation	5,228.91	97.16	(143.89)	5,275.64
Sub Total	5,228.91	97.16	(143.89)	5,275.64
Deferred Tax Assets Provision for Doubtful Debts, Advances, Leave encashment and Gratuity	611.14	50.30		560.84
Provision for Diminution in Investments	443.23	147.86		295.37
Sub Total	1,054.37	198.16		856.21
	4,174.54	(101.00)	(143.89)	4,419.43
Less: Deferred Tax Assets on Exceptional Items (Refer note 36)	(242.00)			(242.00)
Net Deferred Tax Liability Total	3,932.54	(101.00)	(143.89)	4,177.43

* 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.

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
6 OTHER LONG TERM LIABILITIES		
Unsecured		
Advances from Consignment agents & Others	2,084.55	2,366.95
Total	2,084.55	2,366.95
7 LONG TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	887.56	763.55
Total	887.56	763.55
8 SHORT TERM BORROWINGS		
Secured		
Loans repayable on Demand (Cash credit from Banks - Refer Note No. 32(a))	-	62.58
Total	-	62.58
9 TRADE PAYABLES		
Trade Payables (Refer Note No. 33)	14,262.90	15,113.03
Total	14,262.90	15,113.03
10 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	269.67	229.59
Deferred Govt Grants	5.52	-
Interest accrued but not due on borrowings	0.11	-
Other Payables		
Statutory Dues	535.58	512.68
Payable for Capital Goods	632.66	723.60
Others	2,187.99	1,505.43
Total	3,356.23	2,741.71
	3,631.53	2,971.30

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
11 SHORT TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	420.28	330.62
Others		
Provision for Taxation (Net of Taxes Paid)	-	7.05
Proposed Dividend	1,815.42	3,626.30
Tax on Dividend	369.57	616.29
Total	2,605.27	4,580.26

12 FIXED ASSETS

(₹ in lacs)

	Gross Block				Depreciation / Amortisation					Net Carrying Value		
Assets	Cost As at 01/04/2014	Addi- tions	Deduc- tions / Adjustment	Cost As at 31/03/2015	Opening As at 01/04/2014	For the year	Deduc- tions/ Transfers*	NBV transfer to General Reserve	As at 31/03/2015	As at 31/03/2015	As at 31/03/2014	
a. Tangible Assets												
Land												
Freehold	248.47	-	-	248.47	-	-	-	-	-	248.47	248.47	
Leasehold	2,301.23	-	-	2,301.23	234.90	53.39	0.00	-	288.29	2,012.94	2,066.33	
Buildings **	20,755.34	1,051.91	(51.85)	21,755.40	4,390.34	606.29	(9.45)	63.27	5,050.45	16,704.95	16,365.00	
Plant and Equipments	36,900.07	3,251.09	(168.29)	39,982.87	16,991.72	2,803.86	(133.03)	293.01	19,955.56	20,027.31	19,908.34	
Furniture & Fixtures	1,352.73	11.57	(2.64)	1,361.66	1,000.65	108.18	(2.43)	7.31	1,113.71	247.95	352.09	
Vehicles	595.11	158.60	(145.73)	607.98	363.50	108.65	(128.44)	1.03	344.74	263.24	231.61	
Office Equipments	501.50	29.86	(11.01)	520.35	301.65	87.93	(9.68)	58.71	438.61	81.74	199.85	
Total Tangible Assets	62,654.45	4,503.03	(379.52)	66,777.96	23,282.76	3,768.30	(283.03)	423.33	27,191.36	39,586.60	39,371.69	
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)	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	39,371.69	
Previous Year	63,746.00	13,533.92	(13,050.13)	64,229.79	21,124.22	4,266.58	(532.70)	-	24,858.10	39,371.69	-	
Capital Work in Progress										11,866.07	8,630.96	

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

** Buildings 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 ₹ 902.47 Lacs (Previous year ₹ 1,233.28 Lacs) being expenditure on Research and Development as under:-

(₹ in lacs)

Assets Description	F.Y. 2014-2015	F.Y. 2013-2014
Buildings	95.24	55.76
Plant & Machinery	601.15	860.96
Furniture & Fixtures	3.09	48.50
Office Equipments	2.67	1.88
Motor Car	17.05	-
Capital Work in Progress	183.27	266.18
Total	902.47	1,233.28

13 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at 31 st March, 2015	As at 31 st March, 2014
	As at 31 st March, 2015	As at 31 st March, 2014			
OTHER INVESTMENTS					
(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	₹ 10	30.38	30.38
Fully Paid Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Fully Paid Equity Shares of Unireach Healthcare Private Limited	10,000	10,000	₹ 10	1.00	1.00
Less : Provision for diminution in value of investments				(30.38)	(30.38)
Sub Total				3.00	3.00
Fully paid Equity Shares of Associates					
Fully Paid Equity Shares of Synchron Research Services Private Limited	208,333	208,333	₹ 10	569.31	569.31
Sub Total				569.31	569.31
Fully paid Equity Shares of Subsidiaries					
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 Farmaceutica Do Brasil Ltda	19,997,731	16,983,057	1 Brasil Real	5,116.27	4,345.89
Unichem Pharmaceuticals USA Inc.	6,476,955	6,476,955	1 US\$	2,951.93	2,951.93
Unichem Laboratories Limited, Ireland	1,000,000	1,000,000	1 Euro	690.46	690.46
Less : Provision for diminution in value of investments				(1,303.77)	(869.22)
Sub Total				10,023.80	9,687.97
Total (a)				10,596.11	10,260.28
(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)				11,760.90	11,425.07
(II) QUOTED					
Fully paid Equity Bonus Shares					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	-	-
Jindal Poly Investment and Finance Company Ltd	500	500	₹ 10	-	-
Aurobindo Pharma Ltd	4	4	₹ 1	-	-
Kothari Industrial Corporation Ltd	20	20	₹ 5	-	-
Total of Unquoted & Quoted Non current Investments				11,760.90	11,425.07
Aggregate of Unquoted Investments - At Book Value				11,760.90	11,425.07
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				4.24	3.23
Aggregate provision for diminution in value of Investments				(1,334.15)	(899.60)

	As at 31 st March, 2015	As at 31 st March, 2014
14 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances (Net of provision for Doubtful advances, CY ₹ 11.85 Lacs, PY ₹ 13.40 Lacs)	431.38	217.86
Other Loans and Advances		
Inter Corporate Deposits	4,000.00	4,600.00
Advance payment of Income Tax (Net of Provision for Taxation)	9.25	-
Loans to Employees	18.54	23.90
Total	4,459.17	4,841.76

15 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units			
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
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 short Maturity Fund Regular Plan Annual Bonus		231,763.675		33.33
DWS Insta Cash Plus Fund - Growth	55,183.344		100.00	
HSBC Cash Fund - Growth	29,047.401		400.00	
IDFC Cash Fund - Growth		6,421.282		100.00
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	
JM Money manager Fund -Super Plus Plan- Bonus Option		394,628.272		39.76
Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth Option	2,945.608		100.00	
Religare Invesco Liquid Fund - Direct Plan - Growth	10,398.410		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	
Reliance Arbitrage Advantage Fund-Dividend Plan-Dividend Payout		1,482,469.795		198.61
Total Investments in Mutual Funds			3,503.92	371.70
INVESTMENT IN COMMERCIAL PAPERS				
Family Credit Limited				
Face Value of Rs. 5 Lacs each		40.00		195.28
Aggregate of Unquoted Investments - At Book Value			3,503.92	566.98

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
16 INVENTORIES (As Certified by Management)		
Raw Materials	6,412.37	7,192.19
[Include ₹ 460.41 lacs in transit, (Previous year ₹ 594.93 lacs)]		
Packing Materials	1,416.48	1,351.81
Work-in- Progress	3,931.74	3,859.38
Finished Goods (excluding finished goods traded in)	4,430.60	3,792.91
[Include ₹ 347.64 lacs in transit, (Previous year ₹ 479.69 lacs)]		
Stock in trade (in respect of goods acquired for trading)	2,187.55	2,128.44
Stores and Spares	269.57	299.00
Total [Refer Note. 46]	18,648.31	18,623.73

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
17 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	1,927.18	1,104.48
Considered doubtful	564.98	519.08
	2,492.16	1,623.56
Less: Provision for Doubtful receivables	564.98	519.08
	1,927.18	1,104.48
(b) Others - Considered Good	18,692.17	20,023.03
Total	20,619.35	21,127.51
Of the above, due from Subsidiaries is ₹ 7,886.24 lacs (Previous Year ₹ 5,530.24 lacs)		
Trade Receivables are secured to the extent of Advances of ₹ 2,084.55 lacs (Previous Year ₹ 2,366.95 lacs) received from Consignment Agents & Others.		
18 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	485.44	531.89
In Fixed Deposits having Original maturity less than 3 months	-	710.00
In Escrow Accounts	150.73	-
(ii) Cash on hand	15.11	11.02
(b) Other bank balances		
In Unpaid Dividend Account	269.67	229.59
In Fixed Deposits having Original maturity more than 3 months	1,050.10	2,600.10
Total	1,971.05	4,082.60
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Short terms Deposits	415.57	424.75
Prepaid Expenses	507.23	476.65
Balances with Revenue Authorities (Including refund receivables)	5,304.76	4,512.35
Advance against materials & expenses	1,511.46	1,138.75
Inter Corporate Deposits (maturity within 12 months)	-	3,500.00
Other Loans & advances	865.44	773.96
Sub Total	8,604.46	10,826.46
Doubtful		
Short terms Deposits	14.81	14.81
Other Loans & advances	188.33	161.52
	203.14	176.33
Less : Provision for Doubtful Advances	203.14	176.33
Sub Total	-	-
Total	8,604.46	10,826.46
20 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	98.67	62.44
Accrued Interest	223.76	375.88
Export incentive receivable	825.73	726.74
Total	1,148.16	1,165.06

(₹ in lacs)

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
21 REVENUE FROM OPERATIONS (Gross)		
Sale of products (Gross)	108,487.37	103,658.50
Other operating revenues		
Export benefits	1,207.32	1,159.39
Sundries	201.19	366.03
	1,408.51	1,525.42
Total Revenue from Operations (Gross)	109,895.88	105,183.92
22 OTHER INCOME		
Interest Income	926.26	565.56
[TDS deducted ₹ 86.37 lacs (Previous year ₹ 48.58 lacs)]		
Dividend Income	0.19	96.55
Net gain on sale of short term investments	96.08	260.14
Profit on Sale of Assets	16.54	1,694.30
Other non-operating Income	679.11	724.85
Net gain on foreign currency translation and transactions	278.59	942.51
Total	1,996.77	4,283.91
23 MATERIALS CONSUMED		
Raw Materials	25,373.81	22,780.66
Packing Materials	5,244.41	4,322.64
Total	30,618.22	27,103.30
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE.		
Inventories at the Commencement		
Finished Goods	3,792.91	2,696.10
Work in progress	3,859.38	2,676.44
Stock in Trade	2,128.44	1,650.08
	9,780.73	7,022.62
Inventories at Close		
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
(Increase) / Decrease in Finished Goods	(637.69)	(1,096.81)
(Increase) / Decrease in Work in progress	(72.36)	(1,182.94)
(Increase) / Decrease in Stock-in-Trade	(59.11)	(478.36)
Total	(769.16)	(2,758.11)
25 EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	16,177.13	13,360.75
Contribution to Provident and other funds	1,101.73	979.56
Expenses on Employee Stock Option Scheme	74.51	32.87
Staff Welfare Expenses	450.82	340.64
Total	17,804.19	14,713.82

(₹ in lacs)

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
26 FINANCE COST		
Interest expense	228.44	242.00
Other borrowing costs	8.42	6.16
Total	236.86	248.16

	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
27 OTHER EXPENSES				
Consumption of Stores and Spares		829.04		638.63
Manufacturing Charges		687.97		746.60
Power and Fuel		3,836.09		3,496.39
Rent		191.61		144.14
Insurance		220.69		145.15
Repairs :				
Plant and Machinery		720.72		550.22
Buildings		214.02		172.75
Others		622.80		532.23
Rates and Taxes (excluding taxes on income)		842.67		784.21
Advertising and sales promotion		6,912.46		8,544.56
Travelling and Conveyance		4,647.80		4,043.90
Freight outward		4,778.34		2,623.76
Directors' Fees		22.60		7.40
Commission on sales		1,053.10		907.01
Legal & Professional Expenses		1,621.76		1,711.05
Loss on sale of assets		7.79		7.20
Bad debts, loans and advances written off				
Bad Debts and Advances written off	33.77		21.93	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	33.77	-	11.94	9.99
Provision for doubtful debts, loans, advances and deposits for the year		107.85		38.60
Establishment and Administrative Expenses		5,958.39		3,991.26
Provision for Diminution of Investments in Subsidiary		434.55		176.20
Total		33,710.25		29,271.25
28 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Materials		1,812.88		1,128.50
Salaries, Wages and Ex-gratia		1,268.09		1,411.72
Contribution to Provident fund and other Funds		50.13		60.41
Employee's welfare expenses		16.46		22.92
Rent		9.07		11.24
Insurance		4.83		7.77
Rates and Taxes		3.90		7.05
Repairs:				
Others		168.32		150.13
Power and fuel		240.60		434.34
Travelling and conveyance		21.62		46.65
Interest		0.11		-
Legal & Professional Expenses		0.56		46.95
Others		1,045.57		1,887.42
Total		4,642.14		5,215.10

29 Contingent Liabilities :

(₹ in lacs)

	2014-15	2013-14
(i) Claims not acknowledged as debts*	1,832.22	1,568.58
(ii) In respect of the Guarantees given to Bank on behalf of : -Subsidiaries	2,352.75	2,509.50
(iii) Other money for which the company is Contingently liable	224.84	374.44
Total	4,409.81	4,452.52

* includes ₹ 91.97 lacs (Previous Year ₹ 179.32 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 ₹ 13,747.56 lacs (Previous year ₹ 11,735.38 lacs).

32 (a) Cash credit, ₹ NIL lacs (Previous Year ₹ 62.58 lacs) 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 On internal assessment of long term strategic investments made by the company in its wholly owned subsidiaries, considering their performance, future expectations, cash flow generated and the synergies in the operations from the said subsidiaries over the period of investments, the management has determined an amount of Rs. 434.55 lacs as diminution for the year (previous Year Rs 176.20 lacs) taking the accumulated provision to Rs. 1,303.77 lacs (previous year : Rs. 869.22 lacs) on total investment made of Rs. 11,327.58 lacs (Investments before diminution & excluding preference shares held in subsidiaries) and same is considered adequate by the management 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	2014-15	2013-14
i) Power & fuel	437.01	-
ii) Repairs & maintenance	137.87	46.75
iii) Payroll expenses	78.50	16.45
iv) Freight	0.85	-
v) Insurance	4.57	-
vi) Travelling Expenses	5.80	1.50
vii) Rates & Taxes	0.70	3.75
viii) Administrative expenses	377.51	44.35
Total	1,042.81	112.80

- 36** Exceptional Items net of taxes Current Year ₹ Nil (Previous Year ₹ 4,114.55 lacs) represent profit on sale of Company's manufacturing unit at SEZ, Indore (pursuant to approval of the Shareholders through a postal ballot on 29.3.2013) and amortisation of Intangible assets due to change in their estimated useful life, the details of which are as under. (₹ in lacs)

Particulars	2014-15	2013-14
Profit on sale of SEZ Unit.	-	5,834.55
Less: Amortisation of Intangible Assets	-	934.00
Less: Tax Expense		
Current Tax	-	1028.00
Deferred Tax	-	(242.00)
Total Taxes	-	786.00
Net Exceptional Items	-	4,114.55

- 37** 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 31st March, 2015.

(Value in lacs)

Currency	Buy/Sell	Foreign currency value	
		2014-15	2013-14
EURO	Sell	20.58	17.21
USD	Sell	123.91	72.08
GBP	Sell	0.70	0.20
CAD	Sell	1.95	0.00

Foreign Currency exposure not hedged by forward contracts as at 31st March, 2015 are given below:

(Value in lacs)

Unhedged	Foreign currency value	
	2014-15	2013-14
A) Receivable		
EURO	22.96	15.43
USD	24.93	72.82
GBP	1.25	1.29
CAD	9.71	9.43
B) Payable		
EURO	0.00	5.94
USD	0.20	0.00
CAD	0.03	0.00

38 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, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Defined benefit obligation	1,421.62	1,413.71	1,147.62	969.31
Fair value of plan assets	1,223.62	1,290.70	316.34	283.32
	(198.00)	(123.01)	(831.28)	(685.99)
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	(198.00)	(123.01)	(831.28)	(685.99)

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Opening defined benefit obligation	1,413.71	1,291.98	969.31	895.85
Interest cost	128.64	99.34	80.26	64.35
Current service cost	181.09	165.98	115.17	105.57
Benefits paid	(177.22)	(100.55)	(265.59)	(182.99)
Actuarial (gains) / losses on obligation	(124.60)	(43.04)	248.47	86.53
Closing defined benefit obligation	1,421.62	1,413.71	1,147.62	969.31

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Opening fair value of plan assets	1,290.70	1,077.33	283.32	100.00
Expected return	119.39	103.28	25.64	16.42
Contributions by employer	0.37	214.71	-	275.00
Benefits paid	(177.22)	(100.55)	-	(110.00)
Actuarial gains / (losses)	(9.62)	(4.07)	7.38	1.90
Closing fair value of plan assets	1,223.62	1,290.70	316.34	283.32

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, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Investment with Insurer	% 100	% 100	% 27.56	% 29.23

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, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Discount rate *	% 7.80%	% 9.10%	% 7.80%	% 9.10%
Expected rate of return on Plan assets*	9.00%	9.25%	8.25%	9.00%
Increase in Compensation plan cost*	6.00%	8.50%	6.00%	8.50%

* 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, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Defined benefit obligation	1,421.62	1,413.71	1,147.62	969.31
Plan assets	1,223.62	1,290.70	316.34	283.32
Surplus / (deficit)	(198.00)	(123.01)	(831.28)	(685.99)
Experience adjustments on Plan Liability	(30.83)	3.45	322.39	122.89
Experience adjustments on Plan Assets	9.62	4.07	(7.38)	(1.89)

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, 2015	For the year ended 31 st March, 2014	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Current service cost	181.09	165.99	115.17	105.57
Interest cost on benefit obligation	128.64	99.34	80.26	64.35
Expected return on plan assets	(119.39)	(103.28)	(33.02)	-
Net actuarial (gain) / loss recognised in the year	(114.99)	(38.98)	248.47	86.53
Net benefit expense	75.35	123.07	410.88	256.45

39 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)	2014-15	2013-14
India	68,326.06	69,215.70
Outside India	41,569.82	35,968.22
Total	109,895.88	105,183.92

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

40 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
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Sales of goods, etc.	13,752.16	8,374.63	-	-	-	-	13,752.16	8,374.63
Rent & Maintenance paid	-	-	14.16	13.86	8.70	10.01	22.86	23.87
Managerial remuneration	-	-	382.67	300.76	-	-	382.67	300.76
Commission	-	82.63	85.10	177.49	-	-	85.10	260.12
Salary	-	-	36.17	30.27	-	-	36.17	30.27
Dividend paid	-	-	1,820.42	3,856.78	-	-	1,820.42	3,856.78
Expenses Reimbursed	175.96	214.09	-	-	-	-	175.96	214.09
Investment made during the year	770.39	880.98	-	-	-	-	770.39	880.98
Sale of Assets	-	-	-	1,754.00	-	-	-	1,754.00
Total	14,698.51	9,552.33	2,338.52	6,133.16	8.70	10.01	17,045.73	15,695.50

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

(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Total	Total
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
a) Outstanding Balances						
Deposits given	-	-	45.89	45.06	45.89	45.06
Creditors	40.12	119.28	-	-	40.12	119.28
Debtors outstanding	7,886.24	5,530.24	-	-	7,886.24	5,530.24
Total Investments	12,492.36	11,721.98	-	-	12,492.36	11,721.98
Due to Directors	-	-	85.10	177.49	85.10	177.49
b) Guarantees given to bank:						
On behalf of Subsidiaries	2,352.75	2,509.50	-	-	2,352.75	2,509.50
	22,771.47	19,881.00	130.99	222.55	22,902.46	20,103.55

(iii) Details of material transactions during the year

(₹ in lacs)

	2014-15	2013-14
a) Sale of finished goods (Net of returns)		
Niche Generics Ltd	2,557.75	2,025.17
Unichem Pharmaceuticals (USA) Inc.	11,111.62	5,761.12
b) Investments made		
Unichem Farmaceutica Do Brasil Ltda	770.39	880.98
c) Guarantees given to Banks on behalf of Subsidiary Company		
Niche Generics Limited.	2,037.00	2,509.50
Unichem Pharmaceuticals (USA) Inc.	315.75	-
d) Rent & Maintenance Paid		
Mrs. Anita Mody	14.16	13.86
Uni Distributors Pvt Ltd	8.70	10.01
e) Managerial Remuneration		
Dr. Prakash A. Mody	382.67	300.76
f) Commission		
Dr. Prakash A. Mody	85.10	177.49
Unichem Pharmaceuticals (USA) Inc.	-	82.63
g) Salary		
Ms. Supriya Mody	36.17	30.27
h) Dividend Paid		
Dr. Prakash A. Mody - Dividend	1,653.49	3,420.88
i) Sale of Assets		
Mrs. Anita P. Mody	-	1,754.00
j) Expenses Re - imbursement		
Niche Generics Limited.	6.32	5.21
Unichem Laboratories Limited, Ireland	116.23	5.05
Unichem Pharmaceuticals (USA) Inc.	25.79	190.97
Unichem Farmaceutica Do Brasil Ltda	4.96	10.03
Unichem SA Pty Ltd	22.66	2.83

- 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 Services Pvt Ltd are disclosed as under :

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

(₹ in lacs)

	2014-15	2013-14
(a) Advance recovered	52.71	121.94
(b) Amount Recoverable	196.15	226.43
(c) Services Availed	94.46	175.90
(d) Rent Income	30.50	5.00
(e) Deposit For Rent	7.50	-

41 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.

42 Earning Per Share has been computed as under:

₹ in lacs except EPS

Particulars	2014-15	2013-14
(A) Before Exceptional Items		
Profit after Tax and before Exceptional items attributable to equity shareholders (A) (₹ In lacs)	6,439.72	13,582.27
Weighted average number of Equity shares for Basic Earning per Share (B)	90,712,597	90,564,085
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,944,155	90,895,043
Earning Per Share - Basic (A)/(B) ₹	7.10	15.00
Earning Per Share-Diluted (A)/(C) ₹	7.08	14.94
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		
(B) After Exceptional Items		
Profit after Tax and Exceptional items attributable to equity shareholders (A) (₹ In lacs)	6,439.72	17,696.82
Weighted average number of Equity shares for Basic Earning per Share (B)	90,712,597	90,564,085
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,944,155	90,895,043
Earning Per Share - Basic (A)/(B) ₹	7.10	19.54
Earning Per Share-Diluted (A)/(C) ₹	7.08	19.47
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		

43 Employee share based payment plans

- i) During the year ended 31st March, 2015 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	2014-15		2013-14	
	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	
	2014-2015	2013-2014
Option outstanding at the beginning of the year Face Value ₹ 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 ₹ 2 per share each (Nos.)	-	-
Weighted Average Exercise Price (₹)	212	212
Weighted Average Fair Value of Option (₹)	149	149

Particulars	ESOS 2008	
	2014-2015	2013-2014
Option outstanding at the beginning of the year Face Value ₹ 2/- per share each (Previous year face Value of ₹ 2/- per share each) (Nos.)	435,674	402,562
Grant of Option under ESOS 2008 on 08.03.2014	-	225,000
Exercised during the year (Nos.)	(141,399)	(170,888)
Lapsed during the year (Nos.)	(2,250)	(21,000)
Option outstanding at the end of the year (Face Value of ₹ 2/- per share each) (Nos.)	292,025	435,674
Weighted Average Exercise Price (₹)	46	46
Weighted Average Fair Value of Option (₹)	151	151

44 The amount of Dividends proposed to be distributed to Equity shareholders for the F.Y. 2014-2015 includes dividend on shares allotted to employees as per ESOP Scheme of the Company, after the Balance sheet but before record date, on which dividend is declared in Board Meeting. The total 2,025 nos. of shares are allotted after balance sheet date on which dividend of ₹ 2/- per share is recommended and will be paid after approval of same in ensuing Annual General Meeting. Accordingly provision has been made for dividend distribution tax (DDT) on such dividend in F.Y. 2014-2015 Audited accounts. (Previous Year: Total no. of Shares for ESOP was 30,250 and dividend provision made was ₹ 4.00/- per share)

45 Establishment and Administrative expenses include payment to:

i. Statutory Auditors (Excluding Service Tax)

(₹ in lacs)

	2014-15	2013-14
Audit Fees	16.50	14.00
Tax Audit	5.25	4.00
Certification Charges	4.29	4.37
Reimbursement of Expenses	1.60	1.91
Total	27.64	24.28

ii. Cost Auditors (Excluding Service Tax)

	2014-15	2013-14
Audit Fees	5.00	5.00
Certification charges	0.78	0.23
Reimbursement of Expenses	0.23	0.25
Total	6.01	5.48

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	2,573.05	2,390.59
Bulk Drugs & Chemicals	1,857.55	1,402.32
Total	4,430.60	3,792.91

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	2,187.55	2,128.44
Total	2,187.55	2,128.44

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	1,403.76	1,274.63
Bulk Drugs & Chemicals	2,527.98	2,584.75
Total	3,931.74	3,859.38

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

Class of Goods	2014-15	2013-14
	Value	Value
Formulations	70,988.10	66,672.60
Bulk Drugs & Chemicals	11,578.00	12,168.48
Total	82,566.10	78,841.08

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

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

Class of Goods	2014-15	2013-14
	Value	Value
Formulations	25,921.27	24,817.42
Total	25,921.27	24,817.42

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

vi. Purchases of Finished Goods (₹ in lacs)

Class of Goods	2014-15	2013-14
	Value	Value
Formulations	12,934.66	12,758.93
Total	12,934.66	12,758.93

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

Particulars	2014-15	2013-14
Raw Materials	4,125.37	4,749.46
Packing Materials	209.69	141.30
Stores & Spare Parts	119.55	98.83
Capital Goods	530.97	1,345.62
Total	4,985.58	6,335.21

viii. Expenditure in Foreign Currencies (On Accrual basis)

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Professional and Consultation fees	273.49	474.42
Others	3,463.47	2,375.15
(b) Dividend paid in foreign currency (Cash basis)		
No. of Shareholders		
Shares held		
1	0.35	0.74
(of the above ₹ 35,000/- pertains to Final Dividend of F.Y. 2013-14)		
Total	3,737.31	2,850.31

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

(₹ in lacs)

Particulars	2014-15	2013-14
Sales & Operating Income		
Export of Goods calculated on FOB basis.	36,657.22	32,643.87
Insurance, Freight and other charges recovered	3,869.66	1,553.60
Total	40,526.88	34,197.47

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

(₹ in lacs)

Particulars	2014-15		2013-14	
	%	Value	%	Value
A. Raw Materials				
Indigenous (including canalised)	83	21,058.30	78	17,789.25
Imported (including duty and charges)	17	4,315.51	22	4,991.41
Total	100	25,373.81	100	22,780.66
B. Packing Materials, Stores and Spares				
Indigenous (including canalised)	94	5,729.48	94	4,656.13
Imported (including duty and charges)	6	343.97	6	305.14
Total	100	6,073.45	100	4,961.27

xi. Break up of Raw Materials Consumed

(₹ in lacs)

Particulars	2014-15	2013-14
	Value	Value
Ampicillin	1,980.26	1,861.89
Levetiracetam	1,417.31	1,474.54
Miscellaneous (none of which individually accounts for more than 10% of total consumption)	21,976.24	19,444.23
Total	25,373.81	22,780.66

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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

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, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year/period 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 these 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit

also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by 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, 2015, and their consolidated profit and their consolidated cash flows for the year/period 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.2,720.63 lacs as at 31st March, 2015, total revenues (including other income) of Rs.25,154.17 lacs and net cash flows amounting to Rs. (407.48) lacs for the year/period 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) and (11) of Section 143 of the Act are not applicable.
- (b) The consolidated financial statements also include the Group's share of net profit of Rs. 10.90 lacs for the year ended 31st March, 2015, 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) and (11) 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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, the matters specified in paragraphs 3 and 4 of the Order in our view, are not applicable and not possible to report upon, respectively. In respect of the Holding Company, a Statement on matters specified in paragraphs 3 and 4 of the Order may be referred to in the Independent Auditor's Report on the Standalone Financial Statements.
2. 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, 2015 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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.

Mumbai
May 9, 2015

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

Raman H. Jokhakar
Partner
Membership No.: 103241

Consolidated Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,815.38	1,812.55
(b) Reserves and Surplus	3	84,936.64	79,848.37
(2) Non- current liabilities			
(a) Long-term borrowings	4	2,034.61	2,464.51
(b) Deferred tax liabilities (Net)	5	3,932.54	4,177.43
(c) Other Long term liabilities	6	2,084.55	2,366.95
(d) Long term provisions	7	887.56	763.55
(3) Current liabilities	8	162.57	103.86
(a) Short term borrowings	9	13,822.53	15,051.77
(b) Trade payables	10	4,586.03	3,298.67
(c) Other current liabilities	11	2,605.27	4,577.72
(d) Short term provisions		116,867.68	114,465.38
TOTAL			
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		41,294.46	41,615.48
(ii) Intangible assets		304.54	313.52
(iii) Capital work-in-progress		12,264.29	9,054.00
(b) Non-current investments	13	583.21	572.31
(c) Deferred Tax Assets	14	1,518.23	-
(d) Long term loans and advances	15	4,460.94	4,841.76
(2) Current assets			
(a) Current investments	16	3,503.92	566.98
(b) Inventories	17	20,767.97	20,349.40
(c) Trade receivables	18	19,157.72	19,651.25
(d) Cash and Bank Balances	19	2,696.21	5,215.03
(e) Short term loans and advances	20	9,168.03	11,120.59
(f) Other current assets	21	1,148.16	1,165.06
TOTAL		116,867.68	114,465.38
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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

Consolidated Statement of Profit and Loss

(₹ in lacs)

	Notes	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Income			
I. Revenue from operations (Gross)	22	120,976.76	114,111.21
Less: Excise duty		797.42	766.42
Revenue from operations (Net)		120,179.34	113,344.79
II. Other Income	23	2,038.28	4,225.76
III. Total Revenue (I + II)		122,217.62	117,570.55
IV. Expenses:			
Cost of materials consumed	24	34,278.92	30,313.01
Purchase of Stock-in-Trade		11,317.65	11,661.31
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade		(1,364.17)	(3,225.95)
Employee benefits expense	25	22,320.04	18,736.66
Finance costs	26	304.18	319.01
Depreciation and amortisation expense		4,127.24	4,571.60
Other expenses	27	38,850.29	32,863.24
Research & Development Expense	28	4,642.14	5,215.10
Total Expenses (IV)		114,476.29	100,453.98
V. Profit before tax and Exceptional Items (III - IV)		7,741.33	17,116.57
VI. Tax expenses			
(1) Current tax		1,841.40	3,785.26
(2) Deferred tax	5	(1,619.23)	522.00
(3) Short / (Excess) provision for taxation pertaining to previous years		(8.95)	(6.89)
Total tax expenses (VI)		213.22	4,300.37
VII. Profit for the period after tax and before Exceptional Items (V- VI)		7,528.11	12,816.20
VIII. Exceptional Items [(net of taxes) refer note 31]		-	4,114.55
IX. Profit after Exceptional Items (VII+VIII)		7,528.11	16,930.75
X. Share in Profit / (Loss) of Associates		10.90	-
XI. Profit after Exceptional Items & Share of profit of Associates (IX+X)		7,539.01	16,930.75
XI. Earnings per equity share (Face value ₹ 2 each).			
(a) Before Exceptional Items			
(1) Basic (in ₹)		8.31	14.15
(2) Diluted (in ₹)		8.29	14.10
(b) After Exceptional Items			
(1) Basic (in ₹)		8.31	18.69
(2) Diluted (in ₹)		8.29	18.63
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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

Consolidated Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
A. Cash Flow from Operating Activities				
Net Profit before tax		7,741.33		17,116.57
Adjustment for :				
Provision for Wealth Tax	6.00		5.00	
Depreciation	4,127.24		4,571.60	
Loss/(Profit) on sale of assets (Net)	(2.92)		(1,687.10)	
Unrealised Exchange difference (Net)	42.01		(196.28)	
Finance cost	304.18		319.01	
Provision for doubtful debts, loans, advances & deposits for the year	129.45		43.48	
Employees compensation expenses (ESOS)	74.51		32.87	
Stock Option expenses (other than employees)	-		6.79	
Loss/(Profit) on Sale of Investments	(96.08)		(260.14)	
Bad debts Written Off	33.77		21.93	
Interest income	(934.96)		(572.90)	
Excess provision for expenses written back	(126.48)		(313.63)	
Dividend income	(0.19)		(96.55)	
		3,556.53		1,874.08
Operating profit before working capital changes		11,297.86		18,990.65
Adjusted for:				
Trade & other receivables	(1,461.36)		(38.51)	
Inventories	(418.57)		(6,044.83)	
Trade & Other payables	230.65	(1,649.28)	(549.00)	(6,632.34)
Cash generated from operations		9,648.58		12,358.31
Direct taxes paid (Net of refund)		(1,838.73)		(3,684.91)
Net cash flow from Operating Activities		7,809.85		8,673.40
B. Cash flow from Investing Activities				
Purchase of fixed assets including Capital WIP		(7,868.20)		(10,402.15)
Sale of fixed assets		440.26		14,530.63
Exceptional Gain		-		3,872.55
Sale / (purchase) of Investment in others (Net)		(2,936.94)		2,739.06
Profit / (Loss) on Sale of Investments		96.08		260.14
Inter - Corporate deposits (placed) / Matured (Net)		4,100.00		(8,100.00)
Interest received		934.96		572.90
Dividend on Investments		0.19		96.55
Net cash used in Investing Activities		(5,233.65)		3,569.68
C. Cash flow from Financing Activities				
Receipt of working Capital borrowings		58.71		(513.47)
Proceeds from issue of share capital including share premium		65.04		78.61
Receipt of long term borrowings		(451.98)		375.41
Receipt / (repayment) of other long term liabilities		(282.40)		(158.81)
Receipt of long term Loan from BIRAC		22.08		-
Finance cost		(304.18)		(319.01)
Dividend paid		(3,586.22)		(7,646.47)
Dividend Distribution tax paid		(616.29)		(1,307.96)
Net cash used in financing activities		(5,095.24)		(9,491.70)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		(2,519.04)		2,751.38
Opening balance of cash and cash equivalents		5,215.24		2,463.86
Closing balance of cash and cash equivalents		2,696.20		5,215.24
Closing balance of Cash & cash Equivalents as per Note no. 19		2,696.21		5,215.03
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		(0.01)		0.21
Closing balance of Cash & cash Equivalents as per cash flow		2,696.20		5,215.24
(Of the above ₹ 47.69 lacs are restricted towards LCs required for Bonds to two states by one of our subsidiary)				

As per our report of even date attached

For and on behalf of the Board of Directors

For B. D. Jokhakar & Co.

Chartered Accountants

Raman H. Jokhakar

Partner

Membership No.103241

Mumbai

May 9, 2015

Rakesh Parikh

Vice President

Finance

K. Subharaman

Vice President - Legal

& Company Secretary

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 subsidiary 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 current year, by virtue of provisions of the Companies Act, 2013 investments made in the previous years in Synchron Research Services Private Limited amounting to ₹ 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 current year as compared to 28th February in previous year. Accordingly financials for the period of 13 months ending on 31.03.2015 are incorporated in Consolidated Financial Statements.

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
<u>2 SHARE CAPITAL</u>		
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, 2014	As at 31 st March, 2013
ISSUED, SUBSCRIBED AND FULLY PAID UP		
90,768,725 Equity Shares of ₹ 2/- each fully paid up (Previous year 90,627,326 Equity Shares of ₹ 2/- each fully paid up)	1,815.38	1,812.55
Total	1,815.38	1,812.55

	2014-15		2013-14	
	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	90,627,326	1,812.55	90,456,438	1,809.13
Add: Numbers of Shares Issued during the Year	141,399	2.83	170,888	3.42
Number of Shares outstanding as at the end of the year	90,768,725	1,815.38	90,627,326	1,812.55

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, 2015		As at 31 st March, 2014	
Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	41,337,342	45.54	41,205,142	45.47
ICICI Prudential	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, 2015	As at 31 st March, 2014
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	7,855.91	7,715.88
Add: Addition during the year	126.38	140.03
	7,982.29	7,855.91
SHARE OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	414.88	151.95
Add: Addition during the year	-	336.34
Less: Deduction during the year	(65.08)	(73.41)
	349.80	414.88
Less: Deferred Employees' stock compensation	(264.74)	(340.16)
	85.06	74.72
GENERAL RESERVE		
Balance as per last Balance Sheet	18,874.80	17,074.80
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)	-
	279.44	-
Add: Transfer from Profit and Loss Account	-	1,800.00
	18,595.36	18,874.80
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last balance sheet	671.67	283.31
Add / Less: Addition / (deduction) during the year	(123.03)	388.36
	548.64	671.67
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	51,474.77	44,827.67
Add: Profit for the year after tax	7,539.01	16,930.75
Profit available for appropriations	59,013.78	61,758.42
Less: APPROPRIATIONS		
Proposed Dividend	1,815.42	3,626.30
Interim Dividend	-	3,624.99
Tax on Proposed Dividend	369.57	616.29
Tax on Interim Dividend	-	616.07
Transfer to General Reserve	-	1,800.00
Total	2,184.99	10,283.65
Net surplus in the statement of Profit & Loss	56,828.79	51,474.77
Total Reserves and Surplus	84,936.64	79,848.37

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
4 LONG TERM BORROWINGS		
Term loans from Banks	2,012.53	2,464.51
Loan from BIRAC	22.08	-
Total	2,034.61	2,464.51

During the year Company has taken part disbursement of term loan from BIRAC carrying interest at the rate of 2% per annum maturing after 7 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)	3,932.54	4,177.43
	3,932.54	4,177.43

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	As at 31 st March, 2015	Charge/(credit) for the year	Adjusted against Opening reserves*	As at 31 st March, 2014
Deferred Tax Liability				
on account of Depreciation	5,228.91	97.16	(143.89)	5,275.64
Sub Total	5,228.91	97.16	(143.89)	5,275.64
Deferred Tax Assets				
Provision for Doubtful Debts, Advances, Leave Encashment and Gratuity	1,054.37	198.16	-	856.21
Sub Total	1,054.37	198.16	-	856.21
	4,174.54	(101.00)	(143.89)	4,419.43
Less: Deferred Tax Assets on Exceptional Items (Refer Note 31)	(242.00)			(242.00)
Net Deferred Tax Liability Total	3,932.54	(101.00)	(143.89)	4,177.43
Add: Deferred Tax Assets on account of Net Operating loss carry forwards		(979.85)		
Capitalized development stage costs		(538.38)		
Sub Total		(1,518.23)		
Total		(1,619.23)		

* 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.

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
6 OTHER LONG TERM LIABILITIES		
Advances from consignment agents & Others	2,084.55	2,366.95
Total	2,084.55	2,366.95
7 LONG TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	887.56	763.55
Total	887.56	763.55
8 SHORT TERM BORROWINGS		
Secured :		
Loans repayable on Demand (Cash credit from Banks)	162.57	103.86
Total	162.57	103.86

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
9 TRADE PAYABLES		
Trade Payables	13,822.53	15,051.77
Total	13,822.53	15,051.77
10 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	269.67	229.59
Deferred Govt Grants	5.52	-
Interest accrued but not due on borrowings	0.11	-
Other Payables		
Statutory Dues	535.58	512.68
Payable for Capital Goods	632.66	723.60
Others	3,142.49	1,832.80
	4,310.73	3,069.08
Total	4,586.03	3,298.67
11 SHORT TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	420.28	330.62
Provision for Taxation (net of taxes paid)	-	4.51
Others		
Proposed Dividend	1,815.42	3,626.30
Tax on Dividend	369.57	616.29
Total	2,605.27	4,577.72

12 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation	Net Carrying Value	
	Cost As at 01/04/2014	Additions	Deductions / Adjustments due to translation	Cost As at 31/03/2015	As at 31/03/2015	As at 31/03/2015	As at 31/03/2014
a. Tangible Assets							
Land							
Freehold	248.47	-	-	248.47	-	248.47	248.47
Leasehold	2,301.23	-	-	2,301.23	288.29	2,012.94	2,066.33
Buildings	22,611.24	1,051.91	(389.00)	23,274.15	5,655.34	17,618.81	17,660.26
Plant and Machinery	39,141.02	3,339.50	(433.95)	42,046.57	21,240.74	20,805.83	20,840.89
Furniture Fixtures	1,486.11	20.32	(36.65)	1,469.78	1,207.14	262.64	360.79
Cars and Vehicles	595.11	158.60	(145.73)	607.98	344.74	263.24	231.61
Office Equipments	511.83	29.86	(11.01)	530.68	448.15	82.53	207.13
Total Tangible Assets	66,895.01	4,600.19	(1,016.34)	70,478.86	29,184.40	41,294.46	41,615.48
b. Intangible Assets							
Goodwill	154.50	-	-	154.50	-	154.50	154.50
Brands / trademarks	1,576.82	-	(1.48)	1,575.34	1,575.34	-	-
Licences	198.77	57.72	-	256.49	106.45	150.04	159.02
Total Intangible Assets	1,930.09	57.72	(1.48)	1,986.33	1,681.79	304.54	313.52
Total Fixed Assets (Tangible & Intangible)	68,825.10	4,657.91	(1,017.82)	72,465.19	30,866.19	41,599.00	41,929.00
Previous Year	67,586.71	14,568.25	(13,329.86)	68,825.10	26,896.10	41,929.00	-
Capital Work in Progress						12,264.29	9,054.00

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 ₹ 902.47 Lacs (Previous year ₹ 1,233.28 Lacs) being expenditure on Research and Development as under:-

(₹ in lacs)

Assets Description	F.Y. 2014-2015	F.Y. 2013-2014
Buildings	95.24	55.76
Plant & Machinery	601.15	860.96
Furniture & Fixtures	3.09	48.50
Office Equipments	2.67	1.88
Motor car	17.05	-
Capital Work in Progress	183.27	266.18
Total	902.47	1,233.28

13 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at	As at
	As at 31st March, 2015	As at 31st March, 2014		31st March, 2015	31st March, 2014
OTHER INVESTMENTS					
(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	₹ 10	30.38	30.38
Fully paid up Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Fully Paid Equity Shares of Unireach Healthcare Private Limited	10,000	10,000	₹ 10	1.00	1.00
Less : Provision for diminution in value of investments				(30.38)	(30.38)
				3.00	3.00
Fully paid Equity Shares of Associates					
Fully Paid Equity Shares of Synchron Research Private Limited	208,333	208,333	₹ 10	569.31	569.31
(Rs. 569.31 lacs including Goodwill of Rs. 420.85 lacs)				10.90	-
Add: Share in C.Y. 2014-2015 Profit after tax					
TOTAL UNQUOTED INVESTMENTS				583.21	572.31
(II) QUOTED					
Fully paid Equity Bonus Shares					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	-	-
Jindal Poly Investment and Finance Company Ltd	500	500	₹ 10	-	-
Aurobindo Pharma Ltd	4	4	₹ 1	-	-
Kothari Industrial Corporation Ltd	20	20	₹ 5	-	-
TOTAL QUOTED INVESTMENTS				-	-
TOTAL NON-CURRENT INVESTMENTS				583.21	572.31
Total of Unquoted & Quoted Non current Investment				583.21	572.31
Aggregate of Unquoted Investments - At Book Value				583.21	572.31
Aggregate provision for diminution in value of Investments				(30.38)	(30.38)
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				4.24	3.23

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
14 DEFERRED TAX ASSET	1,518.23	-
	1,518.23	-
Deferred tax assets (of subsidiaries)		
Net Operating loss carry forward (979.85)		
Capitalized development stage costs (538.38)		
Total (1,518.23)		
15 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances	431.38	217.86
(Net of provision for Doubtful advances, CY ₹ 11.85 Lacs, PY ₹ 13.40 Lacs)		
Other Loans and Advances		
Inter Corporate Deposits	4,000.00	4,600.00
Advance payment of Income Tax (Net Provision for Taxation)	11.02	-
Loans to Employees	18.54	23.90
Total	4,460.94	4,841.76

16 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units			
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
UNQUOTED				
INVESTMENT IN MUTUAL FUNDS				
Baroda Pioneer Liquid Fund - Plan B Growth	6420.071		101.56	
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	12582.826		200.00	
BOI Axa Treasury Advantage Fund - Direct Plan - Growth	6064.992		100.00	
BOI Axa Treasury Advantage Fund - Regular Plan - Growth	6139.139		100.51	
Birla Sun Life Cash Plus - Growth - Regular Plan	44627.497		100.00	
DSP BlackRock Liquidity Fund - Institutional Plan - Growth	10170.122		200.00	
DWS short Maturity Fund Regular Plan Annual Bonus		231763.675		33.33
DWS Insta Cash Plus Fund - Growth	55183.344		100.00	
HSBC Cash Fund - Growth	29047.401		400.00	
IDFC Cash Fund - Growth		6421.282		100.00
IDFC Money Manager Fund - Treasury Plan - Growth	929218.993		200.64	
IDBI Liquid Fund - Direct Plan - Growth	6672.887		100.00	
Indiabulls Liquid Fund - Existing Plan Growth	7386.295		100.00	
JM Money manager Fund -Super Plus Plan- Bonus Option		394628.272		39.76
Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth Option	2945.608		100.00	
Religare Invesco Liquid Fund - Direct Plan - Growth	10398.410		200.00	
Peerless Liquid Fund - Super Institution Growth	13056.854		200.00	
Pramerica Liquid Fund - Growth Option	6712.820		100.00	
Religare Invesco Credit Opportunities Fund-DirectPlan-Growth	12632.436		200.00	
Mirae Asset Cash Management Fund - Direct Plan - Growth	6761.879		100.00	
Quantum Liquid Fund - Growth Option	511297.110		100.00	
Kotak Treasury Advantage Fund - Direct Plan - Growth	902091.499		200.00	
UTI Banking & PSU Debt Fund - Regular Plan - Growth	1819958.918		200.14	
Taurus Short Term Income Fund - Direct Plan - Growth	16401.150		401.07	
Reliance Arbitrage Advantage Fund-Dividend Plan-Dividend Payout		1482469.795		198.61
Total Investments in Mutual Funds			3,503.92	371.70
INVESTMENT IN COMMERCIAL PAPERS				
Family Credit Limited		40.00		195.28
Face Value of Rs. 5 Lacs each				
Aggregate of Unquoted Investments - At Book Value			3,503.92	566.98

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
17 INVENTORIES (As Certified by Management)		
Raw Materials	6,963.83	7,944.67
(Include ₹ 460.41 lacs in transit, (Previous year ₹ 594.93 lacs))		
Packing Materials	1,416.48	1,351.81
Work -in-progress	3,931.74	3,859.38
Finished Goods (excluding finished goods traded in)	4,430.60	3,792.91
(Include ₹ 347.64 lacs in transit, (Previous year ₹ 479.69 lacs))		
Stock in trade (in respect of goods acquired for trading)	3,755.75	3,101.63
Stores and Spares	269.57	299.00
Total	20,767.97	20,349.40

(₹ in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
18 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	2,612.16	1,104.48
Considered doubtful	564.98	523.91
	3,177.14	1,628.39
Less: Provision for Doubtful receivables	564.98	523.91
	2,612.16	1,104.48
(b) Other debts - Considered Good	16,545.56	18,546.77
Total	19,157.72	19,651.25
19 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	1,210.15	1,327.69
In Fixed Deposits having Original Maturity Less than 3 months	-	1,000.41
In Escrow Accounts	150.73	-
(ii) Cash on hand	15.56	57.24
(b) Other bank balances		
In Unpaid Dividend Account	269.67	229.59
In Fixed Deposits having Original maturity more than 3 months	1,050.10	2600.10
Total	2,696.21	5,215.03
20 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Short term Deposits	415.57	424.75
Prepaid Expenses	943.36	553.94
Balances with Revenue Authorities (Including refund receivables)	5,446.91	4,621.82
Advance against material & expenses	1,512.17	1,246.12
Inter Corporate Deposits (maturity within 12 months)	-	3,500.00
Other Loans & Advances	850.02	773.96
	9,168.03	11,120.59
Considered Doubtful		
Short term Deposits	14.81	14.81
Other Loans & Advances	188.33	161.52
	203.14	176.33
Less : Provision for Doubtful Loans and Advances	203.14	176.33
	-	-
Total	9,168.03	11,120.59
21 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	98.67	62.44
Interest Accrued on Advances	223.76	375.88
Export incentive receivables	825.73	726.74
Total	1,148.16	1,165.06

(₹ in lacs)

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
<u>22 SALES / INCOME FROM OPERATIONS (GROSS)</u>		
Sale of products (Gross)	119,568.25	112,585.79
Other operating revenues		
Export benefits	1,207.32	1,159.39
Sundries	201.19	366.03
Total	120,976.76	114,111.21
<u>23 OTHER INCOME</u>		
Interest Income	934.96	572.90
(TDS deducted of ₹ 86.37 lacs (Previous year ₹ 48.58 lacs))		
Dividend Income	0.19	96.55
Net gain on sale of Short term investments	96.08	260.14
Profit on Sale of Assets	16.54	1,694.30
Other non-operating Income	685.54	723.71
Net gain on foreign currency translation and transactions.	304.97	878.16
Total	2,038.28	4,225.76
<u>24 MATERIALS CONSUMED</u>		
Raw Materials	27,903.24	24,848.75
Packing Materials	6,375.68	5,464.26
Total	34,278.92	30,313.01
<u>25 EMPLOYEE BENEFITS EXPENSES</u>		
Salaries and wages	20,484.03	17,317.36
Contribution to Provident and other funds	1,222.49	979.56
Expense on Employee Stock Option Scheme	74.51	32.87
Staff Welfare Expenses	539.01	406.87
Total	22,320.04	18,736.66
<u>26 FINANCE COST</u>		
Interest expense	295.76	312.85
Other borrowing costs	8.42	6.16
Total	304.18	319.01

(₹ in lacs)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
27 OTHER EXPENSES				
Stores and Spares consumed		1,029.48		855.92
Manufacturing Charges		687.97		746.60
Power and Fuel		3,938.64		3,597.14
Rent		195.65		152.31
Insurance		397.19		305.11
Repairs :				
Plant and Machinery		720.72		550.22
Buildings		214.02		172.75
Others		833.43		699.90
Rates and Taxes		1,262.94		1,185.97
Advertising and sales promotion		7,483.86		8,890.06
Travelling and Conveyance		4,855.69		4,248.97
Freight outward		5,953.85		3,220.75
Directors' Fees		22.60		7.40
Commission on sales		2,274.42		1,292.39
Legal and Professional Expenses		1,983.51		2,082.72
Loss on sale of assets		13.62		7.20
Bad debts, loans, advances and deposits written off	33.77		21.93	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	33.77		11.94	
		-		9.99
Provision for doubtful debts, loans, advances and deposits for the year		129.45		43.48
Establishment and Administrative Expenses		6,853.25		4,794.36
Total		38,850.29		32,863.24
28 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Materials		1,812.88		1,128.50
Salaries & Wages		1,268.09		1,411.72
Contribution to Provident fund & other Funds		50.13		60.41
Employees' welfare expenses		16.46		22.92
Rent		9.07		11.24
Insurance		4.83		7.77
Rates & Taxes		3.90		7.05
Repairs:				
Others		168.32		150.13
Power & fuel		240.60		434.34
Travelling & conveyance		21.62		46.65
Interest		0.11		-
Legal and Professional Expenses		0.56		46.95
Others		1,045.57		1,887.42
Total		4,642.14		5,215.10

- 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 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 Exceptional Items net of taxes Current Year ₹ Nil (Previous Year ₹ 4,114.55 lacs) represent profit on sale of Company's manufacturing unit at SEZ, Indore (pursuant to approval of the Shareholders through a postal ballot on 29.03.2013) and amortisation of Intangible assets due to change in their estimated useful life, the details of which are as under:

(₹ in lacs)		
Particulars	2014-15	2013-14
Profit on sale of SEZ Unit.	-	5,834.55
Less: Amortisation of Intangible	-	934.00
Less: Tax Expense		
Current Tax	-	1,028.00
Deferred Tax	-	(242.00)
Total Taxes	-	786.00
Net Exceptional Items	-	4,114.55

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
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Rent & Maintenance paid	14.16	13.86	8.70	10.01	22.86	23.87
Managerial remuneration	961.08	858.79	-	-	961.08	858.79
Commission	85.10	177.49	-	-	85.10	177.49
Dividend paid	1,820.42	3,856.78	-	-	1,820.42	3,856.78
Salary Paid	36.17	30.27	-	-	36.17	30.27
Sale of Assets	-	1,754.00	-	-	-	1,754.00
	2,916.93	6,691.19	8.70	10.01	2,925.63	6,701.20

(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
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding Balances						
Deposits given	45.89	45.06	-	-	45.89	45.06
Due to Directors	85.10	177.49	-	-	85.10	177.49
	130.99	222.55	-	-	130.99	222.55

(iii) Details of material transactions during the year

(₹ in lacs)

	2014-15	2013-14
a) Rent & Maintenance Paid		
Mrs. Anita Mody	14.16	13.86
Uni Distributors Pvt Ltd	8.70	10.01
b) Managerial Remuneration		
Dr. P A Mody	382.67	300.76
c) Commission Paid		
Dr. P A Mody	85.10	177.49
d) Dividend Paid		
Dr. Prakash A. Mody	1,653.49	3,420.88
e) Salary paid		
Ms. Supriya Mody	36.17	30.27
f) Sale of assets	-	1,754.00

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 Services Pvt Ltd are disclosed as under :

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

(₹ in lacs)

	2014-15	2013-14
(a) Advance recovered	52.71	121.94
(b) Amount Recoverable	196.15	226.43
(c) Services Awaited	94.46	175.90
(d) Rent Income	30.50	5.00
(e) Deposit For Rent	7.50	-

33 Segment Reporting :**Primary Segment**

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

Secondary Segment (By Geographical Segment)

(₹ in lacs)

	2014-15	2013-14
Sales and Operating Income (Gross)		
Within India	68,326.06	69,215.70
Outside India	52,650.70	44,895.51
Total	120,976.76	114,111.21

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	2014-15	2013-14
(A) Before Exceptional Items		
Profit after Taxation attributable to equity shareholders (A)(₹ In lacs)	7,539.01	12,816.20
Weighted average number of Equity shares for Basic Earning per Share (B)	90,712,597	90,564,085
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,944,155	90,895,043
Earning Per Share - Basic (A)/(B)	8.31	14.15
Earning per share- Diluted (A)/(C)	8.29	14.10
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		
(B) After Exceptional Items		
Profit after Taxation attributable to equity shareholders (A)(₹. In lacs)	7,539.01	16,930.75
Weighted average number of Equity shares for Basic Earning per Share (B)	90,712,597	90,564,085
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,944,155	90,895,043
Earning Per Share - Basic (A)/(B)	8.31	18.69
Earning per share- Diluted (A)/(C)	8.29	18.63
(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
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 9, 2015

Notice

NOTICE is hereby given that the 52nd Annual General Meeting of the Members of UNICHEM LABORATORIES LIMITED, will be held on Saturday, July 11, 2015 at 3.00 p.m. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001 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, 2015 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, 2015.
2. To declare a dividend for the Financial Year ended March 31, 2015.
3. To appoint a Director in place of Dr. Prakash A. Mody, (DIN No. 00001285) who retires by rotation and being eligible offers himself for re-appointment.
4. 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 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 Act”), 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:

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 Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Act and Clause 49 of the Listing Agreement, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the Articles of Association of the Company, Dr. (Mrs.) B. Kinnera Murthy, (DIN No.1878144) who was appointed as an Additional, Non-Executive Director of the Company with effect from March 21, 2015, in terms of Section 161(1) of the Act and whose term of office expires at the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, to hold office for a term of 3 (three) consecutive years upto March 20, 2018;

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.”

6. 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 188 (1)(f) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, (“the Act”) and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval be and is hereby accorded to the Board of Directors for increasing the remuneration payable to Ms. Supriya Mody (“Ms. Mody”), daughter of Dr. Prakash A. Mody, Chairman and Managing Director of the Company, being a relative and holding office of profit in the Company (under Section 314 (IB) of the erstwhile Companies Act, 1956 and Section 188(1)(f) of the Companies Act, 2013) as Associate Vice President (International Business) upto a sum not exceeding a maximum remuneration of ₹ 65 lacs (Rupees Sixty Five Lacs Only) in a Financial Year starting from the Financial Year April 1, 2015 (“Maximum Remuneration”);

RESOLVED FURTHER THAT the said Maximum Remuneration shall be inclusive of perquisites, car, medical insurance, superannuation fund, provident fund, gratuity, leave travel allowance, ESOPS and such other benefits which are payable or applicable to employees in similar senior management cadre and position in the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby (subject to the recommendation made by the Nomination and Remuneration Committee from time to time) authorized to vary the terms and conditions of Ms. Mody's appointment, but not to increase her remuneration beyond the said Maximum Remuneration;

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things, as may be necessary to give effect to this resolution."

7. 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 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 Act"), the remuneration of ₹ 5.50 lacs (Rupees Five Lacs Fifty Thousand Only) plus applicable service tax and reimbursement of out of pocket expenses for the Financial Year ending March 31, 2016, as approved by the Board of Directors of the Company payable to Y.R. Doshi & Co., Cost Accountants, (Firm Registration No. 000003) for conducting the Cost Audit of the records maintained by the Company 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
June 3, 2015

Neema Thakore
Head - Legal & Company Secretary

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

NOTES:

1. A Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, 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 6, 2015 to July 11, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend, if declared by the shareholders for the year ended March 31, 2015.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ 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 fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company.
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 the Companies, Societies etc., must be supported by an appropriate resolution/authority, as may be applicable.
5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice and as given under the statement setting out material facts pursuant to Section 102 of the Companies Act, 2013. The Directors have furnished the requisite declarations for their 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. The Members/Proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in attendance slips for attending the Meeting.
8. The Members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
9. Electronic copy of the 52nd Annual Report (including the Notice) of the Company *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the Members

whose E-mail Ids are registered with the Company/Depository Participants(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 52nd Annual Report including Notice along with attendance slip and proxy form will be available on the Company's website at www.unichemlabs.com. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making such a request for the same free of cost. For any communication, the shareholders may also send their request to the Company's investor E-mail Id: shares@unichemlabs.com
11. Pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant Sections under the Companies Act, 2013 are yet to be notified) the Company has transferred on due dates, the unpaid or unclaimed dividends upto the Financial Year ended March 31, 2007 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules 2012, the Company has uploaded the unpaid and unclaimed amounts lying with the Company as on July 12, 2014 (date of last Annual General Meeting), on the website of the Company at www.unichemlabs.com as also on website of the Ministry of Corporate Affairs.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.
13. 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 on any working day (Monday to Friday) between 11.00 a.m. and 1.00 p.m., upto the date of the Annual General Meeting of the Company.
14. 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 52nd 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 52nd AGM, but have not cast their votes by availing the remote e-voting facility. The Members who have exercised their voting through the remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- c. The Company has appointed Ms. Ragini Chokshi & Co., 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. The instructions to members for voting electronically are as under :
 - (i) The remote e-voting period begins on July 7, 2015 at 10.00 a.m. (IST) and ends on July 10, 2015, 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 4, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Members holding shares in physical or in demat form as on July 4, 2015 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 cast your vote earlier for EVSN of any company, then 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	Enter your 10 digit PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If 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)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly to the Company EVSN 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 for 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 out 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 & enter the details as prompted by the system.
- (xix) Note for Non Individual Shareholders and Custodians:
- 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.

- c. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to helpdesk.evoting@cdslindia.com
 - d. 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.
 - e. 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.
- (xx) 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 shares of the paid up capital of the Company as on the cut off date of July 4, 2015.
 - f. The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than three days of conclusion of the AGM, make and submit a consolidated Scrutinizer's report and submit to the Chairman. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company and 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 11, 2015.

Annexure to Notice

I. A statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, ("the Act") for Items Nos. 5 to 7

Item No. 5

Dr. (Mrs.) B. Kinnera Murthy was appointed as an Additional, Non-Executive Director, in the category of an Independent Director with effect from March 21, 2015, to hold office upto the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013.

Dr. (Mrs.) Murthy is a Strategy Consultant, Director on Corporate Boards and Academic Governing Councils and a Founder Trustee of a Woman Support NGO, since her superannuation from The Administrative Staff College of India in 2012, where she held the posts of Dean and Professor, Strategic Management. Her interest areas include Strategic Management, Women Leadership and Empowerment, Marketing, and Social Change Management. She also has a Doctorate in Corporate Strategy from University of Poona, MBA from Osmania University and BSc from BITS, Pilani. She was trained in Industrial Management at RVB, the Netherlands and in Strategic Management from APO Japan. She is involved with women entrepreneurial organizations as an advisor. She provides consultancy and advisory support to leading organisations in India in the areas of Strategic Visioning and Organisation Building, Governance, Mentoring, Restructuring, Corporate Social Responsibility, Marketing Strategy and Capacity Building.

Dr. (Mrs.) Murthy was on the Board of State Trading Corporation of India Limited as an Independent Director till April 2014. Currently Dr. (Mrs.) Murthy is on the Board of Indian Immunologicals Limited, VBC Industries Limited and VBC Ferro Alloys Limited. She is also a member of the Nomination and Remuneration and Corporate Social Responsibility Committee of Indian Immunologicals Limited.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. (Mrs.) Murthy, is proposed to be appointed as an Independent Director of the Company, not liable to retirement by rotation, to hold office for a term of 3(three) consecutive years upto March 20, 2018. A notice has been received from a Member proposing Dr. (Mrs.) B. Kinnera Murthy as a candidate for the office of Director of the Company along with deposit of the requisite amount.

In the opinion of the Board, Dr. (Mrs.) Murthy fulfills the condition specified in the Companies Act, 2013 and the Rules made thereunder for her appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Dr. (Mrs.) Murthy, as an Independent Director, setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company on any working day, (Monday to Friday), between 11 a.m. and 1 p.m. upto the date of the Meeting.

The Board considers that her appointment as an Independent Director would be of immense benefit to the Company and it is desirable to the avail services of Dr. (Mrs.) B. Kinnera Murthy as an Independent Director of the Company.

Dr. (Mrs.) Murthy does not hold any shares in the Company and is not related to any other Director of the Company. She is not on any committees of the Board of Directors of the Company.

Except Dr. (Mrs.) B. Kinnera Murthy being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Accordingly, the Board recommends the resolution set out at Item no. 5, for approval by the shareholders of the Company.

Item No.6

Ms. Supriya Mody ("Ms. Mody") is the daughter of Dr. Prakash A. Mody, Chairman and Managing Director of the Company. She was appointed as an officer holding a place of profit under Section 314(IB) of the erstwhile Companies Act, 1956 and a resolution to this effect was passed by the shareholders in the Annual General Meeting held on July 28, 2011, subject to the approval of the Central Government, which was granted on January 31, 2013. ("said Approval")

The Central Government approval allowed for year wise increase in remuneration payable to Ms. Mody upto a maximum sum of ₹ 36.30 lacs till June 30, 2015. The said Approval further required the Company to seek further approval of the Central Government in the event of increase in remuneration in excess of the aforesaid limit.

By virtue of the Companies Act, 2013 ("Act") which has replaced the erstwhile Companies Act, 1956, approval of the Central Government is now not required for appointment of a related party to an office or place of profit in the Company. However in terms of Section 188 (1) (f) of the Act and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

("Rules"), the Company now seeks prior approval of the shareholders for increasing the remuneration payable to Ms. Mody upto such sum not exceeding ₹ 65 lacs (Rupees Sixty Five Lacs Only) in a Financial Year, starting from the Financial Year April 1, 2015, which remuneration shall be inclusive of perquisites, car, medical insurance, contribution to superannuation fund, provident fund, gratuity, leave travel allowance, ESOPS and such other benefits which are payable or applicable to employees in similar senior management cadre and position in the Company ("Maximum Remuneration") as may be recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors, from time to time.

In terms of Clause 49 of the Listing Agreement and Section 188 of the Companies Act, 2013, the Company has sought and obtained the prior approval and consent of the Audit Committee and the Board respectively for payment of the aforementioned remuneration to Ms. Mody.

The Audit Committee and Board consider the said Maximum Remuneration payable to Ms. Mody, though is in the ordinary course of business, may not fall in the category of arms' length transaction. Further the Maximum Remuneration payable to Ms. Mody exceeds ₹ 2.5 lacs per month in terms of the Rules and hence requires prior approval of the shareholders.

Brief Profile of Ms. Supriya Mody

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, she has rich experience and successful career behind her having worked in organizations like Merrill Lynch, Tower Capital and Securities Private Limited, ASK Raymond James Securities (I) Private Limited.

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 and Managing Director. Ms. Mody has performed well and now has taken over a bigger role and responsibility in the organization.

The details as required under the said Act and applicable Rules are as given in **Table-1**.

Except Dr. Prakash A. Mody, his relatives, and Ms. Supriya Mody, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution set out as Item No.6.

Table-1

Sr. No	Information required to be provided	Particulars
a	Name of the Related Party	Ms. Supriya Mody
b	Name of Director/Key Managerial Personnel who is related, if any	Dr. Prakash A. Mody, Chairman and Managing Director
c	Nature of relationship	Daughter
d	Nature, material terms, monetary value and particulars of the contract or arrangement	Approval for 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") as mentioned in the said resolution no. 6 above.
e	Any other information relevant or important for the members to take a decision on the proposed resolution	The said transaction is in ordinary course of business but not on arms' length basis.

The Board of Directors recommends the resolution for your approval.

Item No.7

The Board of Directors at its meeting held on May 9, 2015, 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 Records maintained by the Company for the Financial Year ending March 31, 2016, at a remuneration of ₹ 5.50 lacs (Rupees Five Lacs Fifty Thousand Only) plus service tax as may be applicable and out pocket expenses at actuals. The said auditors have given their eligibility certificate for appointment as Cost Auditors.

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

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.7 of the Notice.

The Board of Directors recommends the resolution for your approval.

II.DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.

Re-appointment of Dr. Prakash A. Mody, (Chairman and Managing Director), who retires by rotation (Item No. 3)

Dr. Prakash A. Mody was re-appointed as the Chairman & Managing Director of the Company for a period of 5 (five) years with effect 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. 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 and Managing Director of the Company. As per the clarification issued by the Department of Company affairs (Int. Circular No. 3(No.8/16(1)/61-PR, Dated 9th May 1961) in relation to appointment of Managing Director "a MD's office as a MD does not suffer any break if he retires as a Director under Section 255 of the erstwhile Companies Act, 1956 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 and Managing Director of the Company.

Dr. Prakash A. Mody is the Chairman and Managing Director of Unichem Laboratories Limited. He is son of founder promoter late Mr. Amrut Mody. Dr. Prakash Mody had his early education in Mumbai. 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 having undergone the Owner President' Management Program.

He is the immediate past president of the Indian Pharma Alliance, the industry body representing the National Pharmaceutical Sector.

As a result of his strategies the operations of the Company have expanded a great deal.

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

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

Mumbai
June 3, 2015

Neema Thakore
Head - Legal & Company Secretary

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


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 52nd Annual General Meeting of the Company, to be held on Saturday, July 11, 2015 at 3.00 p.m. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai – 400 001 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, 2015. (b) Audited Consolidated Financial Statements for the year ended March 31, 2015.
2.	Declaration of dividend for the year ended March 31, 2015.
3.	Re-appointment of Dr. Prakash A. Mody who retires by rotation.
4.	Ratification of appointment of B. D. Jokhakar & Co., Chartered Accountants as Statutory Auditors and to fix their remuneration.
5.	Appointment of Dr. (Mrs.) B. Kinnera Murthy as an Independent Director.
6.	Increase in remuneration payable to Ms. Supriya Mody, holding office of profit and relative of Dr. Prakash A. Mody.
7.	Ratification of remuneration payable to the Cost Auditors.

Signed this day of 2015.

Signature of Shareholder

Signature of Proxyholder (s)

Affix
Revenue
Stamp of
Re. 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.


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

ATTENDANCE SLIP

(PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the 52nd Annual General Meeting of the Company to be held on Saturday, July 11, 2015 at 3.00 p.m. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai – 400 001.

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No. of Shares
LF No.	DP Id.	CLIENT Id.	
Name of the Member/Proxy (in Block Capitals)			

(Only Members and/or proxies are allowed to attend the Meeting)

 Signature of the Member / Proxy

Annexure H to Directors' Report

STATEMENT UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE (COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2015.

Employed throughout the year and in receipt of remuneration at the rate of not less than ₹ 6,000,000 p.a.

Sr. No.	Name of the employee	Designation	Remuneration received* (₹ in lacs)	Qualifications	Exp. (years)	Date of commencement of employment	Age	Last employment held	% of equity shares held by the employee in the Company
1	Dr. Prakash A. Mody	Chairman & Managing Director	559.19	M.SC., PH.D.DMM	39	March 6, 1975	62	Uni Distributors Private Limited	45.54
2	Mr. Dilip Kunkolienkar	Vice President (Chairman's Office)	82.16	B.PHARM	41	September 25, 1995	64	German Remedies Ltd	0.05
3	Mr. Bhagwat Dhingra	Chief Executive (Domestic Pharma)	136.24	B.SC.	34	August 6, 2012	52	Alkem Labs Limited	0.03
4	Mr. Rakesh Parikh	Vice President (Finance)	65.86	C.A., ICWA, CFA	31	October 30, 1998	56	DCW Home Products	0.03
5	Mr. Prasad Joshi	Vice President (HR & ER)	74.84	BSc, MPM, LLB	34	June 9, 2008	57	Writer Corporation	0.02
6	Mr. Gajendra Ghanekar	Vice President (Commercial)	61.38	BSc, BSc Tech, GDMM, DIEM	30	November 1, 2000	56	Banner Pharmacaps India Pvt. Ltd.	0.03

Employed for a part of the Financial Year and in receipt of remuneration at a rate, which in the aggregate is not less than ₹ 500,000 per month

Sr. No.	Name of the employee	Designation	Remuneration received* (₹ in lacs)	Qualifications	Exp. (years)	Date of commencement of employment	Age	Last employment held	% of equity shares held by the employee in the Company
1	Mr. Ravindra Deshpande	AVP (API Manufacturing)	33.15	M.Tech	39	March 6, 2000	66	Kopran Limited	0.02
2	Mr. Satish Mansukhani	AVP (Sales & Marketing)	43.02	B.Sc, MMM	24	October 1, 1991	45	Jwalin Pharmaceuticals	0.01

Notes:

- 1* Remuneration shown above includes Salary, Allowance, Medical, Leave Travel Assistance, Leave Encashment, Arrears of Salary, Bonus, Ex-Gratia, Companies contribution towards Provident Fund, Monetary value of perquisites as per Income Tax Rules, but does not include Gratuity.
- 2 Nature of employment is contractual.
- 3 None of the above employee is related to any Director or Key Managerial Personnel of the Company.

For and on behalf of the Board of Directors,

Mumbai
May 9, 2015

Dr. Prakash A. Mody
Chairman & Managing Director

Forward - Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral that we periodically make, contain forward-looking statements that set out anticipated results based on managements' plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown results or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



UNICHEM
LABORATORIES LTD.