

50th

Annual General Meeting



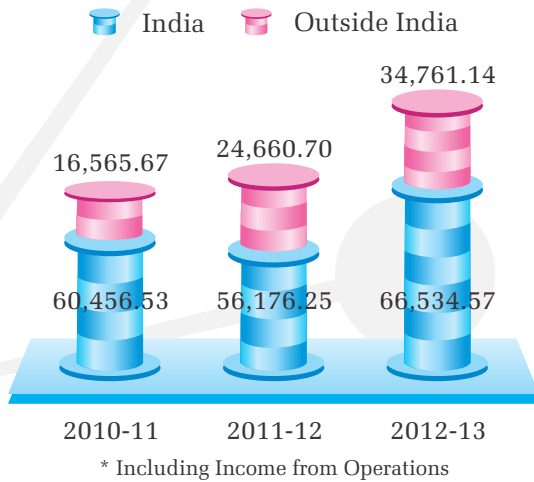
UNICHEM
LABORATORIES LTD.

Touching Human Lives

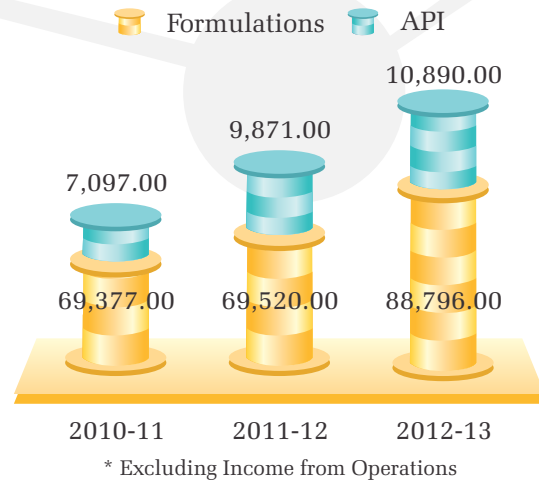
Annual Report
2012-13

Financial Highlights

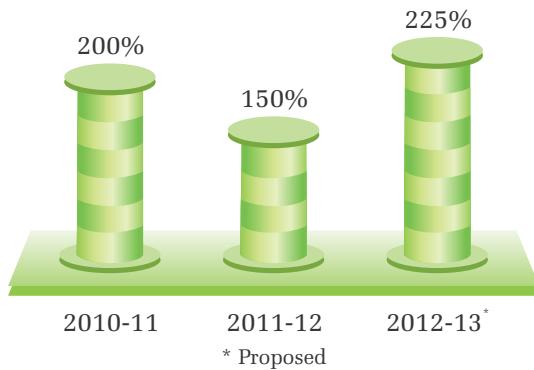
Sales Mix by Geographical Segment*
(₹ in lacs)



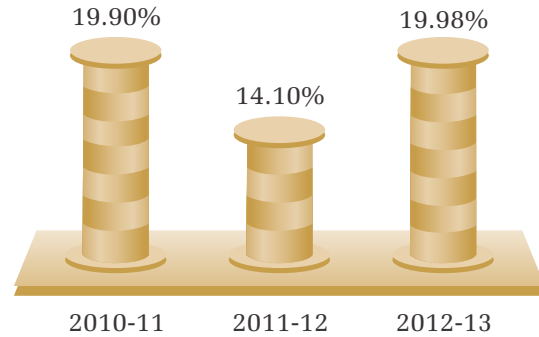
Sales Revenue Mix*
(₹ in lacs)



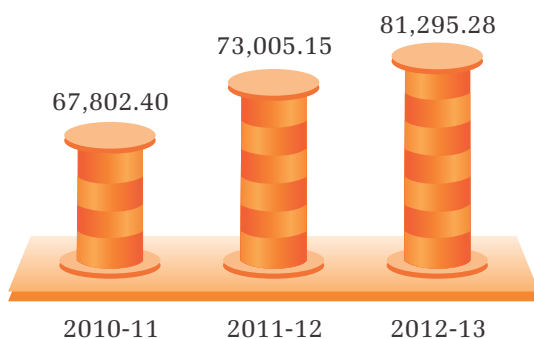
Dividend (in %)



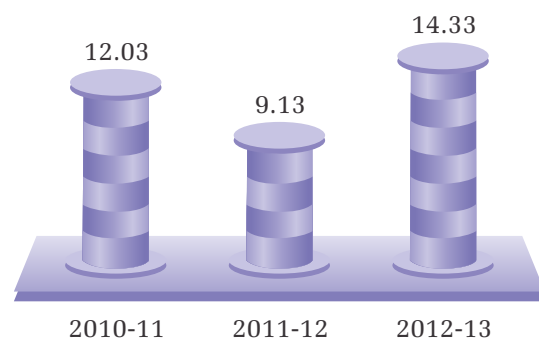
Return on Capital Employed (in %)



Net Worth (₹ in lacs)



Earnings per share (Basic)
(in ₹)



Board of Directors



Dr. Prakash A. Mody
Chairman & Managing Director



Prafull Anubhai
Independent Director



Ramdas M. Gandhi
Independent Director



Nasser Munjee
Independent Director



Prafull D. Sheth
Independent Director



Anand Mahajan
Independent Director





Top Brands



LOSAR



Ampoxin



UNIENZYME



Telsar



Trika



Top Brands



OLSAR®



Serta®



METRIDE®



TG-tor®



Zyncet®



LeZyncet®





Top Brands



RANX[®]



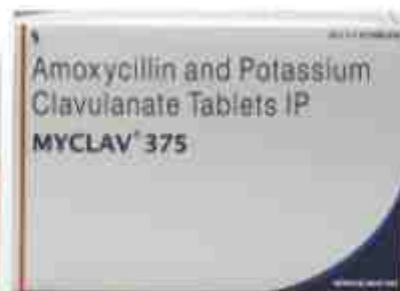
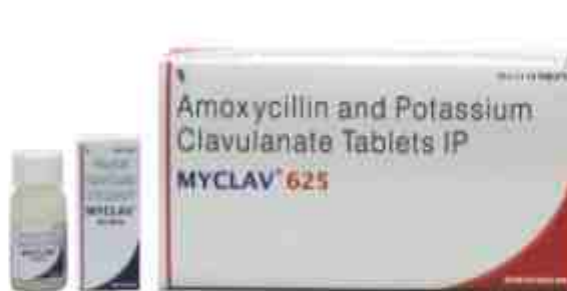
UNISTAR[®]



CORVADIL[®]



CEFIPOWER[®]



MYCLAV[®]

Corporate Social Responsibility

Adiwasi Unnati Mandal (AUM)

Adiwasi Unnati Mandal (AUM) founded by Late Mr. Amrut Mody along with co-founder Late Mr. Shantibhai Sheth. It is a known fact that the founder of our organization, Late Mr. Amrut Mody, always believed that good health is a basic human need and it is our duty to respond to this social need especially for the economically backward sections. Service to the society played an important role in Mr. Mody's life. However, very few of us know of the zeal with which Mr. Mody "walked the talk". The same zeal which encouraged him to establish the Adiwasi Unnati Mandal (AUM). Your Company's Chairman and Managing Director, Dr. Prakash Amrut Mody is Trustee in AUM. AUM has strong and dedicated team of Paramedical, Eye Care and Medical Committee.



Your Company donated Tata Sumo and Tata Winger during the year to AUM. This vehicle is utilised for transporting doctors and paramedical volunteers from Mumbai to Shahpur and back where major social activity of the AUM is carried out.



AUM caters to medical needs of adiwasi population of Shahpur taluka of Thane district. AUM conducts regular Medical checkup, Dental check-up camps, cataract diagnosis, diabetes screening, Nutrition programmes, arranges distribution of free medicines and provides regular treatment to patients for TB, epilepsy and leprosy at the Centre with the help of dedicated team of doctors and volunteers who have been rendering selfless service. During the year 14,521 patients were treated at OPD camps held at various centres,

During the year 12 diagnostic camps were held at Taki, 7 at Panchghar and 1 camp at Pivli for cataract surgery and during the year 201 patients cataract surgery were successfully carried at "Bombay City Eye Institute and Research Centre, Babulnath". 540 needy people were provided with the spectacles and dark glasses were provided to patients who had undergone cataract surgery.

Besides Health care programmes AUM also conducts various activities like distribution of notebooks, compass boxes, shoes, books and other useful items to school children. This were distributed amongst more than 2000 students from 35 schools. Other Programmes like free distribution of medicines, bicycles for school girls, umbrellas, clothes and nutrition food were provided to needy people.

Corporate Social Responsibility

Amrut Mody School of Management (AMSoM)

Unichem has volunteered to be the chief donor to Amrut Mody School of Management [AMSoM] which is promoted by Ahmedabad Education Society. During the year, the Company donated a sum of ₹ 2 crores to this Management School. This donation was made in the memory of Dr. P. A Mody's beloved father Mr. Amrut Mody, who was a pioneer in Indian Pharmaceutical Industry and a visionary Technocrat and was instrumental in supporting and contributing through endowments to educational institutions during his life time.

The Amrut Mody School of Management took its current shape after Ahmedabad Education Society established Ahmedabad University, recognized by UGC as Private University. It is located in the most livable city of Ahmedabad, Gujarat. AMSoM is delivering business education through three of its institutions which are as follows:

Postgraduate

Institute of Management (PGIM)

- 2-year full-time Masters of Business Administration
- 15-month full-time Entrepreneurial MBA
- Postgraduate Diploma in Business Administration (evening)



H. L. Institute of Commerce (HLIC)

- 3-year Bachelor of Commerce



B. K. Majumdar Institute of Business Administration (BKMIBA)

- 3-year Bachelor of Business Administration
- 3-year fast-track Bachelor of Business Administration (Honours)



Each AMSoM institution has become the temple of higher learning keeping in line with the vision of Ahmedabad University. Community of students and their parents have bestowed this status through making its programmes in their most preferred list. The dynamic leadership of the Governing Council members of AES has enabled its institutions to spread the light of knowledge and wisdom in diverse fields of education. Its institutions keep establishing new benchmarks for others to follow.

AMSoM has created physical, IT and knowledge infrastructure which is in line with future requirements. The School's faculty and staff are dedicated towards educational excellence, development of students & nurturing environment fostering development of skills and personality, so that the main stakeholders can become a good citizens and partners in progress.

The main aim of Ahmedabad University is to provide Global education at local costs, context and ethos. Towards this direction, the University and its faculty and students are very much interested in and involved with community work or social work as part of personality building requirement. During the academic year 2012-13, Amrut Mody School of Management carried out many activities of this nature. Some of them are listed under:

Financial Assistance:

PGIM, as per the policy of Ahmedabad University offered financial assistance to all who have economic need and guarantees upfront meritorious students who get admission in the University will not be stopped from pursuing education because of the family of the student has weak economic background. This is done without any upper limit on total amount of financial assistance that can be granted.

Corporate Social Responsibility

In the year 2012-13 the following scholarships were provided:

Institution	Number of students offered Financial assistance by University	Amount (₹)
PGIM	24	12,27,500
BKMIBA	13	3,26,000
HLIC	30	7,00,000

Other cultural, social, community related and educational activities of AMSoM:

Students of the above three institutions conducted a number of the above said activities mainly:

Navratri for Visually impaired persons, teaching to visually impaired and needy, protection of heritage building, rehabilitation of youth, education to slum children, serving senior citizens and old age home, serving specially challenged children and serving disabled persons through 25 different NGO's. Few photographs are given below:

Other community service related activities included Blood donation camps, Rakshabandhan for visually impaired persons, teaching at Juvenile observation Home, AIDS awareness and Eye Donation Seminar and many other activities.

Few photographs are given below:



Endowment to Bombay College of Pharmacy

Bombay College of Pharmacy is one of the pioneer pharmacy colleges in India, imparting quality pharmaceutical education & training for the last 50 years. BCP was founded in 1957 by the Indian Pharmaceutical Association-Maharashtra State Branch (IPA-MSB) with financial assistance from Government of Maharashtra and several pharmaceutical corporations including Unichem. Unichem contributed 1% of its issued capital to Bombay College of Pharmacy in the form of shares as endorsement. This college is managed independently without any interference from Unichem.

Our Company is considering donating some of its analytical instruments to BCP and other pharmacy and technology colleges. Our Company has provided industry based training to several pharma and technical students over the years.

State-of-the-art Manufacturing Plants



Ghaziabad



Rooha



Goa



Goa CoE



Pithampur



Baddi



Sikkim

Corporate Information

Board Committees

Audit Committee	- Prafull Anubhai - Chairman Ramdas Gandhi Nasser Munjee
Shareholders' Grievance Committee	- Ramdas Gandhi - Chairman Dr. Prakash A. Mody
Compensation Committee	- Prafull D. Sheth - Chairman Prafull Anubhai Ramdas Gandhi

Registered & Corporate Office

Unichem Laboratories Limited

Unichem Bhavan, Prabhat Estate, Off. S. V. Road,
Jogeshwari (West), Mumbai - 400 102. Tel.: 022 66888333
Fax: 022 26794089/26784391 • Website: www.unichemlabs.com

Company Secretary & Compliance Officer

K. Subharaman

Plant Locations

Formulation Plants

GOA

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

BADDI

Bhatauli Kalan,
District Solan, Baddi - 173 205,
Himachal Pradesh

GHAZIABAD

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

SIKKIM

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

API Plants

PITHAMPUR

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

ROHA

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

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.
Tel.: 022 25946970 • Fax: 022 25946969

Statutory Auditors

B. D. Jokhakar & Co.

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

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Message from the Chairman

Dear Shareholders,

Your company completes 50 years since it went public. I am happy to address you on this occasion. We take this opportunity to remember our founder Late Shri Amrut Mody who sowed the seeds for this tree to flourish.

Your company recorded a turnover of over ₹ 1,000 Crores in this year, reflecting overall growth of 25.15%.

With the changing circumstances particularly in the domestic market because of the Drug Price Control Order (DPCO) 2013 it is worth noting that the government has brought 348 medicines under the National List of Essential Medicines (NLEM) under price control which is based on market prices and not cost plus. It is heartening to see that finally the method of price fixation has been changed based on market forces.

A few products of your company would attract the provision of the new price control and we would be taking effective steps to reduce the impact of the same. We have restructured our domestic business and while we would continue focusing on the growth of our chronic therapies we shall also endeavor to increase our share in the acute therapies so that our product basket becomes more balanced and complete.

The initiatives taken last year on portfolio prioritization and sales force alignment are strategically yielding positive results and we hope to see this trend continue in the future.

I would like to share with you that for a strong international formulation business it is important to have a back-up of our own APIs. This effort of backward integration in most of our formulations is ongoing and we are engaged in the exercise of expanding and augmenting our API facilities to meet the demand in the market. We have signed an agreement with Mylan Laboratories Limited for sale of our SEZ facility at Indore for a consideration of ₹ 160.50 Crores. The formalities are being processed and we would be able to complete the transaction shortly. The proceeds of the same will be utilized for the expansion of our existing facilities in Goa as well as exploring opportunities of acquiring API facilities for our needs.

Our UK subsidiary Niche Generics Limited recorded a growth in revenues and has also reported a net profit. We are confident that finally we have turned the corner. Our US subsidiary is holding good promise and revenues in USA and North America market grew quite substantially. We are continuously adding to our list of filings so that we have a large basket to offer to our US customers.

We have successfully shifted our Chemical and Formulation Development (PTD) Research Centres from Jogeshwari to the new research facility called "Centre of Excellence [CoE]" in Goa.

All our R&D activities such as API chemical synthesis, Formulation Dosage Form development and Analytical Research are housed under one roof. This would enable us to coordinate our R&D activities more effectively.

Our stake holders such as customers, business associates and shareholders have reposed their faith in us. I am grateful to them for their continued support and confidence in the management.

I would also like to record my sincere appreciation for the commitment of our employees for their contribution.

I remain confident that our well balanced strategy and determined implementation in the challenging macro environment will yield consistent high value for all our stake holders.

Warm Regards

Dr. Prakash A Mody
Chairman & Managing Director

Five-year Financial Highlights

Balance Sheet

(₹ in lacs)

As at 31st, March	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Total Equity & Liabilities					
Equity share capital	1,802.75	1,803.15	1,804.79	1,806.43	1,809.13
Share Application Money	-	2.64	-	3.45	-
Reserve & surplus	50,193.27	59,261.29	65,997.60	71,195.27	79,486.15
Net worth	51,996.02	61,067.08	67,802.39	73,005.15	81,295.28
Loans & Borrowings	2,553.19	2,296.43	3,118.83	4,836.11	3,097.81
Creditors & Liabilities	13,123.58	16,038.30	16,863.27	20,955.38	24,980.92
Deffered tax liability	3,236.43	3,468.43	3,781.43	3,847.43	3,897.43
TOTAL LIABILITIES	70,909.22	82,870.24	91,565.92	102,644.07	113,271.44
ASSETS					
Net block	28,011.15	31,492.07	35,564.43	38,521.10	42,621.78
Capital WIP (Including Capital Advances)	7,592.94	6,288.08	7,912.13	13,733.74	13,743.80
NB + CWIP	35,604.09	37,780.15	43,476.56	52,254.84	56,365.58
Investment	6,081.03	12,831.44	10,014.35	10,611.93	14,026.34
Current Assets					
Inventories	9,206.68	9,764.13	13,541.83	14,113.11	13,163.39
Trade Receivables	13,620.87	16,243.44	18,394.23	18,482.47	21,227.64
Cash and bank balance	2,957.77	1,906.40	1,044.12	1,386.12	1,666.00
Loans & advances	3,438.78	4,344.68	5,094.83	5,795.60	6,822.49
TOTAL ASSETS	70,909.22	82,870.24	91,565.92	102,644.07	113,271.44

Five-year Financial Highlights

Statement of Profit and Loss

(₹ in lacs)

For the year ended 31st, March	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Sales and income from operations	66,384.31	69,351.32	77,022.20	80,836.95	101,295.71
Other Income	1,179.15	784.60	796.22	939.47	1,406.70
Total Income	67,563.46	70,135.92	77,818.42	81,776.42	102,702.41
Material consumption	15,303.30	12,913.80	17,738.66	19,428.55	26,127.92
Purchase of finished goods	10,563.77	10,167.05	10,161.27	10,290.78	10,784.43
Increase/(Decrease) in stocks of semi-finished and finished goods	(1,641.14)	256.65	(2,223.76)	(202.58)	1,007.31
Research & Development Expenses	2,349.20	2,678.02	3,668.32	3,794.02	3,610.73
Staff costs (Excluding R&D)	7,085.39	7,585.40	9,306.63	10,488.40	12,801.50
Excise Duty	697.65	291.65	548.46	518.22	774.02
Other expenses	16,610.74	17,513.63	21,684.26	23,776.82	27,622.06
Total cost	50,968.91	51,406.20	60,883.84	68,094.21	82,727.97
PBDIT	16,594.55	18,729.72	16,934.58	13,682.21	19,974.44
Finance cost	193.21	177.21	194.82	329.85	248.16
PBDT	16,401.34	18,552.51	16,739.76	13,352.36	19,726.28
Depreciation and Amortisation	1,992.38	2,146.85	2,721.77	2,828.81	3,481.65
Profit before tax	14,408.96	16,405.66	14,017.99	10,523.55	16,244.63
Exceptional & prior period items	-	0.86	-	-	-
Current tax	1,610.00	2,811.00	2,835.00	2,215.00	3,245.00
Fringe benefit tax	300.00	-	-	-	-
Deferred tax	10.00	232.00	313.00	66.00	50.00
Profit after tax	12,488.96	13,361.80	10,869.99	8,242.55	12,949.63
Note:					
Exports at FOB value	13,664.88	12,318.23	14,585.51	22,362.01	32,157.11
Equity dividend	2,884.17	3,606.65	3,609.54	2,713.44	4,071.16
Expenditure on R&D :					
- Capital	382.07	202.82	2,582.24	1,946.90	6,565.77
- Recurring	2,349.20	2,678.02	3,668.32	3,794.02	3,610.73
Total R & D expenditure	2,731.27	2,880.84	6,250.56	5,740.92	10,176.50

Key Ratios & EPS

As at 31st, March	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Debt : Equity Ratio	0.05:1	0.04:1	0.05:1	0.07:1	0.04 : 1
Per share Data					
EPS (₹)*	34.61	37.14	12.03	9.13	14.33
Dividend (%)	160 %	200%	200%	150%	225%
Dividend (in ₹) per Share *	8.00	10.00	4.00	3.00	4.50
Book Value per Share (₹)*	144.21	169.33	75.14	80.82	89.87

* For F.Y. 2010-2011 onwards figures have been calculated on revised Face value of ₹ 2/- per share (Previous years figures till F.Y. 2009-2010 have been calculated on face Value of ₹ 5/- per share)

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 50th Annual Report on the business and operations of the Company for the financial year ended March 31, 2013.

Financial Highlights

The table given below gives the financial highlights of the Company on Standalone basis for the year ended March 31, 2013 as compared to the previous financial year.

For the year ended March 31
(₹ in Lacs)

Particulars	2013	2012
Sales/ Income from operations (Net of Excise Duty)	1,00,521.69	80,318.73
Other Income	1,406.70	939.47
Total Income	1,01,928.39	81,258.20
Profit before tax	16,244.63	10,523.55
Tax Expenses (Including deferred tax & short/excess provision pertaining to previous years)	3,285.03	2,277.22
Profit for the period	12,959.60	8,246.33

Review of Operations

During the year under review, Sales/Income from operations (Net) increased to ₹ 1,00,521.69 Lacs in 2012-13 from ₹ 80,318.73 Lacs in 2011-12, registering a growth of 25.15%. Consolidated Sales/Income from operations (Net) stood at ₹ 1,08,080.28 Lacs as compared to ₹ 87,546.30 Lacs registering an increase of 23.45%.

Appropriations

Your Company has transferred ₹ 1,500 Lacs to the General Reserve during the year under review. An amount of ₹ 54,533.07 Lacs is proposed to be carried forward from the Profit & Loss Account.

Dividend

Your Board of Directors at their meeting held on May 11, 2013 recommended a dividend of ₹ 4.5 (225%) per equity share of ₹ 2/- each fully paid up. The register of members and share transfer books shall remain closed from July 15, 2013 to July 19, 2013, both days inclusive. The Annual General Meeting of the Company is scheduled for July 19, 2013.

Employee Stock Options Scheme

During the year under review, 1,34,937 options of ₹ 2/- were exercised and the same were allotted (on pari passu basis) under the Employees' Stock Option Scheme – 2004 and Employees' Stock Option Scheme – 2008.

Details of Employees' Stock Option Schemes, as required to be disclosed under Clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase) Guidelines, 1999 are set out in the Annexure I to this Report.

Management's Discussion and Analysis

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

Corporate Governance

A detailed report on Corporate Governance forms part of this Annual Report. Your Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the report on Corporate Governance.

Information for Shareholders

Additional information pertaining to shareholders like Equity History, Dividend Payment History, Shareholding pattern, etc. is provided in this Annual Report.

Consolidated Financial Statements

In accordance with the Accounting Standards AS – 21 on Consolidated Financial Statements, your Directors provide the audited Consolidated Financial Statements in the Annual Report.

Notes on Subsidiaries

Last year, your Company had incorporated a new subsidiary in Ireland taking the total number of subsidiaries to 5 (five) as on March 31, 2013. Your Directors believe that the Consolidated Financial Statements present a full and fair view of the state of affairs of your Company as a whole. In terms of general approval granted by the Central Government under

Directors' Report

Section 212(8) of Companies Act, 1956, financial statements pertaining to the subsidiaries have not been attached with the Balance Sheet of the Company. However, for the benefit of the members, we have published a summary of the financials of the subsidiaries in the Annual Report. The financial statements of subsidiaries, along-with related information and reports are available for inspection at the registered office of your Company.

Review of Subsidiaries

Niche Generics Limited

Niche Generics Limited is a wholly-owned subsidiary of your Company. It is engaged in manufacturing formulations and dossier filing in European markets. It recorded sales of GBP 107.68 Lacs for the year ended March 31, 2013 as compared to GBP 103.20 Lacs for the previous year ended March 31, 2012. The profit for the year ended March 31, 2013 stood at GBP 0.99 Lacs compared to the loss of GBP 1.90 lacs for the year ended March 31, 2012.

Unichem Pharmaceuticals (USA) Inc.

Unichem Pharmaceuticals (USA) Inc., a wholly-owned subsidiary of your Company in USA, has been set up for business development, filing of ANDA's and exploring the opportunities for marketing alliances in North American markets. The subsidiary recorded sales of USD 82.48 Lacs for the year ended March 31, 2013 as compared to USD 52.13 Lacs for the previous year ended March 31, 2012 and incurred loss of USD 6.23 Lacs for the same period compared to the loss of USD 7.48 lacs for the year ended March 31, 2012.

Unichem Farmaceutica Do Brasil Ltda

Unichem Farmaceutica Do Brasil Ltda., is a wholly-owned subsidiary of your Company in Brazil. This subsidiary has been set-up to own product registrations, launch generic and branded generics products in the Brazilian market. The subsidiary plans to have marketing alliances for promoting, warehousing and distribution. The entity suffered a loss of Brazilian Reals 29.61 Lacs in the current year as against Brazilian Reals 24.80 lacs during the previous year.

Unichem SA (Proprietary) Limited

Unichem SA (Proprietary) Limited is a wholly-owned subsidiary of your Company in South Africa. This subsidiary has been set-up for business development and to own product registrations. The subsidiary has suffered a marginal loss of SA Rand 72 in the current year as compared to loss of SA Rand 6,113 for the previous year ended March 31, 2012.

Unichem Laboratories Ltd. Ireland

Unichem Laboratories Ltd, Ireland is a wholly-owned

subsidiary of your Company in Ireland. This subsidiary was incorporated last year under review for business development and to own product registrations. The subsidiary during the current year has suffered a loss of Euro 2.95 lacs as compared to loss of Euro 0.09 lacs for the previous year ended March 31, 2012.

Directors' Responsibility Statement

In terms of section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

1. in preparation of annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and profit made by the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.

Credit Rating

ICRA has reaffirmed the A1+ rating for short-term debt (including Commercial Paper) Programme of ₹ 1,500 Lacs. The rating indicates highest safety, the prospect of timely repayment of debt/obligation being the best.

Directors

The present term of Dr. Prakash A. Mody as Managing Director & Chairman will expire on June 30, 2013. At the meeting of the Board of Directors held on May 11, 2013, he was re-appointed as Chairman & Managing Director for a further term of 5 years with effect from July 1, 2013, subject to approval of Shareholders at ensuring Annual General Meeting which is to be held on July 19, 2013.

By virtue of Section 255 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prafull Anubhai and Mr. Anand Mahajan retire by rotation at the ensuing Annual General Meeting. Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting for seeking your approval for the aforesaid appointments. The information required under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the Annual General Meeting.

Directors' Report

Auditors

The Statutory Auditors of the Company, M/s. B. D. Jokhakar & Co., retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Your Company has received intimation to the effect that, proposed re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. They have confirmed their willingness to accept office, if reappointed. The Board and Audit Committee recommend the re-appointment of M/s. B.D. Jokhakar & Co. as Statutory Auditors of your Company for the financial year 2013-14.

Cost Auditors

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit of the Company's Bulk Drugs and Formulations Division. The Board of Directors of your Company has re-appointed Mr. Y. R. Doshi, Cost Accountant, having membership no. 3286, as the Cost Auditor to audit the cost accounts relating to "Bulk Drugs" and "Formulations" for the financial year ending 2013-14. The due date for filing Cost Audit Reports of the financial year 2012-13 for your Company is 25th September, 2013 and the tentative date for filing these reports would be 24th September, 2013.

Energy, Research and Development, Technology Absorption, Foreign Exchange

The particulars as prescribed under Clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 are set out in Annexure II to this Report.

Particulars of Employees

Particulars of employees, as required under 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However in pursuance of Section 219(1)(b)(iv) of the Act, this Annual Report is being sent to all shareholders of the Company, excluding the aforesaid information and the said particulars are available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Secretarial Department at the Registered Office of the Company.

Human Resources & Employee Relations

Unichem propagates a philosophy where its human resource continues to be the key focus of its business. We have a talented HR pool of 4,592 employees as on April 2013. We endeavor to align our HR policies to meet our dynamic business needs.

The year 2012-13 has been a year of consolidation and

streamlining of activities. We have realigned our business portfolio to have better business synergies. HR supported the initiative to ensure a smooth transition. This year the shift has been towards building a performance culture in the organization. The emphasis has been towards creating a culture that is challenging and rewarding to performers. Evolving and implementing robust processes have been at the core of all organizational initiatives.

Recruitment activities were on the upswing to strengthen the domestic pharma business. Regional recruitment drives provided the additional impetus of fortifying the field force.

Recognizing internal talent and providing them opportunities to excel in leadership roles has always been at the crux of our HR philosophy. This year too, assessments of internal talents and enhancing their capabilities through skill development programmes were undertaken.

In order to have a better focus on our research initiatives we have shifted our Chemical and Formulation Development (PTD) Research Centres to Goa where our new state of the art Centre of Excellence is located.

Employee engagement continued to be a focus and several initiatives across locations were carried out.

Quality and Environment

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

With a view to meet this objective, our manufacturing facility at Baddi celebrated Environment Day with great enthusiasm and our employees planted about 100 trees in the Company premises followed by a pledge ceremony wherein all our employees took a pledge to protect the environment. Pollution Prevention Day was celebrated and employees were made aware of the effects of pollution on the environment and on living beings. Our employees spread awareness amongst the locals about planting more trees and making less use of plastic bags.

Directors' Report

Similarly, various initiatives were taken at our manufacturing facility at Roha like planting more than 100 saplings in the Company premises, reduce waste consumption across the plant by 5% and reduce usage of paper by recycling waste paper. Training programmes were organized from time to time to create environmental awareness amongst the employees.

To conserve water, the Company has devised various water saving methods which are monitored on day-to-day basis. In this direction, the Company has devised rain-harvesting system at its Ghaziabad and CoE, Goa manufacturing units.

Your Company continues to strive for energy saving and conservation of natural resources. At our unit, several green initiatives have been undertaken, most significant being soil conservation, recycling of treated effluent water, using solar energy for street lighting and limiting the use of Hot water Generation System in the plant by utilizing heat recovery options in Chilling plant.

Corporate Social Responsibility

Good governance demands adherence of social responsibility coupled with creation of value in the larger interest of the general public. Your Company and its dedicated employees continue to contribute towards several worthwhile causes. Your Company aims to enhance the quality of life of the community in general and has a strong sense of social responsibility.

As you are aware, Unichem has undertaken a project for Primary Health Centre in Village Take- Pathar, Shahpur Taluka, Dist. Thane in the name of Mr. Amrut Vitaldas Mody, founder of the Company, and the project is known as Adiwasi Unnati Mandal (AUM). AUM caters to medical needs of adiwasi population of Shahpur taluka of Thane district. AUM conducts regular Medical check-up, Dental check-up camps, Nutrition programmes, arranges distribution of free medicines and provides regular treatment to patients for TB, epilepsy and leprosy at the Centre with the help of dedicated team of doctors and volunteers who have been rendering selfless service. During the year 14,521 patients were treated at OPD camps held at various centres. Your Company donated Tata Sumo and Tata Winger during the year to AUM. This vehicle is utilised for transporting doctors and paramedical volunteers from Mumbai to Shahpur and back where major social activity of the AUM is carried out.

During the year 12 diagnostic camps were held at Taki, 7 at Panchghar and 1 camp at Pivli for cataract surgery and during the year 201 patients cataract surgery were successfully carried at "Bombay City Eye Institute and

Research Centre, Babulnath". 540 needy people were provided with the spectacles and dark glasses were provided to patients who had undergone cataract surgery.

Besides Health care programmes AUM also conducts various activities like distribution of notebooks, compass boxes, shoes, books and other articles useful items to school children were distributed amongst more than 2000 students from 35 schools. Other Programmes like free distribution of medicines, bicycles for school girls, umbrellas, clothes and nutrition food were provided to needy people.

Our Company has volunteered to be the chief donor to Ahmedabad University School of Management which is promoted by Ahmedabad Education Society. During the year, the Company donated a sum of ₹ 2 Crores to the Management School. This donation is being given in the memory of founder of the Company, Late Mr. Amrut Vitaldas Mody, who was a pioneer in Indian Pharma Industry and a visionary Technocrat and who was instrumental in supporting and contributing via endowments to educational institutions during his lifetime. Ahmedabad University started Amrut Mody School of Management, the Post Graduate Institute of Management (PGIM). Our Company in this manner helped in shaping many lives in a small but significant way.

Bombay College of Pharmacy (BCP) is one of the premier pharmacy colleges in India, imparting quality pharmaceutical education & training for the last 50 years. BCP was founded in 1957 by the Indian Pharmaceutical Association- Maharashtra State Branch (IPA-MSB) with financial assistance from Government of Maharashtra and several pharmaceutical corporations including Unichem. Unichem contributed 1% of its issued capital to Bombay College of Pharmacy in the form of equity shares as endowment. This College is managed independently without any interference from Unichem.

Our Company is considering donating some of its analytical instruments to BCP and other pharmacy and technology colleges. Our Company has provided industry based training to several pharma and technical students over the years.

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered

Directors' Report

email addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment.

Keeping in view the underlying theme and the circular issued by MCA, we have participated in Green Initiative and sent documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. to the shareholders in the electronic form, to the e-mail addresses so provided by the shareholder and made available to us by the Depositories, NSDL & CDSL using data maintained by the Depository Participants (DP). Thus we sent Annual Report for the year 2011-12 electronically to more than 6,000 shareholders and contributed in saving paper. We intend to send the current Annual Report for the year 2012-13 to atleast 6,000 shareholders this year again through electronic media.

We have also taken green initiative for the purpose of postal ballot. We have offered e-voting facility along with physical voting for passing the resolution.

Health & Safety

Your Company assiduously endeavours to act in a responsible manner to avoid causing any harm to the health and for safety of its employees, contract personnel and visitors. Health and Safety issues are addressed systematically, effectively and proactively. Mock drills are conducted regularly for different emergency situations for enhancing effectiveness of response plan.

Your Company takes pride in providing various forms of medical assistance to the families of its employees and also to all those living in surrounding villages. Periodic health checkups are carried out for all employees and regular training programmes are organised on safety and precautionary measures. Fire fighting training programmes and first-aid training camps are organised regularly to educate workers and employees at our plant locations and corporate office. Our Pithampur plant officials have developed a Safety Park at the plant where

various types of personal protective equipments, informative posters, fire extinguishers, etc are displayed for creating awareness towards safety among all employees.

Acknowledgement

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

On behalf of the Board of Directors,
For Unichem Laboratories Limited

Dr. Prakash A. Mody

Chairman & Managing Director

Mumbai,
 May 11, 2013

Annexure I to Directors' Report

Statement pursuant to Clause 12 'Disclosure in the Director's Report of SEBI(Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999

The details of the Stock Options are given here below:

Particulars	ESOP - 2004	ESOP - 2008
a. Options granted*	2,50,000 (in 2004-05) 5,00,000 (in 2005-06)	1,25,000 (in 2008-09) 7,43,750 (in 2009-10)
b. The pricing formula	@ ₹ 44/- per share of for face value of ₹ 2/- each grant prior to 2004-05 @ ₹ 105.42 per share for grant made in 2005-06	@ ₹ 46/- per share of face value of ₹ 2/- each
c. Options vested	1,81,250	2,36,440
d. Options exercised	1,79,000	1,55,002
e. The total number of Shares arising as a result of exercise of Options	1,79,000	1,55,002
f. Options lapsed*	5,68,750	94,437
g. Variation of terms of Options	As per the notice of 43 rd AGM.	Nil
h. Money realised by exercise of Options	₹ 78,76,000	₹ 71,30,092
i. Total number of Options in force	2,250	81,438
j. Employee wise detail of Options granted during the year:		
(i) Senior manager personnel	Nil	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	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	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'.	₹ 11.95	₹ 11.95
l. Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options.	The Company has calculated the employee compensation cost using fair value of the options.	NA
m. Impact of the difference on profits and EPS.		
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock:		
- Weighted average price (₹)	For Options granted on 24.12.04 110.0	For Options granted on 26.03.09 115.0
- Weighted average Fair value (₹)	For Options granted on 10.02.06 264.0	For Options granted on 17.06.09 115.0
	138.7	158.0
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:		
- Risk free interest rate	2011-12 6.43%	2010-11 6.90%
- Expected life	5 years	5 years
- Expected volatility	59.20%	36.89%
- Expected dividends and	1.40%	1.10%
- The price of the underlying share in the market at the time of option grant	₹ 209.75	₹ 325.00
		2011-12 5.32%
		2010-11 4.62%
		5 years
		5 years
		41.02%
		41.23%
		3.70%
		3.80%
		₹ 160.05
		₹ 211.50

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

Annexure II to Directors' Report

Additional Information in terms of Section 217(1)(e) of the Companies Act, 1956, dealing with Conservation of Energy, Research & Development and Technology Absorption & Foreign Exchange earning and Outgo forming part of Directors' report as follows:-

A. CONSERVATION OF ENERGY

1. Measures taken

- a. Additional capacitor banks installed at sub-stations.
- b. Improved natural illumination done to reduce power consumption.
- c. Replacement of existing lamps with lower wattage power saver lamps in Circuit Breaker assembly area.
- d. Introduction of FRP blades on cooling towers.
- e. Use of Energy saving luminaries for Lighting.
- f. Introduction of timer for well water pump.
- g. Use of 14 W CFL instead of tube lights for night lamp
- h. Replacement of 36/40W conventional tube lights by 20W CFLs in office area
- I. Introduction of efficient power factor controller to maintain power factor within 0.99 lag.
- j. Reduce utilisation of compressor during shifts.

2. Impact of Measures undertaken

- a. Optimisation of energy consumption
- b. Savings in energy and fuel cost
- c. Environment Protection

3. Power and Fuel Consumption

For the year ended March 31,

Particulars	2013	2012
(a) ELECTRICITY		
(i) Purchased Units (Lacs)	242.88	231.26
Total Amount (₹ in Lacs)	1,661.04	1,339.94
Rate / Unit (₹)	6.84	5.79
(ii) Own Generation		
Through Diesel Generator Units (Lacs)	44.12	35.86
Units per litre of Diesel Oil	3.39	3.39
Cost per unit (₹)	13.41	11.42
Through Steam Turbine / Generator	N.A	N.A
(b) COAL	N.A	N.A
(c) FURNACE OIL/HSD		
Quantity (Kilo Litres)	1,492.76	1,096.45
Total Amount (₹ in lacs)	656.37	436.67
Average Rate (₹/Kilo Ltr.)	43.97	39.83
(d) OTHERS / INTERNAL GENERATION		
Steam Purchased (M.T.)	6,807.19	6,884.04
Total Amount (₹ in Lacs)	163.20	165.76
Average Rate (₹ per M.T.)	2,397.49	2,407.89

Consumption per unit of production

In view of the varied nature of the products and packs, the compilation of accurate consumption per unit of production is not feasible.

Annexure to Directors' Report

B. RESEARCH & DEVELOPMENT

1. Specific areas in which R&D is carried out by the Company

- a. To undertake contract research with Generic & Research based pharmaceutical companies to develop API's and formulations.
- b. Development of innovative as well as patentable routes of synthesis for API and Intermediates.
- c. Development of a cost effective process for API's and Intermediates.
- d. Improvement in the quality & productivity
- e. To contain the cost of products by innovation and improving the efficiency of the processes.
- f. Formulation development of new dosage forms of generic API for domestic and international market.
- g. Modified release formulation for domestic & international market.
- h. Contract formulation development for NCEs for research based pharmaceutical companies.
- i. Develop biosimilar products by following DNA recombinant technique and initiated work on fermentation process for making API.

2. Benefits derived as a result of the above R&D

- a. The above research has resulted in launching of new products at the right time in international as well as domestic market in various therapeutic segments.
- b. Products developed for the international market will result into increased business to the Company in current and future years.
- c. During the year 09 patent applications were filed.

3. Future Plan of Action

- a. Undertake development of biosimilar products by using Recombinant DNA technique and monoclonal antibodies.
- b. Work has been initiated to synthesize polypeptides and a good progress is made during the year. This will be taken further with new polypeptides of commercial value and human health issues.
- c. Fermentation development work to make small molecule API.
- d. Organization will continue to work on the therapeutic segments of
 - i. Anti-infective
 - ii. Cardiovascular
 - iii. Psychiatry and neurology
 - iv. Musculo-skeletal
 - v. Gastrointestinal
 - vi. Nutritional
 - vii. Anti-allergic
- e. Develop cost effective processes for the existing molecules by reducing the overall cost by 10-20% for selected APIs.
- f. Development of new products for international business.
- g. Development of modified drug delivery systems.
- h. Undertake contract research work, in the area of synthesis of API and product dossiers.
- i. Develop products and delivery systems through Biotechnology.
- j. Improvements in quality of products and productivity.
- k. Development of validated methods for the APIs, Intermediates and Impurities to meet the international quality standards and also support regulatory requirements.

Annexure to Directors' Report

4. Expenditure on R&DFor the year ended March 31,
(₹ in lacs)

Particulars	2013	2012
a) Capital		
- at units approved by Department of Scientific & Industrial Research	48.01	299.43
- at others	6,517.75	1,647.45
b) Total	6,565.77	1,946.88
c) Recurring		
- at units approved by Department of Scientific & Industrial Research	3,610.73	3,794.02
- at others	157.43	176.46
d) Total	3,768.16	3,970.48
e) Grand Total	10,333.93	5,917.36
f) Total R & D expenditure as a percentage of Turnover	10.28%	7.36%

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The technologies developed by the research and development division of the Company has been commercialized and adopted by the manufacturing facilities of the Company.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Management's Discussion and Analysis

GLOBAL PHARMA MARKET

Global Pharma Market:

The major issues that global life sciences companies face in 2013 can be grouped into three primary focus areas: business portfolio evolution; regulatory landscape; and market and treatment changes. Challenges and opportunities emanating from each of these areas can be both global and market-specific {Source: *Deloitte - 2013 Global life sciences outlook*}.

Global spending on medicines annually will grow to nearly \$1.2 trillion by 2016, as the pharmerging markets, biologics and generics contribute a greater share of spending, despite slowing growth and reduced contribution from developed markets due to patent expiries and the sustained impact of the economic crisis. The outlook for the global pharmaceutical industry will remain stable over the next 12-18 months, reflecting the expectation of the sector returning to earnings growth in 2013 as fewer top selling drugs lose their patent protection compared with last year {Source: *Moody's Investor Service*}.

In the U.S., spending growth will increase, but remain at historically low levels; European growth will be significantly less through 2016 in the -1 to 2% range; spending on medicines will grow between 1-4% in Japan over the next five years, and it will continue to be punctuated by biennial price cuts in 2014 and 2016 {Source: *IMS – The Global Use of Medicines: Outlook Through 2016*}

DOMESTIC PHARMACEUTICAL MARKET

The Economic Intelligence Unit (EIU) forecasts that India's pharmaceutical market will double to US\$ 29 billion by 2016, growing 13 percent annually. India is now among the top five pharmaceutical emerging markets. The Indian Pharma industry has been growing at a CAGR of more than 15% over the last five years and has significant growth opportunities. India's domestic Formulation market is estimated at ₹ 70,529 Crores reflecting a growth of 11.9 % for the twelve months ending March, 2012 (*AWACS MAT March, 2013*).

The macro economic factors that would be the key drivers for the growth of the pharma industry are:

- GDP growth leading to growing affluence / disposable income
- Increased marketing penetration into semi-urban

and rural areas

- Epidemiological changes, with a rapid increase in chronic, age-related disorders
- Continuing rapid expansion of the private health sector
- Increased government spending on improvements in healthcare infrastructure

The proposed market-based pricing mechanism (the retail price of drugs will be fixed based on market prices at the simple average price of brands that have more than 1 per cent market share) for the pharmaceutical industry is expected to impact near term earnings of companies with relatively higher dependence on Indian market. With the National List of Essential Medicines (NLEM) estimated to cover almost 20% of the domestic formulation business, an expected price cut of 15-20% will erode the market by 3-4%.

Despite challenges, the outlook for 2013 is promising, for three reasons:

- First, there is an inherent demand for health care products and services due to India's large patient base and increasing awareness of wellness by its growing population.
- Second, both the government and private sectors are increasing their initiatives to improve health/well-being and enhance population coverage (including access to rural and low-tier cities).
- Third, the government has indicated it will provide free drugs for the entire non-affording population and has allocated a budget of \$5.4 billion for this purpose, a large part of which will go towards the purchase of medicines. {Source: "\$ 5.4 billion policy unveiled to give free generic drugs to hundreds of millions" *Economic Times, July 5, 2012*}

UNICHEM'S PERFORMANCE

Financial Highlights

- Consolidated Sales/Income from operations (Net) stood at ₹ 1080.80 Crores as compared to ₹ 875.46 Crores in the previous year, reflecting overall growth of 23.46%
- Standalone Sales/Income from operations (Net) stood at ₹ 1,005.22 Crores as compared to ₹ 803.19 Crores in the previous year, reflecting overall growth of 25.15%.
- Sales outside India including operating income (Net) on consolidated basis stood at ₹ 423.19 Crores

Management's Discussion and Analysis

as compared to ₹ 318.88 Crores in the previous year, reflecting overall growth of 32.70 %.

Other Highlights

- Sharpened focus on Domestic Formulations Business through reorganization of acute and chronic therapy product portfolio, field resource allocations and customer coverage alignments
- Completion of construction of R & D facility at Goa and relocation of Chemical and Formulation Development (PTD) Research Centres from Mumbai to new facility
- Completion of dosage formulations facility at SEZ Pithampur and agreement to sell the same to Mylan Laboratories Limited

DOMESTIC FORMULATIONS

Unichem Laboratories manufactures a wide range of pharmaceutical formulations catering to various therapeutic segments. The Company's continued focus on transformation initiatives undertaken in FY 2010 – 11 to accelerate growth of domestic formulation business has started yielding desired results. Reorganization of both acute and chronic therapy product portfolio, field resource allocations, customer coverage alignments are in place to ensure desired effectiveness and improved productivity. Manufacturing, Commercial, Distribution and Finance functions have brought in improvement in variety of business practices to drive efficiency in operations. Streamlining of channel inventories is almost complete and elimination of a layer in channel of distribution is expected to be completed in the next 15-18 months.

Chronic therapies account for 65% of domestic revenues, while acute therapies account for 35%.

The New Drug Prices Control Policy:

The new drug price control policy that has recently been notified is likely to be a boon for consumers as it will put an end to the "arbitrary" pricing regime and bring down medicine prices. However, the policy will negatively impact sales and margins of pharmaceutical firms in India.

The Department of Pharmaceuticals had notified the Drugs (Prices Control) Order 2013, under which prices of 348 medicines in the National List of Essential Medicines (NLEM) have been brought under price control, thus replacing an earlier order of 1995 that

regulated prices of only 74 bulk drugs. The DPCO proposes that retail price of 348 drugs will be fixed based on market prices at the simple average price of brands that have more than 1 per cent market share. It is heartening to see that finally the method of price fixation has been changed based on market forces.

The company's few products would attract the provision of the new price control and we would be taking effective steps to reduce the impact of the same. We have restructured our domestic business and while we would continue focusing on the growth of our chronic therapies we shall also endeavor to increase our share in the acute therapies so that our product basket becomes more balanced and complete.

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

Unichem Laboratories manufactures a range of active pharmaceutical ingredients (APIs).

The objective of API business is on backward integration in manufacturing with capacity augmentation at existing plants for current and future products to contribute to the business performance of the company through the marketing of APIs globally and to capture the Contractual supplies opportunities in the API – Drug Intermediate's business. The company strategy is integration to provide an edge to our efforts and to concentrate on niche products for exports. Unichem's API business is supported with over 29 USDMFs, 18 CEPS and more than 150 ASMFs across Europe. In addition to captive consumption, APIs are also marketed both in domestic and international markets. Our continued focus on the API business is to be more cost efficient and vertically integrate into formulation business.

INTERNATIONAL BUSINESS

Unichem has made significant investments in building infrastructure to support international business. The increasing number of products getting off patent in international markets offers substantial revenue opportunities. The company is positioning itself to seize these opportunities by addressing the challenges by focusing on larger and profitable markets in North America.

The company has so far filed 29 ANDAs and 15 of them have been approved (including 2 tentative approvals). The company has launched 9 products in US market. Across EU 13 product registrations are filed so far. The

Management's Discussion and Analysis

registration activities are also initiated in Australia and New Zealand.

Unichem has wholly-owned subsidiaries in UK, USA, Brazil, South Africa and Ireland. The Company continues to focus on high value added generics. The Company is also leveraging its manufacturing strengths to become partner of choice for supply of quality generic products to global generic companies.

US presence is through 100% subsidiary Unichem Pharmaceuticals Inc. The business model is based on leveraging Unichem's technical expertise and production capability with integrated end-to-end value chain. It has tied up with large wholesalers and a retail chain for the products launched. Above-average growth of generic drugs is expected in the Americas region in the coming years, due to patent expirations and mounting pressure from government and private-industry, third-party customers for greater use of less expensive generic drugs. Company's strategy is to scale-up operations for sustained growth over time. The revenue from US market grew by 71% over previous year.

RESEARCH AND DEVELOPMENT

R&D continues to be the focus area in view of the increasing opportunities presented by products getting off patent in international markets. The company's current R & D revenue spending is approximately 5 to 6 % of domestic revenues.

The new research facility at Goa "Centre of Excellence (CoE)" is fully operational and all R & D activities such as API chemical synthesis (Chemical R & D), Formulation dosage development (Product Technology Development), and Analytical research (Analytical R & D) are housed under one roof.

CoE is a state of the art facility equipped with latest infrastructure conforming to international standards. The integrated research program at CoE delivers quality output with complete protection of intellectual property in a timely manner to our customers and collaborators through efficient program management.

Unichem has a twofold R & D Strategy i.e., development of novel drug delivery systems and patent non-infringing processes for APIs. Research Scientists at CoE follow QbD (*Quality by Design*) approach right from the development stages, which have become mandatory for US regulatory filings.

With more than 250 personnel engaged in the Chemical R&D, Analytical R&D and Product Technology Development [PTD] and Bio Science Research Centre, all efforts are directed towards creating valuable Intellectual Property for the Company.

Chemistry R&D has a focused approach in the area of developing novel non-infringing and cost effective / efficient processes for the identified Active Pharmaceutical Ingredients for providing vertical integration in filing activity of ANDA's and also providing Active Pharmaceutical Ingredients for marketing into generic markets. Efforts are also made on continuous improvements in the efficiency of regularly manufactured Active Pharmaceutical Ingredients to remain competitive in the market by improving unit process and unit operations.

The PTD has a team of highly result-oriented scientists leading the research efforts with expertise in a wide range of areas including NCEs. It is a self-contained product development laboratory that not only meets current Good Manufacturing Practice (cGMP) requirements, but also fully equipped to conduct pre-formulation studies, prototype development, scale-up & optimization, novel drug delivery systems, technology transfer and develop products for oral solid and liquid dosage forms. In addition, the PTD has the capability to develop platform technology whereby different molecules can be processed for their controlled rate of release. With an ideal synergy of high-end technology and superior expertise, PTD is set to play a pivotal role in Unichem's R&D efforts, including contract research for generic product development for regulated markets.

INFRASTRUCTURE

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

Unichem has created world-class drug manufacturing facilities across India. The Company's manufacturing plants have been accredited by highly respected international regulatory bodies like the US FDA, EDQM, EUGMP, ISO, UK MHRA (earlier MCA), MCC (South Africa), WHO (Geneva), TGA (Australia), ANVISA (Brazil).

Management's Discussion and Analysis

HUMAN RESOURCES

Unichem believes that the key enabler for the company's growth is its people – the most important asset. The company has talented pool of 4,592 employees as on April 2013. The HR policies are aligned on the strategies and goals of the company to ensure right directions for the priorities and responsibilities to meet business needs.

The year 2012-13 has been a year of consolidation and streamlining of various activities. The shift has been towards building a performance culture across the organization. The emphasis has been on creating a culture that is challenging and rewarding performers. Evolving and implementing robust processes have been at the core of all organizational initiatives.

Recruitment activities were on the upswing to strengthen the domestic Pharma business. Regional recruitment drives provided the additional impetus of fortifying the field force.

The HR focus was on employee engagement by recognizing internal talent and providing them opportunities to excel in leadership roles. Accordingly, assessing internal talent and enhancing capabilities through skill development programmes were undertaken extensively during the year.

INTERNAL CONTROLS

Unichem has a widespread system of internal controls with the objective of safeguarding the company's assets, ensuring that transactions are properly authorized, recorded and reported diligently, and provide significant assurance at reasonable cost, of the integrity, objectivity

and reliability of financial information. The company's internal control systems are commensurate with the nature and size of its business operations. The company has leveraged the IT interface in the form of Governance, Risk and Control (GRC) SAP Module. Authorization to IT systems is based on risk analysis and mitigation within the framework provided by the GRC system. The company has a well defined Standard Operative Procedure (SOPs) for identifying and mitigating risks across all divisions of the company. The Management duly considers and takes appropriate action on recommendations made by the statutory auditors, cost auditors, internal auditors, and the independent audit committee of the Board of Directors.

RISKS & CONCERNS

The Company has a Risk Management Policy in force to review and mitigate risks relevant to environmental, operational and business risks to safeguard its interest. The company's continued investments in manufacturing facilities and its strategy to remain vertically integrated pharmaceutical business is a critical differentiator to create sustainable competitive advantage not only for products launched in international markets but also for contractual supplies to global generic companies, with a conscious endeavour for market and customer diversification.

To de-risk significant concentration of domestic revenues from few brands, the company's strategy is for focused promotion of specific brands to increase their share of revenue to overall revenue.

Declaration on Code of Conduct UNDER CLAUSE 49 i (d) OF THE LISTING AGREEMENT

“As provided under Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial ended March 31, 2013”.

Mumbai
May 11, 2013

Dr. Prakash A. Mody
Chairman & Managing Director

Auditors' Certificate on Corporate Governance

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members
Unichem Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Unichem Laboratories Limited (the Company) for the year ended 31st March 2013 as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in revised Clause 49 of the above mentioned Listing Agreement.

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

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

Raman Jokhakar
Partner
Membership No.: 103241

Mumbai
May 11, 2013

Corporate Governance Report

Compliance to 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 corporate governance philosophy.

The Company continues to focus its resources, strengths and strategies to achieve highest standards of Corporate Governance and endeavours to implement the code of Corporate Governance in its true spirit.

In accordance with Clause 49 of the Listing Agreement and applicable provisions of the Companies Act, 1956, a report on Corporate Governance is detailed below:

Board Composition

As on March 31, 2013, Unichem's Board comprised of Six Directors, viz., the Chairman & Managing Director and five Non-Executive and Independent Directors.

Unichem's Board met 8 times during the year under review i.e. on May 9, 2012, May 12, 2012, August 11, 2012, September 27, 2012, October 20, 2012, January 18, 2013, February 15, 2013 and March 20, 2013. The intervening period between two Board Meetings was well within the time limit prescribed in the Companies Act, 1956 and Clause 49 of the Listing Agreement. The annual calendar of Board Meetings is agreed upon at the beginning of each year and the Company sticks to this schedule except in cases of urgent business expediency.

Table-1 gives details of the composition of the Board and the attendance record of the Directors during 2012-13 and the last Annual General Meeting along with the details of directorships (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956), Committee Chairmanships and the Committee memberships held by the directors as on March 31, 2013 is given below.

Table-1: Composition of Unichem's Board & attendance record during the year 2012-13							
Name	Category	No. of Board Meetings during the year 2012-13		Whether attended last AGM held on Sep. 27, 2012	No. of Directorships in other public companies**	No. of Committee positions in other public companies***	
		Held	Attended			Member	Chairman
Dr. Prakash A. Mody (Chairman & Managing Director)	Promoter Director, Executive	8	8	Yes	1	0	0
Mr. Prafull Anubhai	Non-Executive, Independent	8	7*	Yes	4	4	1
Mr. Ramdas Gandhi	Non-Executive, Independent	8	8	Yes	5	1	4
Mr. Prafull D. Sheth	Non-Executive, Independent	8	5*	Yes	0	0	0
Mr. Nasser Munjee	Non-Executive, Independent	8	5*	No	14	4	5
Mr. Anand Mahajan	Non-Executive, Independent	8	6*	Yes	8	2	3

* Granted leave of absence on request.

** Excludes Directorship in Unichem and Directorships in Indian Private Limited Companies, Foreign Companies (including Unichem's foreign subsidiaries), memberships of Managing Committees of various Chambers/bodies and Alternate Directorships.

*** Represents Memberships / Chairmanships of Audit Committee & Shareholders' Grievance Committee excluding those held on Committees of Unichem.

Corporate Governance Report

All Independent Directors meet the criteria of independence defined in sub-clause (iii) of Clause 49 IA of the Listing Agreement. As per Clause 49 IC of the Listing Agreement, none of the Directors on the Board of Unichem serve as Chairman in more than 5 Committees or have Memberships in more than 10 Committees. In compliance with Section 275 of the Companies Act, 1956, none of the Directors have directorships in more than 15 public limited companies including Unichem.

Board Meetings

The Board of Directors of Unichem meet at least once in each quarter, inter-alia for consideration of audited/unaudited financial results. Apart from these meetings, the Board meet as and when the need arises.

Information placed before the Board

The Company provides information pertaining to its business activities to the Board or the Committees of the Board as and when required. The purpose of such disclosure and transparency is to enable the Board/Committees to make informed decisions.

In addition to the items enumerated in Annexure – 1A of Clause 49 of the Listing Agreement and items that are required to be placed before the Board for its noting and/or approval under various other statutes or regulations, information is also provided for the periodic review/information on various significant items.

Post-meeting Procedures

All the deliberations and the decisions taken in every meeting of the Board & its Committees are recorded and minuted. The draft minutes are circulated to the respective members for their comments and suggestions.

The minutes are signed in the immediately succeeding Board/Committee meetings.

Remuneration to Directors and other terms of appointment

Non-Executive Independent Directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making. Non-Executive Independent Directors are paid sitting fees of Rs. 20,000/- for attending Board and Audit Committee Meetings and Rs. 10,000/- for attending other Committee Meetings.

The Company had entered into an agreement with its Managing Director in the year 2008, enunciating terms of employment and remuneration, which is duly approved by the Board of Directors as well as the shareholders. This agreement is for the period of five years and is renewable on mutually acceptable terms and conditions.

The remuneration paid or payable to the Directors for the services rendered during 2012-13 is given in **Table-2**.

In 2012-13, the Company did not advance any loans to any of the Directors. Besides dividend on Equity shares held, if any, by the Non - Executive Directors, no other payments have been made or transactions of a pecuniary nature entered into by the Company with the said directors. There have been no materially significant related party transactions, pecuniary transactions between the Company and its Directors that may have potential conflict with the interests of the Company at large.

As a matter of good corporate governance, the Company has a practice of procuring declaration from the Non-

Table-2: Remuneration paid or payable to the Directors for 2012-13 (in ₹.)

Name	Sitting fees	Commission payable for 2012-13@	Consolidated Salary#	Perquisites & Allowances#	Total Amount
Dr. Prakash A. Mody*	Nil	1,68,97,000	1,49,91,589	94,71,079	4,13,60,075
Mr. Prafull Anubhai**	2,20,000	Nil	Nil	Nil	2,20,000
Mr. Ramdas Gandhi**	2,80,000	Nil	Nil	Nil	2,80,000
Mr. Prafull D. Sheth**	1,00,000	Nil	Nil	Nil	1,00,000
Mr. Naseer Munjee**	1,60,000	Nil	Nil	Nil	1,60,000
Mr. Anand Mahajan**	1,20,000	Nil	Nil	Nil	1,20,000
Total	8,80,000	1,68,97,000	1,49,91,589	94,71,079	4,22,40,075

* Eligible to receive commission @ 1% of the Net Profit of the Company computed under Section 198, 309 & 349.

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

Fixed Component

@ Variable Component

Corporate Governance Report

Executive Directors regarding declaration of their independence each financial year.

Shareholding of the Directors

Details of Shares held by the Directors as on March 31, 2013 is given in **Table – 3**.

Table - 3: Shares held by the Directors in the Company as on March 31, 2013		
Name	Number of shares held	% of total no. of shares issued
Dr. Prakash A. Mody*	4,01,08,032	44.33961
Mr. Prafull Anubhai	5,800	0.00641
Mr. Ramdas Gandhi	36,250	0.04007
Mr. Prafull D. Sheth	5,000	0.00553
Mr. Naseer Munjee	0	0
Mr. Anand Mahajan	11,250	0.01244

*Dr. Prakash Mody holds 2,60,680 shares in his capacity as Trustee to various Family Trusts, which is included hereinabove.

Committees of the Board

In order to ensure that the functions of the Board are discharged effectively and information disclosed in the financial statements are in order besides ensuring stricter implementation of the Corporate Governance Code, the Board has formed several Committees. The Committees appointed by the Board focus on specific areas and make informed decisions within the limits of the authority delegated. The Committees also make specific recommendations to the Board on various matters from time to time. The Vice President - Finance, Chief Internal Auditor and Statutory Auditor are permanent invitees to Audit Committees meetings when it meets to review the quarterly, half yearly and annual results.

All decisions and recommendations of the Committees are placed before the Board for information or for approval. There are three such Committees namely:

- Audit Committee;
- Compensation Committee; and
- Shareholders Grievance Committee

a) Audit Committee

The Audit Committee of Unichem was constituted in the year 2000. Since then, the Company has been reviewing and making appropriate changes in the working of the Committee from time to time to bring about greater effectiveness and to comply with various requirements under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Composition of the Audit Committee is in compliance with Clause 49 of Listing Agreement. All the Members are independent and are financially literate as defined in sub-clause (ii) explanation 1 of Clause 49 II (A) of the Listing Agreement.

The terms of reference of this Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds

Corporate Governance Report

utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, the Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit

- Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Mr. Prafull Anubhai, the Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 27, 2012.

The Company Secretary is the Secretary to the Committee. The Committee meetings were attended by Vice President – Finance, Chief Internal Auditor and a representative of the Statutory Auditor as invitees.

The composition of the Committee as on March 31, 2013 and the details on the number of Audit Committee meetings held and attended by the Members during the financial year 2012-13 are given in **Table-4** below.

In the beginning of the financial year, the Committee discussed with the Company’s auditors the overall scope and plans for internal audit of various functions to be carried out during the financial year. The internal audit team placed its report every quarter in the meeting for review of the Audit Committee.

During the year, the Committee has reviewed the internal controls to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The audited annual financial statements of the Company for the year ended March 31, 2013 and consolidated annual financial statements of the Company for the same period

Table-4: Audit Committee attendance during 2012-13

Member Director	Position	Category	No. of Meetings attended (Total meetings held: 4)
Mr. Prafull Anubhai	Chairman	Non-Executive Independent	4
Mr. Ramdas Gandhi	Member	Non-Executive Independent	4
Mr. Nasser Munjee	Member	Non-Executive Independent	4

Corporate Governance Report

were placed before the Committee at its meeting held on May 11, 2013. These statements were reviewed and were recommended to the Board of Directors for adoption.

b) Compensation Committee:

The Compensation Committee was constituted in the year 2004 to administer and supervise the implementation of Employee Stock Option Scheme 2004 and such other Employee Stock Option Schemes as may be brought out from time to time. An additional responsibility is also cast on these committee to recommend remuneration payable Managing Director, whole time directors and to persons falling under Section 314 (1B) of Companies act, 1956.

The Compensation Committee formulates the detailed terms and conditions of the Employee Stock Option Scheme/Plan including the following:

- the quantum of option to be granted under an ESOS per employee and in aggregate;
- the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such

as rights issues, bonus issues, merger, sale of division and others;

- the grant, vestment and exercise of option in case of employees who are on long leave; and
- the procedure for cashless exercise of options.

The composition of the Compensation Committee is given in **Table-5** below. There were no meetings of the Compensation Committee during the financial year 2012-13. The Company Secretary is the Secretary to the Committee.

c) Shareholders' Grievance Committee

The Shareholders' Grievance Committee was constituted in 2001 to review the status of investors' services rendered in compliance with Clause 49 of the Listing Agreement. The Committee focuses on shareholders grievances and strengthening of investor relations.

The Committee noted that the Company promptly attends to all shareholders' and investors' queries / grievances through correspondence, fax, phone or E-mail. No query / complaint received during the year under review remained unattended/ unresolved, except where the matters were sub-judice.

The composition of the Shareholders' Grievance Committee and the details on the number of meetings held and attended by the members during the financial year 2012-13 are given in **Table-6**. The Company Secretary is the Secretary to the Committee.

Prohibition of Insider Trading

In adherence with the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended in 2002, the Company has implemented a policy, prohibiting insider trading. This policy basically prohibits an insider from dealing in the shares and securities of the Company while

Table-5: Composition of Compensation Committee during 2012-13

Member Director	Position	Category
Mr. Prafull D. Sheth	Chairman	Independent Non-Executive
Mr. Prafull Anubhai	Member	Independent Non-Executive
Mr. Ramdas Gandhi	Member	Independent Non-Executive

Table-6: Shareholders' Grievance Committee attendance during 2012-13

Member Director	Position	Category	No. of Meetings attended (Total meetings held : 4)
Mr. Ramdas Gandhi	Chairman	Independent Non-Executive	4
Dr. Prakash A. Mody	Member	Executive	4

Corporate Governance Report

in possession of unpublished price sensitive information in relation to the Company. The Company Secretary monitors the functioning of the Code.

Internal Control and Audit

Unichem has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, compliance with applicable laws and regulations.

The internal audit process includes review and evaluation of effectiveness of the existing processes, controls and compliance. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit.

The scope of the internal audit activities is broadly guided by the Annual Internal Audit plan prepared by the Internal Audit Department and approved by the Audit Committee. The Audit Committee monitors the performance of Internal Audit on a periodic basis through review of audit plans and its audit findings. The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Chief Internal Auditor and also review closure of all agreed actions.

Secretarial Audit Report

As a measure of good Corporate Governance Practice, the Board of Directors of Company appointed Ms. Swati Krishnan, Practicing Company Secretary to conduct Secretarial Audit. The Secretarial audit Report for the financial year ended March 31, 2013 is provided in the Annual Report.

Review of Legal Compliance Reports

The Board periodically reviewed during the year the compliance reports in respect of the laws applicable to the Company as prepared and placed before the Board by the Company Secretary.

Subsidiary Companies

The Company has five 100% Foreign Subsidiaries as on March 31, 2013. During the year under review, Ministry of Company Affairs had issued General Circular No. 2 /2011 dated February 8, 2011 granting general exemption to companies which fulfil the certain conditions mentioned therein. Accordingly, Statement under Section 212 of Companies Act, 1956 and the information on the financials of subsidiaries appended to the Statement is given in this Annual Report. The financial

statements of the Subsidiary Companies are available for inspection by the Members at the registered office of the Company during business hours on any working day from 10.00 am to 1.00 pm.

Statutory Auditors

For the financial year 2012-13, M/s. B.D. Jokhakar & Co. audited the financial statements. While auditing the operations of the Company the external auditors recorded their observations and findings and forwarded the same to the management. These observations were then discussed at the Audit Committee and corrective actions wherever required were carried out.

Audit fees

During the year, the Company paid Rs. 14 lacs to the Statutory Auditors of the Company as remuneration under various heads including Audit. Details of payment under other heads are provided in Note No. 47 to accounts..

Auditors' Certificate

The Company has complied with all the mandatory requirements of the code of corporate governance as stipulated under the Listing Agreement. The Company has obtained a Certificate from its Statutory Auditors affirming such compliances. This Certificate is annexed to this Report.

General Body Meetings

a) Date, Time and Venue of 50th AGM

Date : July 19, 2013
 Time : 12.30 p.m.
 Venue : Hall of Culture, Nehru Centre,
 Dr. Annie Besant Road, Worli,
 Mumbai 400 018.

b) Details of the last 3 AGMs is given in Table-7.

Resolution Passed during financial year 2012-13 through postal ballot

In financial year 2012-13, a resolution was passed through postal ballot including e-voting conducted by the Company, details of which are given in the table below. The procedure for conducting postal ballot was carried out as notified in the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and general circulars in this regard issued by the Central Government. Mrs. Ragini Chokshi was appointed as Scrutinizer for conducting postal ballot voting process including e-voting through Central Depository Services (India) Limited, based on whose report the Company announced the result of the postal ballot at registered

Corporate Governance Report

Table-7: Details of the last 3 Annual General meetings

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each meeting
49 th	2011-12	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	September 27, 2012	11.30 am	-
48 th	2010-11	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	July 28, 2011	3.30 pm	Resolution u/s 314(1B) of Companies Act, 1956
47 th	2009-10	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	September 16, 2010	3.30 pm	1. Alteration of Articles of Association for sub-division of face value of equity shares 2. Insertion of new object in Memorandum of Association

office at 3 p.m. on March 29, 2013. The extract of result of postal ballot, which were duly assented by requisite majority of the shareholder is given in **Table 8**.

Disclosure of information

The Company has a well-established system to disclose relevant information to stakeholders, including shareholders, analysts, suppliers, customers, employees and society at large. The primary sources of information regarding the operations of the Company are available on the corporate website of the Company - www.unichemlabs.com. The Company has a separate dedicated section 'Investors' where shareholders' information is available. Members are requested to access 'Newsroom' section for updated information. Apart from official new releases, code of conduct, the website also provides shareholding pattern of the Company. Annual Report of last three years is available on the website in a user-friendly and downloadable form.

The quarterly / half-yearly / annual / unaudited / audited

financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The quarterly results and annual results of the Company are generally published in Mumbai edition of Business Standard and Sakal. The Results for the quarter ended June 30, 2012, September 30, 2012, December 31, 2012 and March 31, 2013 are posted on the Company's website www.unichemlabs.com. The results are also available on the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com.

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

Code of Conduct

The Company has adopted a Code of Business Conduct &

Table 8: Resolution passed during the financial year 2012-13 through postal ballot

Particulars	In Favour of Resolution		Against the Resolution	
	Physical Forms	E-Voting	Physical Forms	E-Voting
Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to approve sale of Company's new formulation manufacturing unit located at Industrial Area, Special Economic Zone, Phase 2, of Tehsil Dhar of the Dhar District, Madhya Pradesh, Republic of India, the site comprising an area admeasuring 1,17,301 square meters along with all assets comprising the formulation unit, on a slump sale basis to M/s Mylan Laboratories Limited for a total consideration of Rs. 160.50 crores.	716	136	22	7
	Asscent (No. of Shares)		Dissent (No. of Shares)	
	5,51,78,219	2,75,800	35,764	5,295

Corporate Governance Report

Ethics applicable to all Directors and employees of the Company. The Code of Business Conduct & Ethics is posted on the Company's website i.e. www.unichemlabs.com for information of the shareholders.

All Board members and senior management personnel have affirmed compliance with the code for 2012-13.

Related party transactions

The Company's major related party transactions are generally with its subsidiaries. The transactions are entered into based on consideration of various business exigencies such as synergy of operations, sectoral specialization, etc. The details of related party transactions are discussed in detail in Note no. 41 to accounts.

Accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

CEO/CFO Certification under Clause 49 of the Listing Agreement

As required under Clause 49 of the Listing Agreement, certification from Dr. Prakash A. Mody, Chairman & Managing Director and Mr. Rakesh Parikh, Vice President – Finance was placed before the Board of Directors at its meeting held on May 11, 2013.

Disclosure regarding re-appointment of Directors

The present term of Dr. Prakash A. Mody as Managing

Director shall expire on June 30, 2013. At the meeting of the Board of Directors held on May 11, 2013, he was re-appointed as Chairman & Managing Director for a further term of 5 years with effect from July 1, 2013. Pursuant to provisions of Companies Act, 1956, Mr. Prafull Anubhai and Mr. Anand Mahajan, Non-Executive Directors, are liable to retire by rotation and offer themselves for re-appointment. Their brief profiles and particulars for re-appointment are given in the Notes to the Notice of 50th Annual General Meeting.

Information for Shareholders

The mandatory and various additional information of interest to investors are furnished in a separate section viz., "Information for Shareholders" in this Annual Report.

Information for Shareholders

Financial Year

April 1 – March 31

Financial Calendar (Tentative)

Results for the Quarter Ending on

September 30, 2013

December 31, 2013

March 31, 2014

Annual General Meeting for the year ended March 31, 2014

Dividend Payment (if any) for the year ended March 31, 2014

Tentative date of declaration

Third week of October 2013

Third week of January 2014

Third week of May 2014

Third week of July 2014

Third week of July 2014

Stock Exchanges on which shares are listed

The Bombay Stock Exchange Limited (BSE)

Phiroz Jeejeebhoy Towers,

Dalal Street,

Mumbai – 400 001.

E-mail : corp.relations@bseindia.com

Website : www.bseindia.com

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor,

Plot No. C/1, G Block, Bandra-Kurla Complex,

Bandra (East), Mumbai – 400 051.

E-mail : cmlist@nse.co.in

Website : www.nseindia.com

Stock Codes

BSE 506690

NSE UNICHEMLAB

Reuters UNLB.BO

Bloomberg UL:IN

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L99999MH1962PLC012451.

International Securities Identification Number (ISIN) for NSDL & CDSL

ISIN is a unique identification number of traded scrip. The ISIN number of the equity shares of Unichem Laboratories Ltd. is INE351A01035. The investors holding shares of the Company in the electronic mode are requested to mention ISIN of the security in the Dematerialisation Request Form ('DRF') as well as in all debit/credit instructions to ensure that the correct security is demated /delivered.

Listing Fees for the 2013-14

The Listing fees for the year 2013-14, have been paid for all the above Stock Exchanges. The Company has complied with all the applicable provisions of the Listing Agreement, SEBI regulations and guidelines and Companies Act, 1956 and there have been no strictures, penalties, fines, etc. levied on the Company during the financial year under review.

Custodian Fees for the 2013-14

Pursuant to SEBI Circular No. MRD/DoP/SE/DEP/CIR – 4/2005 dated January 28, 2005, the Issuer companies are required to pay custodial fees to the depositories with effect from April 1, 2005. Accordingly, the Company has paid custodial fees for the year 2013-14 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them as on March 31, 2013.

Information for Shareholders

Equity History of the Company

Financial Year	Particular	Face Value ₹	No of Shares Issued*	Cumulative Total (Shares)
1962-63	Equity shares issued to subscribers to the memorandum of Association	100	310	310
1962-63	Equity Shares issued to Public	100	22,190	22,500
1963-64	Equity Shares issued for consideration other than cash	100	22,500	45,000
1969-70	Bonus issued (5:1)	100	9,000	54,000
1972-73	Bonus issued (6:1)	100	9,000	63,000
1975-76	Bonus issued (7:1)	100	9,000	72,000
1980-81	Bonus issued (4:1)	100	18,000	90,000
1986-87	Sub-Division of ₹ 100/- per shares to ₹ 10/- per share	10	9,00,000	9,00,000
1986-87	Bonus Equity Shares were issued (2:1)	10	4,50,000	13,50,000
1993-94	Rights issue (5:1)	10	6,50,000	20,00,000
1994-95	Bonus issued (2:1)	10	10,00,000	30,00,000
1994-95	Equity Shares issued thru private placement	10	6,00,000	36,00,000
1997-98	Issued to shareholders of following companies pursuant to amalgamation Unisearch Ltd. (4:5) Unichem Exports Ltd (3:1) pursuant to Amalgamation	10	6,65,000	42,65,000
2000-01	Bonus issued (1:1)	10	42,65,000	85,30,000
2003-04	Sub-Division of ₹ 10/- per shares to ₹ 5/- per share	5	17,060,000	17,060,000
2003-04	Bonus issued (1:1)	5	17,060,000	34,120,000
2005-06	ESOS	5	8,300	34,128,300
2005-06	Preferential Allotment	5	18,75,000	36,003,300
2006-07	ESOS	5	29,600	36,032,900
2007-08	ESOS	5	9,700	36,042,600
2008-09	ESOS	5	12,300	36,054,900
2009-10	ESOS	5	8,100	36,063,000
2010-11	ESOS	5	31,300	36,094,300
2010-11	Sub-Division of ₹ 5/- per shares to ₹ 2/- per share	2	90,235,750	90,235,750
2010-11	ESOS	2	3,750	90,239,500
2011-12	ESOS	2	82,002	90,321,502
2012-13	ESOS	2	1,34,937	90,456,439
2012-13	Cancellation of Cross Holdings.	2	28,293,991	62,162,448
2012-13	Allotment of Shares (Amalgamation)	2	28,293,990	90,456,438

*All shares carry equal voting rights.

Dividend Payment History (last 5 years)

Year	Share Capital (₹ in lacs)	Dividend per share (%)	Total Dividend (₹ in lacs)
2007-08	1802.2	100	1802.2
2008-09*	1802.2	60	1081.3
2008-09**	1803.1	100	1803.1
2009-10*	1803.1	60	1081.8
2009-10**	1803.4	140	2524.8
2010-11*	1804.7	60	1082.8
2010-11**	1805.9	140	2528.4
2011-12	1808.9	150	2713.4

* Interim Dividend

** Final Dividend

Date of Book Closure

July 15, 2013 to July 19, 2013 (both days inclusive)

Information for Shareholders

Dividend on Equity Shares as recommended by the Board for the financial year ended March 31, 2013, when declared at the Annual General Meeting, will be paid to:

- (i) all those equity shareholders whose names appear in the Register of Members as on July 15, 2013 and
- (ii) those whose names as beneficial owners as on July 15, 2013, as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

NECS Facility

Reserve Bank of India (RBI) has introduced National Electronic Clearing System (N-ECS) which aims at increasing efficiency and simplification of the ECS process. RBI has also directed the member banks to update their systems and information pertaining to the bank account numbers of their customers.

Unclaimed Dividend

The Dividends for the following financial years remaining unclaimed for seven years, will be transferred to Investor Education and Protection Fund. The table given below gives the transfer dates. Shareholders who have not claimed the dividends are requested to do so before these are statutorily transferred. Shareholders who have not encashed their dividend warrants relating to the years given below are requested to immediately approach the Investor Relations Department of the Company for issue of duplicate dividend warrants.

Financial Year	Type of Dividend	Date of Declaration of dividend	Last date for claiming unclaimed dividend
2005-06	43 rd Equity	27.07.2006	31.08.2013
2006-07	44 th Equity	13.03.2007	07.04.2014
2007-08	45 th Equity	17.07.2008	21.08.2015
2008-09	Interim	23.10.2008	27.11.2015
2008-09	Final	22.07.2009	26.08.2016
2009-10	Interim	22.10.2009	26.11.2016
2009-10	Final	10.05.2010	14.06.2017
2010-11	Interim	16.10.2010	20.11.2017
2010-11	Final	28.07.2011	01.09.2018
2011-12	49 th Equity	27.09.2012	02.11.2019

Intimation Letters to Investors

The Company gives an opportunity to investors to claim their outstanding dividend amount that is due for transfer to Investor Education & Protection Fund (IEPF), by sending individual intimation letters twice a year.

Procedure for Non-Receipt of Dividend, Revalidation of Dividend Warrant

Shareholders may write to our RTA furnishing the particulars of the dividend not received, and quote their folio number/DPID and Client Id particulars (in case of dematerialized shares). RTA shall check the records and send the intimation to the Secretarial Department which shall then intimate the Banker to issue pay order/ demand draft if the dividend remains unpaid in the records of the Company after expiry of the validity period of three months from date of issue of the warrant. If the validity period of the lost dividend warrant has not expired, shareholders will have to wait till the expiry date since pay order/demand draft cannot be issued during the validity of the original warrant. On expiry of the validity period, if the dividend warrant is still shown as unpaid in records of the Company, pay order/demand draft will be issued. However, no such pay order shall be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless procedure for releasing the same has been completed.

Information for Shareholders

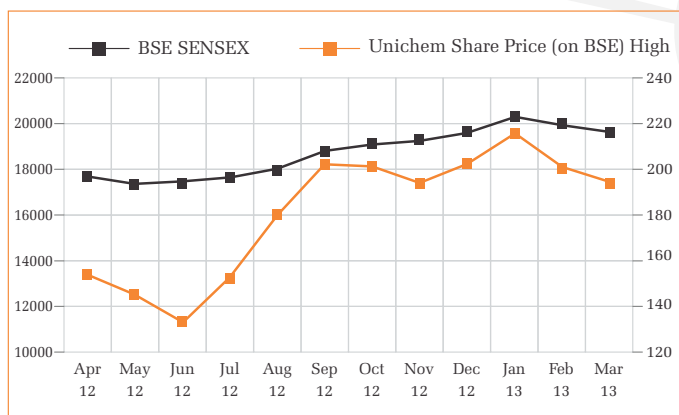
Securities Exchange Board of India directed all listed companies to use electronic payment modes as approved by Reserve Bank of India (RBI) for making cash payment to investors. SEBI has also, advised companies to mandatorily print the bank account details furnished by the depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the monies in the account specified on the dividend warrants and ensures safety for the investors. Therefore shareholders are requested to provide bank details along with copy of a cheque or front page of your savings bank passbook pertaining to the concerned account issued by your bank duly verified.

Similarly, shareholders who have not encashed their dividend warrants within the validity period may send their request for revalidation to the RTA enclosing the said dividend warrants. The RTA after due verification of records, shall intimate the Secretarial Department which shall then arrange for issue of pay order/demand draft from the Bankers. This shall be valid for not more than three months.

Unichem Market Price Data (in ₹ per share)

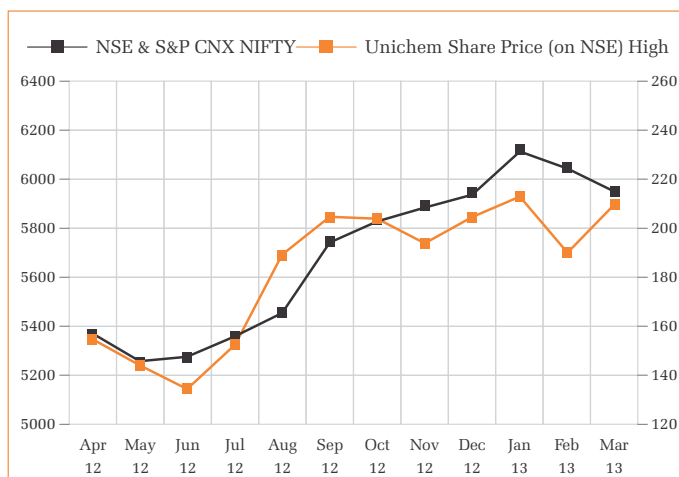
Month	BSE – Sensex	
	High	Low
Apr-12	155.60	132.10
May-12	145.00	127.50
Jun-12	134.45	124.25
Jul-12	152.95	127.50
Aug-12	180.00	144.05
Sep-12	203.35	166.15
Oct-12	201.95	173.10
Nov-12	195.00	171.25
Dec-12	203.35	183.10
Jan-13	216.80	179.40
Feb-13	200.00	167.20
Mar-13	194.00	165.05

Chart 1: Share Performance of the Company in comparison to BSE-Sensex



Month	NSE- S&P CNX Nifty	
	High	Low
Apr-12	155.45	131.00
May-12	144.90	127.60
Jun-12	134.90	122.40
Jul-12	152.50	126.90
Aug-12	187.20	142.40
Sep-12	203.40	168.45
Oct-12	202.30	172.80
Nov-12	194.50	171.50
Dec-12	203.50	183.60
Jan-13	211.70	179.60
Feb-13	190.60	168.00
Mar-13	210.60	165.45

Chart 2: Share Performance of the Company in comparison to NSE S&P CNX Nifty



Information for Shareholders

Distribution of Shareholding as on March 31, 2013

S.No.	Share Holding of Nominal Value ₹.2/-	No. of Share Holders	% of Total Shares	Share Amount (in ₹)			Total Share Amount	% of Equity
				Physical	NSDL	CDSL		
1	Upto 5,000	17,065	89.77	15,54,144	90,24,514	25,81,578	1,31,60,236	7.27
2	5,000 - 10,000	1,009	5.31	17,72,940	48,75,102	9,88,374	76,36,416	4.22
3	10,000 - 20,000	592	3.11	15,81,600	52,33,554	11,09,964	79,25,118	4.38
4	20,000 - 30,000	127	0.67	5,50,570	22,69,806	2,91,176	31,11,552	1.72
5	30,000 - 40,000	56	0.30	3,64,480	13,28,834	3,31,084	20,24,398	1.12
6	40,000 - 50,000	39	0.21	1,27,160	14,97,310	1,33,810	17,58,280	0.97
7	50,000 - 1,00,000	58	0.31	5,95,000	29,03,962	4,75,430	39,74,392	2.2
8	1,00,000 and Above	64	0.34	21,34,280	13,41,46,644	50,41,560	14,13,22,484	78.12
	Grand Total	19,010	100.00	86,80,174	16,12,79,726	1,09,52,976	18,09,12,876	100.00

Shareholding Pattern

Category of shareholder	As on 31.03.2013		As on 31.03.2012	
	Total No. of shares	As a percentage	Total No. of shares	As a percentage
Shareholding of Promoter and Promoter Group				
1) Indian				
Individuals/Hindu Undivided Family	4,49,73,847	49.72	1,62,29,192	17.97
Bodies Corporate	0.00	0.00	2,82,93,991	31.33
Trusts	2,60,680	0.29	2,60,680	0.29
2) Foreign				
	0.00	0.00	0.00	0.00
Public shareholding				
1) Institutions				
Mutual Funds/UTI	60,23,865	6.66	57,35,780	6.35
Financial Institutions/Banks	38,426	0.04	49,132	0.05
Insurance Companies	30,13,679	3.33	30,16,978	3.34
Foreign Institutional Investors	34,85,861	3.85	36,30,390	4.02
Foreign Financial Institutions/Banks	500	0.00	500	0.00
2) Non-institutions				
a) Bodies Corporate	96,66,032	10.69	90,99,441	10.07
b) Individuals				0.00
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh.	1,77,64,012	19.64	1,82,47,068	20.20
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	25,94,106	2.87	29,94,517	3.32
c) Any Other (specify)				
i) Trust	9,64,870	1.07	9,66,870	1.07
ii) Directors being not promoter & Relatives	1,18,105	0.13	1,15,417	0.13
iii) Foreign Nation	0.00	0.00	0.00	0.00
iv) Non Resident Indians	6,90,382	0.76	7,41,336	0.82
v) Clearing Members	17,879	0.02	11,098	0.01
vi) Hindu Undivided Families	8,26,231	0.91	9,12,862	1.01
vii) Foreign Corporate Bodies	16,250	0.02	16,250	0.02
GRAND TOTAL	9,04,56,438	100.00	9,03,21,502	100.00

Information for Shareholders

Share Transfer System

In pursuance to the relevant provisions of the Companies Act, 1956 and the Listing Agreement, Share transfers are registered and returned within a month from the date of receipt, subject to the documents being valid and complete in all respects. Share certificates duly endorsed are issued or transferred to all those shareholders who opt to hold shares in physical mode.

The Company has delegated the authority to approve shares received for transfer, to its RTA M/s. Link Intime India Pvt. Ltd. Presently, the transfers of shares which are in physical form are completed by dispatching the certificates duly transferred within a period of 15 days from the date of receipt of documents provided such documents are valid and complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

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

Investors Complaints

The Company has redressed all the complaints received from the investors and none were pending as on March 31, 2013. The Company has designated e-mail ID exclusively for the purpose of registering complaints of investors. The e-mail ID is shares@unichemlabs.com. Shareholders/Investors can send their complaints/grievances to the above e-mail ID or through a letter to the Secretarial Department situated at the registered office address of the Company and the same will be attended thereto.

Statutory Compliance

During the year under review, the Company has complied with all applicable provisions, filed all relevant returns or forms and furnished all the relevant particulars or information as required under the Companies Act, 1956 and allied acts, and rules, the regulations and guidelines issued by SEBI and the listing agreements. As regards the compliance of the provisions of Clause 49 of the Listing Agreements by the Company, a certificate issued by M/s. B D. Jokhakar & Co., Statutory Auditors of the Company, is annexed elsewhere in this Annual Report.

Non-resident shareholders

Non-resident shareholders are requested to immediately notify the following to the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form.

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;
- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier;
- RBI permission number with date to facilitate prompt credit of dividend in their Bank Accounts; and
- E-mail ID and fax number(s), if any.

Dematerialisation of Shares and Liquidity

The securities form part of the Compulsory dematerialisation segment for all investors as on January 17, 2000. Securities Exchange Board of India (SEBI) has vide its circular No. MRD/Dop/SE/Dep/CIR-4/2005 dated January 28, 2005, announced that no custody charges would be levied on any investor with effect from April 01, 2005. As on March 31, 2013, 94.97% of the shareholding is 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.

Information for Shareholders

General information

- In terms of the regulations of NSDL and CDSL, bank account details of beneficial owners of shares in demat form will be printed on the dividend warrants as furnished by the Depository Participant. The Company will not entertain requests for change of such bank details printed on their dividend warrants. In case of any changes in your bank details, please inform to your DP now/immediately.
- Shareholders holding shares in physical form are requested to notify to the Company, change in their address /pin code and bank account details promptly by written request under the signatures of sole/first joint holder.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, change in e-mail address, etc., directly to their DP as the same are maintained by the DPs.
- To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants. Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, obtained from the Share Department of the Company by sending written request through any mode including e-mail on shares@unichemlabs.com.
- **Shareholders are requested to provide their e-mail address and telephone/mobile numbers and changes therein if any to RTA, if shares are held in physical mode or to your DP if the shares are held in electronic mode, so as to enable the Company to serve them better.**

Address for correspondence

Registered & Corporate Office

Unichem Bhavan, Prabhat Estate,
Off. S. V. Road, Jogeshwari (West),
Mumbai – 400 102
Tel: 022 66888333, Fax: 022 2679 4089
Website: www.unichemlabs.com

For Secretarial matters

Mr. Dilip Bhor / Mr. Jayesh Udeshi
Unichem Bhavan, Prabhat Estate,
Off. S. V. Road, Jogeshwari (West), Mumbai – 400 102
Tel: 022 66888439/478
Email: dilip.bhor@unichemlabs.com,
jayesh.udeshi@unichemlabs.com

Registrar and Shares Transfer Agents (RTA)

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.
Tel.: 022 2594 6970, Fax: 022 2594 6969

Subsidiaries Locations

Unichem S.A. (Pty) Ltd. (South Africa)

Adrina Building, 1st Floor,
32-34, Klinkenberg Road,
Van Der Hoff Park
Potchefstroom
P.O. Box - 20434
Noordbrug
Tel: (+2718) 2974055 / 0823361954
Fax: (+2718) 2974059

Niche Generics Ltd. (U.K.)

1 The Cam Centre
Wilbury Way
Hitchin Hertfordshire - SG4 0TW
UK
Tel: +44 [0] 1462 633804

Unichem Pharmaceuticals (USA), Inc.

201 West Passaic Street, Ste 403
Rochelle Park, NJ 07662, USA.
Tel: 001- 201-2260240
Fax: 001- 201-2260241

Unichem Farmaceutica Do Brasil Ltda (Brazil)

Avenida Sete De Setembro 1564, Centro,
CEP -09912-010, Diadema - São Paulo, Brasil
Tel.: +55 11 38457025
Fax: +55 11 38457114

Unichem Laboratories Ltd,

Studio 8B, Ard Gaoithe Commercial Centre,
Ard Gaoithe Business Park, Cashel Road,
Clonmel, Co. Tipperary, Ireland.

Information for Shareholders

Representative Offices of the Company around the world

Ukraine

01021, Kiev, Institutskaya - 16,
Office 11/21 Ukraine
Tel.: 00-380-952819971
Cell: 00-380-660731809

Russia

119590, Moscow
Ulofa Palme 1, Russia
Tel.: 00-749-57753938
Cell: 00-749-59614629

Ghana

P O Box 3368,
Accra. Ghana.
West Africa
Tel.: 00-233-21-684183/665625(FAX)
Cell: 00-233-20-2028560
Country Business Manager – Shashank Karande
Email: sshaank@yahoo.com

Secretarial Audit Report

For the Financial Year ended 31st March 2013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of Unichem Laboratories Limited's ("the Company") Registers, Papers, Minute books, Forms and Returns filed with relevant authorities 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2013 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.

I have examined the Registers, Minute books, Forms and Returns filed with the relevant authorities and other records maintained by Unichem Laboratories Limited for the financial year ended on 31st March 2013, according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made thereunder;
 - (ii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
 - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (v) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited
 - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997/2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
1. In my opinion, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, its Company Secretary and Officers, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:
- a. maintenance of various statutory registers and documents and making necessary entries therein;
 - b. closure of the Register of Members / Debenture holders;
 - c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Maharashtra, Mumbai and the Central Government;
 - d. service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
 - e. notice of Board meetings and Committee meetings of Directors;
 - f. convening and holding of the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g. convening and holding of the 49th Annual General Meeting held on 27th September, 2012;
 - h. minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i. approval of shareholders obtained through Postal Ballot Process;
 - j. approvals of the Members, the Board of Directors, the Committees of Directors and the

Secretarial Audit Report

- k. government authorities, wherever required
- k. constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- l. payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- m. appointment and remuneration of Auditors and Cost Auditors;
- n. transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- o. declaration and payment of dividends;
- p. transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
- q. borrowings and registration, modification and satisfaction of charges wherever applicable;
- r. investment of the Company's funds including inter corporate loans and investments and loans to others;
- s. giving guarantees in connection with loans taken by subsidiaries and associate companies;
- t. form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- u. Directors' report;
- v. contracts, common seal, registered office and publication of name of the Company; and
- w. generally all other applicable provisions of the Act and the Rules made under the Act.

2. I further state that:

- a. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- b. the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
- c. the Company has obtained all necessary approvals under the various provisions of the Act; and
- d. there was no prosecution initiated and no fines

or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- 3. I further report that** the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company

4. I further state that

- a. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as well as SEBI (Acquisition of Shares & Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- c. the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited
- d. the Company has complied with the provisions of The Companies Act, 1956, The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of the Unichem Employees' Stock Option Scheme – 2008

Place: Thane
Date: 1st June 2013

Swati Anand Krishnan
Practising Company Secretary
CPNo-7952/ACS-16558

Independent Auditors' Report to the Members of Unichem Laboratories Limited

We have audited the accompanying financial statements of Unichem Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have 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 appears from our examination of those books
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account
 - (d) in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) on the basis of the written representations received from the Directors, as on March 31st, 2013 and taken on board by the Board of Directors, none of the Directors is disqualified as on March 31st, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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

Raman Jokhakar
Partner
Membership No.: 103241

Mumbai
May 11, 2013

Independent Auditors' Report

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets of the Company have been physically verified during the year by the management in accordance with a phased program of verification designed to cover all assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, not affected the going concern status of the Company.
- ii. (a) As explained to us, the inventories have been physically verified during the year by the management, except for the inventories lying with the third parties, which have however, been confirmed by them. The intervals at which the inventories have been verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. (a) As informed, the company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, sub clause (b), (c) and (d) are not applicable.
- (e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, sub clauses (f) and (g) are not applicable.
- iv. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.
- v. (a) To the best of our knowledge and belief and according to information and explanations given to us and on examination of records the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements are specialised in nature and comparable prices are not always determinable and the prices charged are prima facie reasonable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- vii. In our opinion, the internal audit system is commensurate with the size of the company and the nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 as prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 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 maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- ix. (a) The Company is regular in depositing undisputed statutory dues payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax,

Independent Auditors' Report

custom duty, excise duty, cess and any other material statutory dues with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information & explanations given to us, the dues in respect of Income Tax (including TDS), Service Tax, Excise duty, Custom duty & Provident Fund 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, 2013 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 and Interest liability	737.51	A.Y. 2006-07 to A.Y. 2012-13	Commissioner of Income - Tax (Appeals)
Income Tax Act, 1961	Income tax Penalty	325.18	A.Y. 2001-02 to A.Y. 2004-05 & A.Y. 2006-07 to A.Y. 2008-09	Commissioner of Income - Tax (Appeals)
Central Excise Act, 1944	Central Excise Penalty	11.62	A.Y. 2004-05 & A.Y. 2010-11	Appellate Tribunal (CESTAT), New Delhi
Service Tax Rules, 1994	Disallowances of Service Tax Credit	40.34	A.Y. 2006-07 to A.Y. 2011-12	Appellate Tribunal (CESTAT), New Delhi
Provident Fund & Miscellaneous Provision Act, 1952	Provident Fund Dues	1.75	A.Y. 2006-07	Regional Provident Fund Commissioner, Indore

- x. The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year.
- xi. According to the information and explanations given to us the Company has not defaulted in repayment of dues to banks and financial institutions.
- xii. According to the information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. The Company is not a chit fund or a nidhi mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the Company.
- xiv. As informed to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information & explanations given to us, having regard to the fact that the Subsidiary is wholly owned, the terms and conditions of the guarantee given by the Company for loans taken by the Subsidiary from banks and financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us the Company did not have any term loans outstanding during the year.
- xvii. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis, have *prima facie*, not been used during the year for long term investments.
- xviii. According to the information and explanations given to us no preferential allotment of shares has been made by the Company to companies, firms or other parties listed in the register maintained under section 301 of the

Independent Auditors' Report

Companies Act, 1956.

- xix. The Company has not issued any secured debentures and accordingly the provisions of clause 4(xix) of the Order are not applicable.
- xx. The Company has not raised any money through a public issue during the year and accordingly the provisions of clause 4(xx) of the Order are not applicable.
- xxi. 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.

Mumbai
May 11, 2013

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

Raman Jokhakar
Partner
Membership No.: 103241

Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2013	As at 31 st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	1,809.13	1,806.43
(b) Reserves and Surplus	4	79,486.15	71,195.27
(2) Share Application Money pending allotment			
	5	-	3.45
(3) Non- current liabilities			
(a) Deferred tax liabilities (Net)	6	3,897.43	3,847.43
(b) Other Long term liabilities	7	2,525.76	2,348.82
(c) Long - term provisions	8	918.68	1,023.92
(4) Current liabilities			
(a) Short term borrowings	9	572.05	2,487.29
(b) Trade payables	10	15,908.60	13,678.50
(c) Other current liabilities	11	2,986.68	2,922.96
(d) Short - term provisions	12	5,166.96	3,330.00
TOTAL		113,271.44	102,644.07
II. ASSETS			
(1) Non- current assets			
(a) Fixed assets	13		
(i) Tangible assets		41,470.30	37,080.96
(ii) Intangible assets		1,151.48	1,440.14
(iii) Capital work-in-progress		12,929.05	11,134.24
(b) Non-current investments	14	10,720.30	9,161.93
(c) Long-term loans and advances	15	837.81	2,602.25
(2) Current assets			
(a) Current Investments	16	3,306.04	1,450.00
(b) Inventories	17	13,163.39	14,113.11
(c) Trade receivables	18	21,227.64	18,482.47
(d) Cash and Bank Balances	19	1,666.00	1,386.12
(e) Short - term loans and advances	20	6,391.42	5,349.90
(f) Other current assets	21	408.01	442.95
TOTAL		113,271.44	102,644.07
Significant Accounting Policies	1		

Notes to Accounts form an integral part of financial statements

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants
FRN 104345W

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241
Mumbai
May 11, 2013

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Statement of Profit & Loss

(₹ in lacs)

	Notes	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Income			
I. Revenue from operations (Gross)	22	101,295.71	80,836.95
Less: Excise duty		774.02	518.22
Revenue from Operations (Net)		100,521.69	80,318.73
II. Other Income	23	1,406.70	939.47
III. Total Revenue (I + II)		101,928.39	81,258.20
IV. Expenses:			
Cost of materials consumed	24	26,127.92	19,428.55
Purchase of Stock -in-Trade		10,784.43	10,290.78
Changes in inventories of Finished goods, Work-in-progress and Stock -in-Trade	25	1,007.31	(202.58)
Employee benefits expenses	26	12,801.50	10,488.40
Finance costs	27	248.16	329.85
Depreciation and Amortisation expenses	13	3,481.65	2,828.81
Other expenses	28	27,622.06	23,776.82
Research & Development Expenses	29	3,610.73	3,794.02
Total Expenses (IV)		85,683.76	70,734.65
V. Profit before tax (III-IV)		16,244.63	10,523.55
VI. Tax expenses			
(1) Current tax		3,245.00	2,215.00
(2) Deferred tax	6	50.00	66.00
(3) Short / (excess) provision for taxation pertaining to previous years		(9.97)	(3.78)
Total Tax Expenses (VI)		3,285.03	2,277.22
VII. Profit for the period (V-VI)		12,959.60	8,246.33
VIII. Earnings per equity share (Face Value ₹ 2 each)			
(1) Basic (in ₹)		14.33	9.13
(2) Diluted (in ₹)		14.29	9.09
Significant Accounting Policies	1		

Notes to Accounts form an integral part of financial statements

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants
FRN 104345W

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 11, 2013

Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
A. Cash Flow from Operating Activities				
Net Profit before Tax		16,244.63		10,523.55
Adjustment for :				
Provision for Wealth Tax	15.00		15.00	
Depreciation	3,481.65		2,828.81	
Loss/(Profit) on Sale of Assets (Net)	3.67		(5.06)	
Unrealised Exchange difference (Net)	60.24		(165.13)	
Finance cost	248.16		329.85	
Provision for doubtful debts, loans, advances & deposits for the year	133.84		587.21	
Employees compensation expenses (ESOS)	28.22		60.49	
Stock Option expenses (other than employees)	6.79		6.79	
Loss/(Profit) on Sale of Investments	(259.87)		(115.41)	
Bad debts Written Off	954.13		262.35	
Interest income	(34.79)		(154.88)	
Excess provision for expenses written back	(114.48)		(12.80)	
Provision for Diminution in Investments	159.81		142.55	
Surplus on Amalgamation	-		1.62	
Dividend Income	(0.09)		(0.05)	
		4,682.28		3,781.34
Operating Profit Before Working Capital Changes		20,926.91		14,304.89
Adjusted for:				
Trade receivables, Advances & other current assets	(2,911.09)		(2,402.90)	
Inventories	949.72		(571.28)	
Trade & Other Payables	2,538.81	577.44	3,866.36	892.18
Cash Generated from Operations		21,504.35		15,197.07
Direct Taxes Paid (Net of refund)		(3,474.46)		(2,271.29)
Net Cash Flow from Operating Activities		18,029.89		12,925.78
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(9,445.20)		(10,640.33)
Sale of Fixed Assets		64.39		12.85
Investment in subsidiary		(1,148.87)		(1,419.01)
Sale / (Purchase) of Investment in others (Net)		(2,425.35)		678.88
Profit / (Loss) on Sale of Investments		259.87		115.41
Interest Income		34.79		154.88
Dividend Income		0.09		0.05
Net Cash used in Investing Activities		(12,660.28)		(11,097.27)
C. Cash Flow from Financing Activities				
Receipt of working Capital borrowings		(377.09)		101.87
Proceeds from issue of share capital including share premium		58.57		41.16
Receipt / (repayment) short term borrowing		(1,538.15)		1,538.15
Increase in other long term liabilities		176.94		77.26
Finance cost		(248.16)		(329.85)
Dividend paid		(2,721.65)		(2,505.50)
Dividend distribution tax paid		(440.19)		(409.89)
Net Cash used in Financing Activities		(5,089.73)		(1,486.80)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		279.88		341.71
Opening Balance of Cash and Cash Equivalents		1,386.12		1,044.12
Closing Balance of Cash and Cash Equivalents		1,666.00		1,385.83
Closing balance of Cash & cash Equivalents as per Note No. 19		1,666.00		1,386.12
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		-		(0.29)
Closing balance of Cash & cash Equivalents as per cash flow		1,666.00		1,385.83

As per our report of even date attached

For B. D. Jokhakar & Co.

Chartered Accountants

FRN 104345W

Raman Jokhakar

Partner

Membership No.103241

Mumbai

May 11, 2013

Rakesh Parikh

Vice President

Finance

K. Subharaman

Vice President - Legal

& Company Secretary

For and on behalf of the Board of Directors

Dr. Prakash A. Mody

Chairman &

Managing Director

Prafull Anubhai

Director

Notes forming part of Financial Statements

1. Significant Accounting Policies

i. Basis of Accounting

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the provisions of Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006.

ii. Use of Estimates

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

iii. Inventories

Inventories are valued after providing for obsolescences as under :

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

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

Stock of Finished products including traded goods and Semi finished goods are valued at lower of cost or net realisable value.

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

Cost includes material cost, labour, direct expenses, related production overheads and applicable taxes.

Cost is determined on weighted average basis.

iv. Fixed Assets and Depreciation/Amortisation

Fixed Assets are recorded at cost including any directly attributable expenses incurred (net of recoverable taxes) to bring the assets to working condition for their intended use. Cost of fixed assets not ready for their intended use at balance sheet date are disclosed under capital work-in-progress.

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

Depreciation is provided on Straight- Line Method on Buildings and Plant & Machinery except mentioned below and on Written Down Value Method on other fixed assets at rates specified in schedule XIV of Companies Act, 1956. Higher rates are considered based on useful lives of the assets determined by management as under;

Assets	Rates
Plant & Machinery (Lab Equipments)	4.75% to 20%
Computers and Softwares	16.21% to 25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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

Assets costing individually upto ₹ 5,000 are written off to revenue. Assets costing between ₹ 5,000 and ₹15,000 are depreciated fully in the year of purchase except when value of individual assets purchased in aggregate exceeds ₹1,00,000

Notes forming part of Financial Statements

v. **Research and Development Expenses**

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

vi. **Revenue Recognition**

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

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

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

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

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

vii. **Foreign Currency Transactions**

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

The exchange difference arising on actual settlement of foreign exchange transaction are recognized in the Profit and Loss Account of the year. Monetary assets and liabilities in foreign exchange, which are outstanding as at the year end, are translated at the year end at the closing rate and the resultant exchange differences are recognised in the Profit and Loss Account.

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

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

viii. **Investments**

Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments. All other investments are classified as long-term investment. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost less diminution in value, if any. Provisions are recognized for any decline, other than temporary, in the carrying value of long term investment as determined by management.

ix. **Borrowing costs**

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

x. **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.

Notes forming part of Financial Statements

Long Term Employee Benefits

(a) Defined Contribution Plans

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

(b) Defined Benefit Plan

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

Termination Benefits

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

xi. Leases

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

xii. Earnings per share

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

xiii. 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.

xiv. Provisions, Contingent liabilities and Contingent assets

Provision is recognized when the company has a present obligation as a result of past events and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

xv. Employees Stock Compensation Costs

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

xvi. Taxation

Current tax is measured at an amount payable for the period in accordance with the Income Tax Act, 1961. Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. At each Balance Sheet date, the carrying value amount of deferred tax assets are reviewed to reassure realisation.

Notes forming part of Financial Statements

xvii. Provision for Doubtful Receivables & Advances

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

2. Scheme of Amalgamation

The Hon'ble High Court of Mumbai, on July 12, 2012 sanctioned the scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956 of five Investment Companies (the primary assets of which comprise of equity shares in the Company) namely AVM Capital Services Private Limited (ACSPL), Chevy Capital Services Private Limited (CCSPL), PM Capital Services Private Limited (PCSPL), Pranit Trading Private Limited (PTPL), Viramrut Trading Private Limited (VTPL), (collectively herein after referred to as 'Transferor Companies') with the Company. The Scheme was earlier approved by the shareholders in the court-convened meeting held on November 3, 2011. The Company filed the Court Order with the Registrar of Companies on 6th August, 2012 to make the scheme effective in terms of said order dated 12th July 2012. ULL has given effect for the said Scheme in its books of accounts with effect from the appointed date i.e. 1st April 2011. In accordance with the Scheme, the Company has accounted for the Amalgamation based on the "Pooling of Interest" method as under:

- (i) all assets and liabilities appearing in the books of accounts of Transferor Companies have been transferred to & vested in and have been recorded by the Company at their respective book values
- (ii) the investments in equity share capital of the Company as it appeared in the books of account of the Transferor Companies is cancelled
- (iii) the excess of net assets value of the Transferor Companies as reduced by the face value of shares issued by the Company, adjusted for cancellation of equity share capital as mentioned above and net of all expenses in relation to the Scheme, amounting to ₹ 1.62 lacs has been credited to Surplus in the Profit and Loss Account
- (iv) all inter-company transactions have been eliminated on incorporation of the accounts of Transferor Companies in the books of Company
- (v) in consideration of the above, the Company issued and allotted equity shares, credited as fully paid up, to the extent indicated below, to all the members of the Transferor Companies in the following proportion:
 - (a) 46,72,552 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in ACSPL
 - (b) 78,43,811 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in CCSPL
 - (c) 46,70,186 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in PCSPL
 - (d) 1,09,36,087 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in PTPL
 - (e) 17,13,547 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in VTPL

Accordingly, 2,82,93,991 fully paid up equity shares of ₹ 2 each of the Company were issued to the shareholders of the Transferor Companies, which is equivalent to the shares cancelled, vide (ii) above; these shares, aggregating to ₹ 565.88 lacs, pending allotment were shown as "Share Capital pending allotment" under Share Capital, thus resulting in no change in the total issued & paid up Share Capital of the Company. The new equity shares issued as above rank pari-passu with the existing equity shares of the Company. As per the scheme of amalgamation, the said shares were issued & allotted to the shareholders of the transferor companies as per register of members of the transferor companies as on the effective date i.e. 6th August, 2012.

Notes forming part of Financial Statements

(₹ in lacs)

		As at 31 st March, 2013	As at 31 st March, 2012
3 SHARE CAPITAL			
AUTHORISED			
175,000,000	Equity Shares of ₹ 2/- each (Previous year 175,000,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
50,000,000	Unclassified Shares of ₹ 2/- each (Previous year 50,000,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
5,000,000	Preference Shares of ₹ 10/- each (Previous year : 5,000,000 Preference Shares of ₹ 10/- each)	500.00	500.00
	Total	5,000.00	5,000.00

		As at 31 st March, 2013	As at 31 st March, 2012
ISSUED, SUBSCRIBED AND PAID UP			
90,456,438	Equity Shares of ₹ 2/- each fully paid up (Previous year 90,321,501 Equity Shares of ₹ 2/- each fully paid up)	1,809.13	1,806.43
	Less: Share capital Cancelled on Amalgamation (Refer Note No. 2)	-	565.88
	Total	1,809.13	1,240.55
	Add: Share Capital pending allotment (Refer Note No. 2)	-	565.88
	Total	1,809.13	1,806.43

Reconciliation of Number of Shares (Equity)	2012-13		2011-12	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Number of Shares outstanding as at the beginning of the year*	90,321,501	1,806.43	90,239,499	1,804.79
Add: Number of Shares allotted under ESOP during the year	134,937	2.70	82,002	1.64
Number of Shares outstanding as at the end of the year*	90,456,438	1,809.13	90,321,501	1,806.43

* Excluding effect of amalgamation as referred to in Note No. 2

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.

Notes forming part of Financial Statements

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

Name of the Shareholders	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody**	39,845,639	44.05	11,100,984	12.29
Pranit Trading Pvt Ltd*	-	-	8,252,673	9.14
Viramrut Trading Pvt Ltd*	-	-	5,452,506	6.04
Chevy Capital Services Pvt Ltd*	-	-	5,246,074	5.81
PM Capital Services Pvt Ltd*	-	-	4,670,186	5.17
AVM Capital Services Pvt Ltd*	-	-	4,672,552	5.17

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.

* Scheme of amalgamation becoming effective from 01.04.2011 (appointed date) consequent upon sanction from Hon'ble High court of Mumbai , shares in the name of said companies got cancelled and new shares were issued to the shareholders of respective companies . (Refer Note no. 2)

** Scheme of amalgamation becoming effective from 01.04.2011 (appointed date) consequent upon sanction from Hon'ble High court of Mumbai , new shares were issued to the shareholders of respective companies (Refer Note No. 2) the effect of which was not included in shareholding as of 31st March , 2012

Notes forming part of Financial Statements

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
<u>4 RESERVES AND SURPLUS</u>		
CAPITAL RESERVE		
Balance as per last Balance Sheet	62.50	62.50
Add: transferred during the year	-	-
	62.50	62.50
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	7,653.39	7,537.44
Add: Addition during the year	62.49	115.95
	7,715.88	7,653.39
SHARE OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	176.26	264.17
Less : Deduction during the year	(24.31)	(87.91)
	151.95	176.26
Less: Deferred Employees' stock compensation	(52.05)	(108.20)
	99.90	68.06
GENERAL RESERVE		
Balance as per last Balance Sheet	15,574.80	14,074.80
Add: Transfer from Profit and Loss Account	1,500.00	1,500.00
	17,074.80	15,574.80
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	47,836.52	44,242.20
Add: Profit for the year after tax	12,959.60	8,246.33
Addition on Amalgamation (Refer Note No. 2)	-	1.62
Profit available for appropriations	60,796.12	52,490.15
Less: APPROPRIATIONS		
Proposed Dividend	4,071.16	2,713.44
Tax on Proposed Dividend	691.89	440.19
Transfer to General Reserve	1,500.00	1,500.00
Total	6,263.05	4,653.63
Net surplus in the statement of Profit & Loss	54,533.07	47,836.52
Total	79,486.15	71,195.27
<u>5 SHARE APPLICATION MONEY PENDING ALLOTMENT</u> (Refer Note No. 44)	-	3.45
Total	-	3.45
<u>6 DEFERRED TAX LIABILITIES (NET)</u>	3,897.43	3,847.43
Total	3,897.43	3,847.43

Notes forming part of Financial Statements

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	2012-13	Charge/(credit) for the year	2011-12
Deferred Tax Liability on account of Depreciation	4,597.92	13.27	4,584.65
Sub Total	4,597.92	13.27	4,584.65
Deferred Tax Assets Provision for Doubtful Debts, Advances and leave encashment	475.64	(88.58)	564.22
Provision for Diminution in Investments	224.85	51.85	173.00
Sub Total	700.49	(36.73)	737.22
Total	3,897.43	50.00	3,847.43

The deferred tax liability for the current year amounting to ₹ 50.00 lacs (Previous year ₹ 66.00 lacs) is shown in the Statement of Profit & Loss under Tax expenses.

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
<u>7 OTHER LONG TERM LIABILITIES</u>		
Unsecured		
Advances from Consignment agents & Others	2,525.76	2,348.82
Total	2,525.76	2,348.82
<u>8 LONG TERM PROVISIONS</u>		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	918.68	1,023.92
Total	918.68	1,023.92
<u>9 SHORT TERM BORROWINGS</u>		
Secured		
Cash Credit from Banks (Refer Note No.33)	572.05	949.14
Unsecured		
Working capital loans in Foreign Currency from Banks (Refer Note No.33)	-	1,538.15
Total	572.05	2,487.29
<u>10 TRADE PAYABLES</u>		
Trade Payables (Refer Note No. 34)	15,908.60	13,678.50
Total	15,908.60	13,678.50
<u>11 OTHER CURRENT LIABILITIES</u>		
Interest Accrued but not due on borrowings	-	4.14
Unclaimed Dividend	179.91	188.12
Other Payables		
Statutory Dues	407.30	292.34
Payable for Capital Goods	571.49	1,139.26
Others	1,827.98	1,299.10
Total	2,806.77	2,730.70
Total	2,986.68	2,922.96

Notes forming part of Financial Statements

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
12 SHORT TERM PROVISIONS		
Provision for Employees' Benefits (Consists of provision for Gratuity & Leave Encashment)	403.91	176.37
Others		
Proposed Dividend	4,071.16	2,713.44
Tax on Dividend	691.89	440.19
Total	5,166.96	3,330.00

13 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation				Net Carrying Value		
	Cost As at 01/04/2012	Addi- tions	Deduc- tions / Adjustment	Cost As at 31/03/2013	Opening As at 01/04/2012	For the year	Deduc- tions/ Transfers*	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012	
A) Tangible Assets											
Land											
Freehold	248.47	-	-	248.47	-	-	-	-	248.47	248.47	
Leasehold	3,196.44	31.49	-	3,227.93	270.05	12.64	73.41	356.10	2,871.83	2,926.39	
Buildings	16,452.67	4,501.37	(35.53)	20,918.51	3,290.13	564.36	(3.67)	3,850.82	17,067.69	13,162.54	
Plant and Equipments	32,388.60	2,859.51	(75.78)	35,172.33	12,433.04	2,434.17	(69.49)	14,797.72	20,374.61	19,955.56	
Furniture & Fixtures	1,392.64	82.22	(0.86)	1,474.00	993.38	75.37	(0.81)	1,067.94	406.06	399.26	
Vehicles	521.49	220.29	(98.62)	643.16	339.82	75.52	(72.25)	343.09	300.07	181.67	
Office Equipments	467.05	28.92	(9.71)	486.26	259.98	30.93	(6.22)	284.69	201.57	207.07	
Total Tangible Assets	54,667.36	7,723.80	(220.50)	62,170.66	17,586.40	3,192.99	(79.03)	20,700.36	41,470.30	37,080.96	
B) Intangible Assets											
Brands / trademarks	1,575.34	-	-	1,575.34	135.20	288.66	-	423.86	1,151.48	1,440.14	
Total Intangible Assets	1,575.34	-	-	1,575.34	135.20	288.66	-	423.86	1,151.48	1,440.14	
Total Fixed Assets (Tangible & Intangible)	56,242.70	7,723.80	(220.50)	63,746.00	17,721.60	3,481.65	(79.03)	21,124.22	42,621.78	38,521.10	
Previous Year	50,442.85	5,874.48	(74.63)	56,242.70	14,878.42	2,828.81	14.37	17,721.60	38,521.10	-	
Capital Work in Progress									12,929.05	11,134.24	

* 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 ₹ 6,565.77 Lacs (Previous year ₹ 1,946.88 Lacs) being expenditure on Research and Development as under:-

(₹ in lacs)

Assets Description	F.Y. 2012-2013	F.Y. 2011-2012
Land	31.49	-
Buildings	4,464.20	-
Plant & Machinery	1,986.40	289.46
Furniture & Fixtures	44.06	0.56
Office Equipments	13.94	3.65
Capital Work in Progress	25.68	1,653.21
Total	6,565.77	1,946.88

Notes forming part of Financial Statements

14 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at	As at
	As at 31 st March, 2013	As at 31 st March, 2012		31 st March, 2013	31 st March, 2012
(I) UNQUOTED					
(a) INVESTMENT IN EQUITY INSTRUMENTS					
Fully Paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	₹ 10	30.38	30.38
Fully Paid Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Fully Paid Equity Shares of Synchron Research Private Limited	208,333	-	₹ 10	569.31	-
Fully Paid Equity Shares of Unireach Healthcare Private Limited	10,000	10,000	₹ 10	1.00	1.00
Less : Provision for diminution in value of investments				(30.38)	(30.38)
				572.31	3.00
Fully paid Equity Shares of Subsidiaries					
Niche Generics Ltd (UK)	625,000	625,000	1 Pound	2,556.77	2,556.77
Unichem SA Pty Ltd	19,000	19,000	10 SA Rand	12.14	12.14
Unichem Farmaceutica Do Brasil Ltda	13,710,491	10,770,316	1 Brasil Real	3,464.92	2,665.86
Unichem Pharmaceuticals USA Inc.	6,476,955	6,476,955	1 US\$	2,951.93	2,951.93
Unichem Laboratories Limited, Ireland	1,000,000	500,000	1 Euro	690.46	340.65
Less : Provision for diminution in value of investments				(693.02)	(533.21)
Total (a)				9,555.51	7,997.14
(b) Investment in Preferences Shares					
12% Redeemable Preference Share Capital in Subsidiary Niche Generics Limited, UK	1,500,000	1,500,000	1 Pound	1,164.79	1,164.79
Total (b)				1,164.79	1,164.79
Total Unquoted (a) + (b)				10,720.30	9,161.93
(II) QUOTED					
Fully paid Equity Bonus Shares of Jindal Polyfilm Limited Market value as on 31st March, 2013 is Rs. 2.93 lacs (Previous Year Rs. 3.84 Lacs)	2,000	2,000	₹ 10	-	-
Total of Unquoted & Quoted Non current Investment				10,720.30	9,161.93
Aggregate of Unquoted Investments - At Book Value				10,720.30	9,161.93
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				2.93	3.84
Aggregate provision for diminution in value of Investments				(723.40)	(563.59)

	As at 31 st March, 2013	As at 31 st March, 2012
15 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital advances	814.75	2,599.50
Loans to Employees	23.06	2.75
Total	837.81	2,602.25

Notes forming part of Financial Statements

16 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units			
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
UNQUOTED				
INVESTMENT IN MUTUAL FUNDS				
Axis Liquid Fund	23157.3020	-	300.00	-
Axis Banking Debt Fund - Growth	9461.6490	-	100.00	-
BOI Axa Liquid Fund - Reg Plan	14941.0230	-	200.00	-
Birla Sun Life Short Term Fund - Retail - Growth	-	295,118.86	-	500.00
Birla Sun Life Cash Plus	267855.9170	-	500.57	-
Birla Sun Life Floating Rate Fund	72068.5400	-	100.00	-
Baroda Pioneer 90 day FMP Series 6 Growth Plan	-	1,000,000.00	-	100.00
DWS Treasury Fund Inst. Plan Growth	-	125,660.14	-	150.00
IDFC Cash Fund Institutional Plan B - Growth	-	5,279.14	-	100.00
ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Cumulative	-	1,859,773.00	-	200.00
IDBI Ultra Short Term Fund - Growth	8024.0630	-	100.00	-
Indiabulls Liquid Fund - Growth	17592.1830	-	200.00	-
JM High Liquidity Fund	632315.1690	-	200.00	-
Kotak Floater Short Term - Growth	10,440.5293	712,169.55	200.00	125.00
Prudential ICICI Ultra Short	849487.7590	-	100.00	-
Prudential ICICI Liquid Plan	119909.6400	-	202.27	-
Peerless Liquid Fund	2375107.6070	1,067,527.52	300.00	125.00
Pramerica Liquid Fund	16024.9000	-	200.00	-
Reliance Treasury Plan - Inst	14347.3610	-	400.00	-
Religare Ultra Short Term Fund	12608.2050	-	203.20	-
UTI Treasury Advantage Fund - Institutional Plan - Growth Plan	-	10,890.61	-	150.00
Aggregate of Unquoted Investments - At Book Value			3,306.04	1,450.00

	As at 31 st March, 2013	As at 31 st March, 2012
17 INVENTORIES (As Certified by Management)		
Raw Materials [Include ₹ 548.32 lacs in transit, (Previous year ₹ 446.57 lacs)]	4,832.38	4,783.47
Packing Materials	1,039.23	1,054.60
Work-in-Progress	2,676.44	3,061.17
Finished Goods (excluding finished goods traded in) [Include ₹ 73.88 lacs in transit, (Previous year ₹ 293.71 lacs)]	2,696.10	2,677.31
Stock in trade (in respect of goods acquired for trading)	1,650.08	2,291.45
Stores and Spares	269.16	245.11
Total [Refer Note. 1 (iii), 48 (i), (ii) & (iii)]	13,163.39	14,113.11

Notes forming part of Financial Statements

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
18 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	1,351.41	2,531.50
Considered doubtful	521.05	799.88
	1,872.46	3,331.38
Less : Provision for Doubtful receivables	521.05	799.88
	1,351.41	2,531.50
(b) Others - Considered Good	19,876.23	15,950.97
Total	21,227.64	18,482.47
Of the above, due from Subsidiaries is ₹ 5,547.24 lacs (Previous Year ₹ 3,149.72 lacs)		
Trade Receivables are secured to the extent of Advances of ₹ 2,525.76 lacs (Previous Year ₹ 2,348.82 lacs). received from Consignment Agents & Others.		
19 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	474.90	683.25
In Fixed Deposits	1,000.10	501.65
(ii) Cash on hand	11.09	13.10
(b) Other bank balances		
In Unpaid Dividend Account	179.91	188.12
Total	1,666.00	1,386.12
20 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance payment of Income Tax (Net of Provision for Taxation)	287.36	238.24
Short terms Deposits	381.05	366.01
Prepaid Expenses	420.65	239.26
Balances with Revenue Authorities (Including refund receivables)	3,479.59	2,842.94
Advance against materials & expenses	1,197.98	1,152.59
Other Loans & advances	624.79	510.86
	6,391.42	5,349.90
Unsecured, considered Doubtful		
Short terms Deposits	13.90	13.66
Other Loans & advances	135.34	89.16
	149.24	102.82
Less : Provision for Doubtful Advances	149.24	102.82
	-	-
Total	6,391.42	5,349.90
21 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	44.96	28.64
Interest Accrued on Advances	6.82	19.54
Export incentive receivable	356.23	394.77
Total	408.01	442.95

Notes forming part of Financial Statements

(₹ in lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
<u>22 REVENUE FROM OPERATIONS (Gross)</u>		
Sale of products (Gross) (Refer Note No. 48 (iv) & (v))	100,459.97	79,909.18
Other operating revenues		
Export benefits	563.78	518.32
Sundries	271.96	409.45
	835.74	927.77
Total Revenue from Operations (Gross)	101,295.71	80,836.95
<u>23 OTHER INCOME</u>		
Interest Income [TDS deducted Rs.3.59 lacs (Previous year Rs. 14.55 lacs)]	34.79	154.88
Dividend Income	0.09	0.05
Net gain on sale of short term investments	259.87	115.41
Other non-operating Income	537.33	265.46
Net gain on foreign currency translation and transactions	574.62	403.67
Total	1,406.70	939.47
<u>24 MATERIALS CONSUMED</u>		
Raw Materials	21,789.29	16,279.85
Packing Materials	4,338.63	3,148.70
Total	26,127.92	19,428.55
<u>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE.</u>		
Inventories at the Commencement		
Finished Goods	2,677.31	2,161.66
Work in progress	3,061.17	2,462.12
Stock in Trade	2,291.45	3,203.57
	8,029.93	7,827.35
Inventories at Close		
Finished Goods	2,696.10	2,677.31
Work in progress	2,676.44	3,061.17
Stock in Trade	1,650.08	2,291.45
	7,022.62	8,029.93
(Increase) / Decrease in Finished Goods	(18.79)	(515.65)
(Increase) / Decrease in Work in progress	384.73	(599.05)
(Increase) / Decrease in Stock-in-Trade	641.37	912.12
Total	1,007.31	(202.58)
<u>26 EMPLOYEE BENEFITS EXPENSES</u>		
Salaries, wages, ex-gratia bonus and commission	11,602.86	9,452.35
Contribution to Provident and other funds	869.67	759.21
Expenses on Employee Stock Option Scheme	28.22	60.49
Staff Welfare Expenses	300.75	216.35
Total	12,801.50	10,488.40

Notes forming part of Financial Statements

(₹ in lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
27 FINANCE COST		
Interest expense	215.87	215.55
Other borrowing costs	7.00	5.56
Net loss on foreign currency transactions and translation (Foreign currency borrowings)	25.29	108.74
Total	248.16	329.85

	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
28 OTHER EXPENSES				
Stores and Spares consumed		666.72		601.73
Manufacturing Charges		921.78		713.07
Power and Fuel		3,054.90		2,544.57
Rent		146.08		139.39
Insurance		145.27		177.49
Repairs :				
Plant and Machinery		483.93		363.86
Buildings		142.13		135.91
Others		533.20		441.36
Rates and Taxes		656.92		580.37
Advertising and sales promotion		9,361.99		8,219.26
Travelling and Conveyance		3,617.60		3,064.47
Freight outward		2,218.69		1,644.04
Directors' Fees		9.41		8.30
Commission on sales		921.92		1,146.79
Loss on sale of assets		7.14		0.35
Bad debts, loans, advances and deposits written off				
Bad Debts and Advances written off	954.13		262.35	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	354.40	599.73	229.56	32.79
Provision for doubtful debts, loans, advances and deposits for the year		133.84		587.21
Establishment and Administrative Expenses		3,841.00		3,233.31
Provision for Diminution of Investments in Subsidiary		159.81		142.55
Total		27,622.06		23,776.82
29 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Salaries, wages and Ex-gratia		1,233.64		1,317.81
Contribution to Provident fund and other Funds		62.28		69.84
Employee's welfare expenses		17.31		15.99
Rates and Taxes		28.50		22.60
Repairs:				
Others		108.69		72.96
Power and fuel		196.71		161.86
Travelling and conveyance		38.41		35.55
Others		1,925.19		2,097.41
Total		3,610.73		3,794.02

Notes forming part of Financial Statements

30 During the previous year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also re-classified the previous year figures in accordance with the figures of the current year.

31 Contingent Liabilities :

(₹ in lacs)

	2012-13	2011-12
(i) Claims not acknowledged as debts*.	1,790.99	1,416.00
(ii) In respect of the Guarantees given to Bank on behalf of : - Subsidiaries	2,102.10	2,397.15
(iii) Other money for which the company is Contingently liable	495.91	518.93
Total	4,389.00	4,332.08

* includes ₹ 96.44 lacs (Previous Year ₹ 88.20 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.

32 Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital & other account not provided for ₹ 9,124.58 lacs (Previous year ₹ 11,647.05 lacs).

33 Cash credit, ₹ 572.05 lacs (Previous Year ₹ 949.14 lacs) from Bank of India and Bank of Baroda are secured against hypothecation of Inventories, Book debts and mortgage of immovable properties located at Jogeshwari, Roha, Ghaziabad on first pari passu charge & on immovable properties at Goa and Baddi Unit I on a second and subservient charge.

Short Term unsecured borrowings ₹ Nil (Previous Year ₹ 1,538.15 lacs) represent Packing / Buyers credit in Foreign currency availed from various banks against export receivables. Maximum tenor of such borrowings is 6 months from the date of availment.

34 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.

35 On internal assessment of long term investments made by the Company in its subsidiaries during the year, the management has determined an amount of ₹ 159.81 lacs (previous year ₹ 142.55 lacs) for diminution, which has been provided in the accounts.

Notes forming part of Financial Statements

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

Particulars		2012-13	2011-12
i)	Power & fuel	165.32	56.29
ii)	Repairs & maintenance	29.52	3.55
iii)	Payroll expenses	322.62	122.89
iv)	Freight	11.20	13.13
v)	Insurance	5.87	6.39
vi)	Rent	130.99	107.53
vii)	Travelling Expenses	7.62	6.20
viii)	Rates & Taxes	8.74	4.52
ix)	Administrative expenses	507.28	278.49
x)	Depreciation / Amortisation	179.00	206.76
Total		1,368.16	805.75

- 37 Shareholders of the Company approved the sale of company's unit at SEZ, Indore, Madhya Pradesh through a postal ballot. The results of the said ballot were announced on 29.03.2013. Majority of fixed assets in this unit are included under the head "Capital work in progress" (Refer Note no. 13)
The sale will be completed after receipt of certain necessary approvals.

- 38 The Company uses forward contracts to hedge its risk associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not enter into forward exchange contracts which are intended for speculative purpose.
The following are the outstanding forward contracts as at 31st March, 2013.

(Value in lacs)

Currency	Buy/Sell	Foreign currency value	
		2012-13	2011-12
EURO	Sell	17.24	17.86
USD	Sell	72.96	43.42
USD	Buy	0.74	0.00
GBP	Sell	0.00	0.10
CAD	Sell	1.00	2.00

Foreign Currency exposure not hedged by forward contracts as at 31st March, 2013 are given below:

(Value in lacs)

Unhedged	Foreign currency value	
	2012-13	2011-12
A) Receivable		
EURO	25.30	9.94
USD	89.67	98.79
GBP	5.12	8.00
CAD	6.28	4.87
B) Payable		
EURO	0.06	0.05
USD	0.00	26.23
JPY	0.54	40.58
GBP	2.94	0.00

Notes forming part of Financial Statements

39 Employee Benefits

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

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

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

Details of Provision for gratuity and leave encashment.

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Defined benefit obligation	1,291.98	1,153.47	895.86	836.06
Fair value of plan assets	1,077.33	1,075.22	100.10	-
	(214.65)	(78.25)	(795.76)	(836.06)
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	(214.65)	(78.25)	(795.76)	(836.06)

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Opening defined benefit obligation	1,153.47	1,012.14	836.06	723.36
Interest cost	91.26	80.97	60.69	57.87
Current service cost	148.78	156.45	98.36	97.14
Benefits paid	(94.42)	(50.24)	(200.73)	(129.15)
Actuarial (gains) / losses on obligation	(7.11)	(45.85)	101.47	86.84
Closing defined benefit obligation	1,291.98	1,153.47	895.85	836.06

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Opening fair value of plan assets	1,075.22	1,031.55	-	-
Expected return	95.09	93.09	-	-
Contributions by employer	-	-	-	-
Benefits paid	(94.42)	(50.24)	-	-
Actuarial gains / (losses)	1.44	0.82	-	-
Closing fair value of plan assets	1,077.33	1,075.22	0.00	0.00

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

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Investment with Insurer	%	%	%	%
	100	100	11.16	-

Notes forming part of Financial Statements

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

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Discount rate	% *8.00%	% *8.25%	% *8.00%	% *8.25%
Expected rate of return on Plan assets	*9.25%	*9.25%	-	-
Increase in Compensation plan cost	*8.00%	*7.00%	*8.00%	*7.00%

* As per Actuary Certificate

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

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	1,291.98	1,153.47	895.86	836.06
Plan assets	1,077.33	1,075.22	100.10	-
Surplus / (deficit)	(214.65)	(78.25)	(795.76)	(836.06)
Experience adjustments on Plan Liability	(94.58)	(33.58)	(65.67)	97.72
Experience adjustments on Plan Assets	(1.44)	(0.82)	-	-

Statement of Profit & Loss

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

Net employee benefit expense (recognised in Employee Cost)

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Current service cost	148.78	156.45	98.36	97.14
Interest cost on benefit obligation	91.26	80.97	60.69	57.87
Expected return on plan assets	(95.09)	(93.09)	-	-
Net actuarial (gain) / loss recognised in the year	(8.54)	(46.68)	101.47	86.84
Past service cost		-		
Net benefit expense	136.41	97.65	260.52	241.85

40 Segment Reporting :

Primary Segment

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

Secondary Segment (By Geographical Segment)

(₹ in lacs)

Sales and Operating Income (Gross)	2012-13	2011-12
India	66,534.57	56,176.25
Outside India	34,761.14	24,660.70
Total	101,295.71	80,836.95

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

Notes forming part of Financial Statements

41 Related Party Disclosures

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

1 Relationships

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

* Scheme of amalgamation becoming effective from 01.04.2011 (appointed date) consequent upon sanction from Hon'ble High court of Mumbai, shares in the name of said companies were cancelled and new shares were issued to the shareholders of respective companies. (Refer Note no. 2) However considering the fact that Dividend was paid before effective date, the transactions are reflected hereunder in spite of cancellation of the shares w.e.f. 01.04.2011.

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

(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sales of goods, etc.	6,212.95	3,061.25	-	-	-	-	6,212.95	3,061.25
Rent & Maintenance paid	-	-	2.54	2.26	9.59	10.41	12.13	12.67
Managerial remuneration	-	-	244.63	222.16	-	-	244.63	222.16
Commission	111.05	110.71	168.97	116.82	-	-	280.02	227.53
Salary	-	-	28.31	21.16	-	-	28.31	21.16
Dividend paid	-	-	1,343.89	437.04	-	792.23	1,343.89	1,229.27
Expenses Reimbursed	38.60	149.85	-	-	-	-	38.60	149.85
Investment made during the year	1,148.86	1,419.01	-	-	-	-	1,148.86	1,419.01
Total	7,511.46	4,740.82	1,788.34	799.44	9.59	802.64	9,309.39	6,342.90

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

Particulars	Subsidiaries		Key Management Personnel & their relatives		Total	Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Outstanding Balances						
Deposits given	-	-	45.06	45.06	45.06	45.06
Creditors	94.86	85.13	-	-	94.86	85.13
Debtors outstanding	5,547.24	3,149.72	-	-	5,547.24	3,149.72
Guarantees given to bank on behalf of Subsidiaries	2,102.10	2,397.15	-	-	2,102.10	2,397.15
Total Investments	10,841.00	9,692.14	-	-	10,841.00	9,692.14
Other Advances & Receivable	-	0.34	-	-	-	0.34
Due to Directors	-	-	168.97	116.82	168.97	116.82
Total	18,585.20	15,324.48	214.03	161.88	18,799.23	15,486.36

Notes forming part of Financial Statements

(iii) Details of material transactions during the year

(₹ in lacs)

	2012-13	2011-12
a) Sale of finished goods (Net of returns)		
Niche Generics Ltd	2,116.84	1,255.40
Unichem Pharmaceuticals (USA) Inc.	3,667.94	1,676.04
b) Investments made		
Unichem Farmaceutica Do Brasil Ltda	799.06	712.75
Unichem Pharmaceuticals (USA) Inc.	-	365.61
Unichem Laboratories Limited, Ireland	349.80	340.65
c) Guarantees given to Banks on behalf of Subsidiary Company		
Niche Generics Limited.	2,102.10	2,397.15
d) Rent & Maintenance Paid		
Mrs. Anita Mody	2.54	2.26
Uni Distributors Pvt Ltd	9.59	10.41
e) Managerial Remuneration		
Dr. Prakash A. Mody	244.63	222.16
f) Commission		
Dr. Prakash A. Mody	168.97	116.82
Unichem Pharmaceuticals (USA) Inc.	111.05	110.71
g) Salary		
Ms. Supriya Mody	28.31	21.16
h) Dividend Paid		
Pranit Trading Pvt Ltd*		231.07
Chevy Capital Services Pvt Ltd*		146.89
PM Capital Services Pvt Ltd*		130.77
Viramrut Trading Pvt. Ltd.*		152.67
AVM Capital Services Pvt Ltd.*		130.83
Dr. Prakash A. Mody - Dividend	1,190.04	293.44
i) Expenses Re - imbursement		
Niche Generics Limited.	11.20	12.54
Unichem Pharmaceuticals (USA) Inc.	24.23	87.76
Unichem Farmaceutica Do Brasil Ltda	-	33.31
Unichem SA Pty Ltd	3.17	16.24

42 Operating lease:

Premises and certain vehicles are obtained on operating lease and are renewable/cancellable at mutual consent. There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements. There are no sub-leases. The aggregate lease rentals payable, are charged as rent (Refer Note no. 28) in the Statement of Profit & Loss.

43 Earning Per Share has been computed as under:

₹ in lacs except EPS

Particulars	2012-13	2011-12
Profit after Tax Expenses attributable to equity shareholders (A) (Rs. In lacs)	12,959.60	8,246.33
Weighted average number of Equity shares for Basic Earning per Share (B)	90,408,889	90,299,004
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,710,953	90,678,997
Earning Per Share - Basic (A) / (B) ₹	14.33	9.13
Earning Per share-Diluted (A) / (C) ₹	14.29	9.09
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		

Notes forming part of Financial Statements

44 Share Application Money Pending allotment.

Particulars	As at 31st March, 2013	As at 31st March, 2012
Terms and conditions	As per ESOP 2008 Scheme	As per ESOP 2008 Scheme
Number of shares proposed to be issued (Nos.)	NIL	7,500
Amount of premium, if any (Rs. In Lacs)	NIL	3.30
Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money.	N.A.	Yes

45 Employee share based payment plans

i) During the year ended 31st March, 2013 the Company has two share based payment arrangements which are described below:

Type of arrangement	ESOS 2004		ESOS 2008	
	Senior Management stock option scheme	Senior Management stock option scheme	Independent Directors stock option scheme	Senior Management stock option scheme
Date of Grant	23.12.2004	10.02.2006	26.03.2009	17.06.2009
Number granted	100,000	200,000	50,000	297,500
Contractual life	5 Years	5 Years	5 Years	5 Years
Vesting condition	As decided by Board/ Compensation Committee based on various factors	As decided by Board/ Compensation Committee based on various factors	As decided by Board/ Compensation Committee based on various factors	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	2012-13		2011-12	
	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	
	2012-2013	2011-2012
Option outstanding at the beginning of the year Face Value ₹ 2 per share each (Nos.)	2,250	2,250
Exercised during the year (Nos.)	(2,250)	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Face Value of ₹ 2/- per share each) (Nos.)	-	2,250
Weighted Average Exercise Price (₹)	212	212
Weighted Average Fair Value of Option (₹)	149	149

Particulars	ESOS 2008	
	2012-2013	2011-2012
Option outstanding at the beginning of the year Face Value ₹ 2 per share each (Previous year face Value of ₹ 2/- per share each) (Nos.)	587,061	688,750
Exercised during the year (Nos.)	(132,687)	(82,002)
Lapsed during the year (Nos.)	(51,812)	(19,687)
Option outstanding at the end of the year (Face Value of ₹ 2/- per share each) (Nos.)	402,562	587,061
Weighted Average Exercise Price (₹)	115	115
Weighted Average Fair Value of Option (₹)	97	97

Notes forming part of Financial Statements

46 The amount of Dividends proposed to be distributed to Equity shareholders for the F.Y. 2012-2013 includes dividend on shares allotted to employees as per ESOP Scheme of the company, after the Balance sheet but before record date, on which dividend is declared in Board Meeting. The total 13,750 nos. of shares are allotted after balance sheet date on which dividend of ₹ 4.50/- per share is declared and will be paid after approval of same in ensuing Annual General Meeting. Accordingly provision has been made for dividend distribution tax (DDT) on such dividend in F.Y. 2012-2013 Audited accounts.

47 Establishment and Administrative expenses include payment to:

i. Statutory Auditors (Excluding Service Tax)

(₹ in lacs)

	2012-13	2011-12
Audit Fees	14.00	11.50
Tax Audit	4.00	3.85
Certification Charges	5.93	4.13
Reimbursement of Expenses	2.26	0.93
Total	26.19	20.41

ii. Cost Auditors (Excluding Service Tax)

	2012-13	2011-12
Audit Fees	4.50	4.00
Certification charges	0.50	0.60
Reimbursement of Expenses	0.06	0.21
Total	5.06	4.81

48 Information pursuant to the provisions of Revised Schedule VI to the Companies Act, 1956 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		
Tablets/Capsules	1,703.49	2,139.40
Syrups	7.90	17.76
Injections	35.50	26.53
Eyemides, Ointments & Powder	316.12	227.78
Bulk Drugs & Chemicals	633.09	265.84
Total	2,696.10	2,677.31

ii. Opening and closing Stock of Traded Goods purchased by Company

(₹ in lacs)

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations		
Tablets/Capsules	1,241.39	1,496.40
Syrups	78.79	249.52
Injections	48.72	114.56
Eyemides, Ointments & Powder	281.18	430.97
Total	1,650.08	2,291.45

Notes forming part of Financial Statements

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations		
Tablets/Capsules	975.15	1,263.12
Syrups	2.23	-
Injections	3.41	4.85
Eyemides, Ointments & Powder	5.39	14.75
Bulk Drugs & Chemicals	1,690.26	1,778.45
Total	2,676.44	3,061.17

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

Class of Goods	2012-13	2011-12
	Value	Value
Formulations		
Tablets/Capsules	63,700.83	47,560.83
Syrups	197.84	215.53
Injections	444.91	329.87
Eyemides, Ointments & Powder	2,133.60	1,723.90
Bulk Drugs & Chemicals	11,131.73	10,053.65
Total	77,608.91	59,883.78

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

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

Class of Goods	2012-13	2011-12
	Value	Value
Formulations		
Tablets/Capsules	17,566.92	14,864.34
Syrups	1,348.90	1,677.48
Injections	1,253.61	1,333.71
Eyemides, Ointments & Powder	2,681.63	2,149.87
Total	22,851.06	20,025.40

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

vi. Purchases of Finished Goods (₹ in lacs)

Class of Goods	2012-13	2011-12
	Value	Value
Formulations		
Tablets/Capsules	7,551.83	6,669.68
Syrups	984.06	1,223.46
Injections	721.68	776.71
Eyemides, Ointments & Powders	1,526.86	1,620.93
Total	10,784.43	10,290.78

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

Particulars	2012-13	2011-12
	Value	Value
Raw Materials	3,878.07	3,555.75
Packing Materials	232.39	318.91
Stores & Spare Parts	21.99	11.76
Capital Goods	831.63	2,623.36
Others	4.62	-
Total	4,968.70	6,509.78

Notes forming part of Financial Statements

viii. Expenditure in Foreign Currencies (On Accrual basis)

(₹ in lacs)

Particulars	2012-13	2011-12
	Value	Value
Professional and Consultation fees	436.53	12.33
Others	1,018.38	1,224.26
Total	1,454.91	1,236.59

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

(₹ in lacs)

Particulars	2012-13	2011-12
	Value	Value
Sales & Operating Income		
Export of Goods calculated on FOB basis.	32,157.11	22,362.01
Insurance, Freight and other charges recovered	1,351.25	931.23
Total	33,508.36	23,293.24

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

(₹ in lacs)

Particulars	2012-13		2011-12	
	%	Value	%	Value
A. Raw Materials				
Indigenous (including canalised)	79	17,270.60	78	12,664.99
Imported (including duty and charges)	21	4,518.69	22	3,614.86
Total	100	21,789.29	100	16,279.85
B. Packing Materials, Stores and Spares				
Indigenous (including canalised)	92	4,593.82	92	3,467.13
Imported (including duty and charges)	8	411.53	8	283.30
Total	100	5,005.35	100	3,750.43

xi. Break up of Raw Materials Consumed

(₹ in lacs)

Particulars	2012-13	2011-12
	Value	Value
Ampicillin	1,781.02	1,272.55
Levetiracetam	2,459.01	1,333.11
Miscellaneous (none of which individually accounts for more than 10% of total consumption)	17,549.26	13,674.19
Total	21,789.29	16,279.85

Signature to the Notes 1 to 48 of the Financial Statements.

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants
FRN 104345W

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 11, 2013

Independent Auditor's Report On the Consolidated Financial Statements

The Board of Directors
Unichem Laboratories Limited
Mumbai

We have audited the accompanying financial statements of Unichem Laboratories Limited and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

We did not audit the financial statements of:

- i) Four subsidiary companies whose financial statements reflect total assets (net) of Rs.1651.71 lacs as at March 31, 2013, total revenues (including other income) of Rs.13,888.04 lacs and net cash outflow amounting to Rs.139.29 lacs for the year ended, and
- ii) A subsidiary company whose financial statements reflect total assets (net) of Rs.1.48 lacs as at February 28, 2013, total revenues (including other income) of Rs.0.39 lacs and cash inflow of Rs.0.23 lacs for the year ended.

These financial statements and other information of the subsidiaries were audited by other auditors whose reports have been furnished to us, and our opinion, so far as it relates to the amounts included in respect of these subsidiaries are based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the management in accordance with the requirements of Accounting Standard 21 - 'Consolidated Financial Statements' as notified by the Companies (Accounting Standard) Rules, 2006.

Opinion

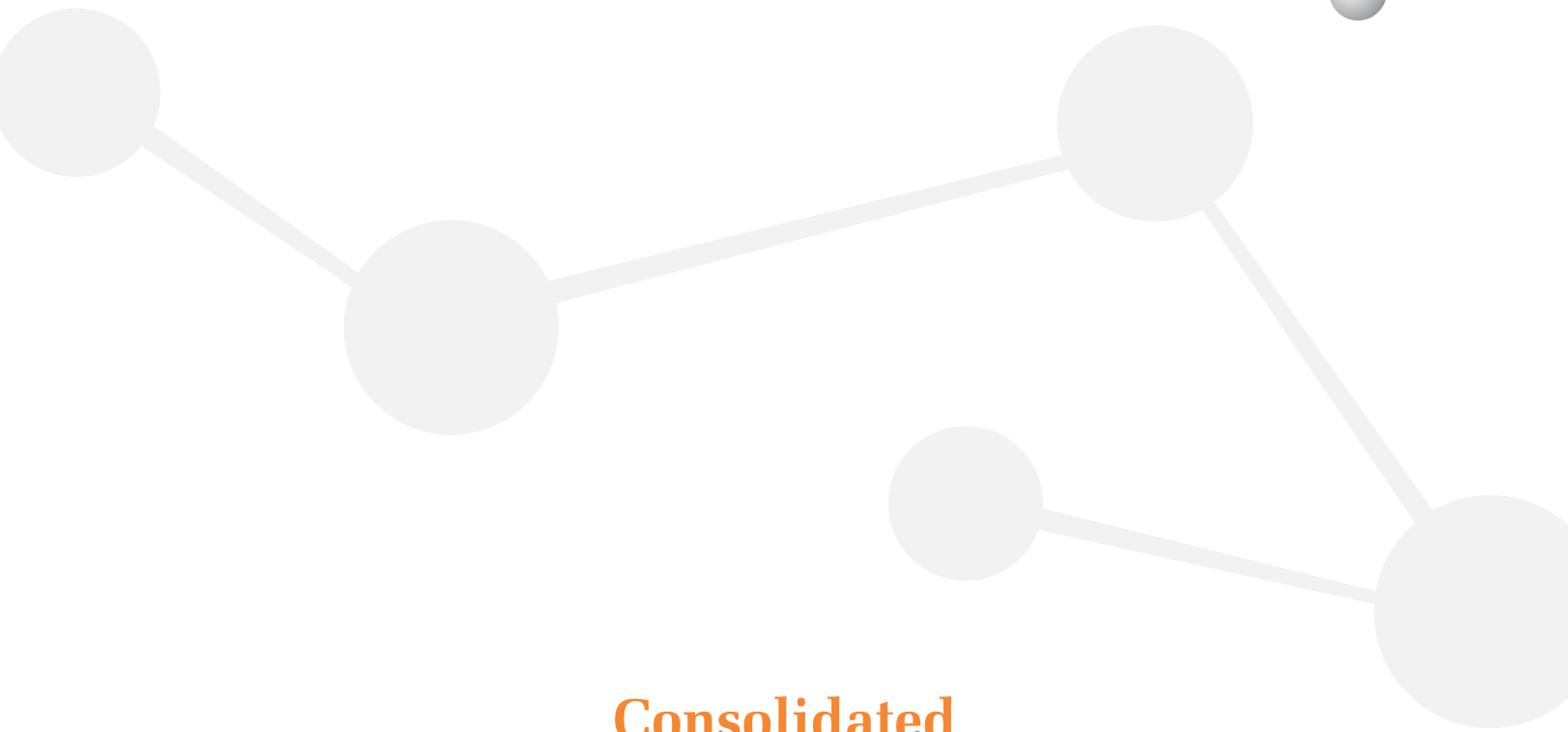
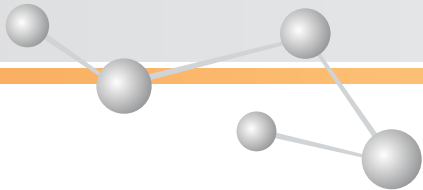
In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Mumbai
May 11, 2013

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

Raman Jokhakar
Partner
Membership No.: 103241



**Consolidated
Financial
Statements**

Consolidated Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2013	As at 31 st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	1,809.13	1,806.43
(b) Reserves and Surplus	4	70,898.06	64,248.45
(2) Share Application Money pending allotment			
	5	-	3.45
(3) Non- current liabilities			
(a) Long term borrowings	6	2,089.10	2,046.86
(b) Deferred tax liabilities (Net)	7	3,897.43	3,847.43
(c) Other long term liabilities	8	2,525.76	2,348.82
(d) Long - term provisions	9	918.68	1,023.92
(4) Current liabilities			
(a) Short term borrowings	10	617.33	2,541.94
(b) Trade payables	11	15,662.83	14,029.83
(c) Other current liabilities	12	3,665.01	3,427.93
(d) Short- term provisions	13	5,166.96	3,330.00
TOTAL		107,250.29	98,655.06
II. ASSETS			
(1) Non- current assets			
(a) Fixed assets	14		
(i) Tangible assets		43,469.94	39,244.26
(ii) Intangible assets		1,305.94	1,594.95
(iii) Capital work-in-progress		13,220.10	11,276.03
(b) Non-current investments	15	572.31	3.00
(c) Long-term loans and advances	16	837.81	2,602.25
(2) Current assets			
(a) Current Investments	17	3,306.04	1,450.00
(b) Inventories	18	14,304.57	15,796.41
(c) Trade receivables	19	20,695.29	18,325.19
(d) Cash and Bank Balances	20	2,463.86	2,323.33
(e) Short -term loans and advances	21	6,666.42	5,596.69
(f) Other current assets	22	408.01	442.95
TOTAL		107,250.29	98,655.06
Significant Accounting Policies	1		

Notes to Accounts form an Integral part of financial statements

As per our report of even date attached

For B. D. Jokhakar & Co.

Chartered Accountants

FRN 104345W

Raman Jokhakar

Partner

Membership No.103241

Mumbai

May 11, 2013

Rakesh Parikh

Vice President

Finance

K. Subharaman

Vice President - Legal

& Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

Prafull Anubhai

Director

For and on behalf of the Board of Directors

Consolidated Statement of Profit and Loss

(₹ in lacs)

	Notes	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Income			
I. Revenue from operations (Gross)	23	108,854.30	88,064.52
Less: Excise duty		774.02	518.22
Revenue from Operations (Net)		108,080.28	87,546.30
II. Other Income	24	1,341.87	1,020.07
III. Total Revenue (I + II)		109,422.15	88,566.37
IV. Expenses:			
Cost of materials consumed	25	28,511.41	21,452.44
Purchase of Stock -in-Trade		9,452.67	10,661.25
Changes in inventories of Finished goods, Work-in-progress and Stock -in-Trade		1,530.85	(588.56)
Employee benefits expenses	26	16,487.95	14,006.33
Finance costs	27	328.98	407.83
Depreciation and Amortisation expenses		3,833.98	3,043.45
Other expenses	28	31,019.71	26,253.29
Research & Development Expenses	29	3,649.32	3,927.37
Total Expenses (IV)		94,814.87	79,163.40
V. Profit before tax (III -IV)		14,607.28	9,402.97
VI. Tax expenses			
(1) Current tax		3,245.07	2,215.00
(2) Deferred tax	7	50.00	66.00
(3) Short / (excess) provision for taxation pertaining to previous years		(10.37)	(3.78)
Total tax expenses (VI)		3,284.70	2,277.22
VII. Profit for the period (V-VI)		11,322.58	7,125.75
VIII. Earnings per equity share (Face Value Rs.2 each)			
(1) Basic (in ₹)		12.52	7.89
(2) Diluted (in ₹)		12.48	7.86
Significant Accounting Policies	1		

Notes to Accounts form an Integral part of financial statements

As per our report of even date attached

 For B. D. Jokhakar & Co.
Chartered Accountants
FRN 104345W

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

 Mumbai
May 11, 2013

Consolidated Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
A. Cash Flow from Operating Activities				
Net Profit before Tax		14,607.28		9,402.97
Adjustment for :				
Provision for Wealth Tax	15.00		15.00	
Depreciation	3,833.98		3,043.45	
Loss/(Profit) on Sale of Assets (Net)	4.67		(5.00)	
Unrealised Exchange difference (Net)	(177.04)		(153.18)	
Interest Expenses	328.98		407.83	
Provision for doubtful debts, loans, advances & deposits for the year	133.84		587.21	
Employees compensation expenses (ESOS)	28.22		60.49	
Stock Option expenses (other than employees)	6.79		6.79	
Loss/(Profit) on Sale of Investments	(259.87)		(115.41)	
Bad debts Written Off	954.87		262.35	
Interest income	(40.25)		(161.11)	
Excess provision for expenses written back	(114.48)		(12.80)	
Surplus on Amalgamation	-		1.62	
Dividend Income	(0.09)		(0.05)	
		4,714.62		3,937.19
Operating Profit Before Working Capital Changes		19,321.90		13,340.16
Adjusted for:				
Trade & other receivables	(2,297.65)		(2,169.15)	
Inventories	1,491.84		(770.17)	
Trade & Other Payables	2,111.11	1,305.30	4,290.32	1,351.00
Cash Generated from Operations		20,627.20		14,691.16
Direct Taxes Paid (Net of refund)		(3,504.17)		(2,283.08)
Net Cash Flow from Operating Activities		17,123.03		12,408.08
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(9,800.43)		(11,309.83)
Sale of Fixed Assets		81.04		174.05
Sale / (Purchase) of Investment in others (Net)		(2,425.35)		678.88
Profit / (Loss) on Sale of Investments		259.87		115.41
Interest received		40.25		161.11
Dividend on Investments		0.09		0.05
Net Cash used in Investing Activities		(11,844.53)		(10,180.33)
C. Cash Flow from Financing Activities				
Receipt of working Capital borrowings		(386.46)		100.17
Proceeds from issue of share capital & share premium		58.57		41.16
Receipt of short term borrowing		(1,538.15)		1,538.15
Receipt of long term borrowing		42.24		145.62
Increase in Long tem liabilities		176.94		77.25
Interest paid		(328.98)		(407.83)
Dividend paid		(2,721.65)		(2,505.50)
Dividend distribution tax paid		(440.19)		(409.89)
Net Cash used in Financing Activities		(5,137.68)		(1,420.87)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		140.82		806.89
Opening Balance of Cash and Cash Equivalents		2,323.04		1,516.15
Closing Balance of Cash and Cash Equivalents		2,463.86		2,323.04
Closing balance of Cash & cash Equivalents as per Note No. 20		2,463.86		2,323.33
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		-		(0.29)
Closing balance of Cash & cash Equivalents as per cash flow		2,463.86		2,323.04

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants
FRN 104345W

Raman Jokhakar
Partner
Membership No.103241
Mumbai
May 11, 2013

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Notes forming part of Consolidated Financial Statements

1. Significant Accounting Policies

i. Basis of Accounting

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the provisions of Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006.

During the previous year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also re-classified the previous year figures in accordance with the figures of the current year.

ii. Use of Estimates

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

iii. Principles of Consolidation:

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

- a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of Assets, Liabilities, Income & Expenses after fully eliminating intra-group investments.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c) 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.
- d) Financial statements of foreign subsidiaries considered as non integral in terms of AS 11 are transacted as under:
 - i) Assets and Liabilities at the rate prevailing at the end of the year.
 - ii) Revenues & expenses at yearly average exchange rates.
 - iii) Any Exchange Differences are transferred to Foreign Currency Translation Reserve.
- e) Financial statements of foreign subsidiaries which are considered as integral operation are translated as if the transactions of foreign subsidiaries have been those of company itself.
- f) Unichem S. A. Proprietary (100%) Subsidiary Company incorporated in South Africa has different date of 28/02/2013 as a date of reporting than that of the parent Company.

2. Scheme of Amalgamation

The Hon'ble High Court of Mumbai, on July 12, 2012 sanctioned the scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956 of five Investment Companies (the primary assets of which comprise of equity shares in the Company) namely, AVM Capital Services Private Limited (ACSPL), Chevy Capital Services Private Limited (CCSPL), PM Capital Services Private Limited (PCSPL), Pranit Trading Private Limited (PTPL), Viramrut Trading Private Limited (VTPL), (collectively herein after referred to as "Transferor Companies") with the Company.

Notes forming part of Consolidated Financial Statements

The Scheme was earlier approved by the shareholders in the court-convened meeting held on November 3, 2011. The Company filed the Court Order with the Registrar of Companies on 6th August, 2012 to make the scheme effective in terms of said order dated 12th July 2012. ULL has given effect for the said Scheme in its books of accounts with effect from the appointed date i.e. 1st April 2011. In accordance with the Scheme, the Company has accounted for the Amalgamation based on the "Pooling of Interest" method as under:

- (i) all assets and liabilities appearing in the books of accounts of Transferor Companies have been transferred to & vested in and have been recorded by the Company at their respective book values
- (ii) the investments in equity share capital of the Company as it appeared in the books of account of the Transferor Companies is cancelled
- (iii) the excess of net assets value of the Transferor Companies as reduced by the face value of shares issued by the Company, adjusted for cancellation of equity share capital as mentioned above and net of all expenses in relation to the Scheme, amounting to ₹ 1.62 lacs has been credited to Surplus in the Profit and Loss Account
- (iv) all inter-company transactions have been eliminated on incorporation of the accounts of Transferor Companies in the books of Company
- (v) in consideration of the above, the Company issued and allotted equity shares, credited as fully paid up, to the extent indicated below, to all the members of the Transferor Companies in the following proportion:
 - (a) 46,72,552 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in ACSPL
 - (b) 78,43,811 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in CCSPL
 - (c) 46,70,186 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in PCSPL
 - (d) 1,09,36,087 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in PTPL
 - (e) 17,13,547 fully paid up equity shares of ₹ 2 each of the Company for every 1,000 paid up equity shares of ₹ 100 each held in VTPL

Accordingly, 2,82,93,991 fully paid up equity shares of ₹ 2 each of the Company will be issued to the shareholders of the Transferor Companies, which is equivalent to the shares cancelled, vide (ii) above; these shares, aggregating to ₹ 565.88 lacs, pending allotment were shown as "Share Capital pending allotment" under Share Capital, thus resulting in no change in the total issued & paid up Share Capital of the Company. The new equity shares to be issued as above shall rank pari-passu with the existing equity shares of the Company. As per the scheme of amalgamation, the said shares were issued & allotted to the shareholders of the transferor companies as per register of members of the transferor companies as on the effective date i.e. 6th August, 2012.

Notes forming part of Consolidated Financial Statements

(₹ in lacs)

		As at 31 st March, 2013	As at 31 st March, 2012
3 SHARE CAPITAL			
AUTHORISED			
175,000,000	Equity Shares of ₹ 2/- each (Previous year 175,000,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
50,000,000	Unclassified Shares of ₹ 2/- each (Previous year 50,000,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
5,000,000	Preference Shares of ₹ 10/- each (Previous year 50,00,000 Preference Shares of ₹ 10/- each)	500.00	500.00
	Total	5,000.00	5,000.00

		As at 31 st March, 2013	As at 31 st March, 2012
ISSUED, SUBSCRIBED AND PAID UP			
90,456,438	Equity Shares of ₹ 2/- each fully paid up (Previous year 90,321,501 Equity Shares of ₹ 2/- each fully paid up)	1,809.13	1,806.43
	Less: Share capital Cancelled on Amalgamation (Refer Note No. 2)	-	565.88
	Total	1,809.13	1,240.55
	Add: Share Capital pending allotment (Refer Note No. 2)	-	565.88
	Total	1,809.13	1,806.43

	2012-13		2011-12	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Reconciliation of Number of Shares (Equity)				
Number of Shares outstanding as at the beginning of the year*	90,321,501	1,806.43	90,239,499	1,804.79
Add: Number of Shares issued during the year	134,937	2.70	82,002	1.64
Number of Shares outstanding as at the end of the year*	90,456,438	1,809.13	90,321,501	1,806.43

* Excluding effect of amalgamation as referred to in Note No. 2

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.

Notes forming part of Consolidated Financial Statements

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

Name of the Shareholders	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody**	39,845,639	44.05	11,100,984	12.29
Pranit Trading Pvt Ltd*			8,252,673	9.14
Viramrut Trading Pvt Ltd*			5,452,506	6.04
Chevy Capital Services Pvt Ltd*			5,246,074	5.81
PM Capital Services Pvt Ltd*			4,670,186	5.17
AVM Capital Services Pvt Ltd*			4,672,552	5.17

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.

*Scheme of amalgamation becoming effective from 01.04.2011 (appointed date) consequent upon sanction from Hon'ble High Court of Mumbai, shares in the name of said companies got cancelled and new shares will be issued to the shareholders of respective companies. (Refer Note no.2)

** Scheme of amalgamation becoming effective from 01.04.2011 (appointed date) consequent upon sanction from Hon'ble High Court of Mumbai, New shares were issued to the shareholders of respective companies (Refer Note No. 2) the effect of which is not included in shareholding as of 31st March, 2012

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
4 RESERVES AND SURPLUS		
CAPITAL RESERVE		
Balance as per last Balance Sheet	62.50	62.50
Add: transferred during the year	-	-
	62.50	62.50
CAPITAL REDEMPTION RESERVE		
Balance as per last balance sheet	834.00	834.00
Add: transferred during the year	-	-
	834.00	834.00
SECURITIES PREMIUM ACCOUNT		
Balance as per last balance sheet	7,653.39	7,537.44
Add: Addition during the year	62.49	115.95
	7,715.88	7,653.39
STOCK OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	176.26	264.17
Less: Deduction during the year	(24.31)	(87.91)
	151.95	176.26
Less: Deferred Employees' stock compensation	(52.05)	(108.20)
	99.90	68.06
GENERAL RESERVE		
Balance as per last Balance Sheet	15,574.80	14,074.8
Add: Transfer from Profit and Loss Account	1,500.00	1,500.0
	17,074.80	15,574.80
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last balance sheet	287.56	81.90
Add/Less: Addition / (deduction) during the year	(4.25)	205.66
	283.31	287.56
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	39,768.14	37,294.40
Add: Profit for the year after tax	11,322.58	7,125.75
Surplus on Amalgamation	-	1.62
Profit available for appropriations	51,090.72	44,421.77
Less: APPROPRIATIONS		
Proposed Dividend	4,071.16	2,713.44
Tax on Proposed Dividend	691.89	440.19
Transfer to General Reserve	1,500.00	1,500.00
Total	6,263.05	4,653.63
Net surplus in the statement of Profit & Loss	44,827.67	39,768.14
Total	70,898.06	64,248.45

Notes forming part of Consolidated Financial Statements

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
5 SHARE APPLICATION MONEY PENDING ALLOTMENT		
Total	-	3.45
	-	3.45
6 LONG TERM BORROWINGS		
Term loans from Banks	2,089.10	2,046.86
Total	2,089.10	2,046.86

7 DEFERRED TAX LIABILITIES (NET)	3,897.43	3,847.43
Total	3,897.43	3,847.43

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	As at 31 st March, 2013	Charge/(credit) for the year	As at 31 st March, 2012
Deferred Tax Liability			
on account of Depreciation	4,597.92	13.27	4,584.65
Sub Total	4,597.92	13.27	4,584.65
Deferred Tax Assets			
Provision for Doubtful Debts, Advances and leave encashment	700.49	(36.73)	737.22
Sub Total	700.49	(36.73)	737.22
Total	3,897.43	50.00	3,847.43

The deferred tax liability for the current year amounting to ₹ 50.00 lacs (Previous year ₹ 66.00 lacs) is shown in the Statement of Profit & Loss under Tax expenses.

	As at 31 st March, 2013	As at 31 st March, 2012
8 OTHER LONG TERM LIABILITIES		
Advances from Consignmnet agents & Others	2,525.76	2,348.82
Total	2,525.76	2,348.82
9 LONG TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	918.68	1,023.92
Total	918.68	1,023.92
10 SHORT TERM BORROWINGS		
Secured :		
Cash Credit from Banks	617.33	1,003.79
Unsecured:		
Working capital loans in Foreign Currency from Banks	-	1,538.15
Total	617.33	2,541.94

Notes forming part of Consolidated Financial Statements

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
11 TRADE PAYABLES		
Trade Payables	15,662.83	14,029.83
Total	15,662.83	14,029.83
12 OTHER CURRENT LIABILITIES		
Interest Accrued but not due on borrowings	-	4.14
Unclaimed Dividend	179.91	188.12
Other Payables		
Statutory Dues	407.30	296.12
Payable for Capital Goods	571.49	1,139.26
Others	2,506.31	1,800.29
	3,485.10	3,235.67
Total	3,665.01	3,427.93
13. SHORT TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	403.91	176.37
Others		
Proposed Dividend	4,071.16	2,713.44
Tax on Dividend	691.89	440.19
Total	5,166.96	3,330.00

Notes forming part of Consolidated Financial Statements

14 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation	Net Carrying Value	
	Cost As at 01/04/2012	Additions	Deductions	Cost As at 31/03/2013	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012
A. Tangible Assets							
Land							
Freehold	248.47	-		248.47	-	248.47	248.47
Leasehold	3,196.44	31.49	-	3,227.93	356.10	2,871.83	2,926.39
Buildings	18,006.03	4,501.37	(35.53)	22,471.87	4,268.83	18,203.04	14,374.94
Plant and Machinery	34,204.98	3,061.19	(88.39)	37,177.78	15,950.89	21,226.89	20,885.52
Furniture Fixtures	1,540.10	87.40	(38.40)	1,589.10	1,171.05	418.05	418.40
Cars and Vehicles	521.49	220.29	(98.62)	643.16	343.09	300.07	181.67
Office Equipments	477.87	28.92	(9.71)	497.08	295.49	201.59	208.87
Total Tangible Assets	58,195.38	7,930.66	(270.65)	65,855.39	22,385.45	43,469.94	39,244.26
B. Intangible Assets							
Goodwill	154.50	-		154.50	-	154.50	154.50
Brands / trademarks	1,576.82	-	-	1,576.82	425.38	1,151.44	1,440.45
Total Intangible Assets	1,731.32	-	-	1,731.32	425.38	1,305.94	1,594.95
Total Fixed Assets (Tangible & Intangible)	59,926.70	7,930.66	(270.65)	67,586.71	22,810.83	44,775.88	40,839.21
Previous Year	53,703.79	6,402.16	(179.25)	59,926.70	19,087.49	40,839.21	-
Capital Work in Progress						13,220.10	11,276.03

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 ₹ 6,565.77 Lacs (Previous year ₹ 1,946.88 Lacs) being expenditure on Research and Development as under:-

(₹ in lacs)

Assets Description	F.Y. 2012-2013	F.Y. 2011-2012
Land	31.49	-
Buildings	4,464.20	-
Plant & Machinery	1,986.40	289.46
Furniture Fixtures	44.06	0.56
Office Equipments	13.94	3.65
Capital Work in Progress	25.68	1,653.21
Total	6,565.77	1,946.88

15 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at	As at
	As at 31st March, 2013	As at 31st March, 2012		31st March, 2013	31st March, 2012
OTHER INVESTMENTS					
(I) UNQUOTED					
(a) INVESTMENT IN EQUITY INSTRUMENTS					
Fully Paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	₹ 10	30.38	30.38
Fully Paid Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Fully Paid Equity Shares of Synchron Research Private Limited	208,333	-	₹ 10	569.31	-
Fully Paid Equity Shares of Unireach Healthcare Private Limited	10,000	10,000	₹ 10	1.00	1.00
Less : Provision for diminution in value of investments				(30.38)	(30.38)
TOTAL UNQUOTED INVESTMENTS				572.31	3.00
(II) QUOTED					
Fully paid Equity Bonus Shares of Jindal Polyfilm Limited Market value as on 31st March, 2013, is ₹ 2.93 lacs (Previous Year ₹ 3.84 Lacs)	2,000	2,000	₹ 10	-	-
TOTAL QUOTED INVESTMENTS				-	-
TOTAL NON-CURRENT INVESTMENTS				572.31	3.00
Total of Unquoted & Quoted Non current Investment				572.31	3.00
Aggregate Book Value				572.31	3.00
Aggregate provision for diminution in value of Investments				(30.38)	(30.38)
Aggregate of Quoted Investments - At Book Value				-	-
- At Market Value				2.93	3.84

	As at 31 st March, 2013	As at 31 st March, 2012
16 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances	814.75	2,599.50
Loans to Employees	23.06	2.75
Total	837.81	2,602.25

Notes forming part of Consolidated Financial Statements

17 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units			
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
UNQUOTED				
INVESTMENT IN MUTUAL FUNDS				
Axis liquid Fund	23157.3020		300.00	
Axis Banking Debt Fund - Growth	9461.6490		100.00	
BOI Axa Liquid Fund - Reg Plan	14941.0230		200.00	
Birla Sun Life Short Term Fund - Retail - Growth		295,118.86		500.00
Birla Sun Life Cash Plus	267855.9170		500.57	
Birla Sun Life Floating Rate Fund	72068.5400		100.00	
Baroda Pioneer 90 day FMP Series 6 Growth Plan		1,000,000.00		100.00
DWS Treasury Fund Inst. Plan Growth		125,660.14		150.00
IDFC Cash Fund Institutional Plan B - Growth		5,279.14		100.00
ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Cumulative		1,859,773.00		200.00
IDBI Ultra Short Term Fund - Growth	8024.0630		100.00	
Indiabulls Liquid Fund - Growth	17592.1830		200.00	
JM High Liquidity Fund	632315.1690		200.00	
Kotak Floater Short Term - Growth	10,440.5293	712,169.55	200.00	125.00
Prudential ICICI Ultra Short	849487.7590		100.00	
Prudential ICICI Liquid Plan	119909.6400		202.27	
Peerless Liquid Fund	2375107.6070	1,067,527.52	300.00	125.00
Pramerica liquid Fund	16024.9000		200.00	
Reliance Treasury Plan - Inst	14347.3610		400.00	
Religare Ultra Short Term Fund	12608.2050		203.20	
UTI Treasury Advantage fund - Institutional Plan - Growth Plan		10,890.61		150.00
Aggregate of Unquoted Investments - At Book Value			3,306.04	1,450.00

	As at 31 st March, 2013	As at 31 st March, 2012
18 INVENTORIES (As Certified by Management)		
Raw Materials (Include ₹ 548.32 lacs in transit, (Previous year ₹ 446.57 lacs))	5,468.19	5,437.86
Packing Materials	1,039.23	1,054.60
Work-in-Progress	2,676.44	3,061.17
Finished Goods (excluding finished goods traded in) (Include ₹ 73.88 lacs in transit, (Previous year ₹ 293.71 lacs))	2,696.10	2,677.31
Stock in trade (in respect of goods acquired for trading)	2,155.45	3,320.36
Stores and Spares	269.16	245.11
Total	14,304.57	15,796.41

Notes forming part of Consolidated Financial Statements

(₹ in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
19 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	1,351.41	2,531.50
Considered doubtful	521.05	799.88
	1,872.46	3,331.38
Less: Provision for Doubtful receivables	521.05	799.88
	1,351.41	2,531.50
(b) Others Debts - Considered Good	19,343.88	15,793.69
Total	20,695.29	18,325.19
20 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	1,193.65	1,516.64
In Fixed Deposits	1,078.59	604.94
(ii) Cash on hand	11.71	13.63
(b) Other bank balances		
In Unpaid Dividend Account	179.91	188.12
Total	2,463.86	2,323.33
21 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance payment of Income Tax (Net of Provision for Taxation)	341.60	262.44
Short terms Deposits	381.05	366.01
Prepaid Expenses	493.90	282.73
Balances with Revenue Authorities (Including refund receivables)	3,479.59	2,842.94
Advance against materials & expenses	1,345.50	1,320.96
Other Loans & advances	624.78	521.61
	6,666.42	5,596.69
Considered Doubtful		
Short terms Deposits	13.90	13.66
Other Loans & advances	135.34	89.16
	149.24	102.82
Less : Provision for Doubtful Loans and Advances	149.24	102.82
	0.00	0.00
Total	6,666.42	5,596.69
22 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	44.96	28.64
Interest Accrued on Advances	6.82	19.54
Export incentive receivable	356.23	394.77
Total	408.01	442.95

Notes forming part of Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
23 SALES / INCOME FROM OPERATIONS (GROSS)		
Sale of products (Gross)	108,018.56	87,136.75
Other operating revenues		
Export benefits	563.78	518.32
Sundries	271.96	409.45
Total	108,854.30	88,064.52
24 OTHER INCOME		
Interest Income	40.25	161.11
[TDS deducted ₹ 3.76 lacs (Previous year ₹ 15.50 lacs)]		
Dividend Income	0.09	0.05
Net gain on sale of short term investments	259.87	115.41
Other non-operating Income	537.34	263.17
Net gain on foreign currency translation and transactions	504.32	480.33
Total	1,341.87	1,020.07
25 MATERIALS CONSUMED		
Raw Materials	23,321.94	17,782.62
Packing Materials	5,189.47	3,669.82
Total	28,511.41	21,452.44
26 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, ex-gratia bonus and commission	15,159.21	12,891.64
Contribution to Provident and other funds	948.76	828.88
Expense on Employee Stock Option Scheme	28.22	60.49
Staff Welfare Expenses	351.76	225.32
Total	16,487.95	14,006.33
27 FINANCE COST		
Interest expense	296.69	293.53
Other borrowing costs	7.00	5.56
Net loss on foreign currency transactions and translation (Foreign currency borrowings)	25.29	108.74
Total	328.98	407.83

Notes forming part of Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
28 OTHER EXPENSES				
Stores and Spares consumed		849.03		767.61
Manufacturing Charges		921.78		713.07
Power and Fuel		3,135.91		2,621.89
Rent		146.09		139.39
Insurance		253.54		313.28
Repairs :				
Plant and Machinery		483.93		363.86
Buildings		142.13		135.91
Others		679.05		575.92
Rates and Taxes		1,041.54		944.46
Advertising and sales promotion		10,563.05		8,794.26
Travelling and Conveyance		3,809.50		3,187.76
Freight outward		2,218.69		1,644.04
Directors' Fees		9.41		8.30
Commission on sales		810.87		1,161.88
Loss on sale of assets		8.14		0.41
Bad debts, loans, advances and deposits written off	954.87		262.35	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	354.40		229.56	
Provision for doubtful debts, loans, advances and deposits for the year		600.47		32.79
Establishment and Administrative Expenses		133.84		587.21
		5,212.74		4,261.25
Total		31,019.71		26,253.29
29 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Salaries, wages and Ex-gratia		1,233.64		1,317.81
Contribution to Provident Fund and other Funds		62.28		69.84
Employee's welfare expenses		17.31		15.99
Rates and Taxes		28.50		22.60
Repairs:				
Others		108.69		72.96
Power and fuel		196.71		161.86
Travelling and conveyance		38.41		35.55
Others		1,963.78		2,230.76
Total		3,649.32		3,927.37

Notes forming part of Consolidated Financial Statements

30 Research & Development expenditure (Refer Note No. 29) includes :

(₹ in lacs)

Particulars	2012-13	2011-12
Niche Generics Ltd		
Product Development	38.59	133.35

31 **Related Party Disclosures**

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

1. Relationships

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

Chevy capital services Pvt Ltd*
PM Capital services Pvt Ltd.*
AVM Capital services Pvt Ltd*
Pranit Trading Pvt. Ltd*
Viramrut Trading Pvt Ltd*
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

* Scheme of amalgamation becoming effective from 01.04.2011 (appointed date) consequent upon sanction from Hon'ble High Court of Mumbai, shares in the name of said companies were cancelled and new shares were issued to the shareholders of respective companies. (Refer Note no. 2) However considering the fact that Dividend was paid before effective date, the transactions are reflected hereunder in spite of cancellation of the shares on 01.04.2011.

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
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Rent & Maintenance paid	2.54	2.26	9.59	10.41	12.13	12.67
Managerial remuneration	661.32	581.20	-	-	661.32	581.20
Commission	168.97	116.82	-	-	168.97	116.82
Dividend paid	1,343.89	437.04	-	792.23	1,343.89	1,229.27
Salary Paid	28.31	21.16	-	-	28.31	21.16
	2,205.03	1,158.48	9.59	802.64	2,214.62	1,961.12

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

(₹ in lacs)

Particulars	Key Management Personnel & their relatives		Total	Total
	2012-13	2011-12	2012-13	2011-12
Outstanding Balances				
Deposits given	45.06	45.06	45.06	45.06
Due to Directors	168.97	116.82	168.97	116.82
	214.03	161.88	214.03	161.88

Notes forming part of Consolidated Financial Statements

(iii) Details of material transactions during the year

(₹ in lacs)

	2012-13	2011-12
a) Rent & Maintenance Paid		
Mrs. Anita Mody	2.54	2.26
Uni Distributors Pvt Ltd	9.59	10.41
b) Managerial Remuneration		
Dr. P A Mody	244.63	222.16
c) Commission Paid		
Dr. P A Mody	168.97	116.82
d) Dividend Paid		
Pranit Trading Pvt Ltd	-	231.07
Chevy Capital Services Pvt Ltd	-	146.89
PM Capital Services Pvt Ltd	-	130.77
Viramrut Trading Pvt. Ltd.	-	152.67
AVM Capital Services Pvt Ltd.	-	130.83
Dr. Prakash A. Mody	1,190.04	293.44
e) Salary paid		
Ms. Supriya Mody	28.31	21.16

32 Segment Reporting :

Primary Segment

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

Secondary Segment (By Geographical Segment)

(₹ in lacs)

	2012-13	2011-12
Sales and Operating Income (Gross)		
Within India	66,534.57	56,176.25
Outside India	42,319.73	31,888.27
Total	108,854.30	88,064.52

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

33 Operating lease:

Premises and certain vehicles are obtained on operating lease and are renewable/cancellable at mutual consent. There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements. There are no sub-leases. The aggregate lease rentals payable, are charged as rent (Refer Note no. 28) in the Statement of Profit & Loss.

34 Earning Per Share has been computed as under:

Particulars	2012-13	2011-12
Profit after Taxation attributable to equity shareholders (A)(Rs. In lacs)	11,322.58	7,125.75
Weighted average number of Equity shares for Basic Earning per Share (B)	90,408,889	90,299,004
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,710,953	90,678,997
Earning Per Share - Basic (A)/(B)	12.52	7.89
Earning per share- Diluted (A)/(C)	12.48	7.86

(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))

Notes forming part of Consolidated Financial Statements

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

As per our report of even date attached
For B. D. Jokhakar & Co.
Chartered Accountants
FRN 104345W

Raman Jokhakar
Partner
Membership No.103241

Mumbai
May 11, 2013

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

For and on behalf of the Board of Directors

Statement Pursuant to Section 212

Name of the Subsidiary Company	Niche Generics Limited	Unichem Farmaceutica Do Brasil Ltda	Unichem S.A (Proprietary) Limited	Unichem Pharmaceuticals (USA), Inc	Unichem Laboratories Ltd., Ireland
Financial year ending of the subsidiary	31 st March, 2013	31 st March, 2013	28 th February, 2013	31 st March, 2013	31 st March, 2013
Shares in the Subsidiary held by the Holding Company as at the above date					
i) Number of Equity Shares	6,25,000 shares of GBP 1 each fully paid-up	1,37,10,492 Shares R\$ 1 each fully paid-up	19,000 shares of South African Rand 10/- each fully paid-up	64,76,955 shares of US\$ 1 each fully paid-up	10,00,000 shares of EURO 1 each fully paid-up
ii) Extent of Holding	100 %	100 %	100 %	100%	100%
Net aggregate amount of Profit / (Loss) of the Subsidiary Company so far as they concern the members of the Holding Company and					
A) Not dealt with in the Holding Company's accounts for the year ended 31st March, 2013.					
i) For the Subsidiary's financial year ended as aforesaid.	GBP (99,147)	R\$ (29,60,771)	SAR (6,101)	US\$ (6,23,744)	EUR (2,94,937)
ii) For the Previous financial years of the Subsidiary since it became Holding Company's Subsidiary.	GBP (17,95,103.42)	R\$ (95,15,237)	SAR (1,71,698)	US\$ (59,33,799.51)	EUR (8,512)
B) Dealt with in the Holding Company's accounts for the year ended 31st March, 2013.					
i) For the Subsidiary's financial year ended as aforesaid.	Nil	Nil	Nil	Nil	Nil
ii) For the Previous financial years of the Subsidiary since it became Holding Company's Subsidiary.	GBP 6,86,481	Nil	Nil	Nil	Nil

Summary of Financials of Subsidiaries

Information on the financials of the Subsidiary Companies

(as per the exemption letter of the Ministry of Company Affairs, Government of India)

(₹ in lacs)

Name of Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
Niche Generics Limited @	1,624.12	(730.44)	3,028.06	2,134.38	-	8,849.51	81.55	0.07	81.48	-
Unichem S.A. (Proprietary) Ltd. #	12.14	(10.66)	1.48	-	-	-	0.27	-	0.27	-
Unichem Farmaceutica Do Brasil Ltda *	3,464.93	(3,134.25)	330.67	-	-	420.72	(804.31)	-	(804.31)	-
Unichem Pharmaceuticals USA Inc. \$	2,951.92	(3,009.23)	(57.30)	-	-	4,351.09	(326.82)	-	(326.82)	-
Unichem Laboratories Ltd, Ireland ^	690.45	(205.79)	484.66	-	-	150.22	(200.60)	-	(200.60)	-

@ Converted to Indian Rupees at the Exchange rate, 1 GBP = INR 82.1803

Converted to Indian Rupees at the Exchange rate, 1 SAR = INR 6.3577

* Converted to Indian Rupees at the Exchange rate, 1 BRL = INR 27.4150

\$ Converted to Indian Rupees at the Exchange rate, 1 USD = INR 52.7908

^ Converted to Indian Rupees at the Exchange rate, 1 EURO = INR 69.0017

Notes:

- The Ministry of Company Affairs vide general Circular no. 5/12/2007-CL -III dated 8th February 2011 has granted General exemption for not attaching the financials of subsidiary companies to the financials of the Company, subject to compliance of conditions mentioned in circular from Financial Year 2010-2011 onwards.
- The Members can obtain a copy of the financials of the subsidiary companies from the registered office of the Company. The financials of the subsidiary companies are also available for inspection during business hours on any working day from 10.00 am to 1.00 p.m.
- The Financials are given in Indian Rupees.
- Total Assets comprises of total assets less current liabilities and provisions.

Notice

NOTICE is hereby given that the 50th Annual General Meeting of the members of UNICHEM LABORATORIES LIMITED will be held on 19th day of July, 2013 at 12.30 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt Audited Balance Sheet as at March 31, 2013 and Audited Profit and Loss Account for the year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend for the year ended March 31, 2013.
3. To appoint a Director in place of Mr. Prafull Anubhai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anand Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. B. D. Jokhakar & Co., having registration no. 104345W, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, as an Ordinary Resolution the following:

RESOLVED THAT pursuant to Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and all other statutory provisions if any, the consent of the Members be and is hereby accorded to the re-appointment of Dr. Prakash A. Mody as the Chairman & Managing Director of the Company for a period of five years with effect from July 1, 2013, on the terms, conditions and stipulation, including remuneration, perquisites and commission, as recommended by the Board of Directors in the meeting held on May 11, 2013 and set out in the draft agreement to be entered into by the company with him and submitted to this meeting duly initialed by Mr. Ramdas Gandhi, Independent Director for the purpose of identification:

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary and modify, the terms and conditions of the said appointment and/or agreement from time to time within the scope of Schedule XIII of the Companies Act, 1956 and any other applicable provisions of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Dr. Prakash A. Mody, in the interest of the company;

RESOLVED LASTLY THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution.”

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

K. Subharaman
V.P. Legal & Company Secretary

Registered Office:
Unichem Bhavan, Prabhat Estate,
Off S. V. Road, Jogeshwari West,
Mumbai 400102.

Mumbai
May 11, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON POLL TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A blank form of proxy is enclosed and if intended to be used, should be completed, duly stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A power of attorney or any other authority, if any, under which it is signed (or a notarized copy thereof) must be deposited along with the proxy form.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. Members/Proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
4. Members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
5. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” and has issued circulars stating that Abridged Annual Reports be sent to shareholders whose email ids are registered with us or with the depositories. In case you are desirous of having a complete text of Annual Report 2012-13, you may write to us at shares@unichemlabs.com or at the registered office of the Company. The Annual Report of the Company can be accessed at www.unichemlabs.com
6. The Register of Members and Share Transfer Books of the Company will remain closed from July 15, 2013 to July 19, 2013 (both days inclusive).
7. Additional information pertaining to shareholders like Equity History, Dividend Payment History, Shareholding pattern, etc. is provided in this Annual Report.
8. As required under Clause 49 IV(G) of the Listing Agreement, the relevant information in respect of the Directors seeking re-appointment at the Annual General Meeting is given as under:

At the ensuing 50th Annual General Meeting, Mr. Prafull Anubhai and Mr. Anand Mahajan retire by rotation and being eligible, offer themselves for reappointment. Their profile is given below:

Profile of Mr. Prafull Anubhai

Mr. Prafull Anubhai is a Management Consultant and is associated with educational, research and cultural institutions like Indian Institute of Management (IIMA), Ahmedabad Education Society (AES), Centre for Science Technology and Policy (CSTEP), ATIRA, Saptak (An Indian Classical Music organization), etc. He has done his B.Sc.(Econ.) from the London School of Economics and

Notice

attended PMD at Harvard Business School. He has over 30 years experience in top management of Textile and other businesses. He serves on the Boards of Torrent Cables Ltd., Vardhman Textiles Ltd., Birla Sun Life Trustee Co. Pvt. Ltd., The EMSAF – Mauritius (The Emerging Markets South Asia Fund), etc. He has served on the Board of Unichem since 1979. He is the Chairman of the Audit Committee and member of the Compensation Committee of Unichem. He held 5,800 shares in the Company as on March 31, 2013.

Profile of Mr. Anand Mahajan

Mr. Mahajan graduated from St. Xavier's College, Mumbai, in 1974 and obtained a B.A. (Honours) degree in Economics. He completed his Masters degree in Economics, securing a First Class, from the University of Bombay in 1975. In 1983, he received a MBA (with distinction) from Cornell University, USA. In 1974, Mr. Mahajan joined the State Bank of India as a Probationary Officer and served the Bank in various positions until 1981. On completion of his MBA in 1983, Mr. Mahajan joined Grindwell Norton Ltd. In 1988, he was appointed as a Whole-time Director and in 1991, he became the Managing Director. He continues to hold this position. In 1996, Grindwell Norton became a subsidiary of Saint-Gobain. At the same time, Mr. Mahajan was appointed as the General Delegate of Compagnie de Saint-Gobain for India. In this role, Mr. Mahajan is responsible for all the activities of and the development of the Saint-Gobain Group in India and in the neighbouring countries. Mr. Mahajan is the Chairman of Saint-Gobain Glass India. Mr. Mahajan is a member of the Group Management Executive Committee of Compagnie de Saint-Gobain; the first and only Asian on this Committee. Mr. Mahajan is an active Member of the Bombay Chapter of the World Presidents Organisation. He has been on the Board of Unichem since 2005. He held 11,250 shares in the Company as on March 31, 2013.

Explanatory Statement pursuant to Section 173(2) of Companies Act, 1956:

Item No. 6:

The present term of Dr. Prakash A. Mody as Chairman & Managing Director will expire on June 30, 2013. At the meeting of the Board of Directors held on May 11, 2013, he was re-appointed as Chairman & Managing Director for a further term of 5 years with effect from July 1, 2013.

Dr. Prakash A. Mody is a doctorate in Organic Medical Chemistry from University of Mumbai and Graduate Alumni of Harvard Business School. He has also completed a Diploma Course in Marketing Management at the prestigious Jamanlal Bajaj Institute of Management at Mumbai. He is associated with various industry associations. He serves as the Chairman of the Board of the Industrial pharmacy division of the Indian Pharmaceutical Association. He served as President of the Indian Pharmaceutical Association. He serves as a Member of National committee on drugs and pharmaceuticals of the Confederation of Indian Industry. He serves as on the Executive Committee of the Indian Drug Manufacturers Association. He serves as a Member of the Young President' Organisation Inc., an international organization for young President. He serves as a Member of the Senate - SNDT Women's University and Rotary Club of Bombay Mid-Town and is also involved in many other

social activities. He serves on the Board of M/S Kewal Kiran Clothing Limited and on all subsidiary companies of Unichem. He is the chairman of the management committee of Unichem. He is serving as the Chairman and Managing Director of Unichem since 1999.

Being widely traveled both to the east and West, and with his rich experience in the fields of Marketing, Research and Production, Unichem has been steadily growing and is today one of the leading pharmaceutical companies. Mainly as a result of his efforts and strategies the operations of the company have expanded a great deal.

The Board of Directors recommends his appointment as Chairman & Managing Director for the period of 5 years as aforesaid.

Dr. P.A. Mody's appointment, terms and conditions and remuneration are within the scope of Schedule XIII of the Companies Act, 1956 and requires approval of the members in the ensuring Annual General Meeting and hence this resolution for your approval.

The terms and conditions contained in the agreement proposed to be made between the Company and Dr. Prakash A. Mody, upon his aforesaid reappointment, inter-alia, includes the following:

6.1 SALARY, COMMISSION & RETIREMENT BENEFITS

6.1.1 Salary (Payable Monthly)

Rs. 14,25,000/- per month with an increase of Rs. 1,00,000/- per annum.

6.1.2 Commission

The Chairman & Managing Director shall be entitled for a commission @ 1% on the net profits of the Company computed in terms of Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956; which will be over and above the monthly salary payable as aforesaid.

6.1.3 Contribution to Provident Fund (Payable Monthly)

Contribution by the Company to the Provident Fund at a rate not exceeding 12% of the Salary.

6.1.4 Contribution to Pension Fund / Superannuation Fund (Payable Monthly)

Contribution to the Pension Fund and/or Superannuation Fund at a rate not exceeding 15% of the Salary.

6.1.5 Gratuity

Gratuity payable in accordance with the Gratuity Scheme of the Company provided that it does not exceed one half month's salary for every completed year of continuous service, since the date on which Dr. Prakash A. Mody was first appointed as Joint Managing Director viz. 22nd August, 1977

6.2 PERQUISITES

In addition to Salary, the Chairman & Managing Director will be entitled to the following perquisites:

6.2.1 Housing

6.2.1.1 The Company shall provide a fully furnished rent-free residential accommodation as provided earlier. If he is not provided accommodation by the Company, he shall be paid house rent allowance @ 60% of salary on a monthly basis.

6.2.1.2 The Company shall bear expenses which may be incurred on such a house in accordance with Dr. Prakash A. Mody's status, on insurance, security charges, maintenance and repair of the house and the furniture and fixture therein, gas, electricity and water.

6.2.2 Medical reimbursement

Reimbursement of actual medical expenses incurred in India and / or abroad for himself and his family members. Such reimbursement shall be subject to approval of the Board if the same exceeds 5 months average salary over a period of 5 years. In addition, the Chairman & Managing director and his family members shall be covered under Company's Group Mediclaim and Overseas Mediclaim Policy.

6.2.3 Leave Travel Concession

Leave Travel Concession shall be made available to Chairman & Managing Director for himself and his family once in a year in accordance with the rules of the Company, the total in a year, shall not exceed one month's salary.

6.2.4 Club fees

Fees of Corporate / Health Clubs (not exceeding 2 clubs) shall be borne by the Company.

6.2.5 Conveyance

Free use of Company's cars not exceeding two in number for the work of the Company as well as for personal use along with driver, insurance, petrol, cost of repairs, overhauling, maintenance and garage rent.

6.2.6 Communication Facilities

The Company shall bear all expenses of Communication facilities installed at the residence allotted to Chairman & Managing Director including but not limited to Telephones (land lines/mobiles), Faxes, Computers/Laptops, Internet connection.

6.2.7 Personal Accident Insurance

Personal Accident Insurance of a reasonable insured value commensurate with the earnings of Chairman & Managing Director shall be taken by the Company.

6.2.8 Leave

Chairman & Managing Director shall be eligible for leave as per Rules of the Company.

6.2.9 Entertainment, Traveling and other incidental Expenses

The Company shall reimburse to Chairman & Managing Director entertainment, traveling and other incidental expenses actually and properly incurred for the business of the Company.

6.2.10 Other benefits

The Chairman & Managing Director shall be entitled to the other benefits, schemes, privileges and amenities such as housing loans and other loans at concessional rate of interest, credit cards, products at a discount, as may be granted from time to time to the Top Management of the Company in accordance with the relevant schemes.

6.2.11 Valuation of perquisites

Perquisites mentioned in above shall be

evaluated in accordance with the Income Tax Rules, 1962 wherever applicable, and in other cases at the actual cost to the Company.

6.3 OTHER TERMS RELATED TO REMUNERATION:

6.3.1 Minimum Remuneration

If in any financial year during the tenure of Dr. Prakash A. Mody as Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to him remuneration by way of salary and perquisites as specified above as minimum remuneration subject to the limits laid down and in the manner as stipulated in Schedule XIII to the Companies Act, 1956, as in force and as amended from time to time.

6.3.2 Maximum Remuneration:

Except with the permission of the Central Government, remuneration to Chairman & Managing Director shall not exceed the limits specified under the provisions Section 309 of the Companies Act, 1956.

6.3.3 Disentitlements:

The Chairman & Managing Director shall not be entitled:

- 6.3.3.1 To supplement his earnings under the Agreement with buying or selling commission involving the Company's transactions.
- 6.3.3.2 To sitting fees for attending Meetings of the Board of Directors of the Company or any committee or committees thereof.

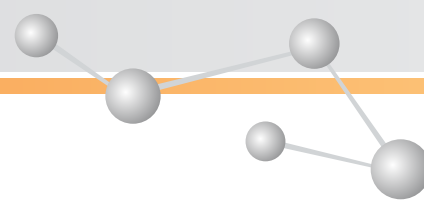
The Chairman & managing Director shall be entitled to reimbursement of the expenses actually and properly incurred in the course of legitimate business of the Company.

The terms and conditions of his reappointment and / or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 and any amendments thereto made hereafter in that regard.

Dr. Prakash A. Mody is concerned or interested in his reappointment as Chairman & Managing Director and the remuneration payable to him. None of the other Directors are concerned or interested in the resolution.

The draft Agreement between the Company and Dr. Prakash A. Mody is available for inspection to the members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

This may be treated as an abstract of the terms of reappointment of Dr. Prakash A. Mody and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.



**UNICHEM
LABORATORIES LTD.**

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the **50th Annual General Meeting of the Company on Friday, July 19, 2013 at 12.30 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.**

Folio No. /D.P.No. & Client I.D. No.:

Name of the Member / Proxy / Representative:

Signature of the Member / Proxy / Representative:

(Only members / proxies / representative are allowed to attend the Meeting)



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LABORATORIES LTD.**

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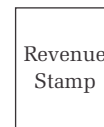
PROXY FORM

I/We ofbeing a member(s) of UNICHEM LABORATORIES LTD. hereby appoint..... of..... or failing whomof.....as my/our proxy to attend and vote for me/us and on my/our behalf at the **50th Annual General Meeting of the Members of the Company to be held on Friday, July 19, 2013 at 12.30 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018** and at any adjournment thereof.

Folio No. /D.P.No. & Client I.D. No.

No. of Shares held:

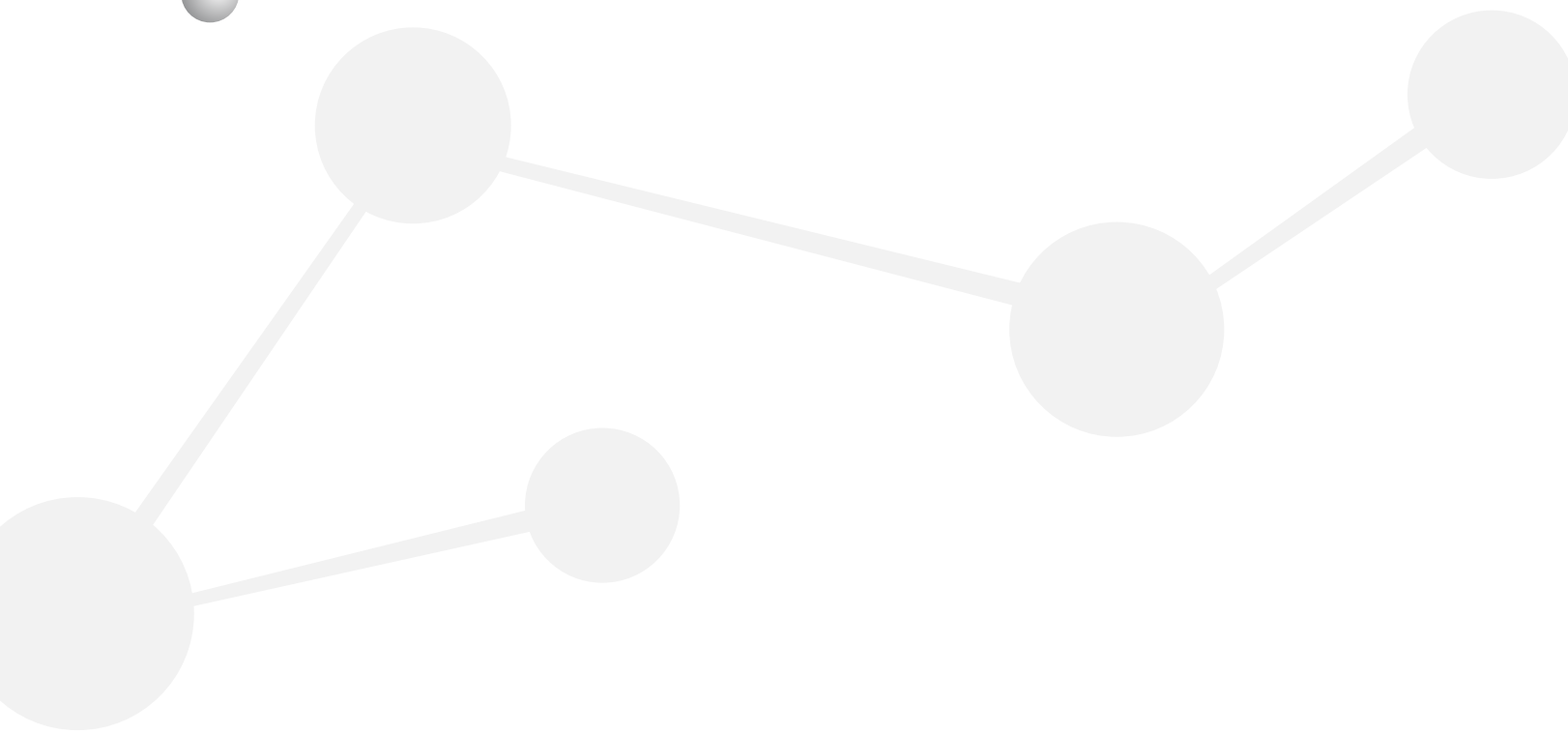
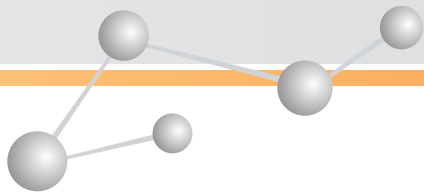
Signed this day of2013



Signature across Revenue Stamp

Note: The Proxy Form duly completed and signed should be deposited at the Registered Office at the Company shown above, not later than 48 hours before the time of the meeting.





Forward - Looking Statement

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

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

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

