UNICHEM
LABORATORIES LTD.

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

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

July 22, 2017

Department of Corporate Services
Bombay Stock Exchange,
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Mr. Hari K.
Asst. Vice President - Operations
National Stock Exchange of India Ltd.
Exchange Plaza, BandraKurla Complex,
Bandra (East), Mumbai – 400 051.

Dear Sir,

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

We wish to inform you that the 54th Annual General Meeting (AGM) of the Company was held on July 22, 2017 at 3 p.m. at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, to transact the business as stated in the Notice dated May 30, 2017. The proceedings of the meeting are enclosed herewith.

Also find attached herewith Annual Report for the year 2016-17.

Disclosures regarding voting results of the said Meeting as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be made to the Stock Exchanges within the stipulated time.

Kindly take the same on your records.

For **Unichem Laboratories Limited**

Neema Thakore

Head – Legal & Company Secretary

UNICHEM LABORATORIES LTD. MUMBAI 400 102.



Inspired by Values

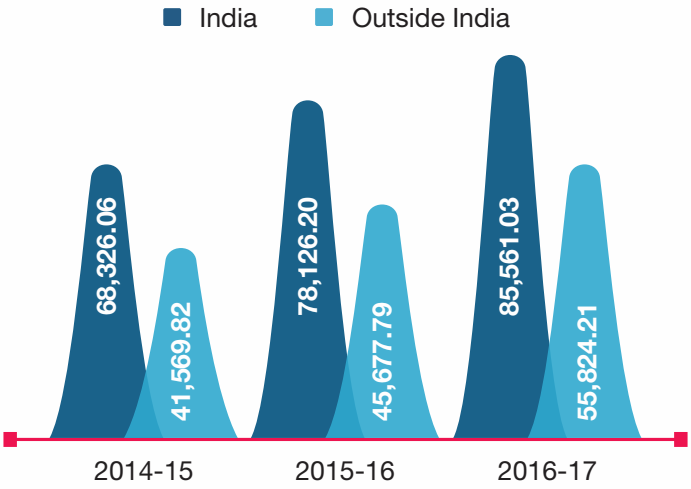
Driven by Vision

Annual Report 2016-17

UNICHEM

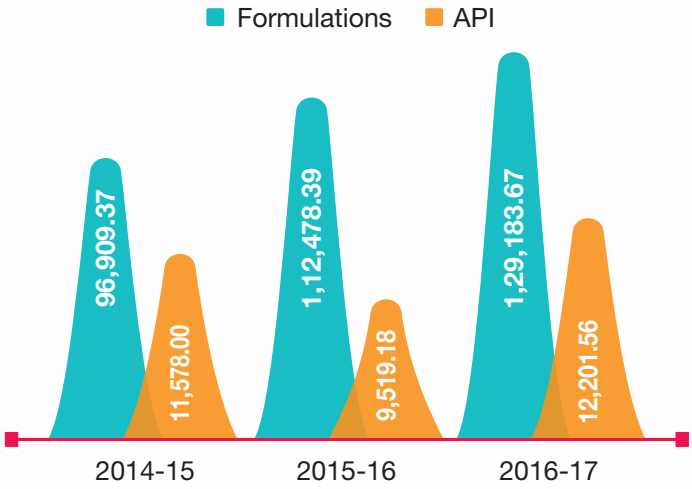
Financial Highlights

Sales Mix by Geographical Segment* (₹ in lacs)



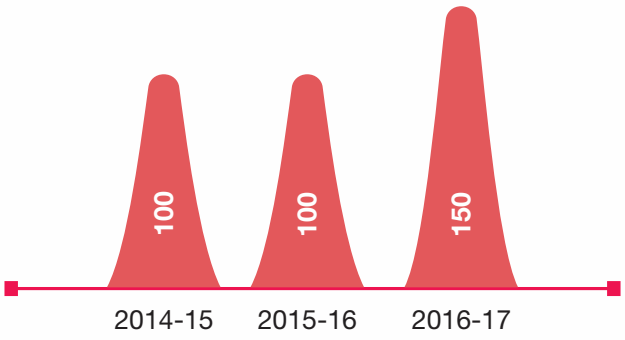
* Including Income from operations

Sales Revenue Mix* (₹ in lacs)

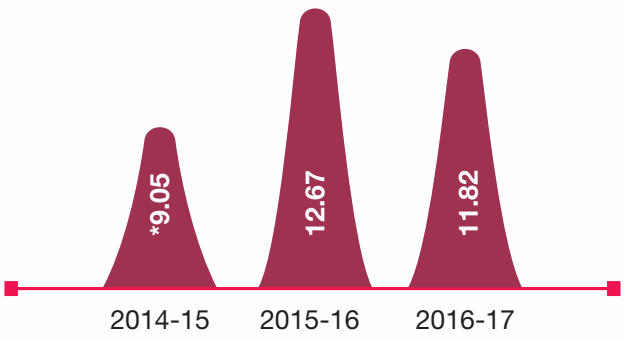


* Excluding Income from operations

Dividend (in %)

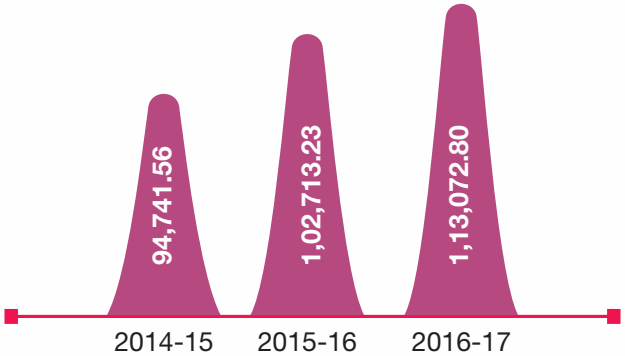


Return on Capital Employed (in %)

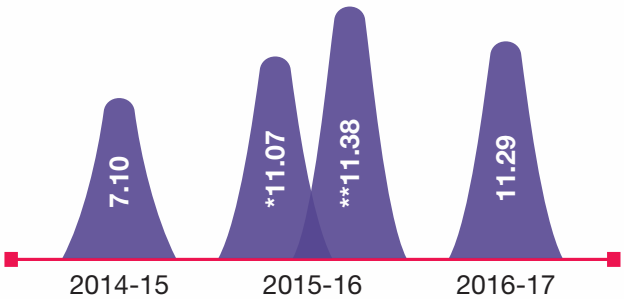


*Excluding exceptional items (Gain /Loss)

Net Worth (₹ in lacs)



Earnings per share (Basic) (in ₹)



* EPS including exceptional items (Gain / Loss)
** EPS excluding exceptional items (Gain / Loss)

Board of Directors



(L) to (R)

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

Anand Mahajan
Independent Director

Prafull Sheth
Independent Director

Dr. Prakash A. Mody
Chairman & Managing Director

Prafull Anubhai
Independent Director

Ramdas Gandhi
Independent Director

Message from the **Chairman**

Dear Shareholders,

I take this opportunity to share with you the 54th Annual Report of your Company.

Your Company continues to be an active contributor and participant in the growth of the Indian Pharma industry over the past many decades. The Company has a sound history of stable manufacturing and marketing operations with ethical values and has always stood by its mantra of "Quality and Reliability".

The external regulatory environment for doing business in the US market continues to pose various challenges; one being the stringent cGMP standards. I am extremely happy to inform you all that during the financial year 2016-2017, your Company's plants at Ghaziabad (Formulation) and Goa (Formulation) have undergone successful inspections by the USFDA. Our plants continue to service the US market with the highest level of compliance to exacting standards and good delivery record.

US formulation business has been the driver for improvement in our International business. Unichem's USA subsidiary continues to report robust growth. Underpinning this growth is the substantial expansion in the Company's Goa Formulation capacity, regulatory filings and R&D investment.

During the year under review, your Company has filed its first, First to File (FTF) Abbreviated New Drug Application (ANDA) and has also filed 5 ANDAs taking the total ANDAs to 39. Our focus on R&D remains critical to trigger further ANDA and DMF filings. Your Company continues to make significant investments in its State-of-the-Art R&D centre and various R&D projects. Going forward the focus remains on expansion of the Company's product portfolio and increasing market penetration in both domestic and international markets.

As you are aware your Company is continuing to invest in plant expansion, modernization and R&D facilities through its judicious Capex programme. Your Company has spent over ₹ 140 crores in financial year 2016-2017, which was funded through our internal accruals. We look forward to continuing our Capex spend in order to modernize and expand our plants.

In the Domestic Formulations business, during the financial year 2016-2017, we have seen consistent improvement in performance; having reported a growth of 14.50% as against Indian Pharma Market's (IPM) growth of 10.30%.

I am really happy to inform you that we have taken the Unienzyme brand to OTX market as a major market diversification move. This is our first ever venture in the OTX segment. We remain confident, that with this initiative, the true value of the brand will be unlocked in the near future. We also hope to introduce more brands in the OTX

market in the medium term. Growth in the Chronic segment was driven by growth in CNS and CVS therapies. We also saw a robust growth in our diabetic franchise. Our Acute business continued its strong momentum witnessed last year.

Going forward, your Company will remain focused on improving its market share in key therapeutic areas, improving productivity and also launch newer brands in the market. Your Company will continue to invest in growing therapies by way of in-licensing deals and also by creating its own brands. The expansion as you can gauge is across the board and a clear justification of our commitment to take your Company to the next level of growth.

Your Company's Consolidated Sales/Income from Operations (Gross) stood at ₹ 153,549.61 lacs as compared to ₹ 134,828.00 lacs in the previous year reflecting a healthy growth of ~ 13.90%. Total Comprehensive Income stood at ₹ 10,834.36 lacs as against ₹ 10,765.85 lacs in the previous year. Margins have been somewhat under pressure as we step up our strategic investments to secure a better future.

Your Company has continued its practice of rewarding its Shareholders with Dividend. This year the final dividend proposed is ₹ 3/- (150%) per share of ₹ 2/- each, which shall be paid, if approved by Shareholders at the 54th Annual General Meeting.

I am thankful to all our Stakeholders and also our esteemed Board members for their guidance and support. I am grateful to our Customers, Business Associates, Banks and the Medical Fraternity who have reposed their faith in us. I would also like to extend my appreciation to our Employees for their unparalleled energy and commitment.

Dr. Prakash A. Mody
Chairman & Managing Director
(DIN No.: 00001285)
May 30, 2017

UNIENZYME®
OTX launch



UNIENZYME®

Building Unienzyme as the most trusted and leading brand in the Gastrointestinal segment



Key Domestic Formulations

Cardio / Diabeto

Sales ₹ 100 Cr.+

LOSAR* Losartan Potassium 25mg / 50mg

TelsAr® (Telmisartan 20/40/80mg)

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

LOSAR*-H Losartan 50 mg + HCTZ 12.5 mg

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

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

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

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

Zilsar* Azilsartan Medoxomil 40/80mg Tablets

Teneza* Teneligliptin 20mg

Tenepure* Teneligliptin 20 mg Tablets

CNS

Serta® Sertraline 25/50/100mg

Pregaba* Pregabalin / Pregabalin Sustained Release 75 mg

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

Levtam® Levetiracetam 250/500mg Tab.

Acute

Ampoxin® Inj Caps Syrup Ampicillin + Cloxacillin

Ampoxin®-CV Amoxycillin + Clavulanic Acid

UNIENZYME® (Fungal Diastase 50 mg + Pepsin 10 mg / 5 ml) Liquid

Vizylac® 120 million spores of Lactic Acid Bacillus Oral Dry Syrup

UVACEF* 200 mg Tablets Cefpodoxime proxetil 200mg Tablets

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

Linox* 600mg Linezolid 600mg IV & Tablets

Pregaba*-M Pregabalin 75/150 mg + Methylcobalamin 750mcg Cap.

Driven by 3400+ field employees

AWACS March 2017

QUALITY is our Passion



Roha (API)



Pithampur (API)



Ghaziabad (Formulations)



Baddi (Formulations)



Goa (Formulations)

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



Sikkim (Formulations)



R & D facility, Goa

Corporate Social Responsibility (CSR)

Adiwasi Unnati Mandal





Carpet of Joy, Goa





Lavatories at Holy Cross School, Juhu, Mumbai





Corporate Social Responsibility (CSR)

Modular Toilets, Baddi





Constructed School Area, Baddi





Vision Foundation of India





Muktangan





Corporate Social Responsibility (CSR)

"There is a need for businesses to look beyond the interests of their companies to the communities they serve." Ratan Tata

Your Company has been following the above philosophy for many decades. Even before it became a law in India, it has always been striving for the benefit of society through various CSR activities across health and education sectors. During 2016-2017, your Company has also endeavoured to take up projects at various locations related to environment protection, along with health and education. Let us take you through key activities that your Company has undertaken in 2016-2017.

Adiwasi Unnati Mandal (AUM)

Adiwasi Unnati Mandal (AUM) was founded by the late Shri Amrut Mody along with co-founder the late Shri Shantibhai Sheth in areas of Shahpur Taluka in Thane district. The legacy has been continued and expanded by Unichem's Chairman & Managing Director, Dr. Prakash A. Mody. The primary focus has been on education and health of underserved people. Few activities carried out are as follows: -

- Through AUM's own Amrutshanti Community and Health Centre at Taki, medical O.P.D. camps were conducted. TB, leprosy and epilepsy related treatments were also provided.
- Your Company provided vehicles for transportation of patients. Bicycles were provided to few students to enable them to commute to school.
- First Aid boxes to 60 schools and RO drinking water plants to 3 schools have been provided.
- Dental treatment and preventive care was provided in 3 schools and health check-ups were provided in 9 different schools.
- Audio systems and LCD projectors were provided to 5 and 3 schools respectively.
- A room for computer laboratory was constructed and 6 computers were given to a school at Dalkhan.

HEALTH

Benches for senior citizens

With the twin objective of addressing the health of senior citizens along with a contribution towards environment protection, Unichem Goa provided benches and planted trees around them in Pilerne, Goa.

Vision Foundation of India

The Vision Foundation of India is a cornerstone initiative created by Dr. Kulin Kothari and the Bombay City Eye Institute & Research Centre in 1993, with a vision to eradicate blindness and eye diseases from the marginalized sections of society. The quality of eye care and medical technology available in the market, though improving, is still beyond the reach of most affected people in the country. Vision Foundation of India makes sure that the people from underserved society get the best eye related surgeries and check-ups free of cost. In the year 2016-2017, approximately 294 surgeries were undertaken through your Company's contribution. Your Company has been actively involved with these projects for the past few years.

Rotary Club of Bombay (Midtown) - Congenital Cardiac Surgeries for Children

Your Company, in association with the Rotary Club of Bombay (Midtown), is contributing towards Paediatric Heart Surgeries for children with congenital cardiac issues, performed by the Children's Heart Centre at a leading hospital in Mumbai. This will give a new lease of life to some underprivileged Indian children who cannot afford these surgeries.

EDUCATION

Muktangan

Muktangan is an innovative model of education located within mainstream Government schools providing quality, child-centered, inclusive English-medium schooling to thousands of children in Mumbai coming from the underprivileged strata of the society. For many years, your Company has been actively funding this project.

Gyan Jyoti- Nirmala Niketan School for slum children

Your Company saw that students in a local school in Baddi were not having a proper area with a roof to study. Unichem's team at Baddi immediately took up the project and constructed a school area for these students.

The Indian Pharmaceutical Association (IPA) - Shri Amrut Mody College Scholarship for Undergraduate Pharmacy College students

To commemorate the memory of the Late Shri Amrut Mody and promote pharmacy education, your Company is providing undergraduate scholarships for those students who need financial assistance. The selection process of identifying students for scholarships is based on a defined set of guidelines. The scholarship money is utilized towards paying college fees, purchase of books, periodicals and for other educational purposes. The scholarships so granted shall be reviewed every year.

Amrut Mody College of Mass Communication and Journalism, Nadiad

Your Company has contributed towards the development of infrastructure, upliftment of educational facilities and student welfare at the Amrut Mody College of Mass Communication and Journalism, Nadiad. Your Company has been associated with this project for a number of years.

Pharmaceutical Training Centre at ITI, Rangpo premises by Department of Labour, Government of Sikkim, Gangtok

A pharmaceutical training centre at ITI Rangpo is developed by the Department of Labour, Government of Sikkim, Gangtok, to impart education and training in the areas relevant to the Pharmaceutical Industry and enhance the skills, competencies and capabilities of workforce currently employed in pharmaceutical establishments. Your Company has contributed towards construction of this training centre. In subsequent years, your Company plans to make contributions towards construction, infrastructure, furniture, laboratory materials, course material, text books and scholarships.

SANITATION

Rotary Mid West Rotary Trust and AUM

Your Company has built and will maintain lavatories for males and females at the Holy Cross School, Juhu, Mumbai.

Swachh Abhyan Modular Toilets

Modular toilets have been donated by your Company in Baddi. These toilets were constructed under the supervision of the employees of your Company's plant in Baddi. These toilets are modern, durable and secure one stop solution for sanitation. The regular maintenance of the same will be done by your Company. This activity is a part of a major step by your Company towards improving the sanitation facilities in the community.

Construction of Baghey Khola Water Supply Scheme in East Sikkim

A huge water reservoir for Baghey Khola area is being constructed under private-public partnership. Your Company is actively involved in this project. It will help the local villages with population of over 10,000 to meet their water requirements.

ENVIRONMENT PROTECTION

Carpet of Joy

Your Company supported Carpet of Joy, a project undertaken by the Museum of Goa, to create awareness about protecting the environment from plastic waste. A 2,000 square meter carpet starting from the ground and rising upto a height of12 meters into the sky was created using 150,000 flowers of different colours. These flowers were made by 2,000 school children using discarded plastic bottles. Through this, a strong message of protecting the environment was communicated.

Corporate Information

Board Committees

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

Registered 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

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Proxy Form 143

Statutory Auditors

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

Chief Finance & Compliance Officer

Mr. Rakesh Parikh

Company Secretary & Compliance Officer

Ms. Neema Thakore
Head - Legal & Company Secretary

Registrar and Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai - 400 083
Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060
E-mail Id: mumbai@linkintime.co.in

Five-year Financial Highlights

Balance Sheet

(₹ in lacs)

As at 31st March	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
TOTAL EQUITY & LIABILITIES					
Equity share capital	1,809.13	1,812.55	1,815.38	1,816.87	1,817.53
Share Application Money	-	-			
Other equity	79,486.15	88,814.17	95,110.04	1,00,898.40	1,11,255.27
Net worth	**81,295.28**	**90,626.72**	**96,925.42**	**1,02,715.27**	**1,13,072.80**
Loans & Borrowings	3,097.81	2,429.53	2,099.46	2,766.73	2,113.50
Creditors & Liabilities	24,980.92	23,428.14	19,207.32	25,539.59	32,570.03
Deffered tax liability	3,897.43	4,177.43	3,932.54	3,131.54	2,449.51
TOTAL LIABILITIES	**1,13,271.44**	**1,20,661.82**	**1,22,164.74**	**1,34,153.13**	**1,50,205.84**
ASSETS					
Net block	42,621.78	39,371.69	39,586.60	38,119.98	46,795.54
Capital WIP (Including Capital Advances)	13,743.80	8,848.82	12,297.45	24,056.10	25,250.38
NB + CWIP	56,365.58	48,220.51	51,884.05	62,176.08	72,045.92
Investment	14,026.34	11,992.05	15,294.20	11,056.20	8,937.34
Current Assets					
Inventories	13,163.39	18,623.73	18,648.31	20,065.54	25,398.41
Trade Receivables	21,227.64	21,127.51	20,632.93	26,473.14	29,649.22
Cash and bank balance	1,666.00	4,082.60	1,971.05	1,094.07	1,016.03
Loans & advances	6,822.49	16,615.42	13,734.20	13,288.10	13,158.92
TOTAL ASSETS	**1,13,271.44**	**1,20,661.82**	**1,22,164.74**	**1,34,153.13**	**1,50,205.84**

Five-year Financial Highlights

Statement of Profit and Loss

(₹ in lacs)

For the year ended 31st March	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Revenue From Operations	1,01,295.71	1,05,183.92	1,09,895.88	1,23,614.52	**1,41,385.22**
Other Income	1,406.70	4,283.91	1,996.77	2,270.87	1,273.54
Total Income	**1,02,702.41**	**1,09,467.83**	**1,11,892.65**	**1,25,885.39**	**1,42,658.76**
Material consumption	26,127.92	27,103.30	30,618.22	32,319.94	36,143.19
Purchase of finished goods	10,784.43	12,758.93	12,934.66	13,752.71	15,379.19
Increase/Decrease in stocks of semi- finished and finished goods	1,007.31	(2,758.11)	(769.16)	(871.23)	(1,171.60)
Research & Development Expenses	3,610.73	5,215.10	4,642.14	4,386.77	6,169.38
Staff costs (Excluding R&D)	12,801.50	14,713.82	17,804.19	20,959.92	24,873.66
Excise Duty	774.02	766.42	797.42	1,562.85	1,599.20
Other expenses	27,622.06	29,271.25	33,710.25	37,275.71	42,197.27
Total expenses	**82,727.97**	**87,070.71**	**99,737.72**	**1,09,386.67**	**1,25,190.29**
PBDIT	**19,974.44**	**22,397.12**	**12,154.93**	**16,498.72**	**17,468.47**
Finance Cost	248.16	248.16	236.86	229.16	200.84
PBDT	**19,726.28**	**22,148.96**	**11,918.07**	**16,269.56**	**17,267.63**
Depreciation & Amortisation	3,481.65	4,266.58	3,768.30	3,499.12	4,107.94
Profit before tax	**16,244.63**	**17,882.38**	**8,149.77**	12,770.44	13,159.69
Exceptional & prior period items		(4,114.55)		353.00	
Current tax	3,235.03	3,778.11	1,811.05	3,175.00	3,358.00
Deferred tax	50.00	522.00	(101.00)	(806.03)	(585.03)
Profit (Loss) for the period from continuing operations	**12,959.60**	**17,696.82**	**6,439.72**	**10,048.47**	**10,386.72**
Other Comprehensive Income	-	-	-	11.57	(123.53)
Total Comprehensive Income	**12,959.60**	**17,696.82**	**6,439.72**	**10,060.04**	**10,263.19**
Note:					
Exports at FOB value	32,157.11	32,643.87	36,657.22	38,995.58	36,657.22
Equity dividend	4,071.16	7,251.29	1,815.42	1,816.86	2,726.30
Expenditure on R&D :					
-Capital	6,565.76	1,233.38	902.47	337.26	548.38
-Recurring	3,610.73	5,215.10	4,642.14	4,386.82	6,169.38
Total R & D expenditure	**10,176.49**	**6,448.48**	**5,544.61**	**4,724.08**	**6,717.76**

Key Ratios & EPS

As at 31st March	2013	2014	2015	2016	2017
Debt : Equity Ratio	0.04:1	0.03:1	0.02:1	0.03:1	0.03:1
Per share Data					
EPS (₹) excluding exceptional Items	14.33	15.00	7.10	11.47	11.29
EPS (₹) including exceptional Items	14.33	19.54	7.10	11.06	11.29
Dividend (%)	225%	400%	100%	100%	150%
Dividend (in ₹) per Share	4.50	8.00	2.00	2.00	3.00
Book Value per Share (₹)	89.87	100.00	104.38	113.07	124.42

Notice

NOTICE is hereby given that the 54th Annual General Meeting of the Members of **UNICHEM LABORATORIES LIMITED**, will be held on Saturday, July 22, 2017 at 3.00 p.m. at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a. the Audited financial statements of the Company for the financial year ended March 31, 2017 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, 2017 and the Report of the Auditors thereon.

2. To declare a dividend for the financial year ended March 31, 2017. {The Board of Directors has recommended a Final Dividend of ₹ 3/-(150%) per Equity Share having a face value of ₹ 2/- fully paid up.}

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), N. A. Shah Associates LLP, Chartered Accountants (Firm Registration 116560W/W100149), be and are hereby appointed as Statutory Auditors of the Company in place of B.D. Jokhakar & Co, Chartered Accountants (Firm Registration No. 104345W), the retiring Auditors, to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (subject to ratification of such appointment by the Members at every Annual General Meeting) till the conclusion of the 59th Annual General Meeting at such remuneration as may be agreed between the Board of Directors and the said Auditors from time to time;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution;

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

SPECIAL BUSINESS:

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

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

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

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

   "RESOLVED THAT Dr. (Mrs.) B. Kinnera Murthy (DIN 1878144), who was appointed as an Independent Director by the Shareholders at the Annual General Meeting of the Company held on July 11, 2015 upto March 20, 2018 and who meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (the Act) and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing alongwith deposit in terms of Section 160 of the Act from a Member proposing her candidature for the office of an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a second term of 5 (five) years with effect from March 21, 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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) a remuneration not exceeding ₹ 7.50 lacs (Rupees Seven Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses as approved by the Board of Directors of the Company payable to Y. R. Doshi & Co.,Cost Accountants, (Firm Registration No. 000003) for conducting Cost Audit of the records maintained by the Company for the financial year ending March 31, 2018, 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**

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

Mumbai
May 30, 2017

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, (the Act), with respect to the items of Special Business is annexed hereto.

2. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, July 17, 2017 to Saturday, July 22, 2017 (both days inclusive) for the Annual General Meeting (AGM) and payment of Divdend, if declared, at the forthcoming AGM.

3. IN TERMS OF SECTION 105 OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A Member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as a Proxy and such a person shall not act as a Proxy for any other person or Shareholder.

4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the Meeting. A Proxy form is annexed. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate Resolution/authority, as may be applicable.

5. Details of the Directors seeking appointment/re-appointment at the AGM form an integral part of the Notice and are provided in the statement pursuant to Section 102 of the Act. The Directors have furnished the requisite declaration for their appointment/re-appointment.

6. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the AGM.

7. Members/Proxies are requested to bring their copy of the Annual Report to the Meeting alongwith duly filled in attendance slips for attending the Meeting.

8. Members seeking any information with regard to the Annual Report are requested to write to the Company at an early date to enable the Company to compile the information and provide replies at the Meeting.

9. An electronic copy of the 54th Annual Report of the Company (including the Notice) *inter alia*, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the Members whose e-mail ids are registered with the Company/ Depository Participant(s) for communication purposes. For Members other than the above, physical copies of the Annual Report are being sent in the permitted mode.

10. Members may also note that an electronic copy of the 54th Annual Report, including Notice alongwith Attendance Slip and Proxy Form, will also be available on the Company's website at www.unichemlabs.com Even after registering for e-communication, Members are entitled to receive free of cost such communication in physical form, upon making a request for the same. For any communication, the Shareholders may also send their request to the Company's investor e-mail id: shares@unichemlabs.com

11. A route map showing directions to reach the venue of the 54th AGM, as per the requirement of the Secretarial Standards-2 on General Meetings is given at the end of the Annual Report.

12. The Company has transferred on due dates, the unpaid or unclaimed dividend, declared upto the financial year ended March 31, 2009 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 23, 2016 (date of last Annual General Meeting), on the website of the Company as also on the website of the Ministry of Corporate Affairs.

    Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/ unpaid for a period of 7 (seven) years from the dates they became first due for payment. Any member, who has not claimed interim dividend in respect of the financial year 2010-2011 onwards is requested to approach the Company/the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible, but no later than November 10, 2017. The Company has already sent reminders to all such Members at their registered addresses in this regard.

    Pursuant to the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") notified by the Ministry of Corporate Affairs effective September 7, 2016 and as amended on February 28, 2017, all shares on which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred to an IEPF suspense account after complying with the procedure laid down under the said Rules. In terms of the said Rules the Company has sent notices to Shareholders by Registered Post dated December 2, 2016 and April 25, 2017 requesting them to encash their dividend.

    However, the Ministry of Corporate Affairs (MCA) vide General Circular Nos. 05/2017, dated May 16, 2017 and 06/2017, dated May 29, 2017, has notified that the Transfer of Shares to the IEPF Authority notified vide circular no. 03/2017 dated April 27, 2017 (Circular) is being reviewed by the MCA and hence the said Circular stands withdrawn with immediate effect and that fresh instructions on the matter will be issued in due course of time.

    The Company has also uploaded full details of such shareholders and shares due for transfer to the IEPF suspense account on its website www.unichemlabs.com Shareholders are requested to refer to https://unichemlabs.com/investor-information/unclaimed-dividend/ to verify the details of unencashed dividends and the shares liable to be transferred to the IEPF suspense account.

13. Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at April 1, 2016	264	5,11,725
(Less): Number of Shareholders who approached the Issuer for transfer of shares from the Unclaimed Suspense Account and to whom the shares were transferred from the Unclaimed Suspense Account during the year	5	12,400
(Add): Number of Shareholders whose shares were transferred to Unclaimed Suspense Account during the year	1	12,540
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at March 31, 2017	260	5,11,865

14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in the physical form should submit their PAN to the Registrar/Company.

15. All documents referred to in the accompanying Notice and statement under Section 102 of the Act shall be open for inspection at the Registered Office of the Company (Monday to Friday) from 11.00 a.m. to 1.00 p.m., up to the date of the AGM.

16. Voting through electronic means:
    (a) In compliance with the provisions of Section 108 of the Act 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 54th 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 shall also be made available to those Shareholders who are present at the 54th AGM, but have not cast their votes by availing the remote e-voting facility. Members who have exercised their voting through the remote e-voting facility may attend the Meeting but shall not be entitled to cast their vote again at the Meeting.

(c) The Company has appointed Ms. Ragini Chokshi & Associates, Practicing Company Secretary (C.P.No.1436) as Scrutinizer for conducting the remote e- voting and voting process at the AGM in a fair and transparent manner.

(d) Instructions to Members for remote e-voting :

(i) The remote e-voting period begins on Tuesday, July 18, 2017, at 10.00 a.m. (IST) and ends on Friday, July 21, 2017, 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 of Saturday, July 15, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Shareholders should log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID.

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Members holding shares in Physical Form should enter Folio No. registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps as given herein:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric 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 sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the Member id / Folio No.in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for UNICHEM LABORATORIES LIMITED on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(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 email to helpdesk.evoting@cdslindia.com

e. The voting rights of Shareholders shall be in proportion to their share of the paid up capital of the Company as on the cut-off date, July 15, 2017.

f. The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than 3 (three) days from the conclusion of the AGM, make and submit a consolidated Scrutinizer's Report and submit it to the Chairman or any Director authorized by the Board. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.

g. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. July 22, 2017.

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

Mumbai
May 30, 2017

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

Annexure to Notice

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

Item No. 4

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

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

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

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

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

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

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

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

Dr. Prakash A. Mody is the Chairman of the Corporate Social Responsibility Committee and member of the Company's Stakeholders' Relationship Committee. He holds 4,22,87,278 equity shares of the Company.

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

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

Except Dr. Mody and his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

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

Item No. 5

Dr. (Mrs.) B. Kinnera Murthy was appointed as an Independent Director of the Company at the Annual General Meeting held on July 11, 2014, to hold office upto March 20, 2018. In terms of Section 149 of the Act, her term as an Independent Director ends on March 20, 2018 and she is eligible for re-appointment as an Independent Director for a second term on passing of a Special Resolution.

Dr. (Mrs.) B. Kinnera Murthy being eligible offers herself for re-appointment. It is proposed to appoint her as an Independent Director for a second term of 5 (five) years with effect from March 21, 2018 in terms of Section 149 of the Act.

A notice proposing her candidature under Section 160 of the Act, has been received from a Member of the Company. In the opinion of the Board, Dr. (Mrs.) Murthy fulfils the conditions specified in the Act and Rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of the Management. In the performance evaluation conducted for the financial year 2016-2017, the performance of Dr. (Mrs.) Murthy was evaluated to be satisfactory in the effective and efficient discharge of her role and responsibilities as an Independent Director of the Company. The Board and its Committees have benefitted from her relevant specialization and expertise. Details on her attendance of various Board and Committee Meetings held during the financial year 2016-2017 are included in the

Corporate Governance Report of the Annual Report 2017. Copy of the draft letter for re-appointment of Dr. (Mrs.) Murthy as an Independent Director, setting out the terms and conditions would be available for inspection without any fee, by the Members, at the Registered Office of the Company (Monday to Friday) from 11.00 a.m. to 1.00 p.m. upto the date of the AGM.

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

Dr. (Mrs.) B. Kinnera Murthy is a Strategy Consultant, Director on Corporate Boards and Academic Governing Councils and a Founder Member 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 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 organisations in India in the areas of Strategic Visioning and Organisation Building, Governance, Mentoring, Restructuring, Corporate Social Responsibility, Marketing Strategy and Capacity Building. She also provides pro bono services to social change NGOs as well as social and cultural organisations.

She served as an Independent Director of Midhani (Mishra Dhatu Nigam – a Defence Ministry Undertaking), State Trading Corporation of India Limited, VBC Industries Limited, VBC Ferro Alloys Limited and State Bank of Hyderabad. She currently acts as an Independent Director of Indian Immunologicals Limited.

Dr. (Mrs.) B. Kinnera Murthy was appointed as a Non executive, Independent Director of the Company in the year 2015 and is also a member of its Corporate Social Responsibility Committee.

The Board of Directors of your Company recommends the Resolution in relation to appointment of Dr. (Mrs.) Murthy as an Independent Director for a second term of 5 (five) years w.e.f. March 21, 2018, for the approval by the Shareholders of the Company as a Special Resolution.

Except Dr. (Mrs.) Murthy, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

Item No. 6

The Board of Directors at its Meeting held on May 30, 2017, based on the recommendation of the Audit Committee, appointed Y. R. Doshi & Co., (Firm Registration No. 000003) Cost Accountants, Mumbai as Cost Auditors for undertaking Cost Audit of the Cost Accounting Records maintained by the Company for the financial year ending March 31, 2018, at a remuneration not exceeding ₹ 7.50 lacs (Rupees Seven Lacs Fifty Thousand Only) plus applicable taxes and out of pocket expenses at actuals. The auditors have confirmed that they are eligible for appointment as Cost Auditors.

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

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6.

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

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

Mumbai
May 30, 2017

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

Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 54th Annual Report on the business and operations of your Company for the financial year ended March 31, 2017.

Financial Highlights

The table below gives the financial highlights of the Company for the year ended March 31, 2017 on Standalone basis as compared to the previous financial year.

For the year ended
(₹ in lacs)

Particulars	March 31, 2017	March 31, 2016
Sales / Income from operations (Including Excise Duty)	1,41,385.22	1,23,614.52
Other Income	1,273.54	2,270.87
Total Income	**1,42,658.76**	**1,25,885.39**
Profit before Tax and Exceptional items	13,159.69	12,770.44
Exceptional Items	-	353.00
Profit before tax	13,159.69	12,417.44
Tax expenses (including deferred Tax and short/excess provision pertaining to previous years)	2,772.97	2,368.97
Profit after Tax and Exceptional items	10,386.72	10,048.47
Total Comprehensive Income	10,263.19	10,060.04

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 (Gross) increased to ₹ 1,41,385.22 lacs from ₹ 1,23,614.52 lacs in 2015-2016, registering a growth of 14.40%. Consolidated Sales/Income from Operations (Gross) stood at ₹ 1,53,549.61 lacs in 2016-2017 as compared to ₹ 1,34,828.00 lacs in 2015-2016, registering an increase of 13.90%.

Appropriations

An amount of ₹ 84,336.37 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 ₹ 3/- (150 %) per equity share of ₹ 2/- each for the year ended March 31, 2017 for the approval of the Shareholders at the ensuing Annual General Meeting (AGM). The Register of Members and Share Transfer Books shall remain closed from Monday, July 17, 2017 to Saturday, July 22, 2017 (both days inclusive) for the purpose of AGM and dividend, if approved by the Shareholders. The AGM of the Company is scheduled for Saturday, July 22, 2017.

Employees Stock Option Scheme

During the year under review, 7,07,776 options having a face value of ₹ 2/- each were exercised and the same were allotted (on *pari passu* basis) under the Employees Stock Option Scheme - 2008. Details of the Employees Stock Option Scheme - 2008 are set out as Annexure A to this Report.

Research and Development (R&D)

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

Management Discussion and Analysis

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

Corporate Governance

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

Consolidated Financial Statements

The Annual Audited Consolidated Financial Statements together with the Report of the Auditors' thereon forms part of this Annual Report.

Review of Subsidiaries and Associates

Your Company has 5 (five) Subsidiaries and one Associate Company. Financials of the Subsidiaries and Associate Company are disclosed in the Consolidated Financial Statements, which form part of this Annual Report.

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

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

On internal assessment of long term strategic investments made by the Company in its Wholly Owned Subsidiary, Unichem Farmaceutica Do Brazil Ltda., considering its past performance, results, assets, expected cash flows, projections and having confidence in the business model and strategy of the said Subsidiary achieving its goals given favourable business opportunities, the management has determined an amount of ₹ 2,690.78 lacs as diminution for the year (previous year ₹ 2,277.63 lacs). This has resulted in an aggregate impairment loss of ₹ 6,272.19 lacs (previous year ₹ 3,581.41lacs) on total investment of ₹ 6,272.19 lacs made therein.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act 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 Act read with the Companies (Acceptance of Deposits) Rules, 2014.

Risk Management

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

Credit Rating

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

Directors and Key Managerial Personnel

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

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

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

Attention of the Members is invited to the relevant item in the Notice of the AGM seeking your approval to the aforesaid re-appointment. The information required under Regulation 36 of the Listing Regulations is provided in the Notice of the 54th AGM and the statement annexed thereto.

Dr. (Mrs.) B. Kinnera Murthy's first term as an Independent Director of the Company will expire on March 20, 2018. Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors it is proposed to re-appoint Dr. (Mrs.) B. Kinnera Murthy as an Independent Director, for a second term of 5 (five) years w.e.f. March 21, 2018. Due notice under Section 160 of the Act has been received from a Member of the Company proposing the appointment of Dr. (Mrs.) B. Kinnera Murthy as an Independent Director of the Company at this AGM.

Appropriate Resolution(s) seeking your approval to the appointment/ re-appointment of Directors forms part of the Notice convening the 54th AGM and the same are recommended for your consideration and approval.

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

Directors' Responsibility Statement

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

1. that in preparation of annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and no material departures, have been made from the same;

2. that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017, and profit for the year ended on that date;

3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that the annual accounts have been prepared on a going concern basis;

5. that the internal financial controls were in place and that they were adequate and operating effectively; and

6. that systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

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

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

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

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

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

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

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

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

Related Party Transactions
During the year under review, approval of the Audit Committee and Board of Directors was sought for Related Party Transactions wherever required; including *inter alia* for increase in remuneration payable to Ms. Supriya Mody, daughter of Dr. Prakash A. Mody, Chairman & Managing Director of the Company upto a sum not exceeding ₹ 65 lacs (Rupees Sixty Five Lacs Only) in a financial year starting from April 1, 2015, inclusive of perquisites ("Maximum Remuneration").

The said transaction, not being an arm's length transaction, but a transaction in the ordinary course of business was duly approved by the Shareholders at the AGM held on July 11, 2015.

The Audit Committee has given prior approval for all Related Party Transactions. The Policy on Related Party Transactions (Policy) as approved by the Board is uploaded on the Company's website and the weblink is provided in the Corporate Governance Report. The Board of Directors of the Company has approved the criteria for omnibus approval of Related Party Transactions by the Audit Committee within the overall framework of the Policy.

The particulars of contracts or arrangements with Related Parties referred to in Section 188(1) of the Act are provided, in the prescribed Form AOC - 2 annexed as Annexure C to this Report.

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

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

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

Auditors

B. D. Jokhakar & Co. (Firm Registration No. 104345W), were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 51st AGM to the conclusion of the 54th AGM, (subject to ratification of the appointment by the Members at every AGM held after the 51st AGM).

As per the provisions of the Act, no listed company shall appoint an audit firm (including its affiliate firms) as auditors for more than 2 (two) terms of 5 (five) consecutive years. The Act also provided for an additional transition period of 3 (three) years from the commencement of the Act i.e. April 1, 2014.

B. D. Jokhakar & Co., have completed the period of 10 (ten) years and will also be completing the additional transition period of 3 (three) years at the conclusion of the forthcoming AGM.

Accordingly, the term of the present Auditors, B. D. Jokhakar & Co., expires at the conclusion of the forthcoming AGM. The Audit Committee and the Board of Directors place on record their appreciation for the professional services rendered by B. D. Jokhakar & Co., during their association with the Company as its Auditors.

Pursuant to Section 139 of the Act, and on the recommendation of the Audit Committee, it is now proposed to appoint, N. A. Shah Associates LLP, Chartered Accountants (Firm Registration No. 116560W/W100149), as Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of the 54th AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 59th AGM at such remuneration as may be determined by the Board of Directors and the said Auditors from time to time.

The said Auditors have confirmed their eligibility for appointment in terms of Section 139 of the Act.

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

A Resolution seeking the appointment of N. A. Shah Associates LLP, forms part of the Notice convening the 54th AGM and the same is recommended for your consideration and approval.

Cost Auditors

The Board of Directors at its Meeting held on May 30, 2017, based on the recommendation of the Audit Committee, appointed Y. R. Doshi & Co., (Firm Registration No. 000003) Cost Accountants, Mumbai, as Cost Auditors for undertaking Cost Audit of the Cost Accounting Records maintained by the Company for the financial year 2017-2018 at a remuneration not exceeding ₹ 7.50 lacs (Rupees Seven Lacs Fifty Thousand Only) plus applicable taxes and out of pocket expenses at actuals. The said Auditors have confirmed their eligibility for appointment as Cost Auditors. The remuneration payable to the said Cost Auditors is required to be placed before the Members at the ensuing AGM for ratification and a suitable Resolution has been set out in the Notice of the 54th AGM. The Cost Audit Report for the year ended March 31, 2016 was filed with the Ministry of Corporate Affairs on August 17, 2016.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder, the Company has appointed Alwyn Jay & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure D to this Report. There is no other qualification, reservation, adverse remark or disclaimer in the said Report except that National Stock Exchange of India Limited (NSE) had sought a clarification from the Company on delayed reporting of the proceedings of the 53rd AGM of the Company held on July 23, 2016. The Company had clarified to NSE that the proceedings filed with the Exchange on July 26, 2016, did not contain any material new information and was a mere reiteration of the facts already stated in the voting results of the 53rd AGM given within the stipulated time as required under Regulation 44 of the Listing Regulations. No action has been initiated by NSE against the Company.

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

Internal control systems and their adequacy

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

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

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

Dividend Distribution Policy

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which forms part of this Annual Report as Annexure F and is also available on the Company's website https://unichemlabs.com/policies-code-of-conduct/dividend-distribution-policy/

Extract of Annual Return

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

Particulars of Employees and related disclosures

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

In terms of the provisions of Section 197(12) of the Act and Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, containing details of employees remuneration forms part of this Report as Annexure K. However, as per the provisions of Sections 134 and 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees particulars, which is available for inspection at the Registered Office of the Company as per details mentioned in the Notice of the 54th AGM. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Company's Registered Office.

Human Resources and Employee Relations

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

Quality and Environment

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

Various initiatives are taken at your Company's manufacturing locations to reduce waste across the plants and reduce usage of paper by recycling waste paper. Training programs are organised from time to time to create environmental awareness amongst the employees. To conserve water, your 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. In all its Active Pharmaceutical Ingredient (API) Plants your Company has installed online effluent monitoring equipment which is connected to the system of the Central Pollution Control Board.

Your Company is in the process of commissioning advanced Effluent Treatment Systems to control the usage of polluted effluent which will improve quality of effluent discharge. Your Company has initiated a study to install a cleaner form of energy, namely solar energy.

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

Corporate Social Responsibility (CSR)

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

During the year under review, the total amount to be spent on CSR was ₹ 279.32 lacs. The Company spent ₹ 122.20 lacs which is 0.87 % of the average profits, for the last three financial years. Balance amount of ₹ 157.12 lacs remained unspent.

The Company could not spend the balance amount since it is in the process of identifying appropriate CSR programs/projects in line with its CSR policy. Further, certain funds even though allocated to approved educational and health projects by the CSR Committee, were not disbursed since there was no requirement for these funds from the organizations/institutions during the year under review.

The Company plans to scale up its CSR activities in areas of education, health, environment protection, sanitation, general welfare and development activities in a structured manner to meet the objectives of its CSR policy in the coming years.

Business Responsibility Report

Regulation 34(2) of the Listing Regulations, *inter alia*, provides that the Annual Report of the top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

Your Company, being one of such 500 listed entities, has included BRR, as part of the Annual Report, describing initiatives taken by the Company from an environmental, social and governance perspective.

The Business Responsibility Report forms part of this Annual Report and is annexed as Annexure J.

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. Periodic health check-ups are carried out for all employees and regular training programs are organised on safety and precautionary measures. Fire fighting training programs and first aid training camps are organised regularly to educate workers and employees at the plant locations and corporate office.

Acknowledgement

Your Directors acknowledge the support and wise counsel extended to the Company by analysts, bankers, Government agencies, shareholders, investors, suppliers, distributors, stockists, employees and others associated with the Company as its business partners. Your Directors also acknowledge the trust reposed in the Company by the medical fraternity and patients. We look forward to having the same support in our mission to enhance health through quality products.

Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

For and on behalf of the Board of Directors,

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

Mumbai
May 30, 2017

Annexure A to Directors' Report

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

The details of Stock Options are given herein below:

Particulars	ESOP – 2008
a. Options granted	1,25,000 (in 2008-2009) 7,43,750 (in 2009-2010) 2,25,000 (in 2013-2014)
b. The pricing formula	@ ₹ 46/- per equity share of face value of ₹ 2/- each
c. Options vested	7,68,251
d. Options exercised	7,07,776
e. The total number of shares arising as a result of exercise of options	7,07,776
f. Options lapsed*	2,01,749
g. Variation of terms of options	Nil
h. Money realised by exercise of options	₹ 3,25,57,696
i. Total number of options in force	60,475
j. Employee wise details of options granted during the year:	
i. Senior Managerial Personnel	Nil
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil
iii. Identified employees who were granted options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
k. Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings per share'.	Diluted EPS per equity share (as per Standalone Accounts): ₹ 11.28
l. Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options. Impact of the difference on profits and EPS.	Not Applicable
m. Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock:	

	For Options granted on 26.3.2009	For Options granted on 17.6.2009	For Options granted on 8.3.2014
- Weighted average price (₹)	115.0	115.0	46.0
- Weighted average Fair value (₹)	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:

	For Options granted on 26.3.2009	For Options granted on 17.6.2009	For Options granted on 8.3.2014
- Risk free interest rate (%)	5.3200	4.6244	9.0109
- Expected life (Years)	5	5	5
- Expected volatility (%)	41.0	41.2	26.47
- Expected dividend yield (%)	3.7	3.8	3.8
- The price of the underlying share in the market at the time of option grant (₹)	160.05	211.50	221.90

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

For and on behalf of the Board of Directors,

Mumbai
May 30, 2017

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

Annexure B to Directors' Report

FORM AOC-1

Pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements 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 2016 to March 2017	April 2016 to March 2017	April 2016 to March 2017	April 2016 to March 2017	April 2016 to March 2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	1 BRL = ₹ 20.5483	1 EURO = ₹ 69.1351	1 USD = ₹ 64.7236	1 GBP = ₹ 80.8177	1 SAR = ₹ 4.8225
4	Share Capital	6,272.19	871.69	2,951.92	1,624.12	12.14
5	Reserves & Surplus	(5,973.67)	(1,066.47)	968.28	(3,582.19)	(22.25)
6	Total Assets	298.51	(194.78)	3,920.20	114.23	(10.11)
7	Total Liabilities	-	-	-	2,072.31	-
8	Investments	-	-	-	-	-
9	Turnover	469.83	575.70	27,081.01	9,468.94	604.52
10	Profit before Taxation	(571.93)	(92.53)	1,071.42	(269.19)	11.88
11	Provision for Taxation	-	-	493.47	-	(8.49)
12	Profit after Taxation	(571.93)	(92.53)	577.96	(269.19)	20.37
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14	% of share holding	100	100	100	100	100

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

Part "B": Associates and Joint Ventures

1	Name of the Associate Company	Synchron Research Services Private Limited
2	Latest audited Balance Sheet Date	March 31, 2016
3	Shares of Associate/Joint Ventures held by the company on the year end: No. of shares Amount of investment in Associate/Joint Ventures Extend of Holding %	 2,08,333 ₹ 562.01 lacs 32.11%
4	Description of how there is significant influence	Percentage of holding of share capital
5	Reason why the associate is not consolidated	Associates not required to be consolidated as per IND AS
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 112.71 lacs
7	Profit/Loss for the year: i. Considered in Consolidation ii. Not considered in Consolidation	 ₹ 18.75 lacs NA

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

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

Raman H. Jokhakar
Partner
Membership No.103241

Mumbai
May 30, 2017

For and on behalf of the Board of Directors,

Rakesh Parikh
Chief Finance &
Compliance Officer

Neema Thakore
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Annexure C to Directors' Report

AOC - 2

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

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

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

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

b. Name of Related Party and nature of relationship	Synchron Research Services Pvt. Ltd. (Synchron) Associate Company of Unichem Laboratories Limited
Nature of contract/arrangement /transaction	Leasing of Unichem's premises located at Rituraj, Moje Bodakdev, Taluka Ahmedabad to Synchron.
Duration of the contract/arrangement/transaction	February 1, 2017 to January 31, 2019
Salient terms of the contract or arrangement or transaction including the value, if any	Rent of ₹ 3,32,750/- p.m. for the duration of February 1, 2017 to January 31, 2019 with a security deposit of ₹ 7.50 lacs.
Justification of entering into such contract or arrangement or transaction	Synchron is a leading contract research organization in India which offers competitive and high quality clinical trial services to domestic and international pharmaceutical and bio-pharmaceutical companies. Your Company avails such services from Synchron from time to time. This Related Party Transaction is on arms length basis but is not in the ordinary course of business.
Date of approval by the Board	April 1, 2017
Amount paid as advances, if any	₹ 16.66 lacs
Date on which the Ordinary Resolution was passed	Not Applicable

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

The details of material contract or arrangement or transaction on arm's length basis for the year ended March 31, 2017 are as follows:

Name of Related Party	Unichem Pharmaceuticals (USA) Inc., a Wholly Owned Subsidiary (WOS) of the Company
Nature of contract/arrangement/transaction	Sale of finished goods
Duration of the contract/arrangement/transaction	Ongoing
Salient terms of the contract or arrangement or transaction including the value, if any	Sale of finished goods to the said WOS during the financial year 2016-2017 was ₹ 22,501.60 lacs. These transactions were on arm's length basis and in the ordinary course of business.
Date of approval by the Board	Not Applicable
Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors,

Mumbai
May 30, 2017

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

Annexure D to Directors' Report

Form No. MR. 3

Secretarial Audit Report for the financial year ended March 31, 2017

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

To,
The Members
Unichem Laboratories Limited

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

Based on our verification of the Company's books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the Company has not issued any debt securities during the year under review;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable as the Company has not delisted/nor proposed to delist its equity shares during the year under review and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable as the Company has not bought back nor proposed to buy back any of its securities during the year under review.

(vi) Based on the representation made by the management of the Company, the following Laws are specifically applicable to the Company:

1. Drugs and Cosmetics Act, 1940
2. Drugs Pricing Control Order, 2013
3. The Pharmacy Act, 1948
4. Trade Marks Act, 1999
5. Indian Copyright Act, 1957
6. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
7. The Narcotic Drugs and Psychotropic Substances Act, 1985 and
8. Food Safety and Standards Act, 2006

The Company has complied with abovementioned specific applicable Laws, Rules, Regulations and Guidelines and other applicable general Laws, Rules, Regulations and Guidelines.

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

(i) Secretarial Standards with respect to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India and

(ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards as mentioned above and there were no non-compliances that have come to our knowledge except that National Stock Exchange of India Limited (NSE) had sought a clarification from the Company on delayed reporting of the proceedings of the 53rd Annual General Meeting (AGM) of the Company held on July 23, 2016. The Company has clarified that the proceedings did not contain any material new information and was a mere reiteration of the facts already stated in the voting results of the 53rd AGM given within the stipulated time as required under Regulation 44 of the Listing Regulations. No action has been initiated by NSE against the Company.

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. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for a meaningful participation at the Meeting.

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

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

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

We further report that during the audit period the following event/action has taken place, having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines and Standards:

- Approval of Shareholders of the Company has been obtained to create charges on the immovable and movable properties of the Company, both present and future, in respect of borrowings not exceeding ₹ 500 crores under Section 180(1)(a) of the Companies Act, 2013 by way of Postal Ballot (including e-voting).

For ALWYN JAY & CO.,
Company Secretaries

Jay D'Souza
F3058
Certificate of Practice No. 6915

Mumbai
May 30, 2017

Annexure E to Directors' Report

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

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2017

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

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

- Company has stopped using High Speed Diesel for generation of Steam at their Ghaziabad facility. All the boilers have been converted to the alternative source.

- Company has started working on possibilities of installing Solar Energy Generation plants at some of its facilities to utilize solar power partly as an alternate source of power and to reduce the power purchased from the grid.

(iii) Capital investment on energy conservation equipment: ₹ 54 lacs

b. Technology Absorption

(i) Efforts towards technology absorption:

The technologies developed by the Research and Development (R&D) department of the Company have been commercialized and adopted by the Company's manufacturing facilities subject to permissions and approvals from the concerned regulatory authorities. At its State of the Art R&D facility at the Centre of Excellence, Goa, the Company has especially invested in prototype plant equipments in its Kilo Lab and Formulation Development Lab where plant simulation experiments are carried out. This helps to anticipate and address scale up issues that the laboratory developed process may face in the Plant during technology transfer exercise.

In addition, Quality by Design (QbD) trials are performed in these labs to define the design space within which the process can be safely scaled up and operated in the Plants.

The R&D efforts streamlined by effective Project Management coupled with dedicated Pilot Plant facilities across API & Formulation plants have seen ramping up of the output from R&D resulting in

increased number of DMF, Dossier and Abbreviated New Drug Application (ANDA) filings in regulated markets.

(ii) Benefits derived:

- Launching of new products at the right time in International as well as Domestic markets in various therapeutic segments.
- Approval of first ANDA under Para IV certification by the USFDA.
- Successful filing of "First To File ANDA" with Paragraph IV certification, on NCE-1 date.
- Products developed for the International market will result in increased business to the Company in current and future years.
- Reduction in the number of regulatory queries leading to speedy approvals.
- R&D in biotechnology has resulted in consistent and cost effective processes for four Biosimilar products.
- Biosimilar and fermentation based products under development for Indian and International markets will result into new business opportunities for the Company in the biotechnology sector in future years.
- Leveraging recombinant enzyme technology to carry out some of the chemical transformations like stereospecific reduction, stereospecific reductive amination leading to substantial raw material cost savings and greener technologies.
- Filing of patent applications.

(iii) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year):
The Company has not imported any technology.

(iv) Expenditure incurred on Research and Development:
The Company has incurred a total expenditure of ₹ 8,023.18 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,

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

Mumbai
May 30, 2017

Annexure F to Directors' Report

Dividend Distribution Policy

1. OBJECTIVE

1.1. To regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Regulations), Companies Act, 2013 (the Act) read with the applicable Rules framed thereunder.

1.2. The objective of this Policy is to ensure a regular dividend income, maximise wealth of the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would endeavour to strike the right balance between the dividend paid and profits retained in the business for various purposes, subject to applicable laws.

2. PREAMBLE

2.1. The profits earned by the Company can either be retained in business, used for operations, acquisitions, expansion, diversification or distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to lay down the basic principles to be adhered to while declaring dividend.

2.2. The Board of Directors will refer to this Policy while declaring/ recommending dividends.

3. SCOPE

3.1 . The Policy set out herein relates to Equity Share Capital in accordance with the provisions of Section 43 of the Act.

4. FACTORS TO CONSIDER WHILE DECLARING DIVIDEND

Declaration/Recommendation of Dividend shall be the prerogative and at the discretion of the Board of Directors. In the event the performance/ future requirements so require, it shall be open to the Board of Directors not to declare any dividend. It shall also be open to the Board of Directors to declare special dividend in exceptional circumstances, if it deems fit.

4.1. Financial:

While recommending/declaring dividend, the Board will consider financial parameters, including but not limited to:

i. Operating results and overall financial position
ii. Working capital requirements
iii. Capital expenditure requirement including for inorganic growth, if any
iv. Debt servicing requirements of the Company, its Subsidiaries, its Associates and Joint Ventures
v. Utilization for Buy-Back of securities of the Company and
vi. Any other circumstances that Board may consider in deciding the declaration of dividend or quantum thereof

4.2. Internal and External:

While recommending/declaring Dividend, the Board will consider Internal and External Factors such as:

i. Possibility of earning consistent profit
ii. Global Market Conditions
iii. Tax Policy
iv. Restrictions imposed by the Act and other applicable legislation, if any, with regard to declaration of dividend
v. State of the Economy of the Country
vi. Prevalent market/industry practices

5. DECLARATION OF DIVIDEND

5.1. The Companies Act, 2013 provides for two types of Dividend i.e. Final and Interim. The Board of Directors may declare either Interim or Final or both types of dividend from time to time in their absolute discretion. While declaring dividend the Board of Directors shall endeavour that the Payout ratio shall not be less than 20% of the consolidated net profit of the Company in any financial year, except in cases where the Board deems fit after due deliberation.

6. REVIEW AND AMENDMENT

6.1. The Board of Directors of the Company may, subject to applicable laws, amend, modify any or all clauses, suspend or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with broad intent of this Policy.

This Policy was adopted by the Board of Directors at its Meeting held on October 21, 2016.

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

Annexure G to Directors' Report

FORM NO. MGT 9 -Extract of Annual Return as on financial year ended March 31, 2017

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

I Registration and other details

I	CIN	L99999MH1962PLC012451
ii	Registration Date	August 22, 1962
iii	Name of the Company	Unichem Laboratories Limited
iv	Category/Sub-category of the Company	Public Company, Company having share capital
v	Address of the Registered Office and contact details	Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai - 400 102 E-mail Id.: shares@unichemlabs.com Website: www.unichemlabs.com Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391
vi	Whether listed company	Yes
vii	Name, address and contact details of the Registrar and Transfer Agent, if any.	Link Intime Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 E-mail ID.: mumbai@linkintime.co.in Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060

II Principal Business Activities of the Company

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

III Particulars of Holding, Subsidiary and Associate Companies

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

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

(I) Category wise shareholders

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,55,10,550	-	4,55,10,550	50.10	4,55,10,550	-	4,55,10,550	50.08	(0.02)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**4,55,10,550**	**-**	**4,55,10,550**	**50.10**	**4,55,10,550**	**-**	**4,55,10,550**	**50.08**	**(0.02)**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A)	**4,55,10,550**	**-**	**4,55,10,550**	**50.10**	**4,55,10,550**	**-**	**4,55,10,550**	**50.08**	**(0.02)**
Total shareholding of promoter (A)=(A)(1)+(A)(2)	**4,55,10,550**	**-**	**4,55,10,550**	**50.10**	**4,55,10,550**	**-**	**4,55,10,550**	**50.08**	**(0.02)**
B.Public Shareholding									
(1) Institutions									
a) Mutual Funds	1,14,89,525	500	1,14,90,025	12.65	94,71,268	-	94,71,268	10.42	(2.23)
b) Banks / FIs	63,163	500	63,663	0.07	68,073	500	68,573	0.07	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	19,32,147	-	19,32,147	2.13	19,32,147	-	19,32,147	2.13	-
g) FIIs/FPIs	30,69,925	-	30,69,925	3.38	36,03,430	500	36,03,930	3.97	0.59
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
-Foreign Mutual Funds	45,103	-	45,103	0.05	61,885	-	61,885	0.07	0.02
-Foreign Banks	500	-	500	-	500	-	500	-	-
Sub-total (B)(1)	**1,66,00,363**	**1,000**	**1,66,01,363**	**18.28**	**1,51,37,303**	**1,000**	**1,51,38,303**	**16.66**	**(1.62)**
(2) Non-Institutions									
a) Bodies Corporates									
i) Indian	65,12,374	80	65,12,454	7.17	66,41,666	80	66,41,746	7.31	0.14
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	1,51,19,190	22,01,902	1,73,21,092	19.06	1,55,36,655	20,54,452	1,75,91,107	19.36	0.30
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	22,33,884	10,67,140	33,01,024	3.63	23,74,125	10,09,540	33,83,665	3.72	0.09
c) Others (specify)									
-Non Resident Indians	9,38,582	3,220	9,41,802	1.04	10,07,600	3,220	10,10,820	1.11	0.07
-Overseas Corporate Bodies	16,250	-	16,250	0.02	16,250	-	16,250	0.02	0.00
-Foreign Nationals	6,750	-	6,750	0.01	4,750	-	4,750	0.00	(0.01)
-Clearing Members	67,562	-	67,562	0.07	6,81,350	-	6,81,350	0.75	0.68
-Trusts	8,674	-	8,674	0.01	6,720	57,600	64,320	0.07	0.06
-Market Maker	3,832	-	3,832	0.00	6,936	-	6,936	0.01	0.01
-Hindu Undivided Family	5,51,847	-	5,51,847	0.61	8,26,728	-	8,26,728	0.91	0.30
Sub-total (B)(2)	**2,54,58,945**	**32,72,342**	**2,87,31,287**	**31.62**	**2,71,02,780**	**31,24,892**	**3,02,27,672**	**33.26**	**1.64**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**4,20,59,308**	**32,73,342**	**4,53,32,650**	**49.90**	**4,22,40,083**	**31,25,892**	**4,53,65,975**	**49.92**	**0.02**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**8,75,69,858**	**32,73,342**	**9,08,43,200**	**100.00**	**8,77,50,633**	**31,25,892**	**9,08,76,525**	**100.00**	**0.00**

(ii) Share holding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2016)			Shareholding at the end of the year (March 31, 2017)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Dr. Prakash A. Mody	4,22,87,278	46.55	-	4,22,87,278	46.53	-	(0.02)
2	Mrs. Anita Mody	13,23,400	1.46	-	13,23,400	1.46	-	-
3	Ms. Suparna Mody	9,49,936	1.05	-	9,49,936	1.05	-	-
4	Ms. Supriya Mody	9,49,936	1.05	-	9,49,936	1.05	-	-
	Total	4,55,10,550	50.10	-	4,55,10,550	50.08	-	(0.02)

(iii) Change in promoters' shareholding

	Particulars	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,55,10,550	50.10	4,55,10,550	50.10
	Changes during the year *	-	-	4,55,10,550	50.08
	At the end of the year	4,55,10,550	50.10	4,55,10,550	50.08

* There is no change in absolute shareholding of the promoters between April 1, 2016 to March 31, 2017. The decrease in % of total shareholding of the Promoter and the Promoter group from 50.10 % to 50.08% is due to ESOP allotment of 33,325 equity shares.

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ICICI Prudential Long Term Equity Fund (Tax Saving)				
	At the beginning of the year	84,57,963	9.31	84,57,963	9.31
	Shares sold during the year	(41,04,002)	(4.52)	43,53,961	4.79
	At the end of the year	43,53,961	4.79	43,53,961	4.79
2	Reliance Capital Trustee Co Ltd-A/c Reliance Mid & Small Cap Fund				
	At the beginning of the year	21,01,058	2.31	21,01,058	2.31
	Changes during the year	-	0.00	21,01,058	0.00
	At the end of the year	21,01,058	2.31	21,01,058	2.31
3	Alrox Investment and Finance Pvt. Ltd.				
	At the beginning of the year	15,97,763	1.76	15,97,763	1.76
	Changes during the year	-	0.00	15,97,763	1.76
	At the end of the year	15,97,763	1.76	15,97,763	1.76
4	General Insurance Corporation of India				
	At the beginning of the year	15,00,001	1.65	15,00,001	1.65
	Changes during the year	-	0.00	15,00,001	1.65
	At the end of the year	15,00,001	1.65	15,00,001	1.65
5	Family Investment Private Limited				
	At the beginning of the year	14,38,522	1.58	14,38,522	1.58
	Changes during the year	-	0.00	14,38,522	1.58
	At the end of the year	14,38,522	1.58	14,38,522	1.58
6	L & T Mutual Fund Trustee Ltd- L&T India Value Fund				
	At the beginning of the year	3,79,045	0.41	3,79,045	0.41
	Shares bought during the year	8,42,947	0.93	12,21,992	1.34
	At the end of the year	12,21,992	1.34	12,21,992	1.34
7	Airborne Investment and Finance Pvt. Ltd.				
	At the beginning of the year	11,49,452	1.27	11,49,452	1.27
	Changes during the year	-	0.00	11,49,452	1.27
	At the end of the year	11,49,452	1.27	11,49,452	1.27

Sr. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Nordea 1 Sicav - Indian Equity Fund				
	At the beginning of the year	3,93,440	0.43	3,93,440	0.43
	Shares bought during the year	7,16,422	0.79	11,09,862	1.22
	At the end of the year	11,09,862	1.22	11,09,862	1.22
9	DSP Blackrock AIF Pharma Fund				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Shares bought during the year	10,31,404	1.14	10,31,404	1.14
	At the end of the year	10,31,404	1.14	10,31,404	1.14
10	Mr. Ajit Vishnu Shirodkar				
	At the beginning of the year	9,00,000	0.99	9,00,000	0.99
	Changes during the year	-	0.00	9,00,000	0.99
	At the end of the year	9,00,000	0.99	9,00,000	0.99
11	*Cobra India (Mauritius) Limited				
	At the beginning of the year	4,50,000	0.50	4,50,000	0.50
	Shares bought during the year	72,386	0.07	5,22,386	0.57
	At the end of the year	5,22,386	0.57	5,22,386	0.57
12	#* Unichem Laboratories Limited - Unclaimed Suspense Account				
	At the beginning of the year	5,11,725	0.56	5,11,725	0.56
	Shares further transferred to this A/c	140	0.00	5,11,865	0.56
	At the end of the year	5,11,865	0.56	5,11,865	0.56

* Ceased to be in Top 10 shareholders as on March 31, 2017. The same are reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2016.

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

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Prakash A. Mody				
	At the beginning of the year	4,22,87,278	46.55	4,22,87,278	46.55
	Changes during the year	-	-	4,22,87,278	46.53
	At the end of the year	4,22,87,278	46.53	4,22,87,278	46.53
2	Mr. Prafull Anubhai				
	At the beginning of the year	25,000	0.03	25,000	0.03
	Changes during the year	-	-	25,000	0.03
	At the end of the year	25,000	0.03	25,000	0.03
3	Mr. Ramdas Gandhi				
	At the beginning of the year	27,500	0.03	27,500	0.03
	Changes during the year	-	-	27,500	0.03
	At the end of the year	27,500	0.03	27,500	0.03
4	Mr. Prafull Sheth				
	At the beginning of the year	7,500	0.01	7,500	0.01
	Changes during the year	-	-	7,500	0.01
	At the end of the year	7,500	0.01	7,500	0.01
5	Mr. Anand Mahajan				
	At the beginning of the year	25,000	0.03	25,000	0.03
	Changes during the year	-	-	25,000	0.03
	At the end of the year	25,000	0.03	25,000	0.03
6	Dr. (Mrs.) B. Kinnera Murthy				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (March 31, 2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Mr. Rakesh Parikh (Chief Finance & Compliance Officer)				
	At the beginning of the year	33,625	0.04	33,625	0.04
	Changes during the year				
	(Allotment of shares pursuant to ESOP on October 21, 2016 and January 21, 2017)	6,075	0.01	39,700	0.05
	At the end of the year	39,700	0.05	39,700	0.05
8	Ms. Neema Thakore (Head - Legal & Company Secretary)				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. Indebtedness

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

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45.82	1,930.77	-	1,976.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	45.82	1,930.77	-	1,976.59
Change in Indebtedness during the financial year				
* Addition	-	245.83	-	245.83
* Reduction	2.05	162.02	-	164.07
Net Change	2.05	83.81	-	85.86
Indebtedness at the end of the financial year				
i) Principal Amount	43.77	1,866.20	-	1,909.97
ii) Interest due but not paid	-	148.38	-	148.38
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	43.77	2,014.58	-	2,058.35

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Dr. Prakash A. Mody Chairman & Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	387.90
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	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	134.90
	- others, specify	-
5	Others, please specify (Employers contribution towards Provident Fund)	24.48
	Total (A)	559.31
	Ceiling as per the Act: ₹ 1,349.05 lacs being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013	

B. Remuneration to other Directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Names of Directors					
	Independent Directors	Mr. Prafull Anubhai	Mr. Ramdas Gandhi	Mr. Prafull Sheth	Mr. Anand Mahajan	Dr. (Mrs.) B. Kinnera Murthy	Total
1	Fee for attending Board and Committee Meetings	6.30	6.30	4.90	2.00	3.10	22.60
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	6.30	6.30	4.90	2.00	3.10	22.60
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending Board and Committee Meetings		-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	6.30	6.30	4.90	2.00	3.10	22.60
	**Total Managerial Remuneration (A+B)	-	-	-	-	-	599.31
	Overall Ceiling as per the Act: ₹ 1,483.95 lacs being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013						

* Subject to the approval of Annual Financial Statements for the financial year 2016-2017 by the Members at the 54th Annual General Meeting to be held on July 22, 2017.

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

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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
	Name	Mr. Rakesh Parikh	Ms. Neema Thakore	Total
	Designation	Chief Finance & Compliance Officer	Head - Legal & Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	76.86	53.03	129.89
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	13.40	0.32	13.72
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify (Employers Contribution to Provident Fund)	3.31	3.10	6.41
	Total	93.57	56.45	150.02

VII Penalties/punishment/compounding of offences

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

For and on behalf of the Board of Directors,

Mumbai
May 30, 2017

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

Annexure H 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 2016-2017

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

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

(ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager during the financial year 2016-2017

Name	% increase/ (decrease)
Dr. Prakash A. Mody (Chairman & Managing Director)	12.09
Mr. Rakesh Parikh (Chief Finance & Compliance Officer)	12.40
Ms. Neema Thakore (Head - Legal & Company Secretary)	12.00
Other Directors of the Company are paid only sitting fees which are not considered as remuneration.	

(iii) The percentage increase in the median remuneration of employees during the financial year 2016-2017
12.35 %.

(iv) The number of permanent employees on the rolls of the Company
There were 5,189 employees on the rolls as on March 31, 2017.

(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration
Average increase in remuneration is 11.21% for employees other than Managerial Personnel and 11.05 % for Managerial Personnel.

(vi) 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 30, 2017

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

Annexure I to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-2017

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

   Your Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education, sanitation, protection of environment, general welfare and development are the other areas in which your Company concentrates its CSR activities. While the focus of CSR efforts will be in the areas around the Company's locations, the Company may also undertake projects looking into other societal needs. The CSR policy is available on the website of the Company and the web link is as under:

   https://unichemlabs.com/policies-code-of-conduct/corporate-social-responsibility/

2. **Composition of the CSR Committee**

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

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

   ₹ 13,966.22 lacs

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

   ₹ 279.32 lacs

5. **Details of amount spent on CSR activities during the financial year 2016-2017**

   a. Total amount to be spent for the financial year: ₹ 279.32 lacs
   b. Total amount spent for the financial year: ₹ 122.20 lacs
   c. Amount unspent, if any: ₹ 157.12 lacs

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

Sr.No.	CSR Project/ activities Identified	Sector	Locations Districts / States	Amount Outlay (Budget) (₹ in lacs)	Amount spent on the projects or programmes (₹ in lacs)	Cumulative expenditure upto reporting period (₹ in lacs)	Amount spent: Direct or through implementing agencies (₹ in lacs)
1	*Adiwasi Unnati Mandal	Health	Mumbai, Shahpur, Thane, Maharashtra	6.00	6.00	6.00	6.00
2	*Muktangan	Education	Mumbai, Maharashtra	25.00	25 .00	25.00	25.00
3	*Vision Foundation of India	Health	Pan India	25.00	25.00	25.00	25.00

Sr.No.	CSR Project/ activities Identified	Sector	Locations Districts / States	Amount Outlay (Budget) (₹ in lacs)	Amount spent on the projects or programmes (₹ in lacs)	Cumulative expenditure upto reporting period (₹ in lacs)	Amount spent: Direct or through implementing agencies (₹ in lacs)
4	*Amrut Mody College of Mass Communica-tion and Journalism	Education	Nadiad, Gujarat	27.30	27.30	27.30	27.30
5	*Touching Little Hearts	Health	Mumbai, Maharashtra	25.00	10.00	10.00	10.00
6	*Pharmaceut-ical Training Centre	Education	Rangpo, Sikkim	4.00	4 .00	4.00	4.00
7	*Construct-ion of Baghey Khola Water Supply Reservoir	Sanitation and Welfare of local people	Baghey Khola, Sikkim	3.00	3.00	3.00	3.00
8	**Swach Abhyan Modular Toilets	Heath and Sanitation	Baddi, Himachal Pradesh	2.60	2.65	2.65	2.65
9	**Gyan Jyoti-Nirmala Niketan School for slum children	Education	Baddi, Himachal Pradesh	1.75	2.10	2.10	2.10
10	*Carpet of Joy	Environment	Saligao Circle, Goa	3.00	3.00	3.00	3.00
11	*Benches for senior citizens and planting trees	Health and Environment	Village Pilerne, Goa	2.90	2.90	2.90	2.90
12	*IPA- Late Shri Amrut Mody Scholarship for under-graduate Pharmacy College Students	Education	Pan India	7.75	6.25	6.25	6.25

Sr.No.	CSR Project/ activities Identified	Sector	Locations Districts / States	Amount Outlay (Budget) (₹ in lacs)	Amount spent on the projects or programmes (₹ in lacs)	Cumulative expenditure upto reporting period (₹ in lacs)	Amount spent: Direct or through implementing agencies (₹ in lacs)
13	* Swach Abhyan - Construct-ion of Toilets	Sanitation	Mumbai, Maharashtra	5.00	5 .00	5.00	5.00
	Total			**138.30**	**122.20**	**122.20**	**122.20**

* Implementing Agencies : Adiwasi Unnati Mandal, Paragon Charitable Trust, Sardar Vallabhbhai Samaj Seva Trust, Rotary Club of Bombay (Midtown), SDM Rangpo, Sikkim Skill Development Mission Society, Museum of Goa MOG Foundation, Village Panchayat and Pilerne Marra and Rotary Mid West Rotary Trust.

** Direct spending

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

The Company has been engaged in CSR activities since many years. During the year under review, the total amount to be spent was ₹ 279.32 lacs . The Company spent ₹ 122.20 lacs on CSR which is 0.87% of the average profits, for the last 3 (three) financial years. Balance amount of ₹ 157.12 lacs remained unspent. The Company could not spend the balance amount since it is in the process of identifying appropriate . All CSR programs/projects in terms of its CSR policy. Further, certain funds even though allocated to approved educational and health projects by the CSR Committee, were not disbursed since there was no requirement for these funds from the organizations/institutions during the year under review.

The Company plans to scale up its CSR activities in areas of education, health and other areas in a structured manner to meet the objectives of its CSR policy in the coming years.

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

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

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

Mumbai
May 30, 2017

Dr. Prakash A. Mody
Chairman & Managing Director & Chairman of CSR Committee
(DIN No.: 00001285)

Annexure J to Directors' Report

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L99999MH1962C012451

2. Name of the Company: Unichem Laboratories Limited

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

4. Website: www.unichemlabs.com

5. E-mail ID: shares@unichemlabs.com

6. Financial Year reported: April 1, 2016 to March 31, 2017

7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Pharmaceuticals (Code: 210) 21001 and 21002 - Manufacture and sale of Pharmaceutical products.

8. List three key products/services that the Company manufactures/provides (as in balance sheet): Anti-hypertensive, Gastro Intestinal and Anti-Infective

9. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Provide details of major 5):
   The Company has 5 (five) foreign Wholly Owned Subsidiaries located in USA, Brazil, UK, Ireland and South Africa.
   (b) Number of National Locations:
   The Company has 7(seven) plants situated at Roha, Maharashtra; Pilerne, Goa; Baddi, Himachal Pradesh; Pithampur, Madhya Pradesh; Ghaziabad, Uttar Pradesh; Rangpo, East Sikkim and Kolhapur, Maharashtra. The R&D Centre, called the Center of Excellence (COE) is located at Goa. The Company's Registered Office is located at Mumbai, Maharashtra.

   The Company has 20 (twenty) Carrying and Forwarding Agents, 4 (four) Consignee Agents, 6 (six) Distributors and 3 (three) Warehouses across the country for domestic formulations including generics.

10. Markets served by the Company – Local/State/National/International
    India and 91 (ninety one) countries for exports

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (INR): 1,817.53 lacs

2. Total turnover (INR): 1,41,385.22 lacs (Standalone)

3. Total profit after taxes (INR): 10,386.72 lacs (Standalone)

4. The Company's total spending on CSR for the year ended March 31, 2017, was ₹ 122.20 lacs which is 0.87% of the average profits, for the last 3 (three) financial years.

5. List of activities in which expenditure in 4 above has been incurred:
   (a) Health
   (b) Education
   (c) Sanitation
   (d) Environment
   (e) General Welfare and Development

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

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
   As on March 31, 2017, the Company had 5 (five) Wholly Owned Subsidiaries.

2. Do the subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):
   All the subsidiaries are incorporated outside India and comply with the requirements of the respective countries where they operate.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   Other entities like suppliers, distributors, etc. do not directly participate in the Business Responsibility Initiatives of the Company. However, the Company expects that all third party business partners adhere to business principles consistent with those of the Company.

SECTION D: BR INFORMATION

1. Details of the Director/Directors responsible for implementation of the BR Policy/Policies:
   (a) DIN Number: 00001285
   (b) Name: Dr. Prakash A. Mody
   (c) Designation: Chairman & Managing Director

2. Details of the BR head

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

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

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

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

Note 1: The Policy is broadly covered in various HR Polices and Practices as also the Company's Code of Business Conduct and Ethics.
Note 2 : All the Polices of the Company abide by the laws of the Country.
Note 3: The link for viewing the policies is: http://unichemlabs.com/wp-content/uploads/2016/12/business_responsibility_policies.pdf

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

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

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

5. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
   The Business Responsibility Report would be a part of the Annual Report for 2016-2017 and can be accessed on the website of the Company namely :
   http://unichemlabs.com/wp-content/uploads/2016/12/business_responsibility_policies.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
   The Company has a policy on Code of Business Conduct and Ethics and a Whistle Blower Policy which is applicable to the Directors, employees and all other stakeholders. The Company also has in place the policy of Prevention of Sexual Harassment at Workplace which is applicable to all stakeholders. These policies are posted on the website of the Company www.unichemlabs.com and the intranet of the Company. These Policies empower Directors, employees and all other stakeholders to report unethical behavior, actual or suspected fraud or violation of the Company's Polices. These Policies provide for swift redressal and institute specific mechanisms to deal with reported incidents.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:
   The Company has not received any complaint pertaining to violation of the Policy for Prevention of Sexual Harassment at Workplace, the Code of Business Conduct and Ethics or the Whistle Blower Policy during the financial year under review.

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

Principle 2 (Product Responsibility)

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

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

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

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

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

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

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

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

Principle 3 (Well being of Employees)

1. Please indicate the Total number of employees:
   5,189 permanent employees as on March 31, 2017

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:
   1,096 as on March 31, 2017

3. Please indicate the number of permanent women employees:
   311 as on March 31, 2017

4. Please indicate the number of permanent employees with disabilities:
   Nil as on March 31, 2017

5. Do you have an employee association that is recognized by management?
   The Company's manufacturing facility at Roha has a Union recognized by the management known as Bhartiya Kamgar Sena.

6. What percentage of your permanent employees are members of this recognized employee association?
   About 1.61 % of the permanent employees are members of this recognized employee association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

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

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?
   (a) Permanent Employees – About 90-100% of operating personnel are trained in safety and skill upgrading. Safety training and Skill upgrading is imparted to employees at the time of joining. Thereafter, training on firefighting and first aid are imparted at scheduled intervals.

   (b) Permanent Women Employees – About 90-100% of the permanent women employees (being operating personnel) are trained in safety and no discrimination is being made while imparting training to women employees vis-à-vis their male counterparts.

   (c) Casual/Temporary/Contractual Employees – 80-100% in operating functions are trained.

   (d) Employees with Disabilities – Not applicable

Principle 4 (Stakeholders Engagement)

1. Has the Company mapped its internal and external stakeholders?
   Yes. The major stakeholders identified by the Company are its employees, business associates, patients, doctors, suppliers, vendors, shareholders, investors, regulatory authorities and Government organizations and intermediaries.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?
   Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:
   The Company has identified some stakeholder groups as disadvantaged, vulnerable and marginalized. These include, among others, individuals who cannot afford quality health and education, communities from low socio-economic strata such as Adiwasis, people with visual disabilities, and children with congenital heart defects who do not have the financial resources to undergo surgery. Unichem directly and with the help of NGOs and charitable trusts, engages with such groups to identify their needs and address them to the extent possible.

Principle 5 (Human Rights)

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
   The Company has in place Polices and processes that cover various aspects of human rights, specific to employees. In addition, the Company's Whistle Blower Policy covers internal and external stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   During the year under review, the Company did not receive any complaint pertaining to human rights.

Principle 6 (Environment)

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
   This Policy covers only the Company. The Subsidiary Companies are independent companies located outside India and are guided by their own policies and laws of the countries where they are located.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes, please give hyperlink for webpage etc.:
   Conservation of natural resources has always been a priority for the Company. Optimum utilisation of resources has been the prime motto. The Environment Policy of the Company is available on the website at http://unichemlabs.com/wp-content/uploads/2016/12/business_responsibility_policies.pdf All efforts are made to recycle water and waste and eliminate over utilization of resources. The Company implements safe and automated practices in manufacturing and other processes. Systems are regularly updated and conform to various applicable laws and regulations. This results in continuous and dynamic improvement in quality of working and services.

3. Does the Company identify and assess potential environmental risks?
   The Company's manufacturing facilities are internationally accredited by reputed agencies. The Company identifies and assesses the risks internally. Wherever required, assistance is sought from external agencies for formulating environment management plans. These plans are assessed at regular intervals by the management.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed:
   The Company does not presently have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.:
   The Company has undertaken energy efficient initiatives at different locations which is given under annexure E to Directors' Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
   Yes

7. Number of Show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year:
   There were no show cause/legal notices pending as at the end of the financial year.

Principle 7 (Public Policy)

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:
   (a) Confederation of Indian Industry (CII)
   (b) The Associated Chamber of Commerce and Industry (ASSOCHAM)
   (c) Indian Pharmaceutical Association (IPA)
   (d) Indian Drug Manufactures' Association (IDMA)
   (e) Bulk Drug Manufacturers Association (BDMA)
   (f) Bombay Chamber of Commerce and Industry (BCCI)
   (g) Federation of Pharma Entrepreneurs (FPA)
   (h) National Safety Council

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No? if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):
   The Company actively participates in putting forth its views on areas concerning the pharmaceutical industry such as accessibility to medicines, making medical treatment easily accessible to the under privileged, predictable pricing policies, economic reforms and Corporate Social Responsibility.

Principle 8 (CSR)

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof:
   The Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education, protection of environment, general welfare and development of needy sections of the Society especially the economically backward sections, sanitation and general welfare are the other areas in which the Company concentrates its CSR activities. While the focus of CSR efforts will be in the locations around Company operations, the Company may also undertake projects looking into other societal needs. The CSR Policy is available on the website of the Company and the Annual Report on CSR activities, as required under Section 135 of the Companies Act, 2013, is given under Annexure I to the Directors' Report. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

2. Are the programs/projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?
   The CSR programs are undertaken by the Company directly, through recognized public charitable trusts and projects in partnership with Government.

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

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
   During the year the Company has spent ₹ 122.20 lacs towards community development programmes namely towards health, education, sanitation, environment, general welfare and development. During the year the Company started CSR activities in and around its manufacturing facilities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:
   Regular visits are undertaken to ensure that the CSR initiatives are adopted by the communities. Feedback obtained is then used to improve the projects undertaken. Details of these CSR activities being adopted by the communities is given under Annexure I to the Directors' Report.

Principle 9 (Customer Relations)

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year?
   As on March 31, 2017, about 3.5% of customer complaints received during the year were pending. These have since been resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information):
   The Company follows the applicable Laws, Rules and Regulations with respect to labeling and displaying of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so:
   On July 9, 2014, the European Commission decided to impose an unjustified fine of € 13.97 million jointly and severally on the Company and its subsidiary, Niche Generics Limited, contending that they had acted in breach of EU competition law as Niche Generics Limited had in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrong doing on the part of either itself or Niche. Both the Company and Niche have submitted appeals in September 2014 to the EU General Court seeking appropriate relief in the matter.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
   Consumer surveys are regularly carried out by the Company at Doctor levels directly by its field force. External expertise and agencies are also engaged from time to time.

For and on behalf of the Board of Directors,

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

Mumbai
May 30, 2017

Management Discussion and Analysis

GLOBAL PHARMA MARKET

The worldwide market for pharmaceuticals is projected to grow to $1.3 trillion by 2020, representing an annual growth rate of 5-7% (Source: Estimates from IMS). Several global demographic and economic trends are driving pharmaceutical consumption, including a rapidly aging world population and an associated rise in chronic diseases, increased urbanization, higher disposable incomes, greater government expenditure on healthcare and growing demand for more effective treatments. With these factors, demand for generic drugs should continue to rise. However, Global Pharmaceutical markets are in the midst of some major disruptions. Underlying this point are the fundamental forces shaping the future of the pharmaceutical industry. The developed markets are slowing down, mainly on the basis of reduction in prices in the form of payers' cost control efforts. Additionally governments, insurers and patients are demanding greater transparency around drug pricing.The distribution channel, especially in the US market is consolidating. All these factors are affecting the growth of the pharmaceutical market. These are indeed disruptive times for the US generic industry.

Despite this backdrop, the US generic market continues to grow and offer new opportunities both in the 'me-too' segment and also in the specialty generic segment. Over the past few years, the generic juggernaut accompanied by the ascendancy of specialized and highly targeted, large molecule, biotech medicines has upended the traditional market for branded pharmaceuticals and shifted the balance of power. We have also seen increased drive by payers to switch to lower cost generics, which is expected to create a surge in demand for generic products. We are seeing the emergence of more stringent USFDA inspections over a period of time, where the focus clearly remains on "Quality". This has led to many Indian Companies receiving warning letters and disruption in their business to the US market. We are conscious about the regulatory risk and have taken adequate steps to mitigate the same.

Your Company has kept a close eye on its manufacturing facilities and has successfully maintained the high quality standards demanded by cGMP guidelines issued by the USFDA. Your Company has embraced these changes and continued to deliver on its core values of "Quality and Reliability". Your Company has also learned and remained alert to the ever changing regulatory environment in order to protect its existing and future International business. Adhoc and more frequent USFDA inspections have become the new norms in today's time. During the year under review, your Company's formulation facilities at Ghaziabad and Goa underwent successful yet stringent USFDA inspections. Following these successful inspections, your Company is able to supply its products to the US market in an uninterrupted manner.

With the challenges in the developed markets, Emerging Markets are throwing up good growth opportunities. Companies are looking to explore newer markets, which offer high growth potential. Your Company also pursues various opportunities in the rapidly growing Emerging Markets with high optimism, which is covered in detail in this Management Discussion and Analysis.

DOMESTIC PHARMACEUTICAL MARKET

The Indian Pharmaceutical Market (IPM) has shown robust growth in the past year and going forward the market has unprecedented opportunities to expand in a number of fields. Sustained and healthy growth of the IPM will depend mainly on the Government's moves to increase patient population's access to medicines. Also, the Union Health Ministry announced the much awaited National Health Policy on March 16, 2017, to give shape to the policy framework for achieving universal health coverage, keeping the patient at the centre and assuring quality care. This is the third National Health Policy post 1983 and 2002; to strengthen the healthcare system by building upon the progress made since introduction of the Health Policy post 2002. We are keeping a watch on the possible fallout of the Government's concern for affordable cost of medicines.

The growth in the IPM has also given rise to diversity; the drivers of growth have multiplied and become more nuanced; key factors being enhanced accessibility through higher government spending in the healthcare sector and higher insurance coverage; rising income levels and growing population.

Besides the key triggers for growth in the IPM, there are certain challenges that continue to remain; the most prominent being the price control measures. The current market remains highly fragmented; this has led to companies seeking newer avenues of growth, be it venturing into newer therapies, launching new patented products via in-licensing or M&A.

During the year under review, your Company continued to show good growth in its mainstay areas of CVS and CNS.

Your Company also made further investment in the growing field of DPP4 in the anti-diabetes space, which has shown a robust growth. In addition to its growth plans, your Company is constantly making new investments in niche growing areas of Dermatology and Gynecology, where a few new products were launched. Your Company continues to make significant investments across therapies encapsulating a large array of specialists and reaching out to more doctors.

UNICHEM'S PERFORMANCE

Financial Highlights

Consolidated Sales/Income from operations (Gross) stood at ₹ 153,549.61 lacs as compared to ₹ 134,828.00 lacs in the previous year, reflecting an overall growth of 13.90%.

Standalone Sales/Income from operations (Gross) stood at ₹ 141,385.22 lacs as compared to ₹ 123,614.52 lacs in the previous year, depicting an overall growth of 14.40%.

Sales outside India including operating income (Gross) on consolidated basis stood at ₹ 67,987.65 lacs as compared to ₹ 56,891.27 lacs in the previous year, reflecting overall growth of ~19.50%.

To support our strategy of developing our international business with a strong focus on the US market, we have considerably increased our spend on R & D, regulatory and marketing. We have consciously accepted some pressure on current margins to secure a brighter future.

DOMESTIC FORMULATIONS

Your Company's Domestic Formulation business reported better than market (IPM) growth in the financial year 2016-2017. We continue to see improvement across our portfolio, especially in the key therapeutic areas of CVS, CNS and Gastro.

One of the major initiatives taken by your Company in its Domestic business; was moving the brand Unienzyme to OTX market. With the launch of its first TV Commercial in various newer and existing markets, your Company has seen robust growth in the value of the brand.

During the year, Chronic therapies accounted for ~60% of domestic revenues, while acute therapies accounted for ~40%.

~42% of your Company's revenues come from the Cardiac segment, making it the largest contributor to the domestic formulations' topline. Less than 10% of your Company's portfolio now remains under price control.

Your Company grew at 14.50% as against overall representative market growing at 10.30% as per MAT March 17 -AWACS.

Outlook

During the year under review your Company has seen sustained recovery and improvement in the performance of its Domestic Formulations business. Going forward, the improvement is expected to continue. The Chronic segment led by CVS and CNS, continues to report significant improvement.

The growth going forward will be aided by new initiatives taken in various therapy categories like Diabetes, Dermatology and Gynecology. Your Company has also forayed into the OTX market in order to unleash Unienzyme's true potential, which is expected to materially contribute to growth.

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

The opportunities in the API space are growing, with branded drug sales coming off patent and an increasing number of successful patent challenges made by generic companies. Currently India imports more than 80% of its API requirement from China.The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage the 'Make in India' programme and reduce dependence on imports of API. The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, co-ordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.

Commoditization, combined with extensive reforms in both regulated and unregulated markets, is increasing pressure on prices of formulations, especially in US markets. Your Company manufactures a range of APIs, most of which are used for its own captive consumption for the regulated markets of US and Europe. This backward integration gives your Company an upper hand to remain cost competitive and gain market share.

We are constantly leveraging our domain expertise and judiciously utilizing our capacities. In order to service our fast growing US formulations business, we have further expanded our API unit at Pithampur. As you are aware, your Company is in the process of erecting a new API

facility in Kolhapur, Maharashtra. Once operational, this facility will be catering to both regulated and non-regulated markets.

Unichem's API business is supported with over 50 USDMFs, 26 CEPS and 219 eCTDs 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 the formulation business.

INTERNATIONAL BUSINESS

The generic drug industry has had a phenomenal run of growth in the past decade or more; leading to more generic prescriptions across the globe and more so in the regulated markets. Generic commoditization along with extensive reforms in the regulated markets has started putting downward pressure on pricing. With recent consolidation within the supply chain in the US market, the bargaining power has shifted towards the buyer of the drugs, mainly wholesalers and PBMs. This coupled with US Congress's pressure on reducing the healthcare bill, has resulted in further reduction in prices of generic drugs.

In the recent years there has been an increase in USFDA inspection of facilities outside the US. As the regulator in the US turns more quality conscious, many companies not adhering to the cGMP standards are facing difficulties in doing business in the US.

Your Company is proud to inform you that all the USFDA inspections at its API and Formulation plants were concluded successfully, with few observations which are procedural in nature and do not affect business continuity and supply to the US market. Your Company has filed 39 ANDAs till date and has 23 approvals from the USFDA.

Your Company sells its products in the US market through its Wholly Owned Subsidiary, Unichem Laboratories (USA) Inc. The subsidiary recorded a turnover of $41.4 million during the year under review. Products of your Company are from various therapeutic areas such as CVS, CNS, Pain Management, GI, etc. Your Company enjoys a healthy relationship with key Wholesalers / Distributors and Retail chains which enables it to improve its product launch time and also market share of existing products. Over 90% of the Company's products sold in the US market are backward integrated, enabling your Company to compete with large generic players and maintain profitability. With a significant expansion of the formulation unit at Goa, your Company is geared and equipped to scale up the US business to the next milestone.

Emerging Markets: As companies look to expand their horizon from developed markets and explore greener pastures, Emerging Markets offer an opening. Emerging Markets are reckoned as one of the most growing areas in the global pharma market. Although the global economic environment remains challenging, countries such as China, India, Russia and Brazil have a bright long-term future as some of the world's largest economies. Rapid growth can also be expected in some smaller economies in Eastern Europe, South East Asia, Latin America and the Middle East. As GDP growth converts into greater personal wealth and higher disposable incomes, spending on health rises disproportionately and drug consumption even more so.

The optimism must be tempered, as there are many challenges and volatility that companies face in Emerging Markets. One, government intervention is increasing. Second, promotions are reaching a saturation point, especially in the big economies. Third, the war for talent continues and is intensifying in some countries.

Your Company is looking forward to tap growing opportunities on offer in various markets like Africa, South East Asia and Middle East through its Emerging Markets division called ACASIA.

Your Company has its 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 strength to become the partner of choice for supply of quality generic products to global generic companies.

RESEARCH AND DEVELOPMENT

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

be safely scaled up and operated in the Plants. The R&D efforts streamlined by effective Project Management coupled with dedicated Pilot Plant facilities across API and Formulation plants have seen ramping up of the output from R&D resulting in increased number of DMF, Dossier and ANDA filings in regulated markets.

INFRASTRUCTURE

Your 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.

Your Company has created world-class drug manufacturing facilities across India. The Company's manufacturing plants have been accredited by highly respected international regulatory bodies like the USFDA, UK MHRA, ANVISA (Brazil), COFEPRIS (Mexico), PMDA (Japan), TGA (Australia), MCC (South Africa) and KFDA (Korea).

HUMAN RESOURCES

With a 5100+ strong workforce spread across geographies, your Company is confident that this will enable realization of its goals and aspirations. Your Company has always taken pride in the quality of its Human Resources, be it a diverse and skilled sales force or its committed scientists and multitalented workforce based in manufacturing locations across the country.

In today's time the importance of technology to business processes cannot be underminded. Automation at the workplace is the norm and your Company has identified it as a critical success lever. Early this year the performance management system was automated and the entire organization was moved to the best in class system, SAP Success Factors. Implementation of a Learning Management System as well as Succession Planning have been initiated on the same platform. This will ensure agile and contemporary HR systems and processes partnering with business efficiently.

Your Company's HR policies and practices were reviewed to make them more relevant in today's times. Your Company is also in the process of harmonizing its policy framework across manufacturing locations. The endeavour is to extend technology to all facets of HR Operations and to ensure there is innovation and ease of use in centralized time office management, Human Resource Information System and Payroll.

The organizational focus this year has been on people development.Your Company believes that building of its future can only be possible by developing more leaders. This would enable your Company not only to retain the most important resources, but also enable it to attract best-in-class talent. In line with this thought process of developing talent within the organization, the Unichem Learning Academy (ULA) has been formed. It has four pillars namely Functional Academy, Management Development Programs, Soft Skills Enhancement Programs and Sharing of Best Practices. The Academy and its programs will work towards encouraging and challenging our employees to scale higher level of competencies and eventually take on higher responsibilities. The Academy provides specially designed courses for colleagues. It will help them learn in a stimulating environment and gain knowledge to become better leaders.

Your Company has launched different Management Development Programs aimed towards employees at different stages of their career.

NEEV – A blended learning program to enrich professional development has been launched for employees who are at the first rung of their career. The program targets more than 340 Unichemites and primarily focuses on building behavioural skills and a solid career foundation.

UDAAN – It is targeted toward development of first and second level of leadership and has approximately 100 Unichemites enrolled in the first batch. Your Company has partnered with the prestigious institute, IMT Ghaziabad. This program, will help employees to understand management concepts in context of real businesses and industry situations through learning interventions.

LEAP – A PGDBM program from Symbiosis Institute of Business Management is aimed at middle management professionals. It looks to develop knowledge in core areas of business and helps in creating a mindset of "Function to Business". The objective is to enhance the business skills and leadership capabilities of managers.

An employee communiqué in the form of a Townhall Meeting was conducted in the month of May, 2016, wherein the leadership team shared the organization direction with the employees followed by a Q&A session. This vision of the leadership for Unichem was cascaded across locations and sales teams. The second Townhall meeting was conducted in May, 2017, and its key messages are being rolled out through out the organization.

Your Company has strengthened the touch points at all levels and deepened the engagement with employees.

As a part of the Employer branding initiative, the Company website has been revamped. A concerted effort has been made to increase the organization's presence on social media through the LinkedIn platform which now has 16000+ followers. A new corporate Audio Visual has also been created which talks about the culture of your Company and will work towards attracting new talent to the organization.

Being an employee centric organization, this year, your Company has extended the umbrella of medical benefits to all employees and their immediate family. Your Company also went a step beyond and introduced a voluntary parental and in-laws mediclaim policy, which was well received by the employees.

This year your Company conducted various blood donation camps at its facilities across India and collected around 1,000 units of blood.

Your Company's industrial relations continued to be harmonious during the year under review.

A successful launch of the organization's new OTX Division named "Unichem - Wellness" was completed giving the organization a new headway to move forward.

With a view to create synergies and optimize resources, the fusion of two of the largest divisions in the Acute therapy was successfully completed.

The above initiatives will pave the way in achieving the objectives of creating a Great Place to Work.

INTERNAL CONTROLS

The Company's internal control systems are commensurate with the nature and size of its business operations. These systems ensure that transactions are authorized, recorded and reported diligently, to safeguard the assets of the Company. Well established and independent internal audit ensures (i) evaluation of effectiveness of internal controls (ii) adherence to policies and systems (iii) mitigation of operational risk perceived for each area under audit and (iv) compliance. The Management duly considers and takes appropriate action on recommendations made by the Statutory Auditors, Cost Auditors, Internal Auditors and Independent Audit Committee of the Board of Directors.

RISKS & CONCERNS

Your Company has a Risk Management Policy to review and mitigate environmental, operational and business risks to safeguard its interest.

Your Company's continued investment 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. Your Company is continuously striving for market and customer diversification. To de-risk significant concentration of domestic revenues from a few brands, your Company is focused on promotion of strategic brands; to increase their revenue share to total sales.

For and on behalf of the Board of Directors,

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

Mumbai
May 30, 2017

Corporate Governance Report

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

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

Board of Directors

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

As on March 31, 2017, 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. April 2, 2016; May 20, 2016; July 23, 2016; October 21, 2016 and January 21, 2017, as given in **Table-1.** The intervening period between two Board Meetings was well within the time limit prescribed in the Companies Act, 2013 and the Listing Regulations.

Table-1: Composition of Board and attendance of Meetings during the year 2016-2017

Name	Category	No. of Board Meetings held during the year 2016-2017		Whether attended last AGM held on July 23, 2016	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)	Executive Director	5	5	Yes	1	0	0
Mr. Prafull Anubhai	Non-Executive, Independent	5	5	Yes	3	2	2
Mr. Ramdas Gandhi	Non-Executive, Independent	5	5	Yes	3	1	3
Mr. Anand Mahajan	Non-Executive, Independent	5	4	Yes	2	2	1
Mr. Prafull Sheth	Non-Executive, Independent	5	5	Yes	0	0	0
Dr. (Mrs.) B. Kinnera Murthy	Non-Executive, Independent	5	5	Yes	3	1	0

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

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

Independent Directors' Meeting

During the year under review, the Independent Directors met on January 21, 2017 *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 timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors attended the Meeting.

Business Responsibility Policy

Regulation 34(2) of the Listing Regulations, *inter alia*, provides that the annual report of the top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

Your Company, being one of such 500 listed entities, has included BRR, as part of the Annual Report, describing initiatives taken by the Company from an environmental, social and governance perspective.

The BRR forms part of this Annual Report and is annexed as Annexure J.

Dividend Distribution Policy

Pursuant to the Listing Regulations, the Company has formulated a Dividend Distribution Policy, which forms part of this Annual Report as Annexure J and is also available on the Company's website https://unichemlabs.com/policies-code-of-conduct/dividend-distribution-policy/

Familiarization programme for Independent Directors

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

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

The details of such familiarization programme have been displayed on the website of the Company and the weblink of the same is:
https://unichemlabs.com/policies-code-of-conduct/familiarization-programme-for-independent-directors/

Compliance with the Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics. The said Code is posted on the Company's website and the weblink of the same is:
https://unichemlabs.com/policies-code-of-conduct/code-of-business-conduct-ethics/

All Board members and Senior Management Personnel have affirmed compliance with the said Code for the year ended March 31, 2017. A declaration to this effect, signed by the Chairman & Managing Director is given below:

Declaration on Code of Business Conduct and Ethics

"In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended March 31, 2017".

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

Mumbai
May 25, 2017

Audit Committee

The Audit Committee met on May 20, 2016; July 23, 2016; October 21, 2016 and January 21, 2017. The composition of the Committee as on March 31, 2017, and the details on the number of Audit Committee Meetings held and attended by the Members during the financial year 2016-2017 are given in **Table-2.**

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

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

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee during the financial year 2016-2017 is given in **Table -3.**

The terms of reference of the Committee are wide enough to cover matters specified for the Committee as given under Section 178 of the Act and Regulation 19 of the Listing Regulations. The said Committee met on April 2, 2016 and July 23, 2016.

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Policy

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

Whole Time/ Managing Director

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

Non-Executive Directors

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

Key Managerial Personnel (KMP) and other Employees

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

Performance evaluation

Pursuant to the provisions of the Act and Regulation 17 (10) of the Listing Regulations, the Board has carried out an annual performance evaluation of the working of its own performance, its Committees and the Directors individually. The performance evaluation of Independent Directors was done by the entire Board of Directors and in

Table-2: Composition and attendance of Audit Committee Meetings during 2016-2017

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

Table-3: Composition and attendance of Nomination and Remuneration Committee Meetings during 2016-2017

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

the evaluation the Directors who were subject to evaluation did not participate. A structured questionnaire was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's/Committees' functioning.

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

Remuneration of Directors

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

Shareholding of the Non-Executive Directors

Details of shares held by Non-Executive Directors as on March 31, 2017:

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

The Company has not issued any convertible instruments during the financial year ended March 31, 2017. None of the Directors had any relationship inter-se.

Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee and the details of the number of Meetings held and attended by the Members during the financial year 2016-2017 are given in **Table-5.** The Committee focuses on shareholders' grievances and strengthening of investor relations.

The Stakeholders' Relationship Committee met on May 20, 2016; July 23, 2016; October 21, 2016 and January 21, 2017. During the year 17 (seventeen) complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon valid requests for share transfers received during the year and no such request is pending.

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

The Company Secretary is the Compliance Officer and also acts as Secretary to the Committee.

Risk Management

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

Table-4: Remuneration paid to the Directors for 2016-2017 (in ₹)

Name	Sitting Fees**	Commission payable for 2016-2017@	Consolidated Salary#	Perquisites and Allowances#	Total Amount
*Dr. Prakash A. Mody	Not Applicable	1,34,90,000	4,12,38,289	12,02,548	5,59,30,837
Mr. Prafull Anubhai	6,30,000	-	-	-	6,30,000
Mr. Ramdas Gandhi	6,30,000	-	-	-	6,30,000
Mr. Anand Mahajan	2,00,000	-	-	-	2,00,000
Mr. Prafull Sheth	4,90,000	-	-	-	4,90,000
Dr. (Mrs.) B. Kinnera Murthy	3,10,000	-	-	-	3,10,000

* Eligible to receive commission @1% of the Net Profits of the Company, computed under Sections 197and 198 of the Act and the Rules made thereunder.
** Sitting Fees are exclusive of Service Tax (Service Tax paid extra under reverse charge mechanism)
# Fixed Component
@ Variable Component

Table-5: Composition and attendance of Stakeholders' Relationship Committee Meetings during 2016-2017

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

Corporate Social Responsibility Committee (CSR)

The composition of the Corporate Social Responsibility Committee and the details on the number of Meetings held and attended by the Members during the financial year 2016-2017 are given in **Table-6.** The terms of reference of the said Committee broadly comprise the following:

a. 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 Act; and

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 20, 2016; July 23, 2016 and January 21, 2017. The Company Secretary acts as Secretary to the Committee.

CEO and CFO Certification

The CEO and CFO have *inter alia* certified to the Board of Directors, the accuracy of financial statements and adequacy of internal controls for financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2017, and the same was placed before the Board of Directors at its Meeting held on May 30, 2017.

General Body Meetings

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

b. Resolution passed through Postal Ballot:
During the year under review a Special Resolution under Section 180 (1)(a) of Act and the Rules made thereunder authorizing the Board of Directors of the Company to create charges, mortgages and hypothecations from time to time for the purpose of borrowings upto ₹ 500 crores was passed through Postal Ballot on September 13, 2016. The summary results of Postal Ballot and E-Voting are provided in **Table-8.** The said resolution was passed with the requisite majority. None of the Resolutions proposed at the 54th Annual General Meeting need to be passed by Postal Ballot.

Table-6: Composition and attendance of Corporate Social Responsibility Committee Meetings during 2016-2017

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

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

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each meeting
53rd	2015-2016	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	July 23, 2016	3.00 p.m.	No Special Resolutions were passed at this Meeting.
52nd	2014-2015	M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Mumbai - 400 001	July 11, 2015	3.00 p.m.	No Special Resolutions were passed at this Meeting.
51st	2013-2014	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	July 12, 2014	3.00 p.m.	Substitution of the Articles of Association to the entire exclusion of all the Articles contained in the existing Articles of Association.

Table-8: Summary results of Postal Ballot and E-Voting

Particulars	No. of Equity Shares	% of total number of votes cast
Total Valid Votes Cast	5,93,80,871	100.00
Assented to Resolution	5,93,80,551	99.99
Dissented to Resolution	320	00.01

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: https://unichemlabs.com/policies-code-of-conduct/related-party-transactions/

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 except that National Stock Exchange of India Limited (NSE) had sought a clarification from the Company on delayed reporting of the proceedings of the 53rd Annual General Meeting (AGM) of the Company held on July 23, 2016. The Company has clarified that the proceedings filed with the Exchange did not contain any material new information and was a mere reiteration of the facts already stated in the voting results of the 53rd AGM given within the stipulated time as required under Regulation 44 of the Listing Regulations. No action has been initiated by NSE against the Company.

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 https://unichemlabs.com/policies-code-of-conduct/policy-on-material-subsidiaries/

Whistle Blower Policy

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

Compliance with the Mandatory Requirements of the Listing Regulations

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

Adoption of Non Mandatory Requirements

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

Management Discussion and Analysis Report

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

Brief profile of Directors seeking appointment/re-appointment

As required, a brief profile and other particulars of the Director retiring by rotation / seeking re-appointment is given in the Notice of the 54th AGM and forms a part of this Annual Report.

Commodity price risk or foreign exchange risk and hedging activities

During the financial year ended March 31, 2017, the Company managed its foreign exchange risk and hedged to the extent considered necessary/permitted. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in the Financial Statements.

Means of Communication

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

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

General Shareholder Information

Date, Time and Venue of 54th AGM

Date: July 22, 2017
Time: 3.00 p.m.
Venue: Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Financial Year – April 1, 2016 to March 31, 2017

Dates of Book Closure

Monday, July 17, 2017 to Saturday, July 22, 2017 (both days inclusive)

Dividend Payment Date

Final Dividend of ₹ 3/- (150 %) per share having a face value of ₹ 2/- fully paid for the year 2016-2017 has been recommended by the Board of Directors. If approved by the shareholders at the ensuing AGM, the same will be paid to the shareholders on July 28, 2017.

Stock Exchanges on which shares are listed

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

The Annual Listing Fees have been paid by the Company and there is no payment outstanding towards the Stock Exchanges as on date.

Stock Codes

BSE	506690
NSE	UNICHEMLAB

Unclaimed Dividend

Dividend remaining unclaimed for 7 (seven) years, will be transferred to the Investor Education and Protection Fund as per the Act and Rules made thereunder. Shareholders who have not claimed their Dividends may do so before these are statutorily transferred and are requested to immediately approach the Investor Relations Department of the Company for issue of duplicate dividend warrants **Table -9**.

Registrar and Share Transfer Agents (RTA)

Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai 400 083
Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060
Email: mumbai@linkintime.co.in

Share Transfer System

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

The Company has delegated the authority to approve share transfers to its RTA, Link Intime India Pvt. Ltd. The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

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

Table-9: Unclaimed Dividend

Financial Year	Type of Dividend	Date of Declaration of Dividend	Last date for claiming unclaimed Dividend
2009-2010	Final	10.05. 2010	16.06.2017
2010-2011	Interim	16.10. 2010	22.11.2017
2010-2011	Final	28.07. 2011	03.09.2018
2011-2012	Final	27.09. 2012	03.11.2019
2012-2013	Final	19.07. 2013	25.08.2020
2013-2014	Interim	18.01. 2014	24.02.2021
2013-2014	Final	12.07. 2014	18.08.2021
2014-2015	Final	16.07. 2015	22.08.2022
2015-2016	Interim	09.03. 2016	15.04.2023

Dematerialisation of Shares and Liquidity

The Company's equity shares form part of the dematerialisation segment for all investors. As on March 31, 2017, 96.56% of the paid up capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

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

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

Plant locations: The data is given at page no. 11 of the Annual Report.

Address for correspondence

Registered Office
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

For Secretarial matters

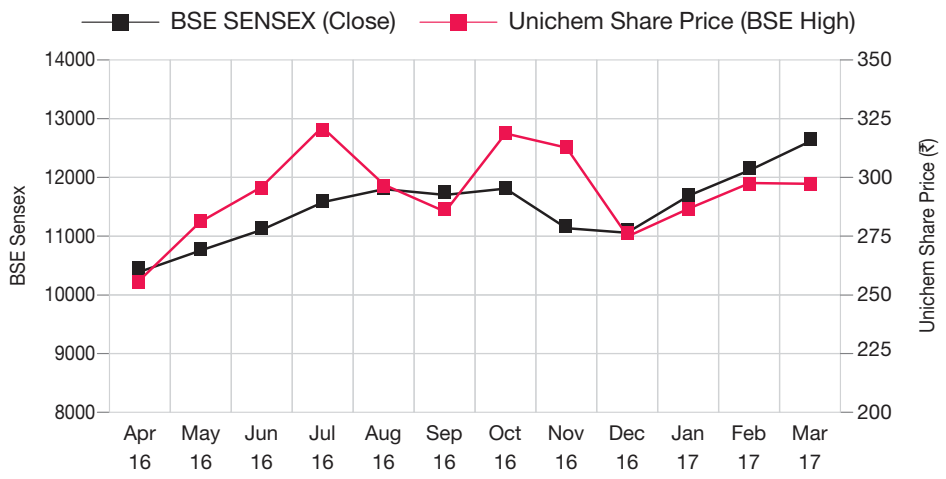
Ms. Shalini Kamath / Mr. Dilip Bhor
Unichem Bhavan, Prabhat Estate, Off S. V. Road,
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8478 / 439
E-mail Id.: shares@unichemlabs.com

Market Price data

(Figures in ₹)

Month	High (BSE)	Low (BSE)	High (NSE)	Low (NSE)
April, 2016	255.75	221.00	256.00	221.00
May, 2016	280.40	235.05	280.50	236.00
June, 2016	293.90	242.00	295.00	241.50
July, 2016	318.85	271.00	318.00	271.70
August, 2016	294.50	265.50	294.40	266.50
September, 2016	280.45	259.00	281.50	258.00
October, 2016	319.90	271.85	321.95	270.20
November, 2016	313.70	250.10	328.00	233.25
December, 2016	275.00	245.45	272.90	244.10
January, 2017	281.00	246.00	281.00	253.00
February, 2017	295.60	248.00	296.45	246.80
March, 2017	295.00	250.00	295.20	249.00

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



Distribution of Shareholding on March 31, 2017					
Sr. No.	**Share Holding of Nominal Value (₹)**	**No. of Share Holders**	**% of Total Share Holders**	**No. of Shares**	**% of Total Share Holding**
1	Upto 5,000	24,635	96.46	1,10,96,800	12.21
2	5,001 – 10,000	536	2.10	36,62,232	4.03
3	10,001 – 20,000	172	0.67	24,24,511	2.67
4	20,001 – 30,000	72	0.28	17,41,718	1.92
5	30,001 – 40,000	25	0.10	8,84,702	0.97
6	40,001 – 50,000	25	0.10	11,51,118	1.27
7	50,001 – 1,00,000	19	0.07	12,11,881	1.33
8	1,00,001 and above	56	0.22	6,87,03,563	75.60
	Grand Total	**25,540**	**100.00**	**9,08,76,525**	**100.00**

Shareholding Pattern as on March 31, 2017			
Category	**Category of Shareholder**	**As on March 31, 2017**	
		Total No. of shares	**As a %**
(A)	Promoter and Promoter Group	4,55,10,550	50.08
(B)	Public shareholding		
	Institutions		
	Mutual Funds	94,71,268	10.42
	Foreign Portfolio Investors	36,03,930	3.97
	Financial institutions/banks	68,573	0.08
	Insurance Companies	19,32,147	2.13
	Foreign mutual funds	61,885	0.07
	Foreign Banks	500	0.00
	Non institutions		
	i. Individual shareholders holding nominal share capital up to Rs. 2 lacs	1,83,26,744	20.17
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lacs	26,48,028	2.91
	Any Other (specify)		
	i. Trusts	64,320	0.07
	ii. Foreign Nationals	4,750	0.00
	iii. Hindu Undivided Family	8,26,728	0.91
	iv. Non Resident Indians (Non Repat.)	7,10,084	0.78
	v. Non Resident Indians (Repat.)	3,00,736	0.33
	vi. Overseas Bodies Corporates	16,250	0.02
	vii. Clearing Members	6,81,350	0.75
	viii. Market Maker	6,936	0.01
	ix. Bodies Corporate	66,41,746	7.30
	Grand Total	**9,08,76,525**	**100.00**

Financial Calendar (Tentative)

Results for the Quarter and Year ending on	Tentative date
Unaudited results for the first quarter ending June 30, 2017	Third week of July 2017
Unaudited results for the second quarter and half year ending September 30, 2017	Fourth week of October 2017
Unaudited results for the third quarter and nine months ending December 31, 2017	Third week of January 2018
Audited results for year ending March 31, 2018	Third week of May 2018

Auditors Certificate

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

For and on behalf of the Board of Directors

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

Mumbai
May 30, 2017

Auditors' Certificate on Corporate Governance

To,
The Members
Unichem Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Unichem Laboratories Limited ('the Company'), for the year ended March 31, 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility
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 the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Practitioner's Responsibility
1. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
2. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

Restrictions on use
This certificate has been issued on the request of the Company pursuant to regulations as stipulated in the Listing Regulations and is not intended to be used for any other purpose.

Accordingly, we 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 30, 2017

Independent Auditors' Report to the Members of Unichem Laboratories Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Unichem Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 standalone Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 41 to the standalone Ind AS financial statements relating to increase in the provision for diminution of

long-term investments in Unichem Farmaceutica Do Brazil Ltda, from Rs. 2,277.63 lacs in the previous year to Rs. 2690.78 lacs for the year under report, based on internal assessment and other factors more elaborately stated in the said Note.

Our opinion is not modified in respect of this matter.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31st March 2016 and 31st March 2015 dated 20th May 2016 and 9th May 2015, respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor s Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) With respect to the other matters to be included in the Auditor s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note no 36 and 37 to the standalone Ind AS 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.
      iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 54 to the standalone Ind AS financial statements;

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

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 30, 2017

ANNEXURE A TO THE AUDITOR'S REPORT

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

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As explained to us, some of the fixed assets of the Company have been physically verified during the year by the management in accordance with a phased program of verification designed to cover all assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self constructed immovable properties (buildings) are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified during the year by the management, except for the inventories lying with the third parties, which have however, been confirmed by them. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, sub clause (a), (b) and (c) of the paragraph 3 (iii) are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act relating to the manufacture of Bulk Drugs and pharmaceutical specialties and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2017 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, 2017 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	25.34	AY: 2008-09 to AY: 2009-10	Commissioner of Income Tax – (Appeals)
U.P. Value Added Tax Act, 2008	Penalty	20.44	FY: 2008-09	Hon'ble High Court of Judicature at Allahabad
Central Excise Act, 1944	Duty and Penalty	211.30	April 2003 to November 2013	Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Duty and Penalty	4.09	FY: 2012-13	Commissioner of Central Excise (Appeal)
Service Tax Laws	Disallowance of Service Tax Credit	6.39	April 2011 to June 2015	Commissioner of Central Excise (Appeal), Kolkata – III
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	139.88	January 2012 to March 2012	Appellate Tribunal (CESTAT)
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	498.22	FY: 2008-09 to August 2015	Appellate Tribunal (CESTAT)
Service Tax Laws	Disallowance of Service Tax Credit & Penalty	54.31	February 2014 to August 2016	Commissioner of Central Excise & Service Tax - Goa

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and Governments. Therefore, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained except in case of term loans amounting to ₹ 1.80 lacs disbursed but pending utilisation, which were placed in a separate bank account.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188

of the Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act. Therefore, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

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

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 30, 2017

ANNEXURE B TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 under, Report on Other Legal and Regulatory Requirements section of Independent Auditors' Report on standalone Ind AS financial statements of even date)

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

We have audited the internal financial controls over financial reporting of Unichem Laboratories Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 30, 2017

Balance Sheet as at 31st March, 2017

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I. ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	46,795.54	38,119.98	39,586.60
(b) Capital work-in-progress	3	24,725.96	23,265.12	11,866.07
(c) Other Intangible assets	3	-	-	-
(d) Financial Assets				
(i) Investments	4	8,137.10	10,252.01	11,765.15
(ii) Loans	5	8.59	14.38	18.54
(iii) Other financial assets	6	800.00	2,000.00	4,000.00
(e) Other non-current assets	7	524.42	790.98	431.38
Current assets				
(a) Inventories	8	25,398.41	20,065.54	18,648.31
(b) Financial Assets				
(i) Investments	9	800.24	804.19	3,529.05
(ii) Trade receivables	10	29,649.22	26,473.14	20,632.93
(iii) Cash and cash equivalents	11	1,016.03	1,094.07	1,971.05
(iv) Loans	12	8.58	16.49	9.17
(v) Other financial assets	13	1,617.99	2,057.63	1,528.33
(c) Current Tax Assets (Net)	14	-	236.49	9.25
(d) Other current assets	15	10,723.76	8,963.11	8,168.91
TOTAL ASSETS		**150,205.84**	**134,153.13**	**122,164.74**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	1,817.53	1,816.87	1,815.38
(b) Other Equity	17	111,255.27	100,898.40	95,110.04
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	43.77	45.82	14.91
(ii) Other financial liabilities	19	2,014.59	1,930.77	2,084.55
(b) Provisions	20	2,532.61	1,257.55	887.56
(c) Deferred tax liabilities (Net)	21	2,449.51	3,131.54	3,932.54
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	55.14	790.14	-
(ii) Trade payables	23	23,550.97	18,963.33	14,263.01
(iii) Other financial liabilities	24	240.11	308.66	269.78
(b) Other current liabilities	25	5,438.73	4,434.02	3,366.69
(c) Provisions	26	728.00	576.03	420.28
(d) Current Tax Liabilities (Net)	14	79.61	-	-
TOTAL EQUITY AND LIABILITIES		**150,205.84**	**134,153.13**	**122,164.74**
Significant Accounting Policies	2			

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	**Rakesh Parikh**	**Neema Thakore**	**Dr. Prakash A. Mody**	**Prafull Anubhai**
Partner	Chief Finance &	Head - Legal &	Chairman &	Director
Membership No.103241	Compliance Officer	Company Secretary	Managing Director	

Mumbai
May 30, 2017

Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in lacs)

Particulars		Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Revenue From Operations	27	141,385.22	123,614.52
II	Other Income	28	1,273.54	2,270.87
III	**Total Income (I+II)**		**142,658.76**	**125,885.39**
IV	**EXPENSES**			
	Cost of materials consumed	29	36,143.19	32,319.94
	Purchases of Stock-in-Trade		15,379.19	13,752.71
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	30	(1,171.60)	(871.23)
	Excise duty on sale of goods		1,599.20	1,562.85
	Employee benefits expense	31	24,873.66	20,959.92
	Finance costs	32	200.84	229.16
	Depreciation and amortization expense	3	4,107.94	3,499.12
	Other expenses	33	42,197.27	37,275.71
	Research & Development Expense	34	6,169.38	4,386.77
	Total expenses (IV)		**129,499.07**	**113,114.95**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**13,159.69**	**12,770.44**
VI	Exceptional Items		-	353.00
VII	**Profit/(loss) before tax (V-VI)**		**13,159.69**	**12,417.44**
VIII	Tax expense:			
	(1) Current tax		3,358.00	3,175.00
	(2) Deferred tax	21	(585.03)	(801.00)
	(3) Short / (Excess) provision for Taxation pertaining to Previous year		-	(5.03)
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**10,386.72**	**10,048.47**
X	Other Comprehensive Income	35		
	A (i) Items that will not be reclassified to profit or loss(net)		(123.53)	11.57
XI	**Total Comprehensive Income for the period (IX+X)**		**10,263.19**	**10,060.04**
XII	Earnings per equity share (for continuing operations):			
	(1) Basic		11.29	11.08
	(2) Diluted		11.28	11.06
Significant Accounting Policies		2		

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	**Rakesh Parikh**	**Neema Thakore**	**Dr. Prakash A. Mody**	**Prafull Anubhai**
Partner	Chief Finance &	Head - Legal &	Chairman &	Director
Membership No.103241	Compliance Officer	Company Secretary	Managing Director	

Mumbai
May 30, 2017

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

(₹ in lacs)

	2016-2017		2015-2016		2014-2015	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Number of Shares outstanding as at the beginning of the year	90,843,200	1,816.88	90,768,725	1,815.39	90,627,326	1,812.55
Add: Number of Shares allotted under ESOP during the Year	33,325	0.67	74,475	1.49	141,399	2.84
Number of Shares outstanding as at the end of the year	**90,876,525**	**1,817.55**	**90,843,200**	**1,816.88**	**90,768,725**	**1,815.39**

B. Other Equity

(₹ in lacs)

	Share application money pending allotment	Share options outstanding account	Reserves and Surplus				Total
			General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance at April 1, 2015	-	**85.06**	**18,595.36**	**7,982.29**	**62.47**	**68,384.86**	**95,110.04**
Profit for the year						10,048.47	10,048.47
Other comprehensive Income for the year						11.57	11.57
Total Comprehensive Income for the year	-	-	-	-	-	**10,060.04**	**10,060.04**
Payment of dividends (Incl. Tax on dividend)						(4,371.72)	(4,371.72)
Transfer to retained earnings							-
Recognition of share-based payments		30.32					30.32
Issue of shares under ESOPs				69.72			69.72
Balance at March 31, 2016	-	**115.38**	**18,595.36**	**8,052.01**	**62.47**	**74,073.18**	**100,898.40**
Profit for the year						10,386.72	10,386.72
Other comprehensive Income for the year						(123.53)	(123.53)
Total Comprehensive Income for the year	-	-	-	-	-	**10,263.19**	**10,263.19**
Payment of dividends (Incl. Tax on dividend)						-	-
Transfer to retained earnings							-
Recognition of share-based payments		17.45		64.48			81.93
Issue of shares under ESOPs	11.75						11.75
Balance at March 31, 2017	**11.75**	**132.83**	**18,595.36**	**8,116.49**	**62.47**	**84,336.37**	**111,255.27**

Cash Flow Statement for the period ended 31st March, 2017

(₹ in lacs)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. Cash Flow from Operating Activities				
Net Profit before Tax		**13,159.69**		**12,417.44**
Adjustment to reconcile profit before tax net cash flow :				
Depreciation	4,107.94		3,499.12	
Loss/(Profit) on Sale of Assets (Net)	(1.89)		(25.18)	
Unrealised Exchange difference (Net)	582.01		(300.03)	
Finance cost (Incl. Interest impact on Financial Assets / Liabilities)	200.84		229.16	
Provision for doubtful debts, loans, advances & deposits for the year	2.76		416.11	
Employees compensation expenses (ESOS)	67.27		67.27	
Loss/(Profit) on Sale of Investments	(133.38)		(288.06)	
Bad debts Written Off	20.89		322.01	
Interest income	(232.84)		(501.33)	
Excess provision for expenses written back	(61.72)		(107.51)	
Impairment loss allowance in value of investments in subsidiary	2,690.78		2,277.63	
Fair valuation Gain/(Loss) on investments through profit and loss (FVTPL)	4.39		16.30	
Recognition of Grant through amortised method	(18.82)		(6.36)	
Adjustments of finance income on interest free security deposits	(0.87)		(0.61)	
Remeasurements of defined benefit plans	(220.53)		11.57	
Recognition of operating lease rent on security deposits	0.85		0.60	
Dividend Income	(0.29)		(0.25)	
		7,007.39		5,610.44
Operating Profit Before Working Capital Changes		20,167.08		18,027.88
Working capital Adjustments:				
Trade receivables, Advances & other current assets	(5,133.24)		(8,263.25)	
Inventories	(5,332.87)		(1,417.23)	
Trade payable & Other current liabilities	7,098.04		6,407.26	
		(3,368.07)		(3,273.22)
Cash Generated from Operations		16,799.01		14,754.66
Direct Taxes Paid (Net of refund)		(2,730.28)		(3,096.52)
Net Cash Flow from Operating Activities		**14,068.73**		**11,658.14**
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(14,269.52)		(13,504.12)
Sale of Fixed Assets		27.07		97.75
Investment in subsidiary		(576.31)		(759.81)
Sale / (Purchase) of Investment in others (Net)		-		2,703.93
Profit / (Loss) on Sale of Investments		133.38		288.06
Inter - Corporate deposits (placed)/ Matured		1,200.00		2,000.00
Interest Income		232.84		501.33
Dividend Income		0.29		0.25
Net cash flow used in Investing Activities		**(13,252.25)**		**(8,672.61)**
C. Cash Flow from Financing Activities				
Repayment of working Capital borrowings		(735.00)		790.14
Proceeds from issue of share capital including share premium		27.07		34.26
Receipt / (repayment) of other long term liabilities		83.82		(153.83)
Receipt of Long term Loan from BIRAC		-		29.36
Finance cost (Incl. Interest impact on Financial Assets / Liabilities)		(200.84)		(229.16)
Dividend paid		(69.57)		(4,333.28)
Dividend distribution tax paid		-		-
Net cash flow used in Financing Activities		**(894.52)**		**(3,862.51)**
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		**(78.04)**		**(876.98)**
Cash and Cash Equivalents at the beginning of the year		1,094.07		1,971.05
Cash and Cash Equivalents at year end		1,016.03		1,094.07

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

Raman H. Jokhakar
Partner
Membership No.103241

Mumbai
May 30, 2017

For and on behalf of the Board of Directors

Rakesh Parikh
Chief Finance & Compliance Officer

Neema Thakore
Head - Legal & Company Secretary

Dr. Prakash A. Mody
Chairman & Managing Director

Prafull Anubhai
Director

Notes forming part of Financial Statements

for the year ended 31st March, 2017

1 Corporate information

These financial statements comprise standalone financial statements of Unichem Laboratories Limited (the company) for the year ended 31st March, 2017. The company is a public company domiciled in India and is incorporated under the provisions of the Companies act 1956. Its shares are listed on recognised stock exchanges, namely BSE Limited and National Stock Exchange of India limited in India. The registered office of the Company is located at "Unichem Bhavan", Prabhat Estate, Off S V Road, Jogeshwari (West), Mumbai - 400 102.

The Company is engaged in manufacturing of pharmaceutical products.

These financial statements were authorised for issue in accordance with a resolution of the Directors on 30th May 2017.

2 Significant accounting policies

2.1 Basis of preparation and presentation

These financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

For all periods up to and including the year ended 31st March 2015, the financial statements of the company are prepared under historical cost convention, on accrual basis, in accordance with the provisions of the Companies Act , as applicable 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.

These are the first Ind AS Financial statements. The date of transition to the Ind AS is April 1, 2015. Refer note 2.2(p) for information on how the company has adopted Ind AS.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period :

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Recovery of excise duty flows to the company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the company on its own account. Hence tax collected on value added to the commodity on behalf of the government is excluded from revenue.

Sale of Goods

Revenue from sale of goods is recognised after satisfying following conditions.

i) The company has transferred to the buyer, the significant risk and rewards of ownership of the goods.

ii) The company neither retains continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

iii) The amount of revenue can be measured reliably.

iv) It is probable that, economic benefits associated with the transactions will flow to the Company.

v) The costs incurred or to be incurred in respect of transaction can be measured reliably.

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

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

Other Operating Revenue
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
Interest income (except interest on Income tax refund which is accounted on Cash basis) is recognised on a time proportion basis taking into account the amount outstanding and at effective rate applicable when it is probable that the economic benefits will flow and the amount can be measured reliably.

Dividend income
Dividend income from investment is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

b. Leases
A lease is classified at the inception date as financial lease whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other lease are classified as operating lease.

Finance leases are capitalised at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets., in which case they are capitalised in accordance with policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

c. Foreign Currency Transactions
The functional currency for presentation of financial statements is INR.

Transactions in foreign currencies are initially recorded by the company at its respective functional currency spot rates at the date the transaction first qualifies for recognition. The exchange difference arising on actual settlement of monetary items are recognised in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

d. Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

Government grants are recognised in profit or loss on systematic basis over the periods in which company recognises as expenses the related cost for which the grants are intended to compensate.

Government grants received towards purchase, construction or acquisition of non current assets are recognised as deferred revenue in the financial statement and transferred to profit and loss on systemic and rational basis over the useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognised 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 recognised in the Profit and Loss Account on accrual basis. The company has no obligations other than the contribution payable.

(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 on remeasurement of defined benefit gratuity plan is charged to other comprehensive income not reclassified to profit and loss account.

(c) Post employment obligations
Compensation paid to employees under Voluntary Retirement Scheme is recognised as an expense when incurred.

g. Share-based payments

Equity-settled share based payments to employees are measured at the fair value of equity instruments at the grant date. (See Note no 51)

The fair value determined on the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on company's estimate of equity instruments, that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimates of the number of equity instruments expected to be vested. The impact of the revision of estimates, if any, is recognised in profit and loss account such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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 Ind AS 102 Share based payments.

h. Taxation

Income tax expenses represents sum of current tax payable and deferred tax.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid in accordance with the Income Tax Act, 1961.
Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets & liabilities in the financial statements and corresponding tax bases used in computation of taxable profit.
Deferred tax liabilities generally recognised for all taxable temporary differences.Deferred tax assets are generally recognised for deductable temporary difference to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Current & deferred tax for the year

Current & deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity.

i. Property, plant & equipment

Property, plant & equipment held for use in the production or supply of goods or services or for administration purpose, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment loss. Freehold land is not depreciated.

Properties in the course of construction (capital work-in-progress) for production, supply or administration purpose are carried at cost, less any impairment loss. Cost includes any directly attributable expenses incurred (net of recoverable taxes) to bring the assets to working condition for their intended use. In respect of qualifying assets, borrowing cost are capitalised. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Advances paid towards the acquisition of fixed assets outstanding at balance sheet date are disclosed as Capital Advances under Note " Other non-current assets".

No assets classified as held for sale or included in disposal group classified as held for sale.

Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using following methods at rates specified in Part C of schedule II of The Companies Act, 2013.

a) Straight- Line Method on Buildings and Plant & Machinery, computer & server (office equipment)
b) Written Down Value Method on other PPE

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.

Estimated useful lives of the PPEs are as follows :

Buildings	: 30 to 60 years
Plant and Equipments	: 10 to 15 years
Furniture & Fixture	: 10 years
Vehicles	: 8 years
Office Equipment	: 5 years

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

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 recognised immediately as income in the profit and loss account.

The existence and amounts of restrictions on title and property, plant and equipment pledged as security for liabilities (see note 39)

For transition to Ind AS, the company has elected to continue with the carrying value of all its property,plant and equipment recognised as of April 1, 2015 measured as per the previous Accounting standards and that carrying value as its deemed cost as of the transition date.

j. Intangible assets

Intangible assets are amortised on straight line basis over the useful lives of the assets not exceeding 10 years.

For transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2015 measured as per the previous Accounting standards and that carrying value as its deemed cost as of the transition date.

k. Inventories

Inventories are valued after providing for obsolescences as under :

(a) Stock of Raw materials is valued at lower of cost or Net realisable value ,which includes duties and taxes (Except those subsequently recoverable).

(b) Stock of Packing materials & Stores and spares is valued at cost ,which includes duties and taxes (Except those subsequently recoverable).

(c) Stock of Finished products including traded goods and Semi finished goods is 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.

l. Provisions, Contingent liabilities and Contingent assets

Provision is recognised when the company has a present obligation (Legal or Constructive) 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 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 recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) 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.

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 where management estimates and in cases where the collection of debt is uncertain.

m. Research and Development Expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure of an individual project are recognised as an intangible asset when the company can demonstrate:

a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.

b) Its intention to complete and its ability and intention to use or sell the asset.

c) How the asset will generate future economic benefits.

d) The availability of resources to complete the asset.

e) The ability to measure reliably the expenditure during development.

n. Financial instruments

A financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value.

Transaction cost that are directly attributable to the acquisition or issue of financial assets or liabilities (other than measured at fair value through profit and Loss (FVTPL) are added to or deducted from fair value of financial assets or liabilities on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets or liabilities measured at fair value through profit and loss are immediately recognised in profit and loss.

Subsequent measurement
All financial assets and liabilities are subsequently measured depending on classification either at
(i) Amortised Cost.
(ii) Fair Value through Other Comprehensive income (FVTOCI).
(iii) Fair value through profit and loss (FVTPL).

Effective interest method (EIR)
The effective interest method is a method of calculating amortised cost of debt instrument and allocating interest income / interest cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that forms integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of debt instrument. Income recognised on effective interest rate is recognised in profit and loss and is included in "Other income". Interest cost recognised on effective interest rate is recognised in profit and loss and is included in "Finance Cost".

Hedge accounting
The company designates certain hedging instruments, which include forward contracts in respect of foreign currency risk. Hedge of foreign exchange risk on firm commitments are accounted for as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged items, along with risk management objectives and its strategy for undertaking various hedge transactions.

Investments
Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments.Current investments are measured at fair value. Changes in fair value of current investments are recognised in profit & Loss.

All other investments are classified as long-term investment. Long-term investments in Subsidiaries and Associates are carried at cost as per Ind AS 27. Impairment loss is recognised for decline in carrying amount of long term investments.

Other Long term equity Investments are measured at fair value through profit and loss (FVTPL).

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method.Loans and borrowings at below market rate of interest initially measured at fair value, fair value changes netted in carrying value, subsequently measured at amortised cost.

Impairment of financial Assets
The company has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date of financial instrument were initially recognised. The company has not undertaken exhaustive search for information for significant increase in credit risk since initial recognition at the date of transition to Ind AS.

Cash and cash equivalents
Cash and cash equivalent in the balance sheet comprise cash at bank, cash in hand and short term deposits, which are subject to an insignificant risk of changes in value.

Cash and cash equivalent in the cash flow statement comprise cash at bank, cash in hand, short term deposits, which are subject to an insignificant risk of changes in value and net outstanding bank overdrafts as they are considered an integral part of company's cash management.

o. Earnings per share
Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are determined independently for each period presented.

p. First-time adoption- Mandatory exceptions, optional exemptions
The Company has prepared opening balance sheet as per Ind As as on 1st April 2015 (Transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising assets and liabilities

which are not permitted by Ind AS, by reclassifying items from previous Accounting standards to Ind AS as required by Ind AS,and applying Ind AS in measurement of recognised assets and liabilities. Subject to certain exceptions and optional exemptions availed as detailed below.

Derecognition of Financial assets and Financial Liabilities
The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April 2015 (Transition date).

Deemed cost for property, plant and equipments, Intangible assets & Capital work in progress.
The company has elected to continue with the carrying values of all of its Property, plant and equipments, Intangible assets and Capital work in progress recognised as of 1st April 2015 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as on the transition date.

Government Loan
The Company has measured as per Ind AS 109 and Ind AS 20 retrospectively to government loan originated before date of transition to Ind AS (Ind-AS 101 Appendix B Para B11).

3. PROPERTY, PLANT & EQUIPMENT

(₹ in lacs)

	Property, Plant & Equipment									Intangible Assets	
	Freehold Land	Leasehold Land	Buildings **	Plant & Equipments	Furniture & Fixture	Vehicles	Office equipment	Total	Capital work-in-progress	Brands/ Trade marks	Total Intangible
Gross carrying value, at cost											
Opening as on 1st Apr, 2015	248.47	2,012.94	16,704.94	20,027.32	247.94	263.25	81.74	39,586.60	11,866.07	-	-
Additions	-	270.39	85.96	1,571.43	51.11	108.39	17.79	2,105.07	13,366.94	-	-
Disposal/transfer	-	-	29.39	116.55	2.17	77.52	1.08	226.71	1,967.89	-	-
As at 31st Mar, 2016	248.47	2,283.33	16,761.51	21,482.20	296.88	294.12	98.45	41,464.96	23,265.12	-	-
Additions	**129.54**	**29.56**	**3,692.74**	**8,496.40**	**235.87**	**30.32**	**194.25**	**12,808.68**	**14,151.20**	-	-
Disposal/transfer *	-	-	-	**230.02**	**22.00**	**46.92**	**11.78**	**310.72**	**12,690.36**	-	-
As at 31st Mar, 2017	**378.01**	**2,312.89**	**20,454.25**	**29,748.58**	**510.75**	**277.52**	**280.92**	**53,962.92**	**24,725.96**	-	-
Accumulated Depreciation / amortisation											
Opening as on 1st Apr, 2015	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	53.39	643.15	2,596.66	68.58	101.68	35.66	3,499.12	-	-	-
Disposal/transfer *	-	(1.13)	4.73	79.96	2.11	67.36	1.11	154.14	-	-	-
As at 31st Mar, 2016	-	54.52	638.42	2,516.70	66.47	34.32	34.55	3,344.98	-	-	-
Charge for the year	-	**54.18**	**752.55**	**3,021.55**	**106.75**	**84.46**	**88.45**	**4,107.94**	-	-	-
Disposal	-	**(3.11)**	**-**	**237.28**	**(0.36)**	**40.57**	**11.16**	**285.54**	-	-	-
As at 31st Mar, 2017	-	**111.81**	**1,390.97**	**5,300.97**	**173.58**	**78.21**	**111.84**	**7,167.38**	-	-	-
Net book value											
As at 31st Mar, 2017	**378.01**	**2,201.08**	**19,063.28**	**24,447.61**	**337.17**	**199.31**	**169.08**	**46,795.54**	**24,725.96**	-	-
As at 31st Mar, 2016	248.47	2,228.81	16,123.09	18,965.50	230.41	259.80	63.90	38,119.98	23,265.12	-	-
As at 1st April 2015	248.47	2,012.94	16,704.94	20,027.32	247.94	263.25	81.74	39,586.60	11,866.07	-	-

(₹ in lacs)

Net book value	As at 31st March, 2017	As at 31st March, 2016
Property, plant and equipment	46,795.54	38,119.98
Capital work-in-progress	24,725.96	23,265.12
Intangible Assets	-	-

* 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 ₹ 548.38 Lacs (Previous year ₹ 337.26 Lacs) being expenditure on Research and Development as under:

(₹ in lacs)

Assets Description	As at 31st March, 2017	As at 31st March, 2016
Buildings	9.71	-
Plant & Machinery	422.36	301.60
Furniture & Fixtures	-	24.90
Office Equipments	-	0.07
Motor Car	-	-
Capital Work in Progress	116.31	10.69
Total	**548.38**	**337.26**

4 INVESTMENTS (NON-CURRENT)

(₹ in lacs)

	No of Shares/Units		Face Value	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	As at 31st March, 2017	As at 31st March, 2016				
(I) UNQUOTED						
(a) Investment in Equity Instruments						
Fully Paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	Rs 10	30.38	30.38	30.38
Less : Impairment in value of investments				(30.38)	(30.38)	(30.38)
				-	-	-
Fully Paid Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	Rs 10	2.00	2.00	2.00
Fully Paid Equity Shares of Unireach Healthcare Private Limited			Rs 10			1.00
Sub Total				**2.00**	**2.00**	**3.00**
Fully paid Equity Shares of Subsidiaries						
Unichem Farmaceutica Do Brasil Ltda	25,992,678	23,214,651	1 Brasil Real	6,272.19	5,695.88	5,116.27
Less : Impairment in value of investments				(6,272.19)	(3,581.41)	(1,303.77)
				-	**2,114.47**	**3,812.50**
Niche Generics Ltd (UK)	625,000	625,000	1 Pound	2,556.77	2,556.77	2,556.77
Unichem SA Pty Ltd	19,000	19,000	10 SA Rand	12.14	12.14	12.14
Unichem Pharmaceuticals USA Inc.	6,476,955	6,476,955	1 US$	2,951.92	2,951.93	2,951.94
Unichem Laboratories Limited , Ireland	1,250,000	1,250,000	1 Euro	871.69	871.68	690.46
Sub Total				**6,392.52**	**6,392.52**	**6,211.31**
Fully paid Equity Shares of Associates						
Fully Paid Equity Shares of Synchron Research Services Private Limited	208,333	208,333	Rs. 10	569.31	569.31	569.31
Sub Total				**569.31**	**569.31**	**569.31**
Total (a)				**6,963.83**	**9,078.30**	**10,596.12**
(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	1,164.79
Total (b)				**1,164.79**	**1,164.79**	**1,164.79**
Total Unquoted (a) + (b)				**8,128.62**	**10,243.09**	**11,760.91**
(II) QUOTED						
Fully paid Equity Bonus Shares						
Jindal Polyfilm Limited	2,000	2,000	Rs. 10	7.92	8.47	3.76
Jindal Poly Investment and Finance Company Ltd	500	500	Rs. 10	0.47	0.39	0.43
Aurobindo Pharma Ltd	8	8	Rs. 1	0.05	0.06	0.05
Kothari Industrial Corporation Ltd	20	20	Rs. 5	0.04	-	-
Total Quoted				**8.48**	**8.92**	**4.24**
Total of Unquoted & Quoted Non current Investments				**8,137.10**	**10,252.01**	**11,765.15**
Aggregate book value of unquoted investments				8,128.62	10,243.09	11,760.91
Aggregate amount of impairment in value of investments				(6,302.57)	(3,611.79)	(1,334.15)
Aggregate book value of quoted investments				8.48	8.92	4.24
Aggregate market value of quoted investments				8.48	8.92	4.24
Financial assets carried at fair value through profit and loss (FVTPL)						
Equity instruments				8.48	8.92	4.24

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5 LOANS (NON-CURRENT)			
Unsecured, considered good.			
Loans to Employees	8.59	14.38	18.54
Total	**8.59**	**14.38**	**18.54**
6 OTHER FINANCIAL ASSETS - NON CURRENT			
Inter Corporate Deposits	800.00	2,000.00	4,000.00
Total	**800.00**	**2,000.00**	**4,000.00**
7 OTHER NON CURRENT ASSETS			
Capital advances (Net of provision for Doubtful advances, CY ₹ 11.85 lacs, PY ₹ 11.85 lacs)	524.42	790.98	431.38
Total	**524.42**	**790.98**	**431.38**
8 INVENTORIES			
Raw Materials [Include ₹ 304.90 lacs in transit, (Previous year ₹ 84.47 lacs)]	10,720.77	7,128.28	6,412.37
Packing Materials [Include ₹ Nil lacs in transit, (Previous year ₹ 4.19 lacs)]	1,823.94	1,282.48	1,416.48
Work-in- Progress	4,650.68	3,986.42	3,931.74
Finished Goods (excluding finished goods traded in) [Include ₹ 142.10 lacs in transit, (Previous year ₹ 390.47 lacs)]	4,662.05	4,963.47	4,430.60
Stock in trade (in respect of goods acquired for trading)	3,279.99	2,471.23	2,187.55
Stores and Spares	260.98	233.66	269.57
Total [Refer Note. 53]	**25,398.41**	**20,065.54**	**18,648.31**

During the year ended 31st March 2017, ₹ 497 lacs (31st March 2016 ₹ 426 lacs) was recognised as an expenses for inventories carried at net realisable value.

9 INVESTMENTS (CURRENT)

(₹ in lacs)

	No of Shares/Units		Amount		
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
UNQUOTED					
INVESTMENT IN MUTUAL FUNDS					
Baroda Pioneer Liquid Fund - Plan B Growth					103.06
Baroda Pioneer Treasury Advantage Fund - Plan B Growth					201.66
BOI Axa Treasury Advantage Fund - Direct Plan - Growth					100.37
BOI Axa Treasury Advantage Fund - Regular Plan - Growth					100.96
Birla Sun Life Cash Plus - Growth - Regular Plan	153,586		400.11		100.09
DSP Black Rock Liquidity Fund - Institutional Plan - Growth					203.35
DWS Insta Cash Plus Fund - Growth					100.08
HSBC Cash Fund - Growth					405.07
ICICI Prudential Liquid - Direct- Growth	166,608	133,874	400.13	300.26	
IDFC Money Manager Fund - Treasury Plan - Growth					203.17
IDBI Liquid Fund - Direct Plan - Growth					100.09
Indiabulls Liquid Fund - Existing Plan Growth					100.36
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option					100.32
Religare Invesco Liquid Fund - Direct Plan - Growth		14,398		300.22	200.17
Religare Invesco Medium Term Bond Fund - Direct Plan - Growth		13,115		203.71	
Peerless Liquid Fund - Super Institution Growth					200.35
Pramerica Liquid Fund - Growth Option					100.10
Religare Invesco Credit Opportunities Fund - Direct Plan - Growth					202.39
Mirae Asset Cash Management Fund - Direct Plan - Growth					100.33
Quantum Liquid Fund - Growth Option					100.45
Kotak Treasury Advantage Fund - Direct Plan - Growth					201.93
UTI Banking & PSU Debt Fund - Regular Plan - Growth					201.63
Taurus Short Term Income Fund - Direct Plan - Growth					403.12
Total Investments in Mutual Funds			**800.24**	**804.19**	**3,529.05**
Financial assets carried at fair value through profit & loss a/c (FVTPL)			**800.24**	**804.19**	**3,529.05**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
10 TRADE RECEIVABLES			
Secured, considered good	2,014.59	1,930.77	2,084.55
Unsecured, considered good	27,634.63	24,542.37	18,548.38
Doubtful	602.13	696.29	564.98
Less: Allowance for doubtful receivables	(602.13)	(696.29)	(564.98)
Total	**29,649.22**	**26,473.14**	**20,632.93**

Trade Receivables are secured to the extent of Advances of ₹ 2014.59 lacs (Previous Year ₹ 1930.77 lacs) received from Consignment Agents.& Others.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
11 CASH AND CASH EQUIVALENTS			
(a) Cash & cash equivalents			
(i) Balances with banks			
In Current Accounts	729.65	746.83	485.44
In Escrow Accounts	-	2.29	150.73
(ii) Cheques on hand	38.23	24.47	-
(iii) Cash on hand	9.51	12.27	15.11
(b) Other bank balances			
In Unpaid Dividend Account (Restricted Bank Balance)	238.54	308.11	269.67
In Fixed Deposits having original maturity more than 3 months	0.10	0.10	1,050.10
Total	**1,016.03**	**1,094.07**	**1,971.05**
12 LOAN-CURRENT			
Unsecured, considered good.			
Loans to Employees	8.58	16.49	9.17
Total	**8.58**	**16.49**	**9.17**
13 OTHER FINANCIAL ASSETS - CURRENT			
Short terms Deposits			
Unsecured , Considered Good	458.55	440.03	414.37
Doubtful	32.88	26.04	14.81
Less: Allowance for Doubtful deposits	32.88	26.04	14.81
Sub Total	**458.55**	**440.03**	**414.37**
Insurance claims receivables	10.94	301.96	11.89
Interest accured on Investments/FD	-	-	0.03
Fair value of forward contracts	201.36	151.23	52.55
Accrued Interest	37.16	169.34	223.76
Export incentive receivable	909.98	995.07	825.73
Total	**1,617.99**	**2,057.63**	**1,528.33**
14 CURRENT TAX ASSETS/(LIABILITIES)			
Current tax Assets			
Advance payment of income tax	6,407.49	3,425.59	1,849.35
Sub Total	**6,407.49**	**3,425.59**	**1,849.35**
Current tax liabilities			1,834.10
Provision for tax	6,487.10	3,189.10	6.00
Provision for wealth tax	-	-	1,840.10
Sub Total	**6,487.10**	**3,189.10**	**9.25**
Total	**(79.61)**	**236.49**	
15 OTHER CURRENT ASSETS			
Unsecured, Considered Good			
Prepaid Expenses	646.48	690.06	508.37
Balances with Revenue Authorities (Including refund receivables)	8,882.79	6,555.04	5,304.76
Advance against materials & expenses	1,149.00	905.79	1,511.46
Other advances	45.49	812.22	844.32
Sub Total	**10,723.76**	**8,963.11**	**8,168.91**
Doubtful			
Other advances	176.58	197.36	188.33
	176.58	197.36	188.33
Less: Allowance for Doubtful Advances	176.58	197.36	188.33
Sub Total	**-**	-	-
Total	**10,723.76**	**8,963.11**	**8,168.91**

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
16 EQUITY 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	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	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	500.00
Total	**5,000.00**	**5,000.00**	**5,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP			
90,876,525 Equity Shares of ₹ 2/- each fully paid up (Previous year 90,843,200 Equity Shares of ₹ 2/- each fully paid up)	1,817.530	1,816.87	1,815.38
Total	**1,817.53**	**1,816.87**	**1,815.38**

(₹ in lacs)

Reconciliation of Number of Shares (Equity)	2016-2017		2015-2016		2014-2015	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Number of Shares outstanding as at the beginning of the year	90,843,200	1,816.88	90,768,725	1,815.39	90,627,326	1,812.55
Add: Number of Shares allotted under ESOP during the Year	33,325	0.67	74,475	1.49	141,399	2.84
Number of Shares outstanding as at the end of the year	**90,876,525**	**1,817.55**	**90,843,200**	**1,816.88**	**90,768,725**	**1,815.39**

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

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No of Shares	% held	No of Shares	% held	No of Shares	% held
Dr. Prakash Amrut Mody	42,287,278	46.55	42,287,278	46.55	41,337,342	45.54
ICICI Prudential	-	-	4,608,732	5.07	8,399,898	9.25

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

(For Shares reserved for issue under ESOS, refer note 51)

17 OTHER EQUITY

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
SHARE APPLICATION MONEY			
Balance at beginning of year	-	-	-
Add: Addition during the year	11.75		
Balance at end of year	**11.75**	**-**	**-**
CAPITAL RESERVE			
Balance at end of year	62.47	62.47	62.47
	62.47	**62.47**	**62.47**
SECURITIES PREMIUM RESERVE			
Balance at beginning of year	8,052.01	7,982.29	7,855.91
Add: Addition during the year	64.48	69.72	126.38
Balance at end of year	**8,116.49**	**8,052.01**	**7,982.29**
SHARE OPTIONS OUTSTANDING ACCOUNT			
Balance at beginning of year	312.85	349.80	414.88
Less : Deduction during the year	(49.82)	(36.95)	(65.08)
	263.03	312.85	349.80
Less: Deferred Employees' stock compensation	(130.20)	(197.47)	(264.74)
Balance at end of year	**132.83**	**115.38**	**85.06**
GENERAL RESERVE			
Balance at beginning of year	18,595.36	18,595.36	18,874.80
Less: Depreciation on account of Assets whose useful life is provisions of Schedule II of The Companies Act, 2013 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)
Balance at end of year	**18,595.36**	**18,595.36**	**18,595.36**
* Deferred tax Impact on Account of Depreciation on Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II of The Companies Act, 2013.			
RETAINED EARNINGS			
Balance at beginning of year	74,073.18	68,384.86	61,947.22
Add: Profit for the year	10,386.72	10,048.47	6,407.25
Add: Other comprehensive income during the year	(123.53)	11.57	-
Add: Changes in fair value of current investments & non Current Investments	-	-	29.36
Add: Prepaid operating lease rent	-	-	(0.06)
Add: Amortisition of Interest Grant	-	-	1.09
Less: Payment of dividends on equity shares			
Final Dividend paid for Year 2014-15 (Incl. Tax on dividend)	-	2,184.99	-
Interim Dividend paid for Year 2015-16 (Incl. Tax on dividend)	-	2,186.73	-
Subtotal	**-**	**4,371.72**	-
Balance at end of year	**84,336.37**	**74,073.18**	**68,384.86**
Total Reserves & Surplus	**111,255.27**	**100,898.40**	**95,110.04**

In respect of the year ended March 31, 2017, the Board of Directors at its meeting held on May 30, 2017 recommended a dividend of ₹3/- per share to be paid on its fully paid up equity shares having a face value of ₹2/- . This equity dividend is subject to the approval of shareholders at the ensuing Annual General Meeting and has not been included as a liability in these standalone financial statements. The total estimated equity dividend (including tax on dividend) to be paid is ₹3,281.30 lacs.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
18 BORROWINGS - NON CURRENT			
SECURED			
Term Loan (other than Banks):	43.77	45.82	14.91
Loan from BIRAC	**43.77**	**45.82**	**14.91**

The Company has taken term loan from BIRAC carrying interest at the rate of 2% per annum, repayment in 10 equal half yearly installments commencing from one year from the date of completion (14th oct, 2016). (Refer note No. 39 (b))

Using prevailing market rates for an equivalent loan of 10 %, the fair value of the loan at initial recognition is estimated at ₹ 37.66 lacs. The difference of ₹ 13.77 lacs between gross proceeds and the fair value of the loan is the benefit derived from the below market interest loan and is recognised as deferred revenue (Note - 25). Interest expenses of ₹ 1.55 lacs was recognised of the year ended 31st March 2016 and ₹ 4.19 lacs was recognised in 2016-17(Note 32).

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
19 OTHER FINANCIAL LIABILITIES			
Advances from Consignment agents & Others	2,014.59	1,930.77	2,084.55
Total	**2,014.59**	**1,930.77**	**2,084.55**
20 PROVISIONS - NON CURRENT			
Provision for Employees Benefits	2,532.61	1,257.55	887.56
(Consists of provision for Gratuity & Leave Encashment)			
Total	**2,532.61**	**1,257.55**	**887.56**
21 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability(Net)	2,449.51	3,131.54	3,932.54
	2,449.51	**3,131.54**	**3,932.54**

The deferred tax liability / (asset) comprises of:

Particulars	As at 31st March, 2017	Charge/ (credit) for the year	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Liability				
on account of Depreciation	6,206.61	762.47	5,444.14	5,228.91
Sub-Total	**6,206.61**	**762.47**	**5,444.14**	**5,228.91**
Deferred Tax Assets				
Allowance for Doubtful receivables &				
Advances, leave encashment & Gratuity.	1,236.91	(416.35)	820.56	611.14
Impairment in value of investments	2,181.19	(931.15)	1,250.04	443.23
	3,418.10	**(1,347.50)**	**2,070.60**	**1,054.37**
Sub-Total	**2,788.51**	**(585.03)**	**3,373.54**	**4,174.54**
Add: Deferred tax Assets on remeasurements of defined benefit plans	(97.00)	(97.00)	-	-
Less: Deferred Tax Assets on Exceptional Items (in F.Y. 2013-2014)	(242.00)	-	(242.00)	(242.00)
Net Deferred Tax Liability	**2,449.51**	**(682.03)**	**3,131.54**	**3,932.54**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
22 BORROWINGS-CURRENT			
Secured- at amortised cost,			
From Banks			
Loans repayable on Demand	55.14	790.14	-
(Cash credit from Banks - Refer Note No. 39 (a))			
Total	**55.14**	**790.14**	**-**

Interest is payable on a monthly basis which is linked to the base rate

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
23 TRADE PAYABLES			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No.40)	23,550.97	18,963.33	14,263.01
Total	**23,550.97**	**18,963.33**	**14,263.01**
24 OTHER FINANCIAL LIABILITY			
Unclaimed Dividend	238.54	308.11	269.67
Interest Accrued but not due on borrowings	1.57	0.55	0.11
Total	**240.11**	**308.66**	**269.78**
25 OTHER CURRENT LIABILITIES			
Deferred Govt Grants	-	9.23	4.91
Interest Grant From BIRAC	-	3.35	6.69
Other Payables			
Statutory Dues	655.63	537.17	535.58
Payable for Capital Goods	1,812.24	1,200.83	632.66
Others	2,970.86	2,683.44	2,186.85
	5,438.73	**4,421.44**	**3,355.09**
Total	**5,438.73**	**4,434.02**	**3,366.69**

The deferred revenue arise as a result of the benefit received from an below market interest government loan received on 1st Jan, 2015 and 5th March, 2016. The revenue was offset against finance cost incurred in FY 2015-16 and FY 2016-17.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
26 PROVISIONS - CURRENT			
Provision for Employee Benefits (Consists of provision for Gratuity & Leave Encashment)	728.00	576.03	420.28
Total	**728.00**	**576.03**	**420.28**

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
27 REVENUE FROM OPERATIONS (Gross)		
Sale of products (including excise duty) [Including excise Duty of ₹ 1,599.21 lacs (Previous year ₹ 1,562.85 lacs)]	139,384.75	121,808.10
Other operating revenues		
Export benefits	1,892.83	1,422.65
Other operating revenues	107.64	383.77
	2,000.47	**1,806.42**
Total Revenue from Operations (Gross)	**141,385.22**	**123,614.52**

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
28 OTHER INCOME		
Interest Income	232.84	501.33
[TDS deducted ₹ 21.53 lacs (Previous year ₹ 44.86 lacs)]		
Dividend Income	0.29	0.25
Net gain on sale of long / short term investments	133.38	288.06
Profit on Sale of Assets	4.93	29.75
Other non-operating Income	694.70	624.84
Net gain / (Loss) on foreign currency translation and transactions	157.27	727.96
Unrealised gain/loss on fair value of forward hedge contracts	50.13	98.68
Total	**1,273.54**	**2,270.87**
29 COST OF MATERIALS CONSUMED		
Raw Materials	29,995.53	26,680.62
Packing Materials	6,147.66	5,639.32
Total	**36,143.19**	**32,319.94**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS & STOCK-IN-TRADE		
Inventories at the Commencement		
Finished Goods	4,963.47	4,430.60
Work in progress	3,986.42	3,931.74
Stock in Trade	2,471.23	2,187.55
	11,421.12	10,549.89
Inventories at Close		
Finished Goods	4,662.05	4,963.47
Work in progress	4,650.68	3,986.42
Stock in Trade	3,279.99	2,471.23
	12,592.72	11,421.12
(Increase) / Decrease in Finished Goods	301.42	(532.87)
(Increase) / Decrease in Work in progress	(664.26)	(54.68)
(Increase) / Decrease in Stock-in-Trade	(808.76)	(283.68)
Total	**(1,171.60)**	**(871.23)**
31 EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	22,845.17	19,243.00
Contribution to Provident and other funds	1,459.88	1,235.50
Expenses on Employee Stock Option Scheme	67.27	67.27
Staff Welfare Expenses	501.34	414.15
Total	**24,873.66**	**20,959.92**
32 FINANCE COST		
Interest expense	177.47	212.24
Other borrowing costs	23.37	16.92
Total	**200.84**	**229.16**

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
33 OTHER EXPENSES		
Consumption of Stores and Spares	1,364.69	1,003.02
Manufacturing Charges	545.59	687.10
Power and Fuel	4,526.97	3,734.49
Rent	133.31	184.70
Insurance	305.93	241.70
Repairs:		
Plant and Machinery	873.65	748.20
Buildings	254.79	144.05
Others	786.30	632.15
Rates and Taxes (excluding taxes on income)	690.33	1,204.29
Advertising and sales promotion	9,512.38	6,793.64
Travelling and Conveyance	4,893.96	4,654.99
Freight outward	6,224.90	5,292.43
Directors' Fees	23.19	23.74
Commission on sales	1,261.15	1,153.61
Legal & Professional Expenses	2,049.44	2,031.57
Loss on sale of assets	3.04	4.57
Contribution towards Corporate Social Responsibility (Refer Note 43)	122.19	253.00
Establishment and Administrative Expenses	5,934.68	6,210.83
Impairment loss allowance in value of investments in Subsidiary	2,690.78	2,277.63
Total	**42,197.27**	**37,275.71**
34 RESEARCH & DEVELOPMENT EXPENDITURE		
(At units approved by Department of Scientific & Industrial Research)		
Materials	2,341.87	1,181.54
Salaries, wages and Ex-gratia	1,804.75	1,547.40
Contribution to Provident fund and other Funds	85.30	61.65
Employee's welfare expenses	25.84	22.85
Rent	12.86	11.70
Insurance	11.90	7.13
Rates and Taxes	3.41	4.65
Repairs:		
Plant and machinery	107.26	
Others	196.48	211.83
Power and fuel	221.94	249.31
Travelling and conveyance	32.80	28.58
Interest	1.03	0.48
Legal & Professional Expenses	54.22	0.87
Others	1,269.72	1,058.78
Total	**6,169.38**	**4,386.77**
35 OTHER COMPREHENSIVE INCOME		
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(123.53)	11.57
Total comprehensive Income	**(123.53)**	**11.57**

36 Contingent Liabilities:

(₹ in lacs)

	2016-2017	2015-2016	2014-2015
(i) Claims not acknowledged as debts*.	1,502.65	1,493.21	1,832.22
(ii) In respect of the Guarantees given to Bank on behalf of:			
-Subsidiaries	10,011.00	2,955.00	2,352.75
(iii) Other money for which the company is Contingently liable	403.58	394.22	224.84
Total	**11,917.23**	**4,842.43**	**4,409.81**

* includes ₹ 109.19 lacs (Previous Years ending - 31.03.2016 ₹ 116.69 lacs and 31.03.2015 ₹ 91.97 lacs) paid under protest/deposit pending adjudication under Income tax Act ,1961 and Central Excise Act, 1944.

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

37 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.

38 Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital & other account not provided for ₹ 19,908.77 lacs (Previous year ending as on 31.03.2016 is ₹ 18,253.29 lacs and ending as on 31.03.2015 ₹ 13,747.56 lacs).

39 (a) Cash credit, ₹ 55.14 lacs (Previous Year ₹ 790.15 lacs) in Joint consortium from Bank of India and Bank of Baroda are secured against hypothecation of Stocks and Book debts both present and future situated at various locations of the Company

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

(c) Credit facilities to overseas subsidiaries is agreed to be secured in favour of Citibank NA by:

(i) first exclusive charge on the movable fixed assets (including plant and machinery, office equipment, furniture & fixtures, etc. and excluding current assets, stores & spares) situated at Pithampur, Madhya Pradesh and Baddi, Himachal Pradesh and

(ii) first exclusive charge on immovable property situated at Pithampur, Madhya Pradesh and Baddi, Himachal Pradesh The process of creating the said charges are under process.

40 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.

41 The Company has reviewed its investments in wholly owned subsidiaries. In respect of its investment in Unichem Pharmaceutical Do Brazil Ltd , Brazil , Impairment loss recognised for this investment for the year ₹ 2,690.78 lacs compared to ₹ 2,277.63 lacs made for the previous year ending as on 31.03.2016 and ₹ 434.55 lacs as on 31.03.2015. This has resulted in the aggregate Impairment loss to ₹ 6,272.19 lacs (previous year ending as on 31.03.2016 ₹ 3,581.41 lacs and as on 31.03.2015 ₹ 1,303.77 lacs) on a total investment of ₹ 6,272.19 lacs (previous year ending as on 31.03.2016 ₹ 5,695.88 lacs and as on 31.03.2015 ₹ 5,116.27 lacs). Impairment loss for the current year charged to profit and loss after an internal assessment based on circumstances prevailing as at the balance sheet date, such as past performance, results, assets, expected cash flows, projections, status of product approvals, nature of the market and regulatory conditions.

42 Expenditure relating to new projects have been shown under the head Capital work-in-progress as follows.

(₹ in lacs)

	Particulars	2016-17	2015-16	2014-15
i)	Power & fuel	214.78	500.09	437.01
ii)	Repairs & maintenance	269.06	166.73	137.87
iii)	Payroll expenses	468.34	169.00	78.50
iv)	Freight	5.64	0.85	0.85
v)	Insurance	26.25	4.32	4.57
vi)	Travelling Expenses	20.47	8.48	5.80
vii)	Rent ,Rates & Taxes	36.85	7.12	0.70
viii)	Depreciation	1.24	1.13	-
ix)	R&D Chemicals	664.44	507.91	-
x)	Administrative expenses	240.26	76.63	377.51
xi)	Legal & Professional	306.65	55.86	-
xii)	Contractor charges		579.70	-
	Total	**2,253.98**	**2,077.82**	**1,042.81**

43 **Corporate Social Responsibility**

a) Gross amount required to be spent by the company during the year ₹ 279.32 Lacs

b) Amount spent during the year on:

(₹ in lacs)

	Particulars	in cash	yet to be paid in cash	Total
I)	Construction / acquisition of any asset	-	-	-
ii)	on purpose other than (I) above	122.2	-	122.2

44 **Exceptional Items**

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

(₹ in lacs)

The Profit after tax before exceptional item is.	₹ 10,413.09
The Profit after tax and exceptional item is	₹ 10,060.09
The Earning Per Share after tax but before exceptional items would be as follows	
Basic (in ₹)	11.47
Diluted (in ₹)	11.44

45 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 :

(₹ in lacs)

Currency	Buy/Sell	Foreign currency value	
		As at 31st March, 2017	As at 31st March, 2016
EURO	Sell	8.50	12.62
USD	Sell	89.05	124.98
CAD	Sell	1.80	-
USD	Buy	0.00	0.90

Foreign Currency exposure of unhedged by forward contracts as at 31st March, 2017 are given below

(Value in lacs)

UNHEDGED	Foreign currency value	
	As at 31st March, 2017	As at 31st March, 2016
A) Receivable		
EURO	38.05	37.66
USD	172.45	108.37
GBP	1.03	2.89
CAD	7.13	3.89
ZAR	32.58	45.37
B) Payable		
GBP	0.10	-
CAD	0.13	0.11
ZAR	0.05	-

46 Employee Benefits

Defined benefit plan

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 service cost and the net interest cost would be charged to the Profit & Loss account. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognises these remeasurements in the Other Comprehensive Income (OCI).

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	%	%	%	%
Discount rate *	6.90%	7.80%	6.90%	7.80%
Salary growth rate	7.00%	6.00%	7.00%	6.00%
Expected rate of return on Plan assets*	6.90%	7.80%	6.90%	7.80%
Withdrawal rate	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages

* 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.

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

Funded status of the plan

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Present value of unfunded obligations				
Present value of funded obligations	2,080.08	1,590.52	1,935.39	1,428.18
Fair value of plan assets	1,197.56	1,224.87	55.44	344.10
Net Liability (Asset)	**882.52**	**365.65**	**1,879.95**	**1,084.08**

Profit and loss account for current period:

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Current service cost	226.66	200.87	257.24	252.56
Net interest cost	19.68	7.59	100.68	79.90
Net value of remeasurements on the obligation			411.66	240.96
Employee Benefit Expense	**246.34**	**208.46**	**769.58**	**573.42**
Interest Income			(26.15)	22.86
Net value of remeasurements on the assets			25.71	4.90
Total Charge to P&L	**246.34**	**208.46**	**769.14**	**601.18**

Other Comprehensive Income for the current period:

(₹ in lacs)

Particulars	GRATUITY	
	As at 31st March, 2017	As at 31st March, 2016
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	207.72	
Due to experience adjustments	78.87	(16.55)
Return on plan assets excluding amounts included in interest income	(6.06)	(9.02)
Amounts recognized in Other Comprehensive Income	**280.53**	**(25.57)**

Reconciliation of defined benefit obligation:

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Opening Defined Benefit Obligation	**1,590.52**	**1,421.63**	**1,428.17**	**1,147.62**
Current service cost	226.66	200.87	257.24	252.56
Interest cost	101.54	91.27	100.68	79.90
Actuarial loss/(gain) due to change in financial assumptions	207.72		190.51	
Actuarial loss/ (gain) due to experience adjustments	78.87	(16.55)	221.15	240.96
Benefits paid	(125.23)	(106.70)	(262.38)	(292.87)
Closing Defined Benefit Obligation	**2,080.08**	**1,590.52**	**1,935.37**	**1,428.17**

Reconciliation of plan assets:

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Opening value of plan assets	**1,224.87**	**1,223.62**	**344.10**	**316.34**
Interest Income	81.86	83.68	26.15	22.86
Return on plan assets excluding amounts included in interest income	6.06	9.02	(25.71)	4.90
Contributions by employer	10.00	15.25	55.00	
Benefits paid	(125.23)	(106.70)		
Assets Withdrawn			(344.10)	
Closing value of plan assets	**1,197.56**	**1,224.87**	**55.44**	**344.10**

Reconciliation of net defined benefit liability:

(₹ in lacs)

Particulars	GRATUITY	
	As at 31st March, 2017	As at 31st March, 2016
Net opening provision in books of accounts	**365.64**	**198.01**
Employee Benefit Expense to profit & Loss A/c	246.34	208.45
Amounts recognized in Other Comprehensive Income	280.53	(25.57)
	892.51	380.89
Contributions to plan assets	(10.00)	(15.25)
Closing provision in books of accounts	**882.51**	**365.64**

Bifurcation of liability as per schedule III of the Companies Act 2013:

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Current Liability	319.59	226.66	318.98	274.91
Non-Current Liability	562.93	138.99	1,616.41	1,153.27
Net Liability	**882.52**	**365.65**	**1,935.39**	**1,428.18**

47 Segment Information

Reportable segment

The company is primarily engaged in 'Pharmaceuticals' business which is considered as the only reportable business segment as per Ind AS 108

Geographical Information

(₹ in lacs)

Sales and Operating Income (Gross)	2016-17	2015-16
India	85,561.01	77,936.73
Outside India	55,824.21	45,677.79
Total	**141,385.22**	**123,614.52**

48 Related Party Disclosures

Details of transactions between the company and other related parties as disclosed below :

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 & 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	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Sales of goods, etc.	25,992.61	18,791.13	-	-	-	-	25,992.61	18,791.13
Rent & Maintenance paid	-	-	15.00	14.58	9.94	8.94	24.94	23.52
Managerial remuneration	-	-	424.41	374.92	-	-	424.41	374.92
Commission			134.90	124.03	-	-	134.90	124.03
Salary	-	-	44.37	38.17	-	-	44.37	38.17
Dividend paid	-	-	-	1,820.42	-	-	-	1,820.42
Expenses Reimbursed	635.55	830.53	-	-	-	-	635.55	830.53
Investment made during the year	576.30	760.82	-	-	-	-	576.30	760.82
Total	**27,204.46**	**20,382.48**	**618.67**	**2,372.12**	**9.94**	**8.94**	**27,833.07**	**22,763.54**

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

(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
a) Outstanding Balances								
Deposits given	-	-	45.90	45.90	5.00	5.00	50.90	50.90
Creditors	83.25	974.30	-	-	-	-	83.25	974.30
Debtors outstanding	15,141.01	14,810.92	-	-	-	-	15,141.01	14,810.92
Total Investments	13,829.50	13,253.19	-	-	-	-	13,829.50	13,253.19
Due to Directors	-	-	134.90	124.03	-	-	134.90	124.03
b) Guarantees given to bank:								
On behalf of Subsidiaries	10,011.00	2,955.00	-	-	-	-	10,011.00	2,955.00
Total	**39,064.76**	**31,993.41**	**180.80**	**169.93**	**5.00**	**5.00**	**39,250.56**	**32,168.34**

(iii) Details of material transactions during the year

(₹ in lacs)

Particulars	2016-17	2015-16
a) Sale of finished goods (Net of returns)		
Niche Generics Ltd	2,465.05	1,854.79
Unichem Pharmaceuticals (USA) Inc.	22,501.60	16,313.69
b) Investments made		
Unichem Farmaceutica Do Brasil Ltda	576.30	579.59
Unichem Laboratories Limited, Ireland	-	181.24
c) Guarantees given to Banks on behalf of Subsidiary Company		
Niche Generics Limited.	2,091.60	2,285.40
Unichem Pharmaceuticals (USA) Inc.	6,525.00	669.60
Unichem Labortaoires Ltd., Ireland	1,394.40	-
d) Rent & Maintenance Paid		
Mrs. Anita Mody	15.00	14.58
Uni Distributors Pvt Ltd	9.94	8.94
e) Managerial Remuneration		
Dr. Prakash A. Mody	424.41	374.92
f) Commission		
Dr. Prakash A. Mody	134.90	124.03
g) Salary		
Ms. Supriya Mody	44.37	38.17
h) Dividend Paid		
Dr. Prakash A. Mody - Dividend	-	1,672.49
i) Expenses Re - imbursement		
Niche Generics Limited.	23.44	0.56
Unichem Laboratories Limited , Ireland	-	-
Unichem Pharmaceuticals (USA) Inc.	596.61	829.14
Unichem Farmaceutica Do Brasil Ltda	10.05	0.83
Unichem SA Pty Ltd	5.45	-

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 no control over operations.
The summary of transactions with Synchron Research Pvt Ltd are as follows:

(₹ in lacs)

Particulars	2016-17	2015-16
Advance recovered	71.21	83.63
Amount Recoverable (Including for Rent)	16.66	93.68
Services Availed	143.10	169.46
Rent Income	36.90	33.55
Deposit For Rent	7.50	7.50
Amount payable	19.40	5.34

49 Operating lease (Lessee):

a) At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Particulars	As at 31st March, 2017	As at 31st March, 2016
In current Year Charged to the profit & Loss account	21.17	20.19
Lease payment not later than one year	8.34	20.27
Lease Payment later than one year and not later than five years	7.10	7.52

b) The total of future minimum sublease payment expected to be received under non – cancellable subleases at the end of reporting period is NIL

c) Lease payment s recognised as an expense in the period

d) A general description of lessee's significant leasing arrangements including terms of use is as per the terms of arrangement is entered by the company

50 Earning Per Share

Particulars		UOM	2016-17	2015-16
(i) Profit attributable to equity shareholders for basic & Diluted EPS	(A)	Rs lacs	10,263.19	10,060.04
(ii) Weighted average number of equity shares for basic EPS	(B)	Nos	90,865,808	90,811,596
Add : Potential equity shares on exercise of option of ESOS		Nos	152,676	178,133
Weighted average number of equity shares for diluted EPS	(C)	Nos	91,018,484	90,989,729
(iii) Face value of equity share		Rs	2.00	2.00
(iv) Earnings per equity share				
Basic	(A)/(B)	Rs	11.29	11.08
Diluted	(A)/(C)	Rs	11.28	11.06

51 Share based payment plans

Employee Share option plan

i) During the year ended 31st March, 2017 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	2016-17		2015-16	
	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	
	2016-2017	2015-2016
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 of ₹ 2/- per share each) (Nos.)	-	-
Weighted Average Exercise Price (₹)	212	212.37
Weighted Average Fair Value of Option (₹)	149	149.47

Particulars	ESOS 2008	
	2016-2017	2015-2016
Option outstanding at the beginning of the year Face Value ₹ 2 per share each (Previous year face Value of ₹ 2/- per share each) (Nos.)	217,550	292,025
Exercised during the year (Nos.)	(33,325)	(74,475)
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Face Value of ₹ 2/- per share each) (Nos.)	184,225	217,550
Weighted Average Exercise Price (₹)	46	46
Weighted Average Fair Value of Option (₹)	151	151

52 Establishment and Administrative expenses include payment to:

i. Statutory Auditors (Excluding Service Tax) (₹ in lacs)

Particulars	2016-17	2015-16
Audit Fees	25.53	20.50
Tax Audit	5.67	5.25
Certification Charges	7.15	6.03
Reimbursement of Expenses	2.61	1.55
Total	**40.96**	**33.33**

ii. Cost Auditors (Excluding Service Tax) (₹ in lacs)

Particulars	2016-17	2015-16
Audit Fees	6.50	5.50
Certification charges	0.90	0.45
Reimbursement of Expenses	0.12	0.30
Total	**7.52**	**6.25**

53 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	2,582.16	2,459.28
Bulk Drugs & Chemicals	2,079.88	2,504.19
Total	**4,662.04**	**4,963.47**

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	3,280.00	2,471.23
Total	**3,280.00**	**2,471.23**

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	1,718.95	1,632.96
Bulk Drugs & Chemicals	2,931.73	2,353.46
Total	**4,650.68**	**3,986.42**

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

Class of Goods	2016-17	2015-16
	Value	Value
Formulations	95,541.41	81,580.82
Bulk Drugs & Chemicals	10,201.09	9,519.65
Total	**105,742.50**	**91,100.47**

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

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

Class of Goods	2016-17	2015-16
	Value	Value
Formulations	33,642.26	30,897.11
Total	**33,642.26**	**30,897.11**

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

vi. Purchases of Finished Goods (₹ in lacs)

Class of Goods	2016-17	2015-16
	Value	Value
Formulations	15,379.20	13,752.69
Total	**15,379.20**	**13,752.69**

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

Particulars	2016-17	2015-16
Raw Materials	5,133.97	6,659.81
Packing Materials	414.83	313.73
Finished Goods	85.11	-
Stores & Spare Parts	110.54	99.57
Capital Goods	920.61	1,131.25
Others	851.26	262.43
Total	**7,516.32**	**8,466.79**

viii. Expenditure in Foreign Currencies (On Accrual basis) (₹ in lacs)

Particulars	2016-17	2015-16
(a) Professional and Consultation fees	48.23	8.23
(b) Others	2,607.35	3,147.14
(c) Dividend paid in foreign currency (Cash basis)		
Final Dividend of F.Y.2014-2015 (1 Shareholders, 8750 Shares held)	-	0.18
Interim Dividend of F.Y.2015-2016 (1 Shareholders, 6750 Shares held)	-	0.14
Total	**2,655.58**	**3,155.69**

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

Particulars	2016-17	2015-16
Sales & Operating Income		
Export of Goods calculated on FOB basis.	48,017.99	38,995.58
Insurance, Freight and other charges recovered	4,966.05	4,568.43
Total	**52,984.04**	**43,564.01**

x. Consumption of Raw Materials, Packing Materials, Stores and Spares. (₹ in lacs)

Particulars	2016-17		2015-16	
	%	Value	%	Value
A. Raw Materials				
Indigenous (including canalised)	82	24,513.97	78	20,850.86
Imported (including duty and charges)	18	5,481.56	22	5,829.76
Total	**100**	**29,995.53**	**100**	**26,680.62**
B. Packing Materials, Stores and Spares				
Indigenous (including canalised)	94	7,027.65	95	6,278.23
Imported (including duty and charges)	6	484.70	5	364.11
Total	**100**	**7,512.35**	**100**	**6,642.34**

xi. Break up of Raw Materials Consumed (₹ in lacs)

Particulars	2016-17	2015-16
	Value	Value
Ampicillin	1,512.25	1,671.25
Levetiracetam	942.09	909.34
Miscellaneous (none of which individually accounts for more than 10% of total consumption)	27,541.15	24,100.03
Total	**29,995.49**	**26,680.62**

54 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

(₹ in lacs)

Particulars	SBNs	Other Denomination	Total
Cash in hand as on 8th Nov., 2016	**4.53**	**0.14**	**4.67**
Add: Permitted Receipts	-	5.96	5.96
Less: Permitted Payments	(1.02)	(5.58)	(6.60)
Less: Amount Deposited in Banks	(3.51)	-	(3.51)
Closing Cash in hand as on 30th Dec., 2016	**-**	**0.52**	**0.52**

55 Fair value measurement

(i) Fair value of the Company's financial assets and liabilities that are measured at fair value on at the end of each reporting period.

Financial assets / Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique and key inputs
	31st March, 2017	31st March, 2016	31st March, 2015		
Investments in equity instruments (quoted)	listed equity securities in various companies belonging to pharma and financial service domicile in india- aggregate fair value - ₹ 8.48 lacs	listed equity securities in various companies belonging to pharma and financial service domicile in india- aggregate fair value - ₹ 8.92 lacs	listed equity securities in various companies belonging to pharma and financial service domicile in india- aggregate fair value - ₹ 4.24 lacs	Level 1	Quoted bid price in an active market

(ii) Fair value of the Company's financial assets and liabilities that are not measured at fair value and only disclosure made.

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost						
Security deposits	459.07	458.55	440.62	440.03	415.57	414.37
Prepaid expenses	645.99	646.48	689.52	690.06	507.23	508.37
Financial liabilities held at amortised cost						
Below market rate Interest loan from government	51.44	43.77	51.44	45.82	22.08	14.91

(iii) Fair value hierarchy as at 31st March, 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost				
Security deposits		458.55		458.55
Prepaid expenses		646.48		646.48
Financial liabilities held at amortised cost				
Below market rate Interest loan from government		43.77		43.77

(iv) Fair value hierarchy as at 31st March, 2016

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost				
Security deposits		440.03		440.03
Prepaid expenses		690.06		690.06
Financial liabilities held at amortised cost				
Below market rate Interest loan from government		45.82		45.82

Note:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

56 First-time Ind AS adoption reconciliations

(i) Effect of Ind AS adoption on the balance sheet as at 31st March, 2016 and 1st April 2015

	As at 31st March, 2016			As at 01st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet
Non-current assets						
Property, Plant and Equipment	38,119.98		38,119.98	39,586.60		39,586.60
Capital work-in-progress	23,265.12		23,265.12	11,866.07		11,866.07
Other Intangible assets						
Financial Assets						
(i) Investments	10,243.10	8.92	10,252.01	11,760.90	4.24	11,765.15
(ii) Loans	14.38		14.38	18.54		18.54
(iii) Other financial assets	2,000.00		2,000.00	4,000.00		4,000.00
Other non-current assets	790.98		790.98	431.38		431.38
Total Non-current assets	**74,433.56**	**8.92**	**74,442.47**	**67,663.49**	**4.24**	**67,667.74**
Current assets						
Inventories	20,065.54		20,065.54	18,648.31		18,648.31
Financial Assets				-		
(i) Investments	800.00	4.19	804.19	3,503.92	25.12	3,529.05
(ii) Trade receivables	26,538.73	(65.61)	26,473.14	20,619.35	13.59	20,632.93
(iii) Cash and cash equivalents	1,094.07		1,094.07	1,971.05		1,971.05
(iv) Loans	16.49		16.49	9.17		9.17
(v) Other financial assets	2,010.48	47.15	2,057.63	1,575.64	(47.31)	1,528.33
Current Tax Assets (Net)	236.49		236.49	9.25		9.25
Other current assets	8,962.57	0.54	8,963.11	8,167.80	1.14	8,168.91
Total current assets	**59,724.37**	**(13.73)**	**59,710.66**	**54,504.49**	**(7.46)**	**54,497.00**
Total Assets	**134,157.93**	**(4.81)**	**134,153.13**	**122,167.98**	**(3.22)**	**122,164.74**

	As at 31st March, 2016			As at 01st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet
Equity						
Equity Share capital	1,816.87		1,816.87	1,815.38		1,815.38
Other Equity	100,897.36	1.04	100,898.40	92,926.18	2,182.86	95,110.04
Total Equity	**102,714.23**	**1.04**	**102,715.27**	**94,741.56**	**2,182.86**	**96,925.42**
Liabilities						
Non-current liabilities						
Financial Liabilities						
(i) Borrowings	51.44	(5.62)	45.82	22.08	(7.17)	14.91
(ii) Other financial liabilities	1,930.77		1,930.77	2,084.55		2,084.55
Provisions	1,257.55		1,257.55	887.56		887.56
Deferred tax liabilities (Net)	3,131.54		3,131.54	3,932.54		3,932.54
Total non-current liabilities	**6,371.30**	**(5.62)**	**6,365.68**	**6,926.73**	**(7.17)**	**6,919.56**
Current liabilities						
Financial Liabilities						
(i) Borrowings	790.15		790.14	-		-
(ii) Trade payables	18,963.35		18,963.33	14,262.90		14,263.01
(iii) Other financial liabilities	308.66		308.66	269.78		269.78
Other current liabilities	4,434.21	(0.23)	4,434.02	3,361.74	6.08	3,366.69
Provisions	576.03		576.03	2,605.27	(2,184.99)	420.28
Current Tax Liabilities (Net)						
Total non-current liabilities	**25,072.40**	**(0.23)**	**25,072.18**	**20,499.69**	**(2,178.91)**	**18,319.76**
Total liabilities	**31,443.70**	**(5.85)**	**31,437.86**	**27,426.42**	**(2,186.08)**	**25,239.32**
Total equity & liabilities	**134,157.93**	**(4.81)**	**134,153.13**	**122,167.98**	**(3.22)**	**122,164.74**

(ii) Reconciliation of total equity as at 31st March 2016 and 1st April 2015

	As at 31st March, 2016	As at 31st March, 2015
Total Equity under previous GAAP	**102,714.23**	**94,741.56**
Finance cost recognised on below market rate interest loans from government	(1.55)	1.09
Fair valuation Gain/(Loss) on investments through profit and loss (FVTPL)	(16.31)	29.36
Recognition of Grant through amortised method	6.36	-
Adjustments of finance income on deposits	0.61	-
Recognition of operating lease rent on security deposits	(0.60)	(0.06)
Unrealised gain/loss adjustments on fair value of forward hedge contracts	14.66	(32.52)
Dividends not recognised as liability until declared	(2.13)	2,185.99
Total adjustments to equity	**1.04**	**2,183.86**
Total equity under Ind AS	**102,715.27**	**96,925.42**

(iii) Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March 2016

	As at 31st March, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet
Revenue From Operations	122,241.15	1,373.37	123,614.52
Other Income	2,265.50	5.37	2,270.87
Total Income (A)	**124,506.65**	**1,378.74**	**125,885.39**
EXPENSES			
Cost of materials consumed	32,319.94		32,319.94
Purchases of Stock-in-Trade	13,752.69		13,752.71
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(871.23)		(871.23)
Excise duty on sale of goods	-	1,562.85	1,562.85
Employee benefits expense	20,948.33	11.57	20,959.92
Finance costs	227.61	1.55	229.16
Depreciation and amortization expense	3,499.12		3,499.12
Other expenses	37,464.58	(188.88)	37,275.71
Research & Development Expense	4,386.77		4,386.77
Total expenses (B)	**111,727.81**	**1,387.09**	**113,114.95**
Profit/(loss) before exceptional items and tax (C)	**12,778.84**	**(8.35)**	**12,770.44**
Exceptional Items	353.00		353.00
Profit/(loss) before tax (D)	**12,425.84**	**(8.35)**	**12,417.44**
Tax expense:			
(1) Current tax	3,175.00		3,175.00
(2) Deferred tax	(801.00)		(801.00)
(3) Short / (Excess) provision for Taxation pertaining to Previous year	(5.03)		(5.03)
Profit (Loss) for the period from continuing operations	**10,056.87**	**(8.35)**	**10,048.47**
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-
Profit/(loss) for the period (IX+XII)	**10,056.87**	**(8.35)**	**10,048.47**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	-	11.57	11.57
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period(Comprising Profit (Loss) and Other Comprehensive Income for the period)	**10,056.87**	**3.22**	**10,060.04**

(ii) Reconciliation of total comprehensive income for the year ended 31st March 2016

	As at 31st March, 2016
Profit as per previous GAAP(Indian GAAP)	**10,056.87**
Adjustments :	
Remeasurement of defined benefit obligation recognised in other comprehensive income	(11.57)
Finance cost recognised on below market rate interest loans from government	(1.55)
Recognition of operating lease rent on security deposits	(0.60)
Fair valuation Gain/(Loss) on investments through profit and loss (FVTPL)	(16.30)
Recognition of Grant through amortised method	6.36
Unrealised gain/loss adjustments on fair value of forward hedge contracts	14.65
Adjustments of finance income on deposits	0.61
Total effect of transition to Ind AS	**(8.40)**
Profit for the year as per Ind AS	**10,048.47**
Other comprehensive income for the year (net of tax)	11.57
Total Comprehensive Income	**10,060.04**

Signature to the Notes 1 to 56 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	**Rakesh Parikh**	**Neema Thakore**	**Dr. Prakash A. Mody**	**Prafull Anubhai**
Partner	Chief Finance &	Head - Legal &	Chairman &	Director
Membership No.103241	Compliance Officer	Company Secretary	Managing Director	

Mumbai
May 30, 2017

Independent Auditors' Report to the Members of Unichem Laboratories Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying consolidated Ind AS 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 the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. 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 its associates 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 financial position of the Group and its associate as at 31st March, 2017, and their consolidated financial performance (including other comprehensive income), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 38 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 of Rs 28,347.60 lacs and net assets of Rs. 2,056.48 lacs as at 31st March, 2017, total revenues (including other income) of Rs. 38,228.23 lacs and net cash flows amounting to Rs. (320.75) lacs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. In respect of wholly owned subsidiaries, since they are not incorporated in India, in our view, report in terms of sub-section (3) of Section 143 of the Act is not applicable.

(b) The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 6.02 lacs for the year ended 31st March, 2017, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, is based on the said unaudited financial statements. Our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, cannot be given since the said financial statements are unaudited. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31st March 2016 and 31st March 2015 dated 20th May 2016 and 9th May 2015, respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us except for the five subsidiaries and an associate.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable to the Holding Company and subject to sub-paragraphs (a) and (b) of the Other Matters paragraph above, with regard to our inability of reporting under Section 143(3) of the Act in respect of wholly owned subsidiaries and associate, that -

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that the wholly owned subsidiaries are incorporated outside India and an associate whose accounts are not audited as on the date of the report, reporting requirement are not applicable and not possible to report upon respectively. In respect of the Holding Company our report on adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls may be referred to Annexure B in the Independent Auditor's Report on the Standalone Ind AS Financial Statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 37 and 38 to the consolidated Ind AS 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.

iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Considering that the wholly owned subsidiaries are incorporated outside India and an associate whose accounts are not audited as on the date of the report, reporting requirement are not applicable and not possible to report upon respectively. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management – Refer Note 44 to the consolidated Ind AS financial statements;

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

Raman H. Jokhakar
Partner
Membership No.: 103241

Mumbai
May 30, 2017

Consolidated Balance Sheet as at 31st March, 2017

(₹ in lacs)

	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I. ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	48,781.24	39,958.04	41,294.46
(b) Capital work-in-progress	3	24,997.55	23,713.47	12,264.28
(c) Other Intangible assets	3	318.84	302.45	304.54
(d) Financial Assets				
(i) Investments	4	572.49	554.18	587.45
(ii) Loans	5	8.59	14.38	18.54
(iii) Other financial assets	6	800.00	2,000.00	4,000.00
(e) Deferred tax assets (net)	7	591.30	1,015.96	1,518.23
(f) Other non-current assets	8	524.42	790.98	431.38
Current assets				
(a) Inventories	9	28,171.09	23,057.13	20,767.98
(b) Financial Assets				
(i) Investments	10	800.23	804.19	3,529.05
(ii) Trade receivables	11	32,048.80	22,009.27	19,171.31
(iii) Cash and cash equivalents	12	1,613.77	2,012.56	2,696.21
(iv) Loans	13	8.58	16.49	9.17
(v) Other financial assets	14	1,618.00	2,057.64	1,528.33
(c) Current Tax Assets (Net)	15	-	240.36	11.02
(d) Other current assets	16	11,721.44	9,823.81	8,732.49
TOTAL ASSETS		**152,576.34**	**128,370.91**	**116,864.44**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	17	1,817.53	1,816.87	1,815.38
(b) Other Equity	18	104,544.42	93,616.38	87,122.23
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	43.77	2,298.07	2,027.44
(ii) Other financial liabilities	20	2,014.59	1,930.77	2,084.55
(b) Provisions	21	2,532.61	1,257.55	887.56
(c) Deferred tax liabilities (Net)	22	2,449.51	3,131.54	3,932.54
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	9,762.20	1,292.50	162.58
(ii) Trade payables	24	21,802.81	16,395.39	13,822.64
(iii) Other financial liabilities	25	240.11	308.66	269.67
(b) Other current liabilities	26	6,561.18	5,747.15	4,319.57
(c) Provisions	27	728.00	576.03	420.28
(d) Current Tax Liabilities (Net)	15	79.61	-	-
TOTAL EQUITY AND LIABILITIES		**152,576.34**	**128,370.91**	**116,864.44**
Significant Accounting Policies	2			

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	**Rakesh Parikh**	**Neema Thakore**	**Dr. Prakash A. Mody**	**Prafull Anubhai**
Partner	Chief Finance &	Head - Legal &	Chairman &	Director
Membership No.103241	Compliance Officer	Company Secretary	Managing Director	

Mumbai
May 30, 2017

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

(₹ in lacs)

		Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Revenue From Operations	28	153,549.61	134,828.00
II	Other Income	29	1,101.64	1,910.97
III	**Total Income (I+II)**		**154,651.25**	**136,738.97**
IV	**EXPENSES**			
	Cost of materials consumed	30	39,246.61	34,717.77
	Purchases of Stock-in-Trade		12,895.04	12,935.17
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	31	(828.73)	(1,865.64)
	Excise duty on sale of goods		1,599.20	1,562.85
	Employee benefits expense	32	30,009.37	25,591.85
	Finance costs	33	336.94	289.63
	Depreciation and amortization expense	3	4,518.44	3,879.19
	Other expenses	34	46,598.29	41,110.84
	Research & Development Expense	35	6,169.38	4,386.77
	Total expenses (IV)		**140,544.54**	**122,608.43**
V	**Share of profit/(loss) in associates**		**18.75**	**(36.95)**
VI	**Profit/(loss) before exceptional items and tax (III- IV+V)**		**14,125.46**	**14,093.59**
VII	Exceptional Items		-	353.00
VIII	**Profit/(loss) before tax (VI-VII)**		14,125.46	13,740.59
IX	Tax expense:			
	(1) Current tax		3,400.14	3,205.88
	(2) Deferred tax	15	(142.19)	(271.00)
	(3) Short / (Excess) provision for Taxation pertaining to Previous year		-	(5.03)
X	**Profit (Loss) for the period from continuing operations (VIII-IX)**		**10,867.51**	**10,810.74**
XI	Other Comprehensive Income	36		
	A (i) Items that will not be reclassified to profit or loss		(123.53)	11.57
	B (i) Items that will be reclassified to profit or loss		90.38	(56.46)
XII	**Total Comprehensive Income for the period (X+XI)**		**10,834.36**	**10,765.85**
XIII	Earnings per equity share (for continuing operation):			
	(1) Basic		11.92	11.86
	(2) Diluted		11.90	11.83
Significant Accounting Policies		**2**		

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	**Rakesh Parikh**	**Neema Thakore**	**Dr. Prakash A. Mody**	**Prafull Anubhai**
Partner	Chief Finance &	Head - Legal &	Chairman &	Director
Membership No.103241	Compliance Officer	Company Secretary	Managing Director	

Mumbai
May 30, 2017

Statement of Changes in Equity

A. Equity Share Capital

(₹ in lacs)

	2016-2017		2015-2016		2015-2015	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Number of Shares outstanding as at the beginning of the year	90,843,200	1,816.86	90,768,725	1,815	90,627,326	1812.55
Add: Number of Shares allotted under ESOP during the Year	33,325	0.67	74,475	1.49	141,399	2.83
Number of Shares outstanding as at the end of the year	**90,876,525**	**1,817.53**	**90,843,200**	**1,816.49**	**90,768,725**	**1,815.38**

B. Other Equity

(₹ in lacs)

	Share application money pending allotment	Share options outstanding account	Reserves and Surplus					Exchange differences on translating the financial statements of a foreign operation	Total
			General Reserve	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings		
Balance at April 1, 2015	-	**85.06**	**18,595.36**	7,982.29	**62.47**	**834.00**	**59,155.48**	**407.57**	**87,122.23**
Profit for the year							10,810.74		10,810.74
Other comprehensive Income for the year							11.57	(56.46)	(44.89)
Total Comprehensive Income for the year	-	-	-	-	**-**	**-**	**10,822.31**	**(56.46)**	**10,765.85**
Payment of dividends (Incl. Tax on dividend)							(4,371.74)		(4,371.74)
Recognition of share-based payments		30.32							30.32
Issue of shares under ESOPs				69.72					69.72
Balance at March 31, 2016	-	**115.38**	**18,595.36**	**8,052.01**	**62.47**	**834.00**	**65,606.05**	**351.11**	**93,616.38**
Profit for the year							10,867.51		10,867.51
Other comprehensive Income for the year							(123.53)	90.38	(33.15)
Total Comprehensive Income for the year	-	-	-	-	**-**	**-**	**10,743.98**	**90.38**	**10,834.36**
Payment of dividends (Incl. Tax on dividend)									-
Transfer to retained earnings									-
Recognition of share-based payments		17.45							17.45
Issue of shares under ESOPs	11.75			64.48					76.23
Balance at March 31, 2017	**11.75**	**132.83**	**18,595.36**	**8,116.49**	**62.47**	**834.00**	**76,350.03**	**441.49**	**1,04,544.42**

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in lacs)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. Cash Flow from Operating Activities				
Net Profit before Tax		**14,125.46**		**13,740.59**
Adjustment to reconcile profit before tax net cash flow:				
Depreciation	4,518.44		3,879.19	
Loss/(Profit) on Sale of Assets (Net)	79.06		(24.96)	
Unrealised Exchange difference (Net)	782.06		71.30	
Finance cost (Incl. Interest impact on Financial Assets / Liabilities)	336.94		289.63	
Provision for doubtful debts, loans, advances & deposits for the year	2.76		424.20	
Employees compensation expenses (ESOS)	67.27		67.27	
Loss/(Profit) on Sale of Investments	(133.38)		(288.06)	
Bad debts Written Off	20.89		322.01	
Interest income	(251.43)		(512.77)	
Excess provision for expenses written back	(61.72)		(107.51)	
Fair valuation Gain/(Loss) on investments through profit and loss (FVTPL)	4.39		16.26	
Remeasurements of defined benefit plans	(220.53)		11.57	
Adjustments of finance income on interest free security deposits	(0.87)		(0.61)	
Recognition of Grant through amortised method	(18.82)		(6.36)	
Recognition of operating lease rent on security deposits	0.85		0.60	
Dividend Income	(0.29)		(0.25)	
		5,125.62		4,141.51
Operating Profit Before Working Capital Changes		19,251.08		17,882.10
Working capital Adjustments:				
Trade receivables, Advances & other current assets	(12,233.72)		(5,942)	
Inventories	(5,113.96)		(2,289)	
Trade & Other Payables	7,703.21	(9,644.47)	4,648.20	(3,582.80)
Cash Generated from Operations		9,606.61		14,299.30
Direct Taxes Paid (Net of refund)		(2,772.42)		(3,127.40)
Net Cash Flow from Operating Activities		**6,834.19**		**11,171.90**
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(14,983.36)		(16,157.60)
Sale of Fixed Assets		262.20		2,140.49
Sale / (Purchase) of Investment in others (Net)		(18.75)		2,703.93
Profit / (Loss) on Sale of Investments		133.38		288.06
Inter - Corporate deposits (placed)/ Matured		1,200.00		2,000.00
Interest Income		251.43		512.77
Dividend Income		0.29		0.25
Net cash flow used in Investing Activities		**(13,154.81)**		**(8,512.10)**
C. Cash Flow from Financing Activities				
Repayment of working Capital borrowings		8,469.70		1,129.92
Proceeds from issue of share capital including share premium		27.07		34.26
Receipt of long term borrowings		(2,252.25)		239.72
Receipt / (repayment) of other long term liabilities		83.82		(153.78)
Receipt of Long term Loan from BIRAC		-		29.36
Finance cost (Incl. Interest impact on Financial Assets / Liabilities)		(336.94)		(289.63)
Dividend paid		(69.57)		(4,333.30)
Dividend distribution tax paid		-		-
Net cash flow used in Financing Activities		**5,921.83**		**(3,343.45)**
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		**(398.79)**		**(683.65)**
Cash and Cash Equivalents at the beginning of the year		2,012.56		2,696.21
Cash and Cash Equivalents at year end		1,613.77		2,012.56

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

For and on behalf of the Board of Directors

Raman H. Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Chief Finance & Compliance Officer

Neema Thakore
Head - Legal & Company Secretary

Dr. Prakash A. Mody
Chairman & Managing Director

Prafull Anubhai
Director

Mumbai
May 30, 2017

Notes forming part of Consolidated Financial Statements

1. Corporate information

These financial statements comprise consolidated financial statements of Unichem Laboratories Limited (the company) for the year ended 31st March, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies act 1956. Its shares are listed on recognised stock exchanges, namely BSE Limited and National Stock Exchange of India limited in India. The registered office of the company is located at "Unichem Bhavan", Prabhat Estate, Off S V Road, Jogeshwari (West), Mumbai 400102.

The company is engaged in manufacturing of pharmaceutical products.

These financial statements were authorised for issue in accordance with a resolution of the directors on 30th May 2017.

2. Significant accounting policies

2.1 Basis of preparation and presentation

These consolidated financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act 2013, (Ind AS compliant Schedule III), as applicable to the company.

For all periods up to and including the year ended 31 March 2015,the financial statements of the company are prepared under historical cost convention, on accrual basis, in accordance with the provisions of the Companies Act , as applicable 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.

These are the first Ind AS Financial statements. The date of transition to the Ind AS is April 1, 2015. Refer note 2.3(p) for information on how the company has adopted Ind AS.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period :

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statement of the Company and the entities controlled by the Company and its subsidiaries. Control is achieved when the company :

i) Has power over the investee.

ii) is exposed, or has right, to variable returns from its involvements with investee; and

iii) has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Profit or loss and each component of other comprehensive income are attributed to the owners of the company.

The consolidated financial statements relate to Unichem Laboratories Limited ("The Company") and it's 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 it's associate Synchron Research Services Private Limited (32.11%) incorporated in India.

a) All intragroup assets and liabilities,equity,income and expenses relating to transactions between members of the group are fully eliminated on consolidation.

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 and/or having significant influence, are accounted for using equity method as per Ind AS 28 - Investments in Associates and joint ventures in consolidated financial statements.

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.

2.3 Summary of significant accounting policies

a. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.Recovery of excise duty flows to the company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the company on its own account. Hence tax collected on value added to the commodity on behalf of the government is excluded from revenue.

Sale of Goods

Revenue from sale of goods is recognised after satisfying following conditions.

i) The company has transferred to the buyer, the significant risk and rewards of ownership of the goods.
ii) The company neither retains continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
iii) The amount of revenue can be measured reliably
iv) It is probable that economic benefits associated with the transactions will flow to the company.
v) The costs incurred or to be incurred in respect of transaction can be measured reliably.

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

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

Other Operating Revenue

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

Interest income (except interest on Income tax refund which is accounted on Cash basis) is recognised on a time proportion basis taking into account the amount outstanding and at effective rate applicable when it is probable that the economic benefits will flow and the amount can be measured reliably.

Dividend income

Dividend income from investment is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

b. Leases

A lease is classified at the inception date as financial lease whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other lease are classified as operating lease.

Finance leases are capitalised at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

c. Foreign Currency Transactions

The functional currency for presentation of consolidated financial statements is INR.

Transactions in foreign currencies are initially recorded by the company at its respective functional currency spot rates at the date the transaction first qualifies for recognition. The exchange difference arising on actual settlement of monetary items are recognised 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 recognised in the profit and loss account.

d. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

e. Government Grants

Government grants are accounted when there is a reasonable assurance that the company will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made.

Government grants are recognised in profit or loss on systematic basis over the periods in which company recognises as expenses the related cost for which the grants are intended to compensate.

Government grants received towards purchase,constructon or acquisition of non current assets are recognised as deferred revenue in the financial statement and transferred to profit and loss on systemic and rational basis over the useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognised 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 recognised in the Profit and Loss Account on accrual basis. The company has no obligations other than the contribution payable.

(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 on remeasurement of defined benefit gratuity plan is charged to other comprehensive income not reclassified to profit and loss account.

(c) Post employment obligations
Compensation paid to employees under Voluntary Retirement Scheme is recognised as an expense when incurred.

g. Share-based payments

The fair value determined in the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on company's estimate of equity instruments, that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimates of the number of equity instruments expected to be vested. The impact of the revision of estimates, if any, is recognised in profit and loss account such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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 Ind AS 102 Share based payments.

h. Taxation

Income tax expenses represents sum of current tax payable and deferred tax.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid in accordance with the lax laws as applicable.

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets & liabilities in the financial statements and corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for deductable temporary difference to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Current & deferred tax for the year

Current & deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity.

i. Property, plant & equipment

Property, plant & equipment held for use in the production or supply of goods or services or for administration purpose, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment loss. Freehold land is not depreciated.

Properties in the course of construction (capital work-in-progress) for production, supply or administration purpose are carried at cost, less any impairment loss. Cost includes any directly attributable expenses incurred (net of recoverable taxes) to bring the assets to working condition for their intended use. In respect of qualifying assets, borrowing cost are capitalised. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use.

Advances paid towards the acquisition of fixed assets outstanding at balance sheet date are disclosed as Capital Advances under Note " Other non-current assets".

No assets classified as held for sale or included in disposal group classified as held for sale.

Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress)less their residual values over their useful lives, using following methods at rates specified in Part C of schedule II of The Companies Act, 2013.

a) Straight- Line Method on Buildings and Plant & Machinery, computers & servers (office equipment).
b) Written Down Value Method on other PPE.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.
Estimated useful lives of the PPEs are as follows :

Buildings	: 30 to 60 years
Plant and equipments	: 10 to 15 years
Furniture & Fixture	: 10 years
Vehicles	: 8 years
Office Equipment	: 5 years

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

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 recognised immediately as income in the profit and loss account.

For transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 1, 2015 measured as per the previous Accounting standards and that carrying value as its deemed cost as of the transition date.

j. Intangible assets

Intangible assets are amortised on straight line basis over the useful lives of the assets not exceeding 10 years.

For transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2015 measured as per the previous Accounting standards and that carrying value as its deemed cost as of the transition date.

k. Inventories

Inventories are valued after providing for obsolescences as under :

(a) Stock of Raw materials are valued at lower of cost or Net realisable value, which includes duties and taxes (Except those subsequently recoverable).

(b) Stock of Packing materials & Stores and spares are valued at cost ,which includes duties and taxes (Except those subsequently recoverable).

(c) Stock of Finished products including traded goods and Semi finished goods are valued at lower of cost or net realisable value.

However Raw materials & Semi finished goods held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes material cost, labour, direct expenses, related production overheads and applicable taxes. Cost is determined on weighted average basis.

l. Provisions, Contingent liabilities and Contingent assets

Provision is recognised when the company has a present obligation (Legal or Constructive) 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 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 recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.
Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) 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.

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 where management estimates and in cases where the collection of debt is uncertain.

m. Research and Development Expenses
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditure of an individual project are recognised as an intangible asset when the company can demonstrate:
a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
b) Its intention to complete and its ability and intention to use or sell the asset.
c) How the asset will generate future economic benefits.
d) The availability of resources to complete the asset.
e) The ability to measure reliably the expenditure during development.

n. Financial instruments
A financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement.
Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction cost that are directly attributable to the acquisition or issue of financial assets or liabilities (other than measured at fair value through profit and Loss (FVTPL) are added to or deducted from fair value of financial assets or liabilities on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets or liabilities measured at fair value through profit and loss are immediately recognised in profit and loss.

Subsequent measurement
All financial assets and liabilities are subsequently measured depending on classification either at
(i) Amortised Cost.
(ii) Fair Value through Other Comprehensive income (FVTOCI).
(iii) Fair value through profit and loss (FVTPL).

Effective interest method
The effective interest method is a method of calculating amortised cost of debt instrument and allocating interest income / interest cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that forms integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of debt instrument.

Income recognised on effective interest rate is recognised in profit and loss and is included in "Other income".

Interest cost recognised on effective interest rate is recognised in profit and loss and is included in "Finance Cost".

Hedge accounting
The company designates certain hedging instruments, which include forward contracts in respect of foreign currency risk. Hedge of foreign exchange risk on firm commitments are accounted for as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged items, along with risk management objectives and its strategy for undertaking various hedge transactions.

Investments
Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments. Current investments are measured at fair value. Changes in fair value of current investments are recognised in profit & Loss.

All other investments are classified as long-term investment.

Other Long term Equity Investments are measured at fair value through profit and loss (FVTPL).

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective interest method. Loans and borrowings at below market rate of interest initially measured at fair value, fair value changes netted in carrying value, subsequently measured at amortised cost.

Impairment of financial Assets
The company has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date of financial instrument were initially recognised. The company has not undertaken exhaustive search for information for significant increase in credit risk since initial recognition at the date of transition to Ind AS.

Cash and cash equivalents
Cash and cash equivalent in the balance sheet comprise cash at bank, cash in hand and short term deposits, which are subject to an insignificant risk of changes in value.

Cash and cash equivalent in the cash flow statement comprise cash at bank, cash in hand, short term deposits, which are subject to an insignificant risk of changes in value and net outstanding bank overdrafts as they are considered an integral part of company's cash management.

o. Earnings per share
Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are determined independently for each period presented.

p. First-time adoption- Mandatory exceptions, optional exemptions
The Company has prepared opening balance sheet as per Ind As as on 1st April 2015 (Transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous Accounting standards to Ind AS as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. Subject to certain exceptions and optional exemptions availed as detailed below.

Derecognition of Financial assets and Financial Liabilities
The Company has applied derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April 2015 (Transition date).

Deemed cost for property, plant and equipments, Intangibles & Capital work in progress.
The company has elected to continue with the carrying values of all of its Property, plant and equipments, Intangible assets and Capital work in progress recognised as of 1st April 2015 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as on the transition date.

Government Loan
The Company has measured as per Ind AS 109 and Ind AS 20 retrospectively to government loan originated before date of transition to Ind AS (Ind-AS 101 Appendix B Para B11).

3. PROPERTY, PLANT & EQUIPMENT

(₹ in lacs)

	Property, Plant & Equipment								Intangible Assets				
	Freehold Land	Leasehold Land	Buildings **	Plant & Equipments	Furniture & Fixture	Vehicles	Office equipment	Total	Goodwill	Brands/ Trade marks	Licenses	Total Intangible	Capital work-in-progress
Gross carrying value, at cost													
Opening as on 1st Apr, 2015	248.47	2,012.94	17,618.81	20,805.83	262.64	263.24	82.53	41,294.46	154.50	-	150.04	304.54	12,264.28
Additions	-	270.39	85.96	2,083.36	86.22	108.39	29.54	2,663.86	-	-	76.66	76.66	13,417.08
Disposal/transfer	-	-	(7.88)	225.63	(7.86)	77.51	72.78	360.18	(0.01)	-	26.56	26.55	1,967.89
As at 31st Mar, 2016	248.47	2,283.33	17,712.65	22,663.56	356.72	294.12	39.29	43,598.14	154.51	-	200.14	354.65	23,713.47
Additions	129.54	29.56	4,258.20	8,631.92	241.33	30.32	194.25	13,515.12	-	-	184.16	184.16	13,974.45
Disposal, transfer & Exchange gain/loss	-	0.02	250.59	648.53	33.57	46.91	14.32	993.94	-	-	122.58	122.58	12,690.37
As at 31st Mar, 2017	**378.02**	**2,312.87**	**21,720.26**	**30,646.95**	**564.48**	**277.53**	**219.22**	**56,119.33**	**154.51**	**-**	**261.72**	**416.23**	**24,997.55**
Depreciation / amortisation													
Opening as on 1st Apr, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	53.39	725.89	2,828.85	73.16	101.68	35.85	3,818.82	-	-	60.37	60.37	-
Disposal, transfer & Exchange gain/loss	-	(1.12)	(10.97)	129.75	(3.63)	67.36	(2.67)	178.72	-	-	8.17	8.17	-
As at 31st Mar, 2016	-	54.51	736.86	2,699.10	76.79	34.32	38.52	3,640.10	-	-	52.20	52.20	-
Charge for the year	-	54.18	831.63	3,263.64	116.77	84.45	90.98	4,441.65	-	-	76.79	76.79	-
Disposal, transfer & Exchange gain/loss	-	(3.11)	116.74	565.77	9.76	40.57	13.93	743.66	-	-	31.60	31.60	-
As at 31st Mar, 2017	**-**	**111.80**	**1,451.75**	**5,396.97**	**183.80**	**78.20**	**115.57**	**7,338.09**	**-**	**-**	**97.39**	**97.39**	**-**
Net book value													
As at 31st Mar, 2017	**378.02**	**2,201.07**	**20,268.51**	**25,249.98**	**380.68**	**199.33**	**103.65**	**48,781.24**	**154.51**	**-**	**164.33**	**318.84**	**24,997.55**
As at 31st Mar, 2016	248.47	2,228.82	16,975.79	19,964.46	279.93	259.80	0.77	39,958.04	154.51	-	147.94	302.45	23,713.47
As at 1st April 2015	248.47	2,012.94	17,618.81	20,805.83	262.64	263.24	82.53	41,294.46	154.50	-	150.04	304.54	12,264.28

(₹ in lacs)

Net book value	As at 31st March, 2017	As at 31st March, 2016
Property, plant and equipment	48,781.24	39,958.04
Capital work-in-progress	24,997.55	23,713.47
Intangible Assets	318.84	302.45

* 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 ₹ 548.38 lacs (Previous year ₹ 337.26 lacs) being expenditure on Research and Development as under:

(₹ in lacs)

Assets Description	As at 31st March, 2017	As at 31st March, 2016
Buildings	9.71	-
Plant & Machinery	422.36	301.60
Furniture & Fixtures	-	24.90
Office Equipments	-	0.07
Motor Car	-	-
Capital Work in Progress	116.31	10.69
Total	**548.38**	**337.26**

4 INVESTMENTS (NON-CURRENT)

(₹ in lacs)

	No of Shares/Units		Face Value	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	As at 31st March, 2017	As at 31st March, 2016				
(I) UNQUOTED						
(a) Investment in Equity Instruments						
Fully Paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	Rs 10	30.38	30.38	30.38
Less : Impairment loss allowance in value of investments				(30.38)	(30.38)	(30.38)
Sub Total				-	-	-
Fully Paid Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	Rs 10	2.00	2.00	2.00
Fully Paid Equity Shares of Unireach Healthcare Private Limited			Rs 10	-		1.00
Sub Total				**2.00**	**2.00**	**3.00**
Fully paid Equity Shares of Associates						
Fully Paid Equity Shares of Synchron Research Services Private Limited	208,333	208,333	Rs. 10	569.31	569.31	569.31
Add: Share in Profit / (Loss) after tax of Associates				(7.30)	(26.05)	10.90
Sub Total				**562.01**	**543.26**	**580.21**
Total Unquoted				**564.01**	**545.26**	**583.21**
(II) QUOTED						
Fully paid Equity Bonus Shares						
Jindal Polyfilm Limited	2,000	2,000	Rs. 10	7.92	8.47	3.76
Jindal Poly Investment and Finance Company Ltd	500	500	Rs. 10	0.47	0.39	0.43
Aurobindo Pharma Ltd	8	8	Rs. 1	0.05	0.06	0.05
Kothari Industrial Corporation Ltd	20	20	Rs. 5	0.04	-	-
Total Quoted				**8.48**	**8.92**	**4.24**
Total of Unquoted & Quoted Non current Investments				**572.49**	**554.18**	**587.45**
Aggregate book value of unquoted investments				564.01	545.26	583.21
Aggregate amount of impairment in value of investments				(30.38)	(30.38)	(30.38)
Aggregate book value of quoted investments				8.48	8.92	4.24
Aggregate market value of quoted investments				8.48	8.92	4.24
Financial assets carried at fair value through profit and loss (FVTPL)						
Equity instruments				8.48	8.92	4.24

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5 LOANS (NON-CURRENT)			
Unsecured, considered good.			
Loans to Employees	8.59	14.38	18.54
Total	**8.59**	**14.38**	**18.54**
6 OTHER FINANCIAL ASSETS - NON CURRENT			
Inter Corporate Deposits	800.00	4,000.00	2,000.00
Total	**800.00**	**4,000.00**	**2,000.00**

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
7 DEFERRED TAX ASSETS (NET)			
Deferred tax assets (net)	591.30	1,015.96	1,518.23
Total	**591.30**	**1,015.96**	**1,518.23**

The deferred tax asset comprises of:

Particulars	As at 31st March, 2017	Charge/ (credit) for the year	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Assets				
Net Operating loss carry forwards	285.84	84.31	370.15	979.85
Capitalised development stage costs	305.46	340.35	645.81	538.38
Total	**591.30**	**424.66**	**1,015.96**	**1,518.23**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
8 OTHER NON CURRENT ASSETS			
Capital advances (Net of provision for Doubtful advances, CY ₹ 11.85 lacs, PY ₹ 11.85 lacs)	524.42	790.98	431.38
Total	**524.42**	**790.98**	**431.38**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
9 INVENTORIES			
Raw Materials [Include ₹ 304.90 lacs in transit, (Previous year ₹ 84.47 lacs)]	11,273.71	7,557.26	6,963.84
Packing Materials [Include ₹ Nil lacs in transit, (Previous year ₹ 4.19 lacs)]	1,823.94	1,282.48	1,416.48
Work-in- Progress	4,650.68	3,986.42	3,931.74
Finished Goods (excluding finished goods traded in) [Include ₹ 142.10 lacs in transit, (Previous year ₹ 390.47 lacs)]	4,662.05	4,963.47	4,430.60
Stock in trade (in respect of goods acquired for trading)	5,499.73	5,033.84	3,755.75
Stores and Spares	260.98	233.66	269.57
Total	**28,171.09**	**23,057.13**	**20,767.98**

10 INVESTMENTS (CURRENT)

(₹ in lacs)

	No of Shares/Units		Amount		
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
UNQUOTED					
INVESTMENT IN MUTUAL FUNDS					
Baroda Pioneer Liquid Fund - Plan B Growth					103.06
Baroda Pioneer Treasury Advantage Fund - Plan B Growth					201.66
BOI Axa Treasury Advantage Fund - Direct Plan - Growth					100.37
BOI Axa Treasury Advantage Fund - Regular Plan - Growth					100.96
Birla Sun Life Cash Plus - Growth - Regular Plan	153,586.06		400.11		100.09
DSP Black Rock Liquidity Fund - Institutional Plan - Growth					203.35
DWS Insta Cash Plus Fund - Growth					100.08
HSBC Cash Fund - Growth					405.07
ICICI Prudential Liquid - Direct- Growth	166,607.80	133,873.528	400.12	300.26	
IDFC Money Manager Fund - Treasury Plan - Growth					203.17
IDBI Liquid Fund - Direct Plan - Growth					100.09
Indiabulls Liquid Fund - Existing Plan Growth					100.36
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option					100.32
Religare Invesco Liquid Fund - Direct Plan - Growth		14,398.26		300.22	200.17
Religare Invesco Medium Term Bond Fund - Direct Plan - Growth		13,115.08		203.71	
Peerless Liquid Fund - Super Institution Growth					200.35
Pramerica Liquid Fund - Growth Option					100.10
Religare Invesco Credit Opportunities Fund - Direct Plan - Growth					202.39
Mirae Asset Cash Management Fund - Direct Plan - Growth					100.33
Quantum Liquid Fund - Growth Option					100.45
Kotak Treasury Advantage Fund - Direct Plan - Growth					201.93
UTI Banking & PSU Debt Fund - Regular Plan - Growth					201.63
Taurus Short Term Income Fund - Direct Plan - Growth					403.12
Total Investments in Mutual Funds			**800.23**	**804.19**	**3,529.05**
Financial assets carried at fair value through profit & loss a/c (FVTPL)			**800.23**	**804.19**	**3,529.05**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
11 TRADE RECEIVABLES			
Secured, considered good	2,014.59	1,930.77	2,084.55
Unsecured, considered good	30,034.21	20,078.50	17,086.76
Doubtful	605.94	704.20	583.20
Less: Provision for doubtful receivables	(605.94)	(704.20)	(583.20)
Total	**32,048.80**	**22,009.27**	**19,171.31**

Trade Receivables are secured to the extent of Advances of ₹ 2014.59 lacs (Previous Year ₹ 1930.77 lacs) received from Consignment Agents & Others.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
12 CASH AND CASH EQUIVALENTS			
(a)Cash & cash equivalents			
(i) Balances with banks			
In Current Accounts	1,072.50	1,127.36	940.86
In Escrow Accounts	-	2.29	150.73
(ii) Cheques on hand	38.23	24.47	-
(iii) Cash on hand	10.18	12.40	15.17
(b)Other bank balances			
In Unpaid Dividend Account (Restricted Bank Balance)	238.54	308.11	269.67
In Fixed Deposits having Original maturity more than 3 months	254.32	537.93	1,319.78
Total	**1,613.77**	**2,012.56**	**2,696.21**
13 LOAN-CURRENT			
Loans to Employees	8.58	16.49	9.17
Total	**8.58**	**16.49**	**9.17**
14 OTHER FINANCIAL ASSETS - CURRENT			
Short terms Deposits			
Unsecured , Considered Good	458.55	440.03	414.37
Doubtful	32.88	26.04	14.81
Less :Provision for Doubtful Advances	32.88	26.04	14.81
	458.55	**440.03**	**414.37**
Insurance claims receivables	10.94	301.96	11.89
Interest accured on Investments / FD	-	-	0.03
Fair value of forward contracts	201.37	151.24	52.55
Accrued Interest	37.16	169.34	223.76
Export incentive receivable	909.98	995.07	825.73
Total	**1,618.00**	**2,057.64**	**1,528.33**
15 CURRENT TAX ASSETS/(LIABILITIES)			
Current tax Assets			
Advance payment of income tax	6,407.49	3,429.46	1,851.12
Sub Total	**6,407.49**	**3,429.46**	**1,851.12**
Current tax liabilities			
Provision for tax	6,487.10	3,189.10	1,834.10
Provision for wealth tax	-	-	6.00
Sub Total	**6,487.10**	**3,189.10**	1,840.10
Total	**(79.61)**	**240.36**	**11.02**
16 OTHER CURRENT ASSETS			
Unsecured , Considered Good			
Prepaid Expenses	1,497.61	1,433.11	944.51
Balances with Revenue Authorities (Including refund receivables)	8,882.79	6,555.04	5,304.76
Advance against materials & expenses	1,149.00	905.79	1,511.46
Other Loans & advances	192.04	929.87	971.76
Sub Total	**11,721.44**	**9,823.81**	**8,732.49**
Doubtful			
Other Loans & advances	176.58	197.36	188.33
	176.58	197.36	188.33
Less: Provision for Doubtful Advances	176.58	197.36	188.33
Sub Total	-	-	-
Total	**11,721.44**	**9,823.81**	**8,732.49**

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
17 EQUITY 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	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	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	500.00
Total	**5,000.00**	**5,000.00**	**5,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP			
90,876,525 Equity Shares of ₹ 2/- each fully paid up (Previous year 90,843,200 Equity Shares of ₹ 2/- each fully paid up)	1,817.53	1,816.87	1,815.38
Total	**1,817.53**	**1,816.87**	**1,815.38**

(₹ in lacs)

Reconciliation of Number of Shares (Equity)	2016-2017		2015-2016		2014-2015	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Number of Shares outstanding as at the beginning of the year	90,843,200	1,816.86	90,768,725	1815.38	90,627,326	1,812.55
Add: Number of Shares allotted under ESOP during the Year	33,325	0.67	74,475	1.49	141,399	2.83
Number of Shares outstanding as at the end of the year	90,876,525	1,817.53	90,843,200	1,816.87	90,768,725	1,815.38

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

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

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	% held	No of Shares	% held	No of Shares	% held
Dr. Prakash Amrut Mody	42,287,278	46.55	42,287,278	46.55	41,337,342	45.54
ICICI Prudential	-	-	4,608,732	5.07	8,399,898	9.25

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

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
18 OTHER EQUITY			
SHARE APPLICATION MONEY			
Balance at beginning of year	-	-	-
Add: Addition during the year	11.75		
Balance at end of year	**11.75**	-	-
CAPITAL RESERVE			
Balance at end of year	62.47	62.47	62.47
	62.47	**62.47**	**62.47**
CAPITAL REDEMPTION RESERVE			
Balance at end of year	834.00	834.00	834.00
	834.00	**834.00**	**834.00**
SECURITIES PREMIUM RESERVE			
Balance at beginning of year	8,052.01	7,982.29	7,855.91
Add: Addition during the year	64.48	69.72	126.38
Balance at end of year	**8,116.49**	**8,052.01**	**7,982.29**
SHARE OPTIONS OUTSTANDING ACCOUNT			
Balance at beginning of year	312.85	349.80	414.88
Less: Deduction during the year	(49.82)	(36.95)	(65.08)
	263.03	312.85	349.80
Less: Deferred Employees' stock compensation	(130.20)	(197.47)	(264.74)
Balance at end of year	**132.83**	**115.38**	**85.06**
GENERAL RESERVE			
Balance at beginning of year	18,595.36	18,595.36	18,874.80
Less: Depreciation on account of Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II of The Companies Act, 2013		-	423.33
Deferred Tax Assets on above*	-	-	(143.89)
Balance at end of year	**18,595.36**	**18,595.36**	**18,595.36**
*Deferred tax Impact on Account of Depreciation on Assets whose useful life is Exhausted as on 01.04.2014 consequent upon the provisions of Schedule II of The Companies Act, 2013.			
FOREIGN CURRENCY TRANSLATION RESERVE			
Balance at beginning of year	351.11	407.57	-
Exchange difference arising on translating the foreign operations	90.38	(56.46)	407.57
	441.49	**351.11**	**407.57**
RETAINED EARNINGS			
Balance at beginning of year	65,606.05	59,155.48	51,477.50
Add: Profit for the year	10,867.51	10,810.74	7,647.59
Add: Other comprehensive income arising from remeasurement of defined benefit obligation	(123.53)	11.57	-
Add: Changes in fair value of current investments & non current investments	-	-	29.36
Add: Prepaid operating lease rent	-	-	(0.06)
Add: Amortisition of Interest Grant	-	-	1.09
Less: Payment of dividends on equity shares :			
Final Dividend paid for Year 2014-15 (Incl. Tax on dividend)	-	2,185.01	
Interim Dividend paid for Year 2015-16 (Incl. Tax on dividend)	-	2,186.73	
Subtotal	**-**	**4,371.74**	**-**
Balance at end of year	**76,350.03**	**65,606.05**	**59,155.48**
Total Reserves & Surplus	**104,544.42**	**93,616.38**	**87,122.23**

In respect of the year ended March 31, 2017, the Board of Directors at its meeting held on May 30, 2017 recommended a dividend of ₹ 3/- per share to be paid on its fully paid up equity shares having a face value of ₹ 2/- . This equity dividend is subject to the approval of shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements.. The total estimated equity dividend (including tax on dividend) to be paid is ₹ 3,281.30 lacs.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
19 BORROWINGS - NON CURRENT			
SECURED			
Term Loan:	43.77	45.82	14.91
Loan from BIRAC	0.00	2252.25	2012.53
Loan from Bank	**43.77**	**2298.07**	**2027.44**

The Company has taken term loan from BIRAC carrying interest at the rate of 2% per annum, repayment in 10 equal half yearly installments commencing from one year from the date of completion (4th Oct, 2016).
Using prevailing market rates for an equivalent loan of 10 %, the fair value of the loan at initial recognition is estimated at ₹ 37.66 lacs. The difference of ₹ 13.77 Lacs between gross proceeds and the fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred revenue (Note - 26). Interest expenses of ₹ 1.55 Lacs was recognised of the year ended 31st March 2016 and ₹ 4.19 Lacs was recognised in 2016-17.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
20 OTHER FINANCIAL LIABILITIES			
Advances from Consignment agents & Others	2,014.59	1,930.77	2,084.55
Total	**2,014.59**	**1,930.77**	**2,084.55**
21 PROVISIONS - NON CURRENT			
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	2,532.61	1,257.55	887.56
Total	**2,532.61**	**1,257.55**	**887.56**
22 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability(Net)	2,449.51	3,131.54	3,932.54
	2,449.51	**3,131.54**	**3,932.54**

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	As at 31st March, 2017	Charge/ (credit) for the year	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Liability				
on account of Depreciation	6,206.61	762.47	5,444.14	5,228.91
Sub-Total	**6,206.61**	**762.47**	**5,444.14**	**5,228.91**
Deferred Tax Assets				
Provision for Doubtful Debts, Advances, leave encashment & Gratuity.	1,236.91	(416.36)	820.55	611.14
Provision for Diminution in Investments	2,181.18	(931.14)	1,250.04	443.23
	3,418.09	**(1,347.50)**	**2,070.59**	**1,054.37**
Sub-Total	**2,788.51**	**(585.03)**	**3,373.54**	**4,174.54**
Add: Deferred tax Assets on remeasurements of defined benefit plans	(97.00)	(97.00)	-	-
Less: Deferred Tax Assets on Exceptional Items (in F.Y. 2013-2014)	(242.00)	-	(242.00)	(242.00)
Net Deferred Tax Liability	**2,449.51**	**(682.03)**	**3,131.54**	**3,932.54**

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
23 BORROWINGS-CURRENT			
Secured- at amortised cost,			
From Banks			
Loans repayable on Demand	9762.20	1292.50	162.58
Total	**9762.20**	**1292.50**	**162.58**
Interest is payable on monthly base which is linked to base rate			
24 TRADE PAYABLES			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,802.81	16,395.39	13,822.64
Total	**21,802.81**	**16,395.39**	**13,822.64**
25 OTHER FINANCIAL LIABILITY			
Unclaimed Dividend	238.54	308.11	269.67
Interest Accrued but not due on borrowings	1.57	0.55	-
Total	**240.11**	**308.66**	**269.67**
26 OTHER CURRENT LIABILITIES			
Deferred Govt Grants	-	9.23	4.91
Interest Grant From BIRAC	-	3.35	6.69
Other Payables			
Statutory Dues	657.17	537.17	535.58
Payable for Capital Goods	1,812.24	1,200.83	632.66
Others	4,091.77	3,996.57	3,139.73
	6,561.18	**5,734.57**	**4,307.97**
Total	**6,561.18**	**5,747.15**	**4,319.57**

The deferred revenue arose as a result of the benefit received from below market interest government loan received on 1st Jan, 2015 and 5th March, 2016 . The revenue was offset against finance cost incurred in FY 2015-16 and FY 2016-17.

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
27 PROVISIONS - CURRENT			
Provision for Employee Benefits	728.00	576.03	420.28
(Consists of provision for Gratuity & Leave Encashment)			
Total	**728.00**	**576.03**	**420.28**

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
28 REVENUE FROM OPERATIONS (Gross)		
Sale of products (including excise duty)		
[Including excise Duty of Rs.1599.21 Lacs (Previous year Rs.1562.85 lacs)]	151,549.14	133,021.58
Other operating revenues		
Export benefits	1,892.83	1,422.65
Other operating revenues	107.64	383.77
	2,000.47	**1,806.42**
Total Revenue from Operations (Gross)	**153,549.61**	**134,828.00**
29 OTHER INCOME		
Interest Income	251.43	512.77
[TDS deducted Rs. 21.53 lacs (Previous year Rs. 44.86 lacs)]		
Dividend Income	0.29	0.25
Net gain on sale of Long / short term investments	133.38	288.06
Profit on Sale of Assets	4.93	29.75
Other non-operating Income	704.26	624.83
Net gain / (Loss) on foreign currency translation and transactions	(42.78)	356.63
Unrealised gain/(loss) on fair value of forward hedge contracts	50.13	98.68
Total	**1,101.64**	**1,910.97**
30 COST OF MATERIALS CONSUMED		
Raw Materials	32,206.43	27,628.33
Packing Materials	7,040.18	7,089.44
Total	**39,246.61**	**34,717.77**
31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN- PROGRESS & STOCK-IN-TRADE		
Inventories at the Commencement		
Finished Goods	4,963.47	4,430.60
Work in progress	3,986.42	3,931.74
Stock in Trade	5,033.84	3,755.75
	13,983.73	**12,118.09**
Inventories at Close		
Finished Goods	4,662.05	4,963.47
Work in progress	4,650.68	3,986.42
Stock in Trade	5,499.73	5,033.84
	14,812.46	**13,983.73**
(Increase) / Decrease in Finished Goods	301.42	(532.87)
(Increase) / Decrease in Work in progress	(664.26)	(54.68)
(Increase) / Decrease in Stock-in-Trade	(465.89)	(1,278.09)
Total	**(828.73)**	**(1,865.64)**
32 EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	27,791.83	23,474.30
Contribution to Provident and other funds	1,459.88	1,235.50
Expenses on Employee Stock Option Scheme	67.27	67.27
Staff Welfare Expenses	690.39	814.78
Total	**30,009.37**	**25,591.85**

(₹ in lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
33 FINANCE COST		
Interest expense	313.57	272.71
Other borrowing costs	23.37	16.92
Total	**336.94**	**289.63**
34 OTHER EXPENSES		
Consumption of Stores and Spares	1,560.22	1,163.71
Manufacturing Charges	545.60	687.10
Power and Fuel	4,612.96	3,824.92
Rent	473.44	279.99
Insurance	524.97	493.74
Repairs :		
Plant and Machinery	873.65	748.20
Buildings	254.79	144.05
Others	1,015.13	835.06
Rates and Taxes (excluding taxes on income)	810.62	1,506.63
Advertising and sales promotion	9,761.55	7,175.31
Travelling and Conveyance	5,060.49	4,820.13
Freight outward	8,439.08	6,974.70
Directors' Fees	23.19	23.74
Commission on sales	3,034.75	2,534.03
Legal & Professional Expenses	2,524.84	2,464.11
Loss on sale of assets	83.99	4.79
Contribution towards Corporate Social Responsibility	122.20	253.00
Establishment and Administrative Expenses	6,876.82	7,177.63
Total	**46,598.29**	**41,110.84**
35 RESEARCH & DEVELOPMENT EXPENDITURE		
(At units approved by dept. of Scientific & Industrial Research)		
Materials	2,341.87	1,181.54
Salaries, wages and Ex-gratia	1,804.75	1,547.40
Contribution to Provident fund and other Funds	85.30	61.65
Employee's welfare expenses	25.84	22.85
Rent	12.86	11.70
Insurance	11.90	7.13
Rates and Taxes	3.41	4.65
Repairs:		
Plant and machinery	107.26	
Others	196.48	211.83
Power and fuel	221.94	249.31
Travelling and conveyance	32.80	28.58
Interest	1.03	0.48
Legal & Professional Expenses	54.22	0.87
Others	1,269.72	1,058.78
Total	**6,169.38**	**4,386.77**
36 OTHER COMPREHENSIVE INCOME		
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(123.53)	11.57
B (i) Items that will be reclassified to profit or loss		
Exchange difference in translating the financial statements of foreign operations	90.38	(56.46)
Total comprehensive Income	**(33.15)**	**(44.89)**

(₹ in lacs)

	2016-2017	2015-2016	2014-2015
37 Contingent Liabilities:			
(i) Claims not acknowledged as debts*.	1,502.65	1,493.21	1,832.22
(ii) In respect of the Guarantees given to Bank on behalf of:			
-Subsidiaries	10,011.00	2,955.00	2,352.75
(iii) Other money for which the company is Contingently liable	403.58	394.22	224.84
Total	**11,917.23**	**4,842.43**	**4,409.81**

* includes ₹ 109.19 lacs (Previous Years ending - 31.03.2016 ₹ 116.69 lacs and as on 31.03.2015 ₹ 91.97 lacs) paid under protest/deposit pending adjudication under Income Tax Act,1961 and Central Excise Act 1944.

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

38 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.The outcome of the appeal is likely to follow some months after (early 2018 at the earliest), as advised by lawyers of the Niche Generics Limited. 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.

39 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.

40 Exceptional Items

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

(₹ in lacs)

The Profit after tax before exceptional item is.	₹ 11,119.09
The Profit after tax and exceptional item is	₹ 10,766.06
The Earning Per Share after tax but before exceptional would be as follows	
Basic (in ₹)	12.24
Diluted (in ₹)	12.22

41 Segment Information

Reportable segment

The company is primarily engaged in 'Pharmaceuticals' business which is considered as the only reportable business segment as per Ind AS 108

Geographical Information

(₹ in lacs)

Sales and Operating Income (Gross)	2016-2017	2015-2016
India	85,561.96	77,936.73
Outside India	67,987.65	56,891.27
Total	**153,549.61**	**134,828.00**

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

42 Related Party Disclosures

Details of transactions between the company and other related parties as disclosed below :

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
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Sales of goods, etc.	-	-	-	-	-	-
Rent & Maintenance paid	15.00	14.58	9.94	8.94	24.94	23.52
Managerial remuneration	1,002.39	932.24	-	-	1,002.39	932.24
Commission	134.91	124.03	-	-	134.91	124.03
Salary	44.37	38.17	-	-	44.37	38.17
Dividend paid	-	1,820.73	-	-	-	1,820.73
Total	**1,196.67**	**2,929.75**	**9.94**	**8.94**	**1,206.61**	**2,938.69**

(ii) Amounts due from / to related parties:

Outstanding Balances						
Deposits given	45.90	45.90	5.00	5.00	50.90	50.90
Due to Directors	134.91	124.03			134.91	124.03
	180.81	169.93	5.00	5.00	185.81	174.93

(iii) Details of material transactions during the year (₹ in lacs)

Particulars	2016-17	2015-16
a) Rent & Maintenance Paid		
Mrs. Anita Mody	15.00	14.58
Uni Distributors Pvt Ltd	9.94	8.94
b) Managerial Remuneration		
Dr. Prakash A. Mody	424.41	374.92
Mr G. M. Cole	202.56	158.11
Mr. C. Moss	137.31	178.24
Mr. Rajeev Lamba	238.11	220.97
c) Commission		
Dr. Prakash A. Mody	134.91	124.03
d) Salary		
Ms. Supriya Mody	44.37	38.17
e) Dividend Paid		
Dr. Prakash A. Mody - Dividend	-	1,672.49

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 no control over operations.
The summary of transactions with Synchron Research Pvt Ltd are as follows:

(₹ in lacs)

Particulars	2016-17	2015-16
Advance recovered	71.21	83.63
Amount Recoverable (Including for Rent)	16.66	93.68
Services Availed	143.10	169.46
Rent Income	36.90	33.55
Deposit For Rent	7.50	7.50
Amount payable	19.40	5.34

43 Operating lease:

a) At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

(₹ in lacs)

Particulars	As at 31st March, 2017	As at 31st March ,2016
In current Year Charged to the profit & Loss account	21.17	20.19
Lease payment not later than one year	8.34	20.27
Lease Payment later than one year and not later than five years	7.10	7.52

b) The total of future minimum sublease payment expected to be received under non – cancellable subleases at the end of reporting period is NIL.

c) Lease payment s recognised as an expense in the period.

d) A general description of lessee's significant leasing arrangements including terms of use is as per the terms of arrangement is entered by the Company.

44 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

(₹ in lacs)

Particulars	SBNs	Other Denomination	Total
Cash in hand as on 8th Nov., 2016	**4.53**	**0.14**	**4.67**
Add: Permitted Receipts		5.96	5.96
Less: Permitted Payments	(1.02)	(5.58)	(6.60)
Less: Amount Deposited in Banks	(3.51)		(3.51)
Closing Cash in hand as on 30th Dec.,2016	**-**	**0.52**	**0.52**

45 Earnings per equity share (EPS)

Particulars			2016-17	2015-16
(i) Profit attributable to equity shareholders for basic & Diluted EPS	(A)	Rs lacs	10,834.36	10,765.85
(ii) Weighted average number of equity shares for basic EPS	(B)	Nos	90,865,808	90,811,596
Add : Potential equity shares on exercise of option of ESOS		Nos	152,676	178,133
Weighted average number of equity shares for diluted EPS	(C)	Nos	91,018,484	90,989,729
(iii) Face value of equity share		Rs	2	2
(iv) Earnings per equity share				
Basic	(A)/(B)	Rs	11.92	11.86
Diluted	(A)/(C)	Rs	11.90	11.83

Signature to the Notes 1 to 45 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	**Rakesh Parikh**	**Neema Thakore**	**Dr. Prakash A. Mody**	**Prafull Anubhai**
Partner	Chief Finance &	Head - Legal &	Chairman &	Director
Membership No.103241	Compliance Officer	Company Secretary	Managing Director	

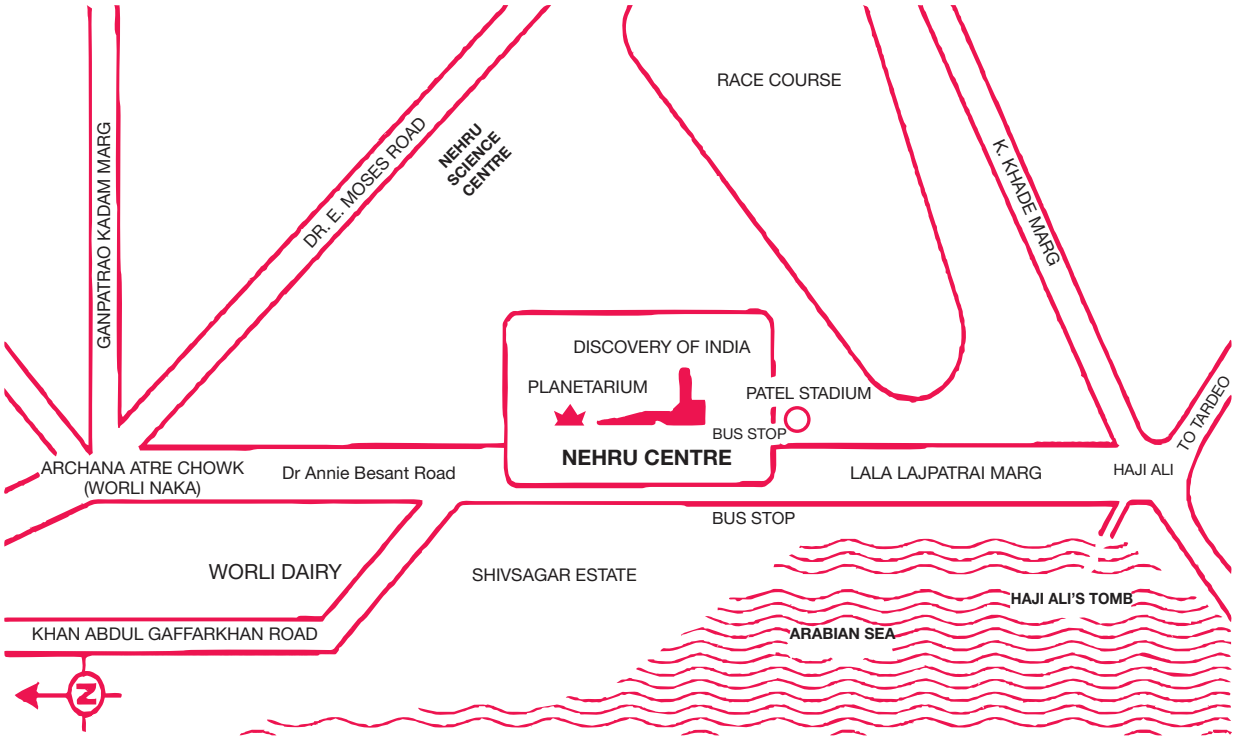
Mumbai
May 30, 2017

Route Map of the venue of

UNICHEM LABORATORIES LIMITED

54th Annual General Meeting

Saturday, July 22, 2017 at 3:00 p.m.



Venue:
Hall of Culture
Nehru Centre, Dr. Annie Besant Road
Worli, Mumbai - 400 018
Tel.: (022) 2496 4676/80

Best Buses:
A74, A75, A76, AS2, AS3, AS4, AS9, AS592, 28, 33, 37, 57, 80, 81, 83, 84, 85, 86, 87, 88, 89, 92, 93, 125, 151, 154, 166, 305, 385, 357, 521 & 661.

Notes

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	:	

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of the Company, to be held on Saturday, July 22, 2017 at 3.00 p.m. at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated hereinafter:

Sr. No.	Resolutions
1.	Consider and adopt: a. Audited Financial Statements and Reports thereon for the year ended March 31, 2017. b. Audited Consolidated Financial Statements for the year ended March 31, 2017.
2.	Declaration of Dividend for the year ended March 31, 2017.
3.	Appointment of N. A. Shah Associates LLP, Chartered Accountants as Statutory Auditors in place of retiring auditors, and to fix their remuneration.
4.	Re-appointment of Dr. Prakash A. Mody who retires by rotation.
5.	Re-appointment of Dr. (Mrs.) B. Kinnera Murthy as an Independent Director for a second term of five (5) years w.e.f. March 21, 2018.
6.	Ratification of remuneration payable to the Cost Auditors.

Signed this ..... day of ..... 2017.

Affix Revenue Stamp of ₹ 1/-

Signature of Shareholder

Signature of Proxyholder (s)

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.

HR Initiatives

Management Development Program
UDAAN conducted at IMT Ghaziabad



Management Development Program
UDAAN in progress



Management Development Program
LEAP conducted at Symbiosis Institute of
Business Management, Pune



First Batch of LEAP Program
at the Symbiosis Institute of
Business Management, Pune



Blood Donation drive conducted during the
"Joy of Giving Week" at Jogeshwari, Mumbai



Blood Donation drive conducted during the
"Joy of Giving Week" at Ghaziabad



Townhall Meeting Conducted
at Jogeshwari, Mumbai.



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Mumbai - 400 102, India
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Website: www.unichemlabs.com

UNICHEM
LABORATORIES LTD.