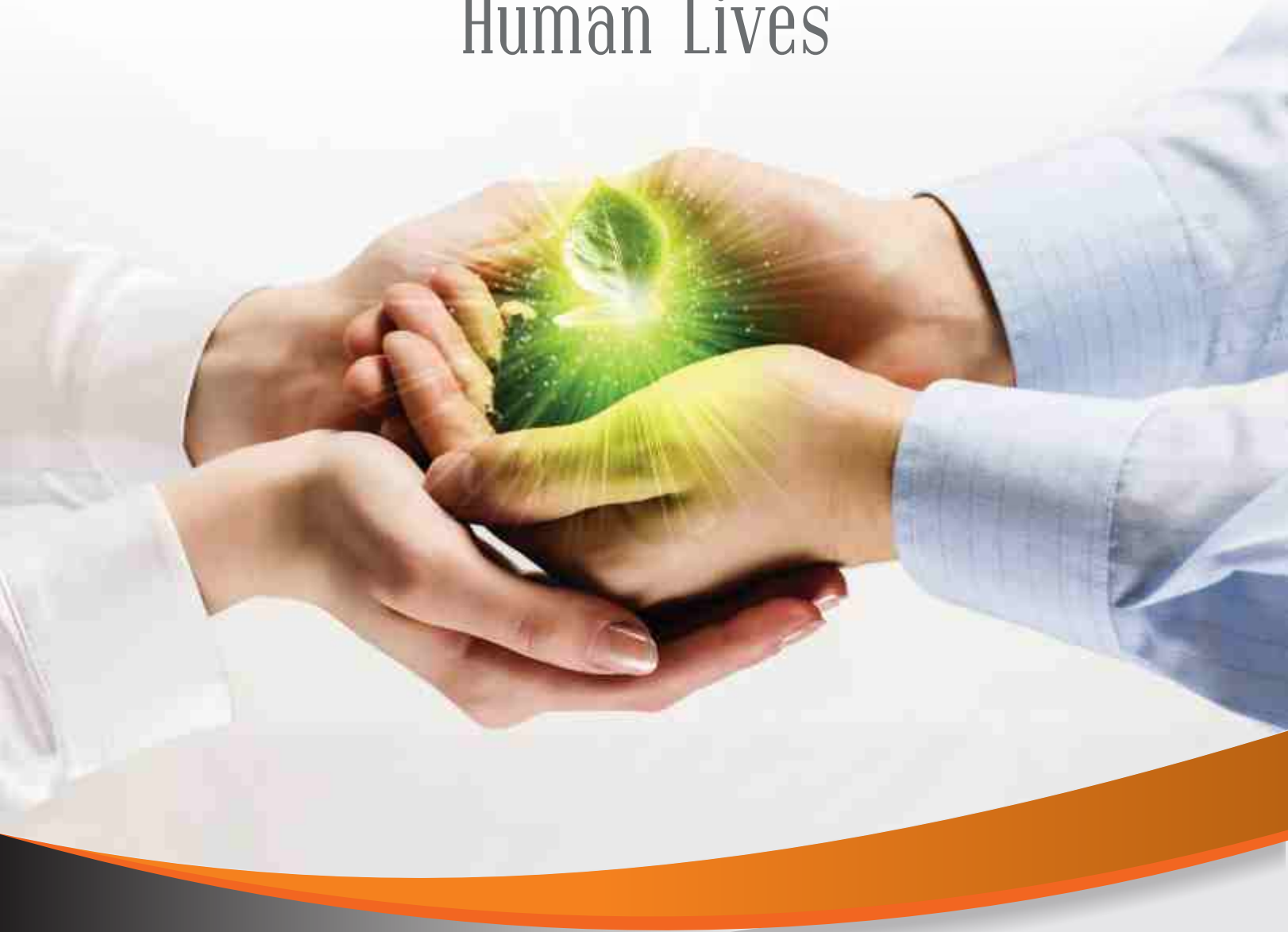


Annual Report
2013-14

Touching Human Lives

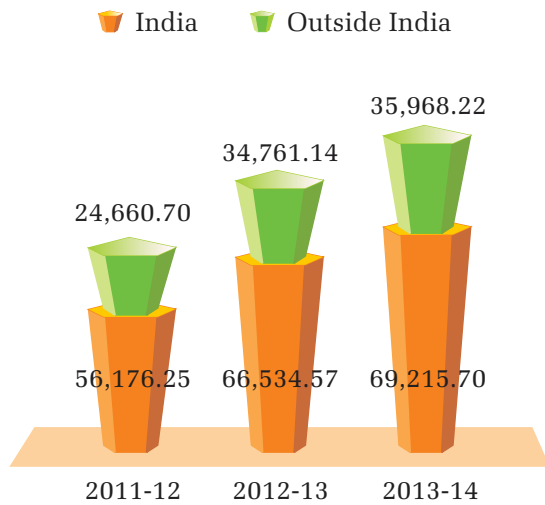


UNICHEM
LABORATORIES LTD.



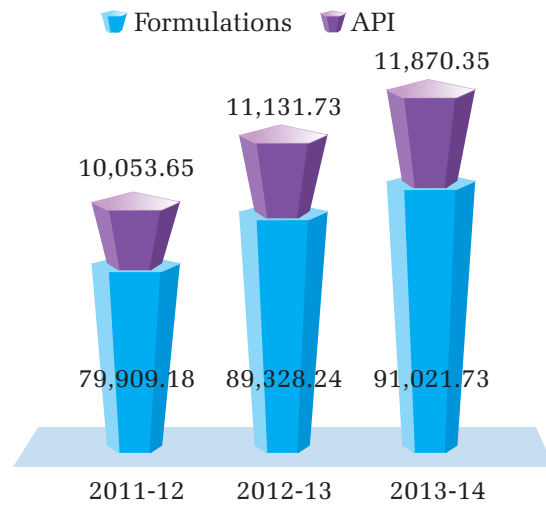
Financial Highlights

Sales Mix by Geographical Segment*
(₹ in lacs)



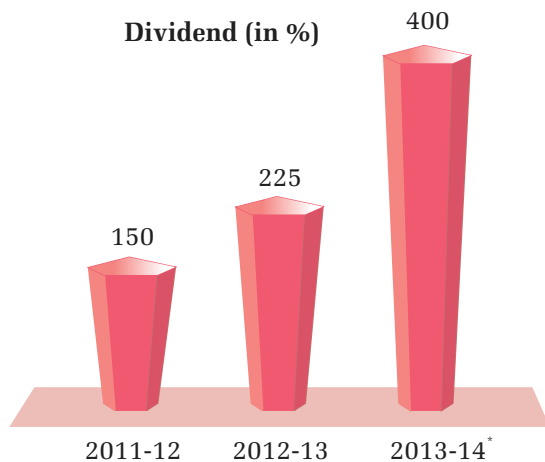
* Including Income from operations

Sales Revenue Mix*
(₹ in lacs)



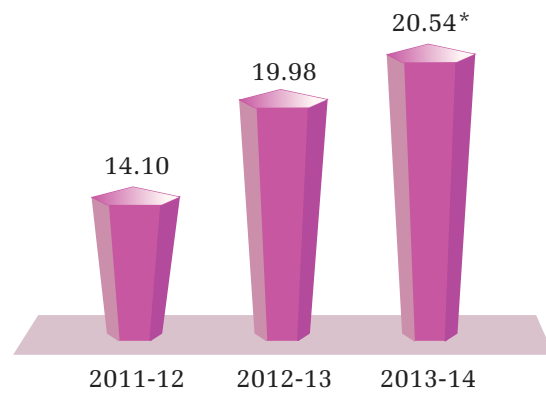
* Excluding Income from operations

Dividend (in %)



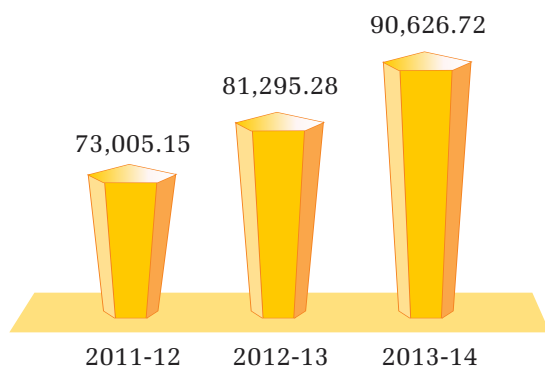
* Proposed dividend includes interim dividend of 200% already paid.

Return on Capital Employed (in %)

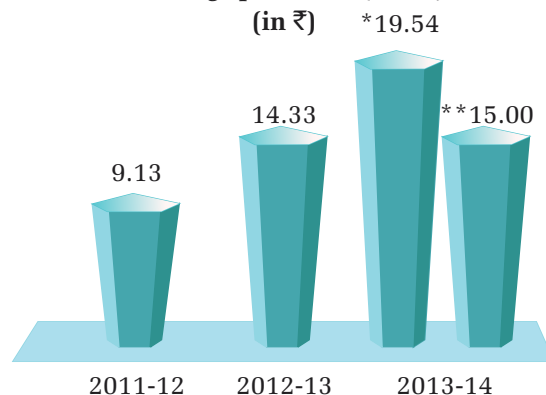


* Excluding exceptional items(Gain)

Net Worth (₹ in lacs)



**Earnings per share (Basic)
(in ₹)**



* EPS including exceptional items(Gain)

** EPS excluding exceptional items(Gain)



Board of Directors



Dr. Prakash A. Mody
Chairman & Managing Director



Prafull Anubhai
Independent Director



Ramdas M. Gandhi
Independent Director



Nasser Munjee
Independent Director



Prafull D. Sheth
Independent Director



Anand Mahajan
Independent Director



Message from the **Chairman**



It gives me great pleasure to present the 51st Annual Report of your Company.

I take this opportunity to share with you the highlights of our recent journey and the outline of the future directions that we intend to take.

Last few years have been difficult years for the Indian Pharma industry. Growth rate has slipped to single digit. The Government has introduced National List of Essential Medicines (NLEM) as a measure to control prices and make medicines affordable to common people. As it is, Indian drug prices have been very reasonable compared to any other country in the world. Still however we must note that the Government has come out with a more balanced approach than imposing heavy handed price control. With NLEM, the Government has announced prices, which reflect the average of the prices of a cross section of the manufacturers. In this environment our growth rate also has been

sluggish. To some extent our prices also have been affected. We have taken counter measures to contain the adverse impact of these developments.

We have restructured our domestic formulation business. As a result our Acute therapy segment has begun to show higher growth rate well above the industry average. We have taken similar measures for our chronic therapy segment. We expect that in the coming years we will be able to accelerate growth rate there too.

You will be happy to note that our international business has already crossed 40% of our consolidated turnover. This is driven mainly by our consistent push in the US market and our contract manufacturing business. As you are aware we have sold our SEZ plant in Indore, which was designed to make formulations. We have earned a handsome amount from this transaction. For a stronger International Formulation business it is important to have backward integration with our own APIs. Keeping this in mind we will use some of the proceeds to augment our bulk drug manufacturing facility to cope with our growing captive requirements. For this we have decided to acquire and renovate the bulk drug manufacturing facility at Kolhapur, Maharashtra. This will help in removing the temporary production bottle neck we are currently experiencing.



After prolonged and sustained efforts, our subsidiaries have begun to turn corner. Niche Generics Limited of UK has improved its profitability and Unichem Pharmaceuticals (USA) Inc has posted a robust sales growth of over 45%. To exploit the foundation laid by the US subsidiary, we are accelerating filings of our ANDAs. I can say with confidence that after a long and patient journey in these international markets, we are about to see major turning points.

We have taken several cost reduction and productivity optimization measures. We have established a Center of Excellence for pharmaceutical research at Goa. With this we have consolidated our research facilities and groups of scientists in one location. This will create synergy, improve productivity and reduce costs. The facility at Goa has received great acceptance and has become show case research lab in this part of the world. We all are proud of this facility and expect accelerated contribution by the scientists group in the years to come.

The Company has posted a growth of 4.87% in its consolidated sales/income which has touched ₹ 113,344.79 lacs. On the other hand the net profit after tax excluding exceptional items is ₹ 12,816.20 lacs signifying growth of 13% over the last year. The Company has followed a policy of rewarding shareholders

consistent with its cash flow. As you will recall we declared a special interim dividend of ₹ 4/- in view of the exceptional income arising out of the sale of SEZ plant in Indore.

I am grateful to our stakeholders, customers, business associates and medical fraternity who have reposed their faith in us. I seek their continued support and confidence in the Company.

I would also like to record my sincere appreciation to our employees for their commitment and 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 stakeholders.

Dr. Prakash A. Mody

Chairman and Managing Director



Top Brands



LOSAR



Ampoxin[®]



UNIENZYME[®]



Top Brands



Telsar®



OLSAR®



METRIDER®



Trika®



Top Brands



Linox



UNISTAR*



Serta®



Tolol



Top Brands



TG-tor*



Pregaba-M



CORVADIL®



LeZyncet®



State-of-the-art Manufacturing Plants



Ghaziabad



Roha



Goa



Goa CoE



Pithampur



Baddi



Sikkim

Corporate Information

Board Committees

Audit Committee	- Mr. Prafull Anubhai - Chairman Mr. Ramdas Gandhi Mr. Nasser Munjee
Stakeholders' Relationship Committee	- Mr. Ramdas Gandhi - Chairman Dr. Prakash A. Mody Mr. Prafull Anubhai
Nomination and Remuneration Committee	- Mr. Prafull Anubhai - Chairman Mr. Prafull Sheth Mr. Ramdas Gandhi
Corporate Social Responsibility (CSR) Committee	- Dr. Prakash A. Mody - Chairman Mr. Prafull Anubhai Mr. Ramdas Gandhi

Registered & Corporate Office

Unichem Laboratories Limited

CIN:L99999MH1962PLC012451

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

Tel.: (022) 6688 8333 • Fax.: (022) 2679 4089 / 2678 4391

Website: www.unichemlabs.com • Email: shares@unichemlabs.com

Company Secretary & Compliance Officer

K. Subharaman

Plant Locations

Formulation Plants

GOA

Plot No. 17A & 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) 2594 6970 • Fax.: (022) 2594 6969
Email: rnt.helpdesk@linkintime.co.in

Statutory Auditors

B. D. Jokhakar & Co.,

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

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Five-year Financial Highlights

Balance Sheet

(₹ in lacs)

As at 31st, March	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
TOTAL EQUITY & LIABILITIES					
Equity Share Capital	1,803.15	1,804.79	1,806.43	1,809.13	1,812.55
Share Application Money	2.64	-	3.45	-	-
Reserve & Surplus	59,261.29	65,997.60	71,195.27	79,486.15	88,814.17
Net worth	61,067.08	67,802.39	73,005.15	81,295.28	90,626.72
Loans & Borrowings	2,296.43	3,118.83	4,836.11	3,097.81	2,429.53
Creditors & Liabilities	16,038.30	16,863.27	20,955.38	24,980.92	23,428.14
Deferred Tax Liability	3,468.43	3,781.43	3,847.43	3,897.43	4,177.43
TOTAL LIABILITIES	82,870.24	91,565.92	102,644.07	113,271.44	120,661.82
ASSETS					
Net block	31,492.07	35,564.43	38,521.10	42,621.78	39,371.69
Capital WIP (Including Capital Advances)	6,288.08	7,912.13	13,733.74	13,743.80	13,448.82
NB + CWIP	37,780.15	43,476.56	52,254.84	56,365.58	52,820.51
Investment	12,831.44	10,014.35	10,611.93	14,026.34	11,992.05
Current Assets					
Inventories	9,764.13	13,541.83	14,113.11	13,163.39	18,623.73
Trade Receivables	16,243.44	18,394.23	18,482.47	21,227.64	21,127.51
Cash and Bank Balance	1,906.40	1,044.12	1,386.12	1,666.00	4,082.60
Loans & Advances	4,344.68	5,094.83	5,795.60	6,822.49	12,015.42
TOTAL ASSETS	82,870.24	91,565.92	102,644.07	113,271.44	120,661.82

Five-year Financial Highlights

Statement of Profit and Loss

(₹ in lacs)

For the year ended 31st, March	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Sales and income from operations	69,351.32	77,022.20	80,836.95	101,295.71	105,183.92
Other Income	784.60	796.22	939.47	1,406.70	4,283.91
Total Income	70,135.92	77,818.42	81,776.42	102,702.41	109,467.83
Material consumption	12,913.80	17,738.66	19,428.55	26,127.92	27,103.30
Purchase of finished goods	10,167.05	10,161.27	10,290.78	10,784.43	12,758.93
Increase/ Decrease in stocks of semi- finished and finished goods	256.65	(2,223.76)	(202.58)	1,007.31	(2,758.11)
Research & Development Expenses	2,678.02	3,668.32	3,794.02	3,610.73	5,215.10
Staff costs (Excluding R&D)	7,585.40	9,306.63	10,488.40	12,801.50	14,713.82
Excise Duty	291.65	548.46	518.22	774.02	766.42
Other expenses	17,513.63	21,684.26	23,776.82	27,622.06	29,271.25
Total cost	51,406.20	60,883.84	68,094.21	82,727.97	87,070.71
PBDIT	18,729.72	16,934.58	13,682.21	19,974.44	22,397.12
Finance Cost	177.21	194.82	329.85	248.16	248.16
PBDT	18,552.51	16,739.76	13,352.36	19,726.28	22,148.96
Depreciation & Amortisation	2,146.85	2,721.77	2,828.81	3,481.65	4,266.58
Profit before tax	16,405.66	14,017.99	10,523.55	16,244.63	17,882.38
Exceptional & prior period items	0.86	-	-	-	-
Current tax	2,811.00	2,835.00	2,215.00	3,235.03	3,778.11
Deferred tax	232.00	313.00	66.00	50.00	522.00
Profit after tax before Exceptional Items	13,361.80	10,869.99	8,242.55	12,959.60	13,582.27
Exceptional items (net of taxes)	-	-	-	-	4,114.55
Profit after tax & Exceptional Items	13,361.80	10,869.99	8,242.55	12,959.60	17,696.82
Note:					
Exports at FOB value	12,318.23	14,585.51	22,362.01	32,157.11	32,643.87
Equity dividend	3,606.65	3,609.54	2,713.44	4,071.16	7,251.29
Expenditure on R&D :					
- Capital	202.82	2,582.24	1,946.90	6,565.77	1,233.38
- Recurring	2,678.02	3,668.32	3,794.02	3,610.73	5,215.10
Total R & D expenditure	2,880.84	6,250.56	5,740.92	10,176.50	6,448.48

Key Ratios & EPS

As at 31st, March	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Debt : Equity Ratio	0.04:1	0.05:1	0.07:1	0.04 : 1	0.03:1
Per Share Data					
EPS (₹)* excluding exceptional Items	37.14	12.03	9.13	14.33	15.00
EPS (₹)* including exceptional Items	37.14	12.03	9.13	14.33	19.54
Dividend (%)	200%	200%	150%	225%	400%
Dividend (in ₹) per Share *	10.00	4.00	3.00	4.50	8.00
Book Value Per Share (₹)*	169.33	75.14	80.82	89.87	100.00

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

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 51st Annual Report on the business and operations of the Company for the financial year ended March 31, 2014.

Financial Highlights

The table given below gives the financial highlights of the Company on Standalone basis for the year ended March 31, 2014 as compared to the previous financial year.

For the year ended March 31
(₹ in Lacs)

Particulars	2014	2013
Sales / Income from operation (Net of Excise Duty)	104,417.50	100,521.69
Other Income	4,283.91	1,406.70
Total Income	108,701.41	101,928.39
Profit before tax and Exceptional items	17,882.38	16,244.63
Tax expenses (Including deferred tax & short/excess provision pertaining to previous years)	4,300.11	3,285.03
Profit after tax and before Exceptional items	13,582.27	12,959.60
Exceptional items	4,114.55	-
Profit after tax and Exceptional items	17,696.82	12,959.60

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

Review of Operations

During the year under review, Stand alone Sales/Income from operations (Net) increased to ₹ 104,417.50 Lacs in 2013-14 from ₹ 1,00,521.69 Lacs in 2012-13, registering a growth of 3.88%. Consolidated Sales / Income from operations (Net) stood at ₹ 113,344.79 Lacs as compared to ₹ 1,08,080.28 Lacs for the year ended March 31, 2013, registering an increase of 4.87%.

Appropriations

Your Company has transferred ₹ 1,800 Lacs to the General Reserve during the year under review. An amount of ₹ 61,946.24 Lacs is proposed to be carried forward from the Profit & Loss Account.

Dividend

Your Board of Directors at their meeting held on January 18, 2014 declared and already paid to the Shareholders an Interim Dividend of ₹ 4/-(200%) per equity share having a face value of ₹ 2/-. The Board has recommended a final dividend of ₹ 4/-(200%) for the approval of the Shareholders at the ensuing Annual General Meeting (AGM) for the year ended March 31, 2014. The Register of Members and Share Transfer Books shall remain closed from July 07, 2014 to July 12, 2014, (both days inclusive) for the purpose of AGM and dividend, if approved by the Shareholders. The AGM of the Company is scheduled for July 12, 2014.

Employee Stock Options Scheme

During the year under review, 170,888 options having a face value of ₹ 2/- were exercised and the same were allotted (on *pari passu* basis) under the Employees' Stock Option Scheme – 2008.

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

Acquisition of API Plant at Kolhapur

Your Company is in the process of acquiring an Active Pharmaceutical Ingredient (API) plant at Kolhapur, Maharashtra, for a consideration of ₹ 1,875 lacs. This facility will augment the existing API capacities of the Company. The various product licenses, approvals and registrations as available for this facility can be advantageously added to the existing product basket of the Company. The plant requires refurbishment and modernisation and completion of statutory formalities before it could be optimally utilised for the Company's API requirements.

Research & Development (R&D)

Kindly refer to detailed write up in the section "Management Discussion & Analysis".

Management Discussion and Analysis Report

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

Corporate Governance

A detailed report on Corporate Governance forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the report on Corporate Governance.

Consolidated Financial Statements

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

Notes on Subsidiaries

Your Company has five subsidiaries as on March 31, 2014. 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 Section 212(8) of the erstwhile 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 in UK. It is engaged in manufacturing formulations and dossier filing in European markets. It recorded sales of GBP 104.91 Lacs for the year ended March 31, 2014 as compared to GBP 107.68 Lacs for the previous year ended March 31, 2013. The profit for the year ended March 31, 2014 stood at GBP 2.67 Lacs compared to the profit of GBP 0.99 Lacs for the year ended March 31, 2013.

Unichem Pharmaceuticals (USA) Inc.

Unichem Pharmaceuticals (USA) Inc. is a Wholly Owned Subsidiary of your Company in USA which 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 121.73 Lacs for the year ended March 31, 2014 as compared to USD 82.48 Lacs for the previous year ended

March 31, 2013 and incurred loss of USD 2.96 Lacs for the same period as compared to the loss of USD 6.23 lacs for the year ended March 31, 2013.

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 subsidiary recorded sales of Reais 17.37 Lacs for the year ended March 31, 2014 as compared to Reais 15.38 Lacs for the previous year ended March 31, 2013. The entity suffered a loss of Reais 29.12 Lacs in the current year as against a loss of Reais 29.61 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 loss of SA Rand 2,952 in the current year as compared to loss of SA Rand 72 for the previous year ended March 31, 2013.

Unichem Laboratories Ltd. Ireland

Unichem Laboratories Ltd, Ireland is a Wholly Owned Subsidiary of your Company in Ireland. This subsidiary has been set up for business development and to own product registrations. The subsidiary recorded sales of Euro 4.88 Lacs for the year ended March 31, 2014 as compared to Euro 2.17 Lacs for the previous year ended March 31, 2013. The subsidiary during the current year has suffered a loss of Euro 2.84 lacs as compared to loss of Euro 2.95 lacs for the previous year ended March 31, 2013.

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, 2014, 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 2013-14 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

Mr. Ramdas Gandhi and Mr. Nasser Munjee retire by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149(10) of the Companies Act, 2013 and Rules made thereunder, and as per Clause 49 of the Listing Agreement, an Independent Director now shall hold office for a term of 5 (five) consecutive years on the Board of the Company and is not subject to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, Mr. Ramdas Gandhi and Mr. Nasser Munjee, being eligible are offering themselves for re-appointment, and are proposed to be re-appointed as Independent Directors of the Company for a term of 5 (five) consecutive years upto March 31, 2019.

Mr. Prafull Anubhai, Mr. Prafull Sheth and Mr. Anand Mahajan, are Independent Directors of the Company, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149(10) of the Companies Act, 2013 and Rules made thereunder, and as per Clause 49 of the Listing Agreement, an Independent Director shall now hold office for a term of 5 (five) consecutive years on the Board of the Company and is not subject to retirement by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Rules made thereunder Mr. Prafull Anubhai, Mr. Prafull Sheth and Mr. Anand Mahajan, being eligible and offering themselves for such appointment, is proposed to be re-appointed as Independent Directors of the Company for a term of 5 (five) consecutive years, upto March 31, 2019.

Dr. Prakash A. Mody was re-appointed as the Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. from July 01, 2013. The said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on July 19, 2013 by way of an ordinary resolution.

Dr. Prakash A. Mody was not subject to retirement by rotation as per the Articles of Association of the Company under the erstwhile Companies Act, 1956. However now Dr. Mody will be subject to retirement by rotation due to the

provisions of Section 149 & 152 of the Companies Act, 2013, wherein it is provided that Independent Directors are not subject to retirement by rotation. All Directors in the Board of Directors of the Company are Independent Directors except Dr. Mody, who is the Chairman & Managing Director of the Company. Since none of the Independent Directors are subject to retire by rotation, Dr. Mody will retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible has offered himself for re-appointment. As per the clarification issued by the Department of Company affairs (Int. Circular No. 3(No.8/16(1)/61-PR, Dated 9th May 1961), Managing Director's office does not suffer any break if he retires as a director under Section 255 of the Companies Act, 1956 and is re-elected as director in the same meeting.

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

Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting for seeking your approval for aforesaid appointments. The information required under Clause 49 (IV) (G) of the Listing Agreement is given in the Notice and the Explanatory Statement annexed thereto of the 51st Annual General Meeting, as per Section 102 of the Companies Act, 2013.

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 the proposed re-appointment, if made, would be within the prescribed limit under Section 141 of the Companies Act, 2013 and Rules made thereunder. Further the appointment will have to be in terms of provisions of Section 141 of the Companies Act, 2013.

The said Auditors have confirmed their willingness to accept office, if re-appointed. The Board on the recommendation of the Audit Committee have proposed the re-appointment of M/s. B. D. Jokhakar & Co., as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this AGM) at such remuneration to be decided by the Board of Directors in consultation with the said Auditors.

Cost Auditors

The Board of Directors on recommendation of the Audit Committee have re-appointed Mr. Y. R. Doshi, Cost

Accountant, as the Cost Auditor to audit the cost records maintained by your company for the financial year 2014-2015, on a remuneration of ₹ 5 lacs (Rupees Five Lacs only) plus service tax and out of pocket expenses at actuals. Necessary approval from the Central Government as may be applicable will be filed by the Company. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders and the same is given in the Notice and the Explanatory Statement annexed thereto of the 51st Annual General Meeting, as per Section 102 of the Companies Act, 2013. The Cost Audit report for the year 2013-2014 shall be filed before the due date.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Kindly refer to detailed write up in the section "Management Discussion & Analysis".

Quality and Environment

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

With a view to meet this objective, our manufacturing facilities, plant trees and saplings in the Company premises. Our employees spread awareness amongst the locals about planting more trees and making less use of plastic bags. Similarly, various initiatives are taken at the manufacturing locations to reduce waste consumption across the plant and reduce usage of paper by recycling waste paper. Training programmes are organised from time to time to create environmental awareness amongst the employees.

To conserve water, your Company has devised various water saving methods which are monitored on day-to-day basis.

Your Company continues to strive for energy saving and conservation of natural resources. At the units, 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

Much before Corporate Social Responsibility [CSR] had become a mandatory responsibility of Corporates, your Company had engaged in such activities for decades for improving the health of particularly economically backward communities like Scheduled Tribes and in the field of education. Unichem being a pharmaceutical company, is naturally inclined to improve the health of general public at large and the Company is well known for its Quality and Reliability for over 6 decades. As a Policy, the Company had identified Health, particularly preventive health care for Scheduled Tribes and Education as its main focus of CSR projects and initiatives.

The present CSR initiatives focuses on two main recognized activities mentioned in Schedule VII of the Companies Act, 2013, namely promoting preventive health care and promoting education.

CSR Policy on Promoting Preventive Health Care:-

The Company is engaged in the CSR project of catering to preventive health care with special focus on the economically backward community. Late Mr. Amrut Mody recipient of Padma Bushan along with co-founder, Late Mr. Shantibhai Sheth established the Adiwasi Unnati Mandal (AUM) which serves to the social needs especially of the economic backward community.

AUM caters to the medical needs of adiwasis [Scheduled Tribes] area almost 30km from Shahapur in Thane District of Maharashtra. AUM runs three primary health

centres deep inside the Adiwasi area of Shahapur. The centres are fully equipped with medical facilities, medicines, doctors, paramedics and volunteers. Clinical Diagnosis through OPD camps for prevention and treatment of various ailments with particular emphasis on treating TB, Leprosy, Epilepsy, Diabetes, Cataract and Dental health care for Scheduled Tribes. AUM arranges free cataract and other surgeries through its association with Vision Foundation of India.

This is a continuous project/activity which started about 4 decades back and it has been continuously monitored by the Chairman & Managing Director [CMD] of the Company, Dr. Prakash A. Mody who visits the centres alongwith a team of Doctors, Paramedics and Specialists on a regular basis throughout the year. Unichem has financially aided in setting up of these centres and also provides financial aid and medicines for conducting these preventive health care camps. Capital expenses for establishment of new centres or diagnostic equipments for the existing centres were earlier being reviewed by CMD will now be reviewed and monitored by the CSR committee from time to time.

CSR Policy on Promoting Education:-

Unichem is the chief donor to Amrut Mody School of Management (AMSoM) which is promoted by Ahmedabad Education Society. AMSoM took its current shape after Ahmedabad Education Society established Ahmedabad University, recognized by UGC as private University. It is located in Ahmedabad and delivers business education through its three pioneer institutions. These are Postgraduate Institute of Management [PGIM]; H.L. Institute of Commerce [HLIC]; and B.K. Majumdar Institute of Business Administration [BKMIBA]. Each AMSoM institution has become the temple of high learning keeping in line with the vision of Ahmedabad University. AMSoM aims at providing global education at local costs, context and ethos. These institutions are already functional. Donations given by the Company are for the expansion and additional capital expenditure requirements of these Institutions. Mr. Prafull Anubhai, Independent Director on the Board of Unichem who is based in Ahmedabad monitors the execution of the projects without interfering in the day to day running of these institutions.

Unichem, apart from the Educational grant for the aforesaid institutions also provides financial assistance to all meritorious students who have economic need. AMSoM and its associate institutions run independently without any interference from Unichem or its Directors. The Board had already approved in principle to donate a sum of ₹ 1,500 lacs in the year 2010 in all to the said Institutions to be used for various capital expenses over a

period of 5 years. Out the aforesaid sum, ₹ 1,100 lacs has been already donated till March 31, 2014. All donations to the above said institutions which was hitherto monitored by Chairman and Managing Director and Mr. Prafull Anubhai will now be reviewed and monitored by the CSR Committee from time to time.

Other Endowments for promotion of education

Unichem has contributed 1% of its issued capital to Bombay college of Pharmacy in form of shares as endowment. This endowment was made in the year 1985. Bombay College of Pharmacy is one of the pioneer pharmacy colleges in the country imparting quality education and training in the field of pharmacy over the last 50 years. The college uses the dividend earned on the shares for its institutional requirements and the Institution is independently run without any interference from Unichem.

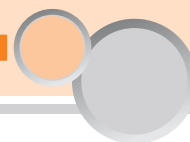
In adherence with the Companies Act, 2013 and as per the requirements of Section 135 of the said Act, and Rules made thereunder, the Board of Directors at its meeting held on October 19, 2013 has set up the Corporate Social Responsibility Committee. The Committee comprises of Dr. Prakash A. Mody, Chairman & Managing Director, as the Chairman of the Committee and Mr. Prafull Anubhai & Mr. Ramdas Gandhi, Non-Executive, Independent Directors as the other members of the Committee.

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.

Keeping in view the underlying theme and the circular issued by MCA, your Company has 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 the Company by the Depositories, NSDL & CDSL using data maintained by the Depository Participants (DP).

In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rules made thereunder, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 51st Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by the Central Depository Services Limited.(CDSL).

**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 the plant locations and corporate office. The 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 10, 2014

Annexure I to Directors' Report

Statement pursuant to Clause 12 'Disclosure in the Directors' Report of SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
The details of the Stock Options are given here below:

Particulars	ESOP – 2008		
a. Options granted	1,25,000 (in 2008-09) 7,43,750 (in 2009-10) 2,25,000 (in 2013-14) @ ₹ 46/- per share of face value of ₹ 2/- each		
b. The pricing formula	5,47,003		
c. Options vested	4,58,577		
d. Options exercised	4,58,557		
e. The total number of Shares arising as a result of exercise of Options	1,67,249		
f. Options lapsed*	Nil		
g. Variation of terms of Options	₹ 21,094,542		
h. Money realised by exercise of Options	88,426		
I. Total number of Options in force			
j. Employee wise detail of Options granted during the year:			
(i) Senior manager personnel	Name	Options	
	1. Mr. Bhagwat S. Dhingra	100,000	
	2. Mr. Dilip Kunkolienkar	75,000	
	3. Mr. Rakesh B. Parikh	50,000	
(ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year.	Nil		
(iii) Identified employees who were granted options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil		
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	Diluted EPS Before Exceptional Items : ₹ 14.94 (Gain) per share(as per standalone accounts) Diluted EPS After Exceptional Items : ₹ 19.47 (Gain) per share(as per standalone accounts)		
l. Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options.	NA		
Impact of the difference on profits and EPS.			
m. Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock:			
- Weighted average price (₹)	For Options granted on 26.03.09	For Options granted on 17.06.09	For Options granted on 08.03.14
- Weighted average Fair value (₹)	115.0	115.0	46.0
	68.1	102.0	149.49
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:			
- Risk free interest rate	9.0109 %		
- Expected life	5 Years		
- Expected volatility	26.47%		
- Expected dividends yield	3.8%		
- The price of the underlying share in the market at the time of option grant	₹ 221.90 per share		

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

Annexure II to Directors' Report

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, forming part of the report of the Directors for the year ended March 31, 2014.

A. CONSERVATION OF ENERGY

a. Energy conservation measures undertaken

- Improved natural illumination done to reduce power consumption.
- Replacement of existing lamps with lower wattage power saver lamps in Circuit Breaker assembly area.
- Use of Energy saving luminaries for Lighting.
- Use of 14 W CFL instead of tube lights for night lamp.
- Switch over from high speed diesel to Furnace Oil as Boiler Fuel.
- Maintaining the Power factor around 0.99.
- Installed VFD on coating machine exhaust boiler to minimise the power consumption.
- Arrest all sort of leakage in terms of steam, water and compressed Air.
- Installation of FRP blades , temperature controller and timer for cooling towers.
- Using ambient condition during winter season to minimise the running hours of Chiller.
- Seven single skin AHUs which were very old, were replaced by double skin AHUs having VFDs which led to reduction in power consumption of AHUs as well as the AC tonnage (TR) drastically.
- Effective operation of the capacitor banks in the electrical distribution systems has resulted in power factor close to unity and consequent reduction in electricity cost.
- AHUs are operated through BMS on Auto which has resulted in optimisation and savings in electricity.

b. Proposals for energy conservation

- Replacement of Voltas screw chillers with 206 TR screw chiller specific power consumption (KW/TR) of Voltas Recip chillers is more than compared with a screw Chiller.
- 10 KLPD solar water system providing hot water to HVAC system.
- Introduction of Briquette cubes boiler to replace furnace oil boiler.
- Introduction of solar street lights & LED lights.
- Reuse of RO and EDI rejected water in wash rooms.
- Introduction of EC motor in injectable area AHUs.

c. Impact of Measures undertaken

- Optimisation of energy consumption.
- Savings in energy and fuel cost.
- Unwanted excess run hours of AHUs are avoided as these are started and stopped automatically.
- Increase in equipment efficiency.

d. Total energy consumption and energy consumption per unit of production as per Form A Consumption per unit of production

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

FORMA
Form for Disclosure of particulars with respect to conservation of energy.
A. Power and Fuel Consumption

For the year ended March 31,

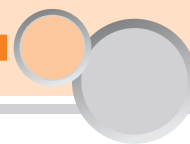
Particulars	2014	2013
(a) ELECTRICITY		
(i) Purchased Units (Lacs)	274.83	242.87
Total Amount (₹ in Lacs)	1,909.38	1,661.05
Rate / Unit (₹)	6.95	6.84
(ii) Own Generation		
Through Diesel Generator Units (Lacs)	29.33	44.12
Units per litre of Diesel Oil	3.56	3.38
Cost per Unit (₹)	14.90	13.41
Through Steam Turbine / Generator	NA	NA
(b) COAL	NA	NA
(c) FURNACE OIL/HSD		
Quantity (Kilo Litres)	1,230.37	1,492.76
Total Amount (₹ in Lacs)	644.56	656.38
Average Rate (₹ / Kilo Ltr.)	52.39	43.97
(d) OTHERS / INTERNAL GENERATION		
Steam Purchased (M.T.)	7,073.84	6,807.19
Total Amount (₹ in Lacs)	186.29	163.20
Average Rate (₹ per M.T.)	2,633.48	2,397.47

B. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPEMENT
FORM B
Form for disclosure of particulars with respect to absorption of Research and Development (R&D)
1. Specific areas in which R&D is carried out by the Company

- To undertake contract research with Generic & Research based pharmaceutical companies to develop API's and formulations.
- Development of innovative as well as patentable routes of synthesis for API and Intermediates.
- Development of a cost effective process for API's and Intermediates.
- Improvement in the quality & productivity.
- Formulation development of new dosage forms of generic API for domestic and international markets.
- Modified release formulation for domestic & international markets.
- Contract formulation development for NCEs for research based pharmaceutical companies.
- Develop biosimilar products by following DNA recombinant technique and initiated work on fermentation process for making API.
- Development of innovative and cost effective processes for production of biopharmaceuticals particularly biosimilar products.
- Strain improvement using mutagenesis and molecular biology techniques to produce hyper producing strains and development of cost effective processes for fermentation based APIs.

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

- 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.
- Products developed for the International market will result into increased business to the Company in current and future years.
- During the year 7 process patent applications were filed.
- Research & development in biotechnology has resulted in consistent and cost effective process for one of the biosimilar product which is presently at preclinical stage.



- Biosimilar and fermentation based products under development for Indian and International market will result into new business opportunity to the Company in the biotechnology sector in future years.
 - During the year one patent application was filed from Biosciences Centre.
- 3. Future Plan of action**
- Undertake development of recombinant monoclonal antibodies.
 - Initiate Research and Development in the field of biocatalysis.
 - Undertake development of biosimilar products by using Recombinant DNA technique and monoclonal antibodies.
 - 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.
 - Organisation will continue to work on the therapeutic segments of:
 - Anti-infective
 - Cardiovascular
 - Psychiatry and neurology
 - Musculo-skeletal
 - Gastrointestinal
 - Nutritional
 - Anti-allergic
 - Develop cost effective processes for the existing molecules by reducing the overall costs, for selected APIs.
 - Development of new products for International Business.
 - Development of modified drug delivery systems.
 - Undertake contract research work, in the area of synthesis of API and product dossiers.
 - Develop products and delivery systems through Biotechnology.
 - Improvements in quality of products and productivity.
 - Development of validated methods for the APIs, Intermediates and Impurities to meet the international quality standards and also support regulatory requirements.
 - New Chemical Entity Research in the area of Anti-Infectives, Pain Management & CNS.
 - Process Intensification by transforming batch process into continuous process.
 - ANDA filings under Para IV certification.
 - Develop products and delivery systems through Biotechnology.

4. Expenditure on R&D

For the year ended March 31,
(₹ in lacs)

Particulars	2014	2013
a) Capital		
- at units approved by Department of Scientific & Industrial Research	1,233.38	48.01
- at others	-	6,517.75
b) Total	1,233.38	6,565.76
c) Recurring		
- at units approved by Department of Scientific & Industrial Research	5,215.1	3,610.73
- at others	169.73	157.43
d) Total	5,384.83	3,768.16
e) Grand Total	6,618.21	10,333.92
f) Total R & D expenditure as a percentage of Turnover	6.34%	10.28%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made in brief, towards technology absorption, adaption and innovation

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

Information regarding imported technology (imported during the last five years reckoned from the beginning of the financial year) – None.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Management Discussion and Analysis

GLOBAL PHARMA MARKET

The life sciences sector which comprises of the pharmaceutical, biotechnology, and medical technology segments continues to perform better in many parts of the world. However, the sector is facing pressure from increased health costs across the world. Nevertheless, an overview of this sector's performance shows that it is favourably positioned to achieve success in 2014 and beyond. Among drivers for growth are an aging population, rising incidence of chronic diseases, technological advancements and product innovation, and certain anticipated impacts from health care reform provisions including increases in government funding and insurance coverage.

The fundamentals driving health care demand, combined with the advent of new and often more expensive treatments, will continue to push up global pharmaceutical sales by an annual average of 5.3 percent between 2014 and 2017. Sales growth will continue to come from the U.S., U.K. and the BRIC countries. Among emerging markets, strong growth is forecasted for China and India, where pharmaceutical sales are expected to more than double in U.S.-dollar terms by 2016. Brazil and Russia also are expected to see positive growth.

The year 2014 is anticipated to be a positive year for U.S. life sciences companies. As they continue to obtain greater clarity on Affordable Healthcare Act (ACA) implementation and its impacts, they become increasingly better at capitalizing on emerging market opportunities, and incorporate real-world evidence into their strategic thinking and decision-making. The Economic Intelligence Unit (EIU) projects the U.S. pharmaceutical market, the world's largest market will grow at 6.4 percent annually through 2014-16. Demographics and disease trends will also boost drug consumption. (Source: Deloitte, Global Life Science Outlook)

DOMESTIC PHARMACEUTICAL MARKET

The Indian pharmaceutical market is expected to grow to about \$ 20 billion by 2015. The growth will be backed by 6 key trends that will influence the growth of the Indian Pharmaceutical market in coming years, those trends are:

- Doubling of disposable incomes and higher number of urban middle class households
- Expansion of medical infrastructure
- Greater penetration of health insurance
- Rising relevance of Chronic diseases

- Adoption of product patents
- Aggressive market penetration driven by the relatively smaller companies

While acute therapies have historically dominated the market and epidemics provide spurts of growth, chronic therapies are growing at a faster rate. The growing prevalence of lifestyle disorders will spur the growth in specialty and super specialty therapies. The population of patients suffering from Hypertension is expected to grow by another 50 million cases over the next decade. Prominent amongst the therapeutic areas that are expected to grow as a result of increase in Lifestyle disorders are Cardiovascular, Neuropsychiatry, and Oncology. (Source: McKinsey & Company, India Pharma 2015)

Your Company remains a Chronic focused Company and this segment contributes approx. 61% of the total domestic business revenues.

UNICHEM'S PERFORMANCE

Financial Highlights

Consolidated Sales/Income from operations (Net) stood at ₹ 113,344.79 Lacs as compared to ₹ 108,080.28 Lacs in the previous year, reflecting an overall growth of 4.87%.

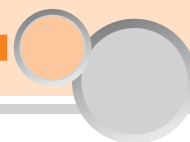
Standalone Sales/Income from operations (Net) stood at ₹ 104,417.50 Lacs as compared to ₹ 100,521.69 Lacs in the previous year, depicting an overall growth of 3.88%.

Sales outside India including operating income (Net) on consolidated basis stood at ₹ 44,895.51 Lacs as compared to ₹ 42,319.73 Lacs in the previous year, reflecting overall growth of 6.09%.

Other Highlights

Sharpened focus on Domestic Formulations Business through reorganization of acute and chronic therapy product portfolio, field resource allocations and customer coverage alignments.

Your Company is in process of acquiring an API plant at Kolhapur, Maharashtra for a consideration of approx. ₹ 1,875 Lacs. This facility will augment the existing API capacities of the Company. The plant requires refurbishment, modernisation and completion of statutory formalities before it could be optimally utilized for the Company's API requirements.



DOMESTIC FORMULATIONS

Chronic therapies account for approx. 61% of domestic revenues, while acute therapies account for approx. 39%.

Acute therapy for the Company grew at 11.6% vs. Indian Pharmaceutical Market (IPM) growth of 4.4%.

Chronic therapy for the Company grew by 3.3% vs. Indian Pharmaceutical Market (IPM) growth of 10.6%.

The growth in the Chronic business was affected due to the new DPCO 2013 where few of our major brands like Losar and Trika have come under price control.

Overall representative market grew at 4.8% and your Company grew at 6.4%.

THE NEW DRUGS PRICES CONTROL POLICY

The Government of India notified the Drugs (Price Control) Order, 2013 (DPCO 2013) on May 15, 2013 in supersession of the old DPCO 1995. This had a marginal impact on volumes of your Company. Your Company took immediate steps to reduce the prices of scheduled formulations notified by the National Pharmaceutical Pricing Authority (NPPA) within 45 (Forty Five) days of notification. This was without seeking further time through court intervention (unlike several other Companies in the Industry) and thereby passed on the benefits to the customers immediately.

Outlook

Post restructuring of the domestic business, the acute division has started yielding above market growth in a consistent manner. Our endeavour is to replicate the similar performance in the Chronic business as well. Your Company will continue to focus on growth of chronic therapies and also provide the required thrust to increase its product basket and market share in acute therapies.

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

Your Company 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. The key focus is to have a stronger International Formulation business backed with our own APIs. Your Company will also focus on marketing its own APIs globally and seek to capture the Contractual supply opportunities in the API – Drug Intermediate’s business.

As a continuous effort towards achieving this goal, your Company is in process of acquiring an API manufacturing facility at Kolhapur, Maharashtra. The acquisition of the new API plant at Kolhapur will further augment the API capacities of your Company.

Unichem’s API business is supported with over 35 USDMFs, 18 CEPS and more than 240 ASMFs across Europe. In addition to captive consumption, APIs are also marketed both in domestic and international markets. Our continued focus on the API business is to be more cost efficient and vertically integrated into formulation business.

INTERNATIONAL BUSINESS

The increasing number of products going off patent in international markets offers substantial revenue opportunities. The Company is well positioned to seize these opportunities by focusing on larger and profitable markets in North America.

Your Company has filed 31 ANDAs and 17 of them have been approved (including 2 tentative approvals) and many more ANDAs are in the R&D pipeline. The Company has so far launched 10 products in US market. Across EU, 13 product registrations are filed so far. The registration activities are also initiated in Australia and New Zealand.

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

In the US, presence is through 100% subsidiary of 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 reputed retail chain of distributors for the sale of products launched. Above average growth of generic drugs is expected in the USA region in the coming years, due to patent expirations and mounting pressure from Government 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 showed a robust growth of over 45% as compared to the 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 total revenues.

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

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.

INFRASTRUCTURE

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

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

HUMAN RESOURCES

Unichem is committed to its people who are instrumental in its success. The Company's talent pool comprised 5,133 employees as on March 31, 2014. The focus this year was on growth and increasing the spread of operations. The Human Resources team was also focused towards attainment of these objectives. New manpower was added to cater to the business requirements of new divisions. Recruitment for leadership positions was a major focus. Regional recruitments continued to ensure hiring of quality talent in quicker timelines. The businesses in the Sales & Marketing teams were realigned

successfully. People related issues caused by such realignment were successfully addressed. Recognising people as a primary source of performance, the Company took initiative in training and developing team members both through technical training and soft skills training. We continued to provide opportunities to people to unleash their potential and fulfill aspirations.

Your Company aims at leveraging technology to improve efficiencies and reduce time cycles. Technology also provided the opportunities to reach people for one on one personalised interactions. Your Company also changed the remuneration structure for sales employees in order to make it more competitive and performance oriented. Employee engagement activities continued to be the highlight of some of our successful initiatives.

INTERNAL CONTROLS

The Company's internal control systems are commensurate with the nature and size of its business operations. These systems ensure that transactions are authorized, recorded and reported diligently, to safeguard the assets of the Company. 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 Internal Audit was conducted in various areas of operations of the Company. The Management duly considers and takes appropriate action on recommendations made by the Statutory Auditors, Cost Auditors, Internal Auditors, and the Independent Audit Committee of the Board of Directors.

RISKS & 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.

Your 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, Your 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 (1) (D) OF THE LISTING AGREEMENT

“As provided under Clause 49(1)(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 Business Conduct and Ethics for the Financial Year Ended March 31, 2014”.

Mumbai
May 10, 2014

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 March 31, 2014 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 10, 2014

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's 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 of Directors

Composition, attendance of Directors at the Board Meetings and the last Annual General Meeting, outside Directorship and other Membership or Chairmanship of Board Committees.

As on March 31, 2014, Unichem's Board comprised of 6 (six) Directors, viz., the Chairman & Managing Director and 5 (five) Non-Executive and Independent Directors. Unichem's Board met 6 (six) times during the year under review i.e. on May 11, 2013, June 29, 2013, July 19, 2013, October 19, 2013, January 18, 2014 and March 08, 2014. 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.

Table-1 below gives the details of the composition of the Board and the attendance record of the Directors during 2013-14.

Table-1: Composition of Unichem's Board & attendance record during the year 2013-2014

Name	Category	No. of Board Meetings held during the year 2013-2014		Whether attended last AGM held on July 19, 2013	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	6	6	Yes	1	0	0
Mr. Prafull Anubhai	Non-Executive, Independent	6	5	Yes	4	4	2
Mr. Ramdas Gandhi	Non-Executive, Independent	6	6	Yes	4	1	3
Mr. Prafull Sheth	Non-Executive, Independent	6	4	Yes	0	0	0
Mr. Nasser Munjee	Non-Executive, Independent	6	3	No	11	2	5
Mr. Anand Mahajan	Non-Executive, Independent	6	4	Yes	7	2	3

* Excludes directorships in Private Limited Companies, Foreign Companies (including foreign subsidiaries of Unichem Laboratories Limited) & Companies under Section 25 of the Companies Act, 1956.

** Covers only Memberships/Chairmanships of Audit Committee & Shareholder/Investors Grievance Committee.

Compliance with Code of Conduct

The Company has adopted a Code of Business Conduct & Ethics. 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 the year ended March 31, 2014. The Chairman & Managing Director has given a signed declaration to this effect.

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 erstwhile Companies Act, 1956 and Section 177 of the Companies Act, 2013 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, terms of appointment if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees;
3. Examination of the financial statements and the auditors report thereon;
4. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
5. 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;
6. To review and monitor the auditor's independence and performance and effectiveness of audit process;
7. Disclosure of any related party transactions, approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Monitoring the end use of funds raised through public offers and related matters;
12. 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;
13. Reviewing with the management, the Auditors Report and Qualifications in the draft audit report;
14. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
15. 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 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;
16. Reviewing with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems;
17. 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;
18. Discussion with internal auditors any significant findings and follow up there on;
19. 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;

20. 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;
21. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
22. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc., of the candidate; and
23. 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:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee met on May 11, 2013, July 19, 2013, October 19, 2013 and January 18, 2014. The composition of the Committee as on March 31, 2014 and the details on the number of Audit Committee meetings held and attended by the Members during the financial year 2013-14 is given below in **Table-2**.

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

Shareholders' / Investors' Grievance Committee and Stakeholders' Relationship Committee

The Board of Directors of the Company has constituted a Shareholders' / Investors' Grievance committee under Clause 49 of the Listing Agreement currently in force as on the date of this report. The composition of this Committee and the details on the number of meetings held and attended by the members during the financial year 2013-14 are given below in **Table-3**. The Committee focuses on shareholders grievances and strengthening of investor relations. The Company Secretary acts as the Secretary and Compliance Officer to the Committee.

The Shareholders'/Investors' Grievance Committee met 4 (four) times during the current year namely May 11, 2013, July 19, 2013, October 19, 2013 and January 18, 2014.

During the year 46 (forty six) complaints were received from the shareholders and investors. All the complaints have generally been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon valid requests for share transfers received during the year and no such transfer is pending.

Pursuant to the Section 178(5) of the Companies Act, 2013, the Board of Directors at its meeting held on October 19, 2013 constituted a committee known as Stakeholders' Relationship Committee. The composition of this Committee during the financial year 2013-14 is given in **Table-4**. The Company Secretary acts as the Secretary and Compliance Officer to the Committee. The Committee focuses on shareholders grievances and strengthening of investor relations. In view of the setting up of the Stakeholders' Relationship Committee, the erstwhile Shareholders' / Investors' Grievance committee was dissolved by the Board of Directors at its meeting held on May 10, 2014.

Table-2: Audit Committee attendance during 2013-2014

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	2

Table-3: Composition of Shareholders/Investors Grievance Committee during 2013-2014

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

Compensation Committee / Nomination and Remuneration Committee

The Board of Directors of the Company has constituted the Compensation Committee in the year 2004, to administer and supervise the implementation of the Employee Stock Options Schemes as and when approved by the Board and to recommend the remuneration payable to the Managing Director, Non Executive Directors and persons falling under Section 314 (1B) of the erstwhile Companies Act, 1956. The composition of this Committee and the details on the number of meetings held and attended by the members during the financial year 2013-14 is given below in **Table-5**. The Committee met on May 11, 2013 and March 08, 2014. The Company Secretary acts as the Secretary to the Committee.

Pursuant to the Section 178(1) of the Companies Act, 2013, the Board of Directors at its meeting held on October 19, 2013 constituted a committee known as Nomination and Remuneration Committee. The composition of this Committee during the financial year 2013-14 is given below in **Table-6**. The Committee did not meet during the year. The Company Secretary acts as the Secretary and Compliance Officer to the Committee. The terms of reference of the Committee *inter-alia* includes the following

- (a) identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid

down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;

- (b) formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- (c) while formulating the policy ensure that-
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentives pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

In view of the setting up of the Nomination and Remuneration Committee, the erstwhile Compensation committee was dissolved by the Board of Directors at its meeting held on May 10, 2014.

Corporate Social Responsibility Committee

In adherence with Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors

Table-4: Composition of Stakeholders' Relationship Committee

Member Director	Position	Category
Mr. Ramdas Gandhi	Chairman	Non-Executive Independent
Dr. Prakash A. Mody	Member	Executive Director
Mr. Prafull Anubhai	Member	Non-Executive Independent

Table-5: Composition of Compensation Committee during 2013-2014

Member Director	Position	Category	No. of Meetings attended (Total meetings held : 2)
Mr. Prafull Sheth	Chairman	Non-Executive Independent	2
Mr. Prafull Anubhai	Member	Non-Executive Independent	2
Mr. Ramdas Gandhi	Member	Non-Executive Independent	2

Table-6: Composition of Nomination and Remuneration Committee during 2013-2014

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

at its meeting held on October 19, 2013 has set up the Corporate Social Responsibility Committee. The terms of reference of the said Committee inter-alia includes:-

- (i) To Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (ii) To Recommend the amount of expenditure to be incurred on the activities referred to in clause (I); &
- (iii) To Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Committee comprises of Dr. Prakash A. Mody, Chairman & Managing Director, as the Chairman of the Committee and Mr. Prafull Anubhai & Mr. Ramdas Gandhi, Non-executive and Independent Directors as the other members of the Committee. No meetings were held during the year. The Company Secretary acts as the Secretary to the Committee.

Remuneration of Directors

The details of the remuneration paid to the directors is given below in **Table-7**.

Shareholding of the Non Executive Directors

Details of Shares held by the Non – Executive Directors as on March 31, 2014 is given below .

Name	Number of shares held
Mr. Prafull Anubhai	5,800
Mr. Ramdas Gandhi	40,500
Mr. Prafull Sheth	11,250
Mr. Nasser Munjee	17,500
Mr. Anand Mahajan	17,500

Management Discussion and Analysis Report

The information required under the Management

Discussion and Analysis Report is separately given in the Annual Report.

Brief profile of Directors seeking appointment/re-appointment

As required, a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 51st Annual General Meeting and forms a part of this 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 10, 2014.

Auditors Certificate

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

General Body Meetings

a) **Details of last 3 Annual General Meetings is given in Table-8.**

b) **Resolution passed through postal ballot**

No special resolution were passed by postal ballot during the year or will be passed in the ensuing Annual General Meeting.

Disclosures

The Company's major related party transactions are generally with its subsidiaries. The details of related party transactions are discussed in detail in Note no.38 to standalone accounts.

Table-7: Remuneration paid to the Directors for 2013-2014 (in ₹)

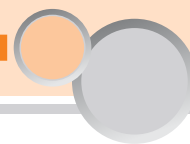
Name	Sitting fees	Commission payable for 2013-2014@	Consolidated Salary#	Perquisites & Allowances#	Total Amount
Dr. Prakash A. Mody*	NA	17,748,827	19,070,004	11,006,295	47,825,126
Mr. Prafull Anubhai**	200,000	Nil	Nil	Nil	200,000
Mr. Ramdas Gandhi**	260,000	Nil	Nil	Nil	260,000
Mr. Prafull Sheth**	100,000	Nil	Nil	Nil	100,000
Mr. Nasser Munjee**	100,000	Nil	Nil	Nil	100,000
Mr. Anand Mahajan**	80,000	Nil	Nil	Nil	80,000
Total	740,000	17,748,827	19,070,004	11,006,295	48,565,126

* Eligible to receive commission @1% of the Net Profits of the Company, computed under Section 198, 309 and 249 of the Companies Act, 1956

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

Fixed component

@ Variable Component

**Table-8: Details of the last 3 Annual General Meetings**

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each meeting
50 th	2012-13	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	July 19, 2013	12.30 p.m.	No Special Resolutions passed at this meeting.
49 th	2011-12	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	September 27, 2012	11.30 a.m.	No Special Resolutions passed at this meeting.
48 th	2010-11	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	July 28, 2011	3.30 p.m.	Resolution under Section 314 (1B) of the Companies Act, 1956.

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

Non Mandatory requirements adopted by the Company

The Board of Directors of the Company at its meeting held on May 10, 2014 has adopted the Whistle Blower Policy.

Means of Communication

The Company has a well-established system to disclose relevant information to stakeholders, including shareholders, analysts, suppliers, customers, employees and society at large. The primary 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, Economic Times, Sakal, Lokmat & Maharashtra Times. The quarterly and financial Results for the year are posted on the Company's website www.unichemlabs.com. The results are also available on the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com.

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

General Shareholder Information

Date, Time and Venue of 51st AGM

Date : July 12, 2014

Time : 3.00 p.m.

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

Financial year – April 01 to March 31st

Financial Calendar (Tentative)

Results for the Quarter ending on	Tentative date
Unaudited results for first quarter ending June 30, 2014	Third week of July 2014
Unaudited results for Second and half year ending September 30, 2014	Third week of October 2014
Unaudited results for third and nine months ending December 31, 2014	Third week of January 2015
Audited results for year ending March 31, 2015	Third week of May 2015

Stock Exchanges on which shares are listed:

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

Stock Codes

BSE 506690
NSE UNICHEMLAB

Date of Book Closure

July 07, 2014 to July 12, 2014 (both days inclusive)

Dividend Payment Date

Final Dividend of ₹ 4/-(200%) per share having a face value of ₹ 2/ for the year 2013-2014, has been recommended by the Board of Directors and if approved by the Shareholders at the ensuing Annual General Meeting will be paid to the Shareholders latest by July 17, 2014.

Interim dividend of ₹ 4/-(200%) per share having a face value of ₹ 2/-for the year 2013-2014 has already been paid to the Shareholders on January 29, 2014.

Unclaimed Dividend

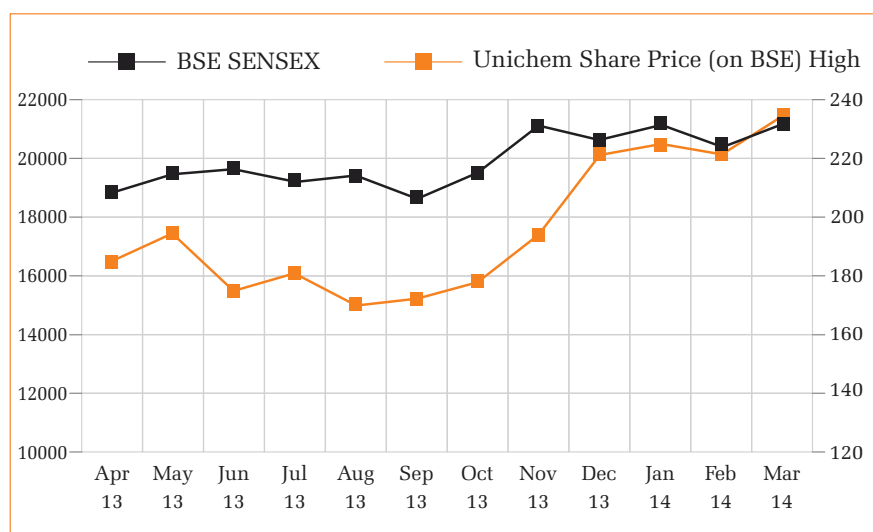
The Dividends for the following financial years remaining unclaimed for seven years, will be transferred to Investor Education and Protection Fund. The table given below gives the transfer dates. Shareholders who have not claimed the dividends are requested to do so before these are statutorily transferred. 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
2007-08	Final	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	Final	27.09.2012	02.11.2019
2012-13	Final	19.07.2013	23.08.2020
2013-14	Interim	18.01.2014	22.02.2021

Market Price data

Month	High (BSE)	Low (BSE)	High (NSE)	Low (NSE)
April, 2013	185.50	165.75	185.50	165.25
May, 2013	192.00	162.15	190.20	162.00
June, 2013	176.00	157.10	176.10	157.20
July, 2013	181.90	158.00	182.00	158.00
August, 2013	170.00	138.00	166.00	141.50
September, 2013	172.50	144.05	173.00	143.00
October, 2013	179.95	160.00	180.00	160.05
November, 2013	194.00	168.00	193.15	167.50
December, 2013	221.70	189.70	221.60	189.00
January, 2014	225.45	192.00	224.90	191.55
February, 2014	221.00	197.70	221.00	191.85
March, 2014	237.00	207.50	237.90	201.00

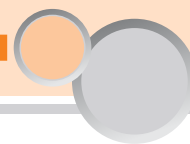
Share Performance of the Company in comparison to BSE-Sensex



Distribution of Shareholding on March 31, 2014

Sr. No.	Share Holding of Nominal Value ₹. 2/-	No. of Shareholders	% of Total holders	No of Shares	% of Equity
1	Upto 5,000	17,921	90.25	13,121,956	7.24
2	5,001 - 10,000	1,006	5.07	7,585,168	4.18
3	10,001 - 20,000	578	2.91	7,753,610	4.28
4	20,001 - 30,000	126	0.64	3,102,092	1.71
5	30,001 - 40,000	55	0.28	1,982,252	1.09
6	40,001 - 50,000	40	0.20	1,797,520	0.99
7	50,001 - 100,000	55	0.28	3,796,542	2.10
8	100,001 and Above	74	0.37	142,115,512	78.41
	Grand-Total	19,855	100.00	181,254,652	100.00

Shareholding Pattern as on March 31, 2014			
Category	Category of Shareholder		
		Total No of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group		
	1) Indian		
	Individuals/ Hindu Undivided Family	45,378,350	50.07
	Bodies Corporate	0.00	0.00
	Trusts	132,200	0.15
	2) Foreign	-	-
(B)	Public shareholding		
	1) Institutions		
	Mutual Funds / UTI	7,671,621	8.47
	Financial Institutions / Banks	40,690	0.04
	Insurance Companies	2,623,447	2.89
	Foreign Institutional Investors	3,719,950	4.10
	Foreign Financial Institutions / Banks	500	0.00
	2) Non-institutions		
	a) Bodies Corporate	8,173,165	9.02
	b) Individuals		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lac.	17,356,883	19.15
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac.	2,660,842	2.94
	c) Any Other (specify)		
	i) Trust	96,3870	1.06
	ii) Directors being not promoter & Relatives	152,855	0.17
	iii) Foreign Nationals	8,750	0.01
	iv) Non Resident Indians	669,496	0.74
	v) Clearing Members	199,480	0.22
	vi) Hindu Undivided Families	8,58,977	0.95
	vii) Foreign Corporate Bodies	16,250	0.02
	GRAND TOTAL	90,627,326	100.00



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.

Dematerialisation of Shares and Liquidity

The securities form part of the dematerialisation segment for all investors. As on March 31, 2014, 95.43% 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.

Plant locations

The data is given on the Cover Page.

Address for correspondence

Registered & Corporate Office

Unichem Bhavan, Prabhat Estate
Off. S. V. Road, Jogeshwari (West)
Mumbai – 400102
Tel.: (022) 6688 8333
Fax.: (022) 2679 4089
Website: www.unichemlabs.com

For Secretarial matters

Ms. Shalini Kamath /Mr. Dilip Bhor
Unichem Bhavan, Prabhat Estate
Off. S. V. Road, Jogeshwari (West)
Mumbai – 400102
Tel.: (022) 6688 8478 / 439
Email: shares@unichemlabs.com

Registrar and Share Transfer Agents (RTA)

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, LBS
Marg, Bhandup (West), Mumbai – 400 078
Tel: (022) 2594 6970
Fax.: (022) 2594 6969
Email: rnt.helpdesk@linkintime.co.in

Secretarial Audit Report

For the Financial Year ended March 31, 2014

To,

The Board of Directors,

Unichem Laboratories Limited

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

Jogeshwari (West), Mumbai – 400 102

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 March 31, 2014 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.

1. 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 March 31, 2014, according to the provisions of:

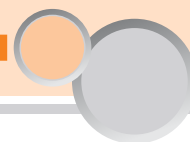
- (i) The Companies Act, 1956 and the Rules made thereunder and the 98 Sections of Companies Act, 2013 notified vide Ministry of Corporate affairs Notification No. S. O. 2754(E) dated September 12, 2013;
- (ii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iii) The 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, 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;

(vii) The Memorandum and Articles of Association.

2. 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 thereunder and the 98 Sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Notification No. S. O. 2754(E) dated September 12, 2013 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 50th Annual General Meeting held on July 19, 2013;



- 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 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.
3. 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.
4. 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 / re-materialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company
5. 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

Thane
May 10, 2014

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, 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- 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"), as amended, 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 the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) on the basis of the written representations received from the Directors, as on March 31st, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31st, 2014 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 10, 2014

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, some of the fixed assets of the Company have been physically verified during the year by the management in accordance with a phased program of verification designed to cover all assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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, constitute a substantial part of the fixed assets of the Company however 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, 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, 2014 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, 2014 are as given below:

Name of the Statutes	Nature of the dues	Amount (₹ in lacs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	31.04	AY: 2008-09 and AY: 2009-10	Commissioner of Income Tax - (Appeals)
Income Tax Act, 1961	Penalty	190.18	AY: 2001-02 to AY: 2004-05, AY: 2006-07 and AY: 2008-09	Commissioner of Income Tax - (Appeals)
Central Sales Tax Act, 1956	CST	36.17	FY:2010-11	Appellate Deputy Commissioner of Commercial Tax, Ratlam
U.P. VAT Act, 2008	Penalty	20.44	FY: 2008-09	Hon'ble High Court of Judicature at Allahabad
Central Excise Act, 1944	Duty and Penalty	95.29	April, 2003 to February, 2005	Commissioner of Central Excise (Appeal), Mumbai-II
Central Excise Act, 1944	Duty and Penalty	39.58	FY: 2007-08 to FY: 2008-09, and FY: 2009-10 (Up to Dec, 2009)	Appellate Tribunal (CESTAT)
Service Tax Laws	Disallowance of Service Tax Credit	12.06	FY: 2006-07 to FY: 2010-11	Appellate Tribunal (CESTAT), New Delhi
Service Tax Laws	Disallowance of Service Tax Credit and Penalty	56.56	FY: 2005-06	Additional Commissioner, Central Excise, Indore
Service Tax Laws	Disallowance of Service Tax Credit and Penalty	2.55	FY: 2011-12 to FY: 2012-13	Commissioner of Central Excise (Appeal), Kolkata - III
Provident Fund & Miscellaneous Provision Act, 1952	Provident Fund Dues	1.75	FY: 2005-06	Hon'ble High Court of Madhya Pradesh, Indore Bench

- 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. Therefore, the provisions of clause 4(x) of the Order are not applicable to the Company.

- xi. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. Therefore, the provisions of clause 4(xi) of the Order are not applicable to the Company.
- 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. Therefore, 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 Companies Act, 1956.
- xix. The Company has not issued any secured debentures. Therefore, the provisions of clause 4(xix) of the order are not applicable to the Company.
- xx. The Company has not raised any money through a public issue during the year. Therefore, the provisions of clause 4(xx) of the order are not applicable to the Company.
- 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.

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

Raman Jokhakar
Partner
Membership No.: 103241

Mumbai
May 10, 2014

Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2014	As at 31 st March ,2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,812.55	1,809.13
(b) Reserves and Surplus	3	88,814.17	79,486.15
(2) Non- current liabilities			
(a) Deferred tax liabilities (Net)	4	4,177.43	3,897.43
(b) Other Long term liabilities	5	2,366.95	2,525.76
(c) Long - term provisions	6	763.55	918.68
(3) Current liabilities			
(a) Short-term borrowings	7	62.58	572.05
(b) Trade payables	8	15,113.03	15,908.60
(c) Other current liabilities	9	2,971.30	2,986.68
(d) Short- term provisions	10	4,580.26	5,166.96
TOTAL		120,661.82	113,271.44
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		39,371.69	41,470.30
(ii) Intangible Assets		-	1,151.48
(iii) Capital Work-in-Progress		8,630.96	12,929.05
(b) Non-current Investments	12	11,425.07	10,720.30
(c) Long-term loans and advances	13	4,841.76	837.81
(2) Current Assets			
(a) Current Investments	14	566.98	3,306.04
(b) Inventories	15	18,623.73	13,163.39
(c) Trade Receivables	16	21,127.51	21,227.64
(d) Cash and Bank Balances	17	4,082.60	1,666.00
(e) Short-term loans and advances	18	10,826.46	6,391.42
(f) Other current assets	19	1,165.06	408.01
TOTAL		120,661.82	113,271.44
Significant Accounting Policies	1		

Notes to Accounts form an integral part of financial statements

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

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241
Mumbai
May 10, 2014

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 , 2014	For the year ended 31 st March , 2013
INCOME			
I. Revenue from operations (Gross)	20	105,183.92	101,295.71
Less: Excise duty		766.42	774.02
Revenue from Operations (Net)		104,417.50	100,521.69
II. Other Income	21	4,283.91	1,406.70
III. Total Revenue (I + II)		108,701.41	101,928.39
IV. Expenses:			
Cost of materials consumed	22	27,103.30	26,127.92
Purchase of Stock -in-Trade		12,758.93	10,784.43
Changes in inventories of Finished goods, Work-in-progress and Stock -in-Trade	23	(2,758.11)	1,007.31
Employee benefits expense	24	14,713.82	12,801.50
Finance costs	25	248.16	248.16
Depreciation and amortization expense	11	4,266.58	3,481.65
Other expenses	26	29,271.25	27,622.06
Research & Development expense	27	5,215.10	3,610.73
Total Expenses (IV)		90,819.03	85,683.76
V. Profit before tax and Exceptional Items (III - IV)		17,882.38	16,244.63
VI. Tax expense			
(1) Current tax		3,785.00	3,245.00
(2) Deferred tax	4	522.00	50.00
(3) Short / (excess) provision for taxation pertaining to previous years		(6.89)	(9.97)
Total Tax Expense (VI)		4,300.11	3,285.03
VII. Profit for the period after tax and before Exceptional Items (V-VI)		13,582.27	12,959.60
VIII. Exceptional Items [(net of taxes) refer note 34]		4,114.55	-
IX. Profit after tax and Exceptional Items (VII + VIII)		17,696.82	12,959.60
X. Earnings per equity share (Face Value ₹ 2 each)			
(a) Before Exceptional Items			
(1) Basic (in ₹)		15.00	14.33
(2) Diluted (in ₹)		14.94	14.29
(b) After Exceptional Items			
(1) Basic (in ₹)		19.54	14.33
(2) Diluted (in ₹)		19.47	14.29
Significant Accounting Policies	1		

Notes to Accounts form an integral part of financial statements

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

For and on behalf of the Board of Directors

Raman 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 10, 2014

Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended		For the year ended	
	31 st March , 2014		31 st March , 2013	
A. Cash Flow from Operating Activities				
Net Profit before Tax and exceptional items		17,882.38		16,244.63
Adjustment for :				
Provision for Wealth Tax	5.00		15.00	
Depreciation	4,266.58		3,481.65	
Loss/(Profit) on Sale of Assets (Net)	(1,687.10)		3.67	
Unrealised Exchange difference (Net)	165.18		60.24	
Finance cost	248.16		248.16	
Provision for doubtful debts, loans, advances & deposits for the year	38.60		133.84	
Employees compensation expenses (ESOS)	32.87		28.22	
Stock Option expenses (other than employees)	6.79		6.79	
Loss/(Profit) on Sale of Investments	(260.14)		(259.87)	
Bad debts Written Off	21.93		954.13	
Interest income	(565.56)		(34.79)	
Excess provision for expenses written back	(313.63)		(114.48)	
Provision for Diminution in Investments	176.20		159.81	
Dividend Income	(96.55)		(0.09)	
		2,038.33		4,682.28
Operating Profit Before Working Capital Changes		19,920.71		20,926.91
Adjusted for:				
Trade receivables, Advances & other current assets	(1,265.63)		(2,911.09)	
Inventories	(5,460.34)		949.72	
Trade & Other Payables	(768.37)	(7,494.34)	2,538.81	577.44
Cash Generated from Operations		12,426.37		21,504.35
Direct Taxes Paid (Net of refund)		(3,738.89)		(3,474.46)
Net Cash Flow from Operating Activities		8,687.48		18,029.89
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Capital WIP		(9,235.83)		(9,445.20)
Sale of Fixed Assets		14,204.53		64.39
Exceptional Items		3,872.55		-
Investment in subsidiary		(880.97)		(1,148.87)
Sale / (Purchase) of Investment in others (Net)		2,739.06		(2,425.35)
Profit / (Loss) on Sale of Investments		260.14		259.87
Inter - Corporate deposits placed (Net)		(8,100.00)		-
Interest Income		565.56		34.79
Dividend Income		96.55		0.09
Net Cash used in Investing Activities		3,521.59		(12,660.28)
C. Cash Flow from Financing Activities				
Repayment of working Capital borrowings		(509.47)		(377.09)
Proceeds from issue of share capital including share premium		78.61		58.57
Receipt / (repayment) short term borrowing		-		(1,538.15)
Receipt / (repayment) of other long term liabilities		(158.81)		176.94
Finance cost		(248.16)		(248.16)
Dividend paid		(7,646.47)		(2,721.65)
Dividend distribution tax paid		(1,307.96)		(440.19)
Net Cash used in Financing Activities		(9,792.26)		(5,089.73)
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		2,416.81		279.88
Opening Balance of Cash and Cash Equivalents		1,666.00		1,386.12
Closing Balance of Cash and Cash Equivalents		4,082.81		1,666.00
Closing balance of Cash & cash Equivalents as per Note No. 17		4,082.60		1,666.00
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		0.21		-
Closing balance of Cash & cash Equivalents as per cash flow		4,082.81		1,666.00

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

For and on behalf of the Board of Directors

Raman 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 10, 2014

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, Companies Act, 2013 (to the extent applicable) 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%

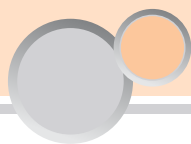
Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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 ₹ 100,000.

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 for 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 investments as determined by management.

ix. Employee Benefits

Short Term Employee Benefits

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

Long Term Employee Benefits

(a) Defined Contribution Plans

Employee benefits in the form of employees provident fund scheme, employee state insurance schemes, employee pension scheme and superannuation are 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.

x. 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.

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. 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.

xiv. 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.

xv. Provisions, Contingent liabilities and Contingent assets

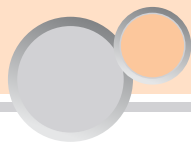
Provision is recognized when the company has a present obligation as a result of past events and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimates can be made. A disclosure for contingent liability is made when there is a possible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

xvi. 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.

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.



(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
2 SHARE CAPITAL		
AUTHORISED		
175,000,000 Equity Shares of ₹ 2/- each (Previous year 175,000,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
50,000,000 Unclassified Shares of ₹ 2/- each (Previous year 50,000,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
5,000,000 Preference Shares of ₹ 10/- each (Previous year 5,000,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	5,000.00	5,000.00

	As at 31 st March, 2014	As at 31 st March, 2013
ISSUED , SUBSCRIBED AND FULLY PAID UP		
90,627,326 Equity Shares of ₹ 2/- each fully paid up (Previous year 90,456,438 Equity Shares of ₹ 2/- each fully paid up)	1,812.55	1,809.13
Total	1,812.55	1,809.13

Reconciliation of Number of Shares (Equity)	2013-14		2012-13	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Number of Shares outstanding as at the beginning of the year	90,456,438	1,809.13	90,321,501	1,806.43
Add: Number of Shares allotted under ESOP during the Year	170,888	3.42	134,937	2.70
Number of Shares outstanding as at the end of the year	90,627,326	1,812.55	90,456,438	1,809.13

Rights, preferences and restrictions attached to Equity Shares.

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

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

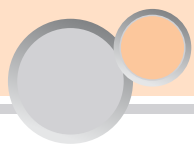
Name of the Shareholders	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	41,205,142	45.47	39,845,639	44.05

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

(For Shares reserved for issue under ESOS, refer note 41)

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
3 RESERVES AND SURPLUS		
CAPITAL RESERVE		
Balance as per last Balance Sheet	62.50	62.50
	62.50	62.50
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	7,715.88	7,653.39
Add: Addition during the year	140.03	62.49
	7,855.91	7,715.88
SHARE OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	151.95	176.26
Add: Addition during the year	336.34	-
Less: Deduction during the year	(73.41)	(24.31)
	414.88	151.95
Less: Deferred Employees' stock compensation	(340.16)	(52.05)
	74.72	99.90
GENERAL RESERVE		
Balance as per last Balance Sheet	17,074.80	15,574.80
Add: Transfer from Profit and Loss Account	1,800.00	1,500.00
	18,874.80	17,074.80
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	54,533.07	47,836.52
Add: Profit for the year after tax	17,696.82	12,959.60
Profit available for appropriations	72,229.89	60,796.12
Less: APPROPRIATIONS		
Proposed Dividend	3,626.30	4,071.16
Interim Dividend	3,624.99	-
Tax on Proposed Dividend	616.29	691.89
Tax on Interim Dividend	616.07	-
Transfer to General Reserve	1,800.00	1,500.00
Total	10,283.65	6,263.05
Net surplus in the statement of Profit & Loss	61,946.24	54,533.07
Total Reserves & Surplus	88,814.17	79,486.15



(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
4 DEFERRED TAX LIABILITIES (NET)	4,177.43	3,897.43
	4,177.43	3,897.43

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	2013-14	Charge/(credit) for the year	2012-13
Deferred Tax Liability on account of Depreciation	5,275.64	677.72	4,597.92
Sub Total	5,275.64	677.72	4,597.92
Deferred Tax Assets Provision for Doubtful Debts, Advances and leave encashment	560.84	85.20	475.64
Provision for Diminution in Investments	295.37	70.52	224.85
Sub Total	856.21	155.72	700.49
	4,419.43	522.00	3,897.43
Less: Deferred Tax Assets on Exceptional Items (Refer note 34)	(242.00)	(242.00)	-
Net Deferred Tax Liability Total	4,177.43	280.00	3,897.43

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
5 OTHER LONG TERM LIABILITIES		
Unsecured Advances from Consignment agents & Others	2,366.95	2,525.76
Total	2,366.95	2,525.76
6 LONG TERM PROVISIONS Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	763.55	918.68
Total	763.55	918.68
7 SHORT TERM BORROWINGS		
Secured Loans repayable on Demand (Cash credit from Banks - Refer Note No. 30)	62.58	572.05
Total	62.58	572.05
8 TRADE PAYABLES Trade Payables (Refer Note No. 31)	15,113.03	15,908.60
Total	15,113.03	15,908.60
9 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	229.59	179.91
Other Payables Statutory Dues	512.68	407.30
Payable for Capital Goods	723.60	571.49
Others	1,505.43	1,827.98
	2,741.71	2,806.77
Total	2,971.30	2,986.68

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
10 SHORT TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	330.62	403.91
Provision for Income Tax (Net of Taxes Paid)	7.05	-
Others		
Proposed Dividend	3,626.30	4,071.16
Tax on Dividend	616.29	691.89
Total	4,580.26	5,166.96

11 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation				Net Carrying Value		
	Cost As at 01/04/2013	Addi- tions	Deduc- tions / Adjustment	Cost As at 31/03/2014	Opening As at 01/04/2013	For the year	Deduc- tions/ Transfers*	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013	
A) Tangible Assets											
Land											
Freehold	248.47	-	-	248.47	-	-	-	-	248.47	248.47	
Leasehold	3,227.93	17.31	(944.01)	2,301.23	356.10	70.85	(192.05)	234.90	2,066.33	2,871.83	
Buildings	20,918.51	4,777.21	(4,940.38)	20,755.34	3,850.82	987.14	(447.62)	4,390.34	16,365.00	17,067.69	
Plant and Equipments	35,172.33	8,199.00	(6,471.26)	36,900.07	14,797.72	2,765.13	(571.13)	16,991.72	19,908.35	20,374.61	
Furniture & Fixtures	1,474.00	381.38	(502.65)	1,352.73	1,067.94	106.21	(173.50)	1,000.65	352.08	406.06	
Vehicles	643.16	23.63	(71.68)	595.11	343.09	79.89	(59.48)	363.50	231.61	300.07	
Office Equipments	486.26	135.39	(120.15)	501.50	284.69	39.88	(22.92)	301.65	199.85	201.57	
Total Tangible Assets	62,170.66	13,533.92	(13,050.13)	62,654.45	20,700.36	4,049.10	(1,466.70)	23,282.76	39,371.69	41,470.30	
B) Intangible Assets											
Brands / Trademarks	1,575.34	-	-	1,575.34	423.86	217.48	**934.00	1,575.34	-	1,151.48	
Total Intangible Assets	1,575.34	-	-	1,575.34	423.86	217.48	934.00	1,575.34	-	1,151.48	
Total Fixed Assets (Tangible & Intangible)	63,746.00	13,533.92	(13,050.13)	64,229.79	21,124.22	4,266.58	(532.70)	24,858.10	39,371.69	42,621.78	
Previous Year	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	-	
Capital Work in Progress									8,630.96	12,929.05	

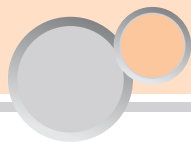
* Transfer includes depreciation related to new projects under capitalisation allocated to Capital Work in-Progress.

** Refer Note 34

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 ₹ 1,233.28 Lacs (Previous year ₹ 6,566.77 Lacs) being expenditure on Research and Development as under:-

(₹ in lacs)

Assets Description	F.Y. 2013-2014	F.Y. 2012-2013
Land	-	31.49
Buildings	55.76	4,464.20
Plant & Machinery	860.96	1,986.40
Furniture & Fixtures	48.50	44.06
Office Equipments	1.88	13.94
Capital Work in Progress	266.18	25.68
Total	1,233.28	6,565.77


12 NON - CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units		Face Value	As at	As at
	As at 31 st March, 2014	As at 31 st March, 2013		31 st March, 2014	31 st March, 2013
(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	208,333	₹ 10	569.31	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	572.31
Fully paid Equity Shares of Subsidiaries					
Niche Generics Ltd (UK)	625,000	625,000	1 Pound	2,556.77	2,556.77
Unichem SA Pty Ltd	19,000	19,000	10 SA Rand	12.14	12.14
Unichem Farmaceutica Do Brasil Ltda	16,983,057	13,710,491	1 Brasil Real	4,345.89	3,464.92
Unichem Pharmaceuticals USA Inc.	6,476,955	6,476,955	1 US\$	2,951.93	2,951.93
Unichem Laboratories Limited, Ireland	1,000,000	1,000,000	1 Euro	690.46	690.46
Less : Provision for diminution in value of investments				(869.22)	(693.02)
				9,687.97	8,983.20
Total (a)				10,260.28	9,555.51
(b) Investment in Preferences Shares					
12% Redeemable Preference Share Capital in Subsidiary Niche Generics Limited, UK	1,500,000	1,500,000	1 Pound	1,164.79	1,164.79
Total (b)				1,164.79	1,164.79
Total Unquoted (a) + (b)				11,425.07	10,720.30
(II) QUOTED					
Fully paid Equity Bonus Shares					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	-	-
Jindal Poly Investment and Finance Company Ltd	500	500	₹ 10	-	-
Aurobindo Pharma Ltd	4	4	₹ 1	-	-
Kothari Industrial Corporation Ltd	20	20	₹ 5	-	-
Total of Unquoted & Quoted Non current Investments				11,425.07	10,720.30
Aggregate of Unquoted Investments - At Book Value				11,425.07	10,720.30
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				3.23	2.93
Aggregate provision for diminution in value of Investments				(899.60)	(723.40)

	As at 31 st March, 2014	As at 31 st March, 2013
13 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances (Net of provision for Doubtful advances, CY ₹ 13.40 Lacs, PY ₹ 13.40 Lacs)	217.86	814.75
Inter Corporate Deposits	4,600.00	-
Loans to Employees	23.90	23.06
Total	4,841.76	837.81

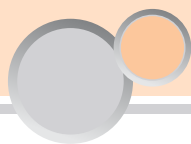
(₹ in lacs)

14 CURRENT INVESTMENTS

	No of Shares/Units			
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
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 Cash Plus		267855.9170		500.57
Birla Sun Life Floating Rate Fund		72068.5400		100.00
DWS short Maturity Fund Regular Plan Annual Bonus	231763.6800	-	33.33	-
IDFC Cash Fund - Growth	6421.2800	-	100.00	-
IDBI Ultra Short Term Fund -Growth		8024.0630		100.00
Indiabulls Liquid Fund -Growth		17592.1830		200.00
JM Money manager Fund -Super Plus Plan- Bonus Option	394628.2700		39.76	
JM High Liquidity Fund		632315.1690		200.00
Kotak Floater Short Term - Growth		10,440.5293		200.00
Prudential ICICI Ultra Short		849487.7590		100.00
Prudential ICICI Liquid Plan		119909.6400		202.27
Peerless Liquid Fund		2375107.6070		300.00
Pramerica liquid Fund		16024.9000		200.00
Reliance Liquid fund Treasury plan -Inst Option -Growth option- Growth plan		14347.3610		400.00
Reliance Arbitrage Advantage Fund- Dividend Plan- Dividend Payout	1482469.7950		198.61	
Religare Ultra Short term Fund		12608.2050		203.20
Total Investments in Mutual Funds			371.70	3,306.04
INVESTMENT IN COMMERCIAL PAPERS				
Family Credit Limited	40.00		195.28	-
Face Value of ₹ 5 Lacs each				
Aggregate of Unquoted Investments - At Book Value			566.98	3,306.04

(₹ in lacs)

	As at	As at
	31 st March, 2014	31 st March, 2013
15 INVENTORIES (As Certified by Management)		
Raw Materials	7,192.19	4,832.38
[Include ₹ 594.93 lacs in transit, (Previous year ₹ 548.32 lacs)]		
Packing Materials	1,351.81	1,039.23
Work-in- Progress	3,859.38	2,676.44
Finished Goods (excluding finished goods traded in)	3,792.91	2,696.10
[Include ₹ 479.69 lacs in transit, (Previous year ₹ 73.88 lacs)]		
Stock in trade (in respect of goods acquired for trading)	2,128.44	1,650.08
Stores and Spares	299.00	269.16
Total [Refer Note. 1 (iii), 44 (i), (ii) & (iii)]	18,623.73	13,163.39

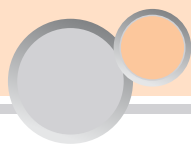


(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
16 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	1,104.48	1,351.41
Considered doubtful	519.08	521.05
	1,623.56	1,872.46
Less: Provision for Doubtful receivables	519.08	521.05
	1,104.48	1,351.41
(b) Others - Considered Good	20,023.03	19,876.23
Total	21,127.51	21,227.64
Of the above, due from Subsidiaries is ₹ 5,637.98 lacs (Previous Year ₹ 5,547.24 lacs)		
Trade Receivables are secured to the extent of Advances of ₹ 2,366.95 lacs (Previous Year ₹ 2,525.76 lacs) received from Consignment Agents & Others.		
17 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	531.89	474.90
In Fixed Deposits	3,310.10	1,000.10
(ii) Cash on hand	11.02	11.09
(b) Other bank balances		
In Unpaid Dividend Account	229.59	179.91
Total	4,082.60	1,666.00
18 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance payment of Income Tax (Net of Provision for Taxation)	-	287.36
Short terms Deposits	424.75	381.05
Prepaid Expenses	476.65	420.65
Balances with Revenue Authorities (Including refund receivables)	4,512.35	3,624.09
Advance against materials & expenses	1,138.75	1,197.98
Inter Corporate Deposits (maturity within 12 months)	3,500.00	-
Other Loans & advances	773.96	480.29
	10,826.46	6,391.42
Unsecured, considered Doubtful		
Short terms Deposits	14.81	13.90
Other Loans & advances	161.52	135.34
	176.33	149.24
Less : Provision for Doubtful Advances	176.33	149.24
Sub Total	-	-
Total	10,826.46	6,391.42
19 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	62.44	44.96
Accrued Interest	375.88	6.82
Export incentive receivable	726.74	356.23
Total	1,165.06	408.01

(₹ in lacs)

	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
20 REVENUE FROM OPERATIONS (Gross)		
Sale of products (Gross)	103,658.50	100,459.97
Other operating revenues		
Export benefits	1,159.39	563.78
Sundries	366.03	271.96
	1,525.42	835.74
Total Revenue from Operations (Gross)	105,183.92	101,295.71
21 OTHER INCOME		
Interest Income	565.56	34.79
[TDS deducted ₹ 48.58 lacs (Previous year ₹ 3.59 lacs)]		
Dividend Income	96.55	0.09
Net gain on sale of short term investments	260.14	259.87
Profit on Sale of Assets	1,694.30	3.47
Other non-operating Income	724.85	533.86
Net gain on foreign currency translation and transactions	942.51	574.62
Total	4,283.91	1,406.70
22 MATERIALS CONSUMED		
Raw Materials	22,780.66	21,789.29
Packing Materials	4,322.64	4,338.63
Total	27,103.30	26,127.92
23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE.		
Inventories at the Commencement		
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
Inventories at Close		
Finished Goods	3,792.91	2,696.10
Work in progress	3,859.38	2,676.44
Stock in Trade	2,128.44	1,650.08
	9,780.73	7,022.62
(Increase) / Decrease in Finished Goods	(1,096.81)	(18.79)
(Increase) / Decrease in Work in progress	(1,182.94)	384.73
(Increase) / Decrease in Stock-in-Trade	(478.36)	641.37
Total	(2,758.11)	1,007.31
24 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, ex-gratia, bonus and commission	13,360.75	11,602.86
Contribution to Provident and other funds	979.56	869.67
Expenses on Employee Stock Option Scheme	32.87	28.22
Staff Welfare Expenses	340.64	300.75
Total	14,713.82	12,801.50



(₹ in lacs)

	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
25 FINANCE COST		
Interest expense	242.00	215.87
Other borrowing costs	6.16	7.00
Net loss on foreign currency transactions and translation (Foreign currency borrowings)	-	25.29
Total	248.16	248.16

	For the year ended 31 st March, 2014		For the year ended 31 st March, 2013	
26 OTHER EXPENSES				
Stores and Spares consumed		638.63		666.72
Manufacturing Charges		746.60		921.78
Power and Fuel		3,496.39		3,054.90
Rent		155.38		146.08
Insurance		152.92		145.27
Repairs :				
Plant and Machinery		550.22		483.93
Buildings		172.75		142.13
Others		532.23		533.20
Rates and Taxes		784.21		656.92
Advertising and sales promotion		8,544.56		9,361.99
Travelling and Conveyance		4,043.90		3,617.60
Freight outward		2,623.76		2,218.69
Directors' Fees		7.40		9.41
Commission on sales		907.01		921.92
Loss on sale of assets		7.20		7.14
Bad debts, loans and advances written off				
Bad Debts and Advances written off	21.93		954.13	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	11.94	9.99	354.40	599.73
Provision for doubtful debts, loans, advances and deposits for the year		38.60		133.84
Establishment and Administrative Expenses		5,683.30		3,841.00
Provision for Diminution of Investments in Subsidiary		176.20		159.81
Total		29,271.25		27,622.06
27 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Materials		1,128.50		159.07
Salaries, Wages and Ex-gratia		1,411.72		1,233.64
Contribution to Provident fund and other Funds		60.41		62.28
Employee's welfare expenses		22.92		17.31
Rates and Taxes		7.05		28.50
Repairs:				
Others		150.13		108.69
Power and fuel		434.34		196.71
Travelling and conveyance		46.65		38.41
Others		1,953.38		1,766.12
Total		5,215.10		3,610.73

28 Contingent Liabilities :

(₹ in lacs)

	2013-14	2012-13
(i) Claims not acknowledged as debts*	1,568.58	1,790.99
(ii) In respect of the Guarantees given to Bank on behalf of : -Subsidiaries	2,509.50	2,102.10
(iii) Other money for which the company is Contingently liable	374.44	495.91
Total	4,452.52	4,389.00

* includes ₹ 179.32 lacs (Previous Year ₹ 96.44 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.

29 Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital & other account not provided for ₹ 11,735.38 lacs (Previous year ₹ 9,124.58 lacs).

30 Cash credit, ₹ 62.58 lacs (Previous Year ₹ 572.05 lacs) from Bank of India and Bank of Baroda are secured against hypothecation of Inventories, Book debts and an equitable mortgage of immovable properties located at Jogeshwari, Roha, Ghaziabad on a second, subject and subservient *pari passu* charge basis (First charge holder being fully satisfied and paid). In addition the cash credit facilities are also secured by an equitable mortgage of the Company's immovable properties situated at Goa and Baddi on a second, subject and subservient basis. (First charge holder being fully satisfied and paid).

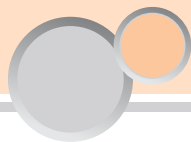
31 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding 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.

32 On internal assessment of long term strategic investments made by the company in its wholly owned subsidiaries, considering their performance, future expectations, cash flow generated and the synergies in the operations from the said subsidiaries over the period of investments, the management has determined an amount of ₹ 176.20 lacs as diminution for the year (previous year ₹ 159.81 lacs) taking the accumulated provision to ₹ 869.22 lacs (previous year ₹ 693.02 lacs) on total investment made of ₹ 10,557.19 lacs and same is considered adequate by the management as at the balance sheet date.

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

(₹ in lacs)

Particulars	2013-14	2012-13
i) Power & fuel	-	165.32
ii) Repairs & maintenance	46.75	29.52
iii) Payroll expenses	16.45	322.62
iv) Freight	-	11.20
v) Insurance	-	5.87
vi) Rent	-	130.99
vii) Travelling Expenses	1.50	7.62
viii) Rates & Taxes	3.75	8.74
ix) Administrative expenses	44.35	507.28
x) Depreciation / Amortisation	-	179.00
Total	112.80	1,368.16



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

(₹ in lacs)

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

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

The following are the outstanding forward contracts as at 31 st March ,2014.

(Value in lacs)

Currency	Buy/Sell	Foreign currency value	
		2013-14	2012-13
EURO	Sell	17.21	17.24
USD	Sell	72.08	72.96
USD	Buy	0.00	0.74
GBP	Sell	0.20	0.00
CAD	Sell	0.00	1.00

Foreign Currency exposure not hedged by forward contracts as at 31st March ,2014 are given below:

(Value in lacs)

Unhedged	Foreign currency value	
	2013-14	2012-13
A) Receivable		
EURO	15.43	25.30
USD	72.82	89.67
GBP	1.29	5.12
CAD	9.43	6.28
B) Payable		
EURO	5.94	0.06
USD	0.00	0.00
JPY	0.00	0.54
GBP	0.00	2.94

36 Employee Benefits

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

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

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

Details of Provision for gratuity and leave encashment.

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Defined benefit obligation	1,413.71	1,291.98	969.31	895.86
Fair value of plan assets	1,290.70	1,077.33	283.32	100.10
	(123.01)	(214.65)	(685.99)	(795.76)
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	(123.01)	(214.65)	(685.99)	(795.76)

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Opening defined benefit obligation	1,291.98	1,153.47	895.85	836.06
Interest cost	99.34	91.26	64.35	60.69
Current service cost	165.98	148.78	105.57	98.36
Benefits paid	(100.55)	(94.42)	(182.99)	(200.73)
Actuarial (gains) / losses on obligation	(43.04)	(7.11)	86.53	101.47
Closing defined benefit obligation	1,413.71	1,291.98	969.31	895.85

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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Opening fair value of plan assets	1,077.33	1,075.22	100.00	-
Expected return	103.28	95.09	16.42	-
Contributions by employer	214.71	-	275.00	-
Benefits paid	(100.55)	(94.42)	(110.00)	-
Actuarial gains / (losses)	(4.07)	1.44	1.90	-
Closing fair value of plan assets	1,290.70	1,077.33	283.32	0.00

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

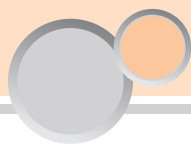
Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Investment with Insurer	100	100	29.23	11.16

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

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Discount rate	9.10%	* 8.00%	9.10%	* 8.00%
Expected rate of return on plan assets	9.25%	* 9.25%	9.00%	-
Increase in Compensation plan cost	8.50%	* 8.00%	8.50%	* 8.00%

* As per Actuary Certificate

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



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

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Defined benefit obligation	1,413.71	1,291.98	969.31	895.86
Plan assets	1,290.70	1,077.33	283.32	100.10
Surplus / (deficit)	(123.01)	(214.65)	(685.99)	(795.76)
Experience adjustments on Plan Liability	3.45	(94.58)	122.89	(65.67)
Experience adjustments on Plan Assets	4.07	(1.44)	(1.89)	-

Statement of Profit & Loss

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

Net employee benefit expense (recognised in Employee Cost)

(₹ in lacs)

Particulars	GRATUITY		LEAVE ENCASHMENT	
	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Current service cost	165.99	148.78	105.57	98.36
Interest cost on benefit obligation	99.34	91.26	64.35	60.69
Expected return on plan assets	(103.28)	(95.09)	-	-
Net actuarial(gain) / loss recognised in the year	(38.98)	(8.54)	86.53	101.47
Past service cost	-	-	-	-
Net benefit expense	123.07	136.41	256.45	260.52

37 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)	2013-14	2012-13
India	69,215.70	66,534.57
Outside India	35,968.22	34,761.14
Total	105,183.92	101,295.71

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

38 Related Party Disclosures

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

1 Relationships

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

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

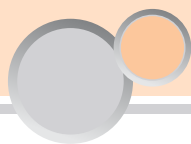
(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Sales of goods, etc.	8,374.63	6,212.95	-	-	-	-	8,374.63	6,212.95
Rent & Maintenance paid	-	-	13.86	2.54	10.01	9.59	23.87	12.13
Managerial remuneration	-	-	300.76	244.63	-	-	300.76	244.63
Commission	82.63	111.05	177.49	168.97	-	-	260.12	280.02
Salary	-	-	30.27	28.31	-	-	30.27	28.31
Dividend paid	-	-	3,856.78	1,343.89	-	-	3,856.78	1,343.89
Expenses Reimbursed	214.09	38.60	-	-	-	-	214.09	38.60
Investment made during the year	880.98	1,148.86	-	-	-	-	880.98	1,148.86
Sale of Assets	-	-	1,754.00	-	-	-	1,754.00	-
Total	9,552.33	7,511.46	6,133.16	1,788.34	10.01	9.59	15,695.50	9,309.39

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

(₹ in lacs)

Particulars	Subsidiaries		Key Management Personnel & their relatives		Total	Total
Outstanding Balances						
Deposits given	-	-	45.06	45.06	45.06	45.06
Creditors	119.28	94.86	-	-	119.28	94.86
Debtors outstanding	5,530.24	5,547.24	-	-	5,530.24	5,547.24
Guarantees given to bank on behalf of Subsidiaries	2,509.50	2,102.10	-	-	2,509.50	2,102.10
Total Investments	11,721.98	10,841.00	-	-	11,721.98	10,841.00
Due to Directors	-	-	177.49	168.97	177.49	168.97
Total	19,881.00	18,585.20	222.55	214.03	20,103.55	18,799.23



(iii) Details of material transactions during the year

(₹ in lacs)

	2013-14	2012-13
a) Sale of finished goods (Net of returns)		
Niche Generics Ltd	2,025.17	2,116.84
Unichem Pharmaceuticals (USA) Inc.	5,761.12	3,667.94
b) Investments made		
Unichem Farmaceutica Do Brasil Ltda	880.98	799.06
Unichem Laboratories Limited, Ireland	-	349.80
c) Guarantees given to Banks on behalf of Subsidiary Company		
Niche Generics Limited.	2,509.50	2,102.10
d) Rent & Maintenance Paid		
Mrs. Anita Mody	13.86	2.54
Uni Distributors Pvt Ltd	10.01	9.59
e) Managerial Remuneration		
Dr. Prakash A. Mody	300.76	244.63
f) Commission		
Dr. Prakash A. Mody	177.49	168.97
Unichem Pharmaceuticals (USA) Inc.	82.63	111.05
g) Salary		
Ms. Supriya Mody	30.27	28.31
h) Dividend Paid		
Dr. Prakash A. Mody	3,420.88	1,190.04
i) Sale of Assets		
Mrs. Anita P. Mody	1,754.00	-
j) Expenses Re - imbursement		
Niche Generics Limited.	5.21	11.20
Unichem Laboratories Limited , Ireland	5.05	-
Unichem Pharmaceuticals (USA) Inc	190.97	24.23
Unichem Farmaceutica Do Brasil Ltda	10.03	-
Unichem SA Pty Ltd	2.83	3.17

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

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

(₹ in lacs)

	2013-14	2012-13
(a) Equity Investment made during the year	-	569.31
(b) Advances Paid during the Year	-	347.48
(c) Advance recovered	121.94	4.73
(d) Amount Recoverable	226.43	342.75
(e) Services Availed	175.90	9.47
(f) Rent Income	5.00	-

39 Operating lease:

Premises and certain vehicles are obtained on operating lease and are renewable and non-cancellable. There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements. There are no sub-leases. The aggregate lease rentals payable, are charged as rent (Refer Note No. 26) in the Statement of Profit & Loss.

40 Earning Per Share has been computed as under:

₹ in lacs except EPS

Particulars	2013-14	2012-13
(A) Before Exceptional Items		
Profit after Tax and before Exceptional items attributable to equity shareholders (A) (₹ In lacs)	13,582.27	12,959.60
Weighted average number of Equity shares for Basic Earning per Share (B)	90,564,085	90,408,889
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,895,043	90,710,953
Earning Per Share - Basic (A)/(B) ₹	15.00	14.33
Earning Per Share-Diluted (A)/(C) ₹	14.94	14.29
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		
(B) After Exceptional Items		
Profit after Tax and Exceptional items attributable to equity shareholders (A) (₹ In lacs)	17,696.82	12,959.60
Weighted average number of Equity shares for Basic Earning per Share (B)	90,564,085	90,408,889
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,895,043	90,710,953
Earning Per Share - Basic (A)/(B) ₹	19.54	14.33
Earning Per Share-Diluted (A)/(C) ₹	19.47	14.29
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		

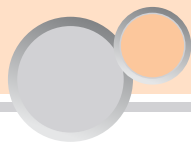
41 Employee share based payment plans

- i) During the year ended 31st March, 2014 the Company has two share based payment arrangements which are described below:

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

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

Particulars	2013-14		2012-13	
	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	
	2013-2014	2012-2013
Option outstanding at the beginning of the year Face Value ₹ 2 per share each (Nos.)	-	2,250
Exercised during the year (Nos.)	-	(2,250)
Weighted Average Exercise Price (₹)	212	212
Weighted Average Fair Value of Option (₹)	149	149

Particulars	ESOS 2008	
	2013-2014	2012-2013
Option outstanding at the beginning of the year Face Value ₹ 2/- per share each (Previous year face Value of ₹ 2/- per share each) (Nos.)	402,562	587,061
Grant of Option under ESOS 2008 on 08.03.2014	225,000	-
Exercised during the year (Nos.)	(170,888)	(132,687)
Lapsed during the year (Nos.)	(21,000)	(51,812)
Option outstanding at the end of the year (Face Value of ₹ 2/- per share each) (Nos.)	435,674	402,562
Weighted Average Exercise Price (₹)	46	46
Weighted Average Fair Value of Option (₹)	151	97

42 The amount of Dividends proposed to be distributed to Equity shareholders for the F.Y. 2013-2014 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 30,250 nos. of shares are allotted after balance sheet date on which dividend of ₹ 4/- per share is recommended and will be paid after approval of same in ensuing Annual General Meeting. Accordingly provision has been made for dividend distribution tax (DDT) on such dividend in F.Y. 2013-2014 Audited accounts. (Previous Year: Total no. of Shares for ESOP was 13,750 and dividend provision made was ₹ 4.50/- per share)

43 Establishment and Administrative expenses include payment to:

i. Statutory Auditors (Excluding Service Tax)

(₹ in lacs)

	2013-14	2012-13
Audit Fees	14.00	14.00
Tax Audit	4.00	4.00
Certification Charges	4.37	5.93
Reimbursement of Expenses	1.91	2.26
Total	24.28	26.19

ii. Cost Auditors (Excluding Service Tax)

	2013-14	2012-13
Audit Fees	5.00	4.50
Certification charges	0.23	0.50
Reimbursement of Expenses	0.25	0.06
Total	5.48	5.06

44 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	2,390.59	2,063.01
Bulk Drugs & Chemicals	1,402.32	633.09
Total	3,792.91	2,696.10

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	2,128.44	1,650.08
Total	2,128.44	1,650.08

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

Class of Goods	Closing Stock	Opening Stock
	Value	Value
Formulations	1,274.63	986.18
Bulk Drugs & Chemicals	2,584.75	1,690.26
Total	3,859.38	2,676.44

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

Class of Goods	2013-14	2012-13
	Value	Value
Formulations	66,204.31	66,477.18
Bulk Drugs & Chemicals	11,870.35	11,131.73
Total	78,074.66	77,608.91

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

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

Class of Goods	2013 -14	2012-13
	Value	Value
Formulations	24,817.42	22,851.06
Total	24,817.42	22,851.06

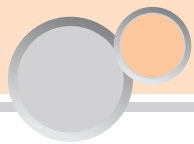
Note: The sales quantities include adjustments on account of free issues, shortages & obsolescences.

vi. Purchases of Finished Goods (₹ in lacs)

Class of Goods	2013-14	2012-13
	Value	Value
Formulations	12,758.93	10,784.43
Total	12,758.93	10,784.43

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

Particulars	2013-14	2012-13
Raw Materials	4,749.46	3,878.07
Packing Materials	141.30	232.39
Stores & Spare Parts	98.83	21.99
Capital Goods	1,345.62	831.63
Others	-	4.62
Total	6,335.21	4,968.70



viii. Expenditure in Foreign Currencies (On Accrual basis) (₹ in lacs)

Particulars	2013-14	2012-13
(a) Professional and Consultation fees	474.42	436.53
Others	2,375.15	1,018.38
(b) Dividend paid in foreign currency (Cash basis)		
No. of Shareholders		
Shares held		
1	0.74	-
(of the above ₹ 39,375/- pertains to Final Dividend of F.Y. 2012-13 and ₹ 35,000/- for Interim Dividend F.Y. 2013-14)		
Total	2,850.31	1,454.91

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

Particulars	2013-14	2012-13
Sales & Operating Income		
Export of Goods calculated on FOB basis.	32,643.87	32,157.11
Insurance, Freight and other charges recovered	1,553.60	1,351.25
Total	34,197.47	33,508.36

x. Consumption of Raw Materials, Packing Materials, Stores and Spares. (₹ in lacs)

Particulars	2013-14		2012-13	
	%	Value	%	Value
A. Raw Materials				
Indigenous (including canalised)	78	17,789.25	79	17,270.60
Imported (including duty and charges)	22	4,991.41	21	4,518.69
Total	100	22,780.66	100	21,789.29
B. Packing Materials, Stores and Spares				
Indigenous (including canalised)	94	4,656.13	92	4,593.82
Imported (including duty and charges)	6	305.14	8	411.53
Total	100	4,961.27	100	5,005.35

xi. Break up of Raw Materials Consumed (₹ in lacs)

Particulars	2013-14	2012-13
	Value	Value
Ampicillin	1,861.89	1,781.02
Levetiracetam	1,474.54	2,459.01
Miscellaneous (none of which individually accounts for more than 10% of total consumption)	19,444.23	17,549.26
Total	22,780.66	21,789.29

Signature to the Notes 1 to 44 of the Financial Statements.

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

For and on behalf of the Board of Directors

Raman 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 10, 2014

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, 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- 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.

Other Matter

We did not audit the financial statements of:

- i) Four subsidiary companies whose financial statements reflect total assets (net) of ₹ 1,595.04 lacs as at March 31, 2014, total revenues (including other income) of ₹ 17,424.45 lacs and net cash inflow amounting to ₹ 334.54 lacs for the year ended, and
- ii) A subsidiary company whose financial statements reflect total assets (net) of ₹ 1.23 lacs as at February 28, 2014, total revenues (including other income) of ₹ Nil and cash inflow of ₹ 0.03 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. Our opinion is not qualified in respect of this matter.

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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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

Mumbai
May 10, 2014

Raman Jokhakar
Partner
Membership No. 103241

Consolidated Financial Statements

Consolidated Balance Sheet

(₹ in lacs)

	Notes	As at 31 st March, 2014	As at 31 st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,812.55	1,809.13
(b) Reserves and Surplus	3	79,848.37	70,898.06
(2) Non- current liabilities			
(a) Long-term borrowings	4	2,464.51	2,089.10
(b) Deferred tax liabilities (Net)	5	4,177.43	3,897.43
(c) Other Long term liabilities	6	2,366.95	2,525.76
(d) Long term provisions	7	763.55	918.68
(3) Current liabilities			
(a) Short term borrowings	9	15,051.77	15,662.83
(b) Trade payables	10	3,298.67	3,665.01
(c) Other current liabilities	11	4,577.72	5,166.96
(d) Short term provisions			
TOTAL		114,465.38	107,250.29
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		41,615.48	43,469.94
(ii) Intangible assets		313.52	1,305.94
(iii) Capital work-in-progress		9,054.00	13,220.10
(b) Non-current investments	13	572.31	572.31
(c) Long term loans and advances	14	4,841.76	837.81
(2) Current assets			
(a) Current investments	15	566.98	3,306.04
(b) Inventories	16	20,349.40	14,304.57
(c) Trade receivables	17	19,651.25	20,695.29
(d) Cash and Bank Balances	18	5,215.03	2,463.86
(e) Short term loans and advances	19	11,120.59	6,666.42
(f) Other current assets	20	1,165.06	408.01
TOTAL		114,465.38	107,250.29
Significant Accounting Policies	1		

Notes to Accounts form an Integral part of financial statements

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

For and on behalf of the Board of Directors

Raman 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 10, 2014

Consolidated Statement of Profit and Loss

(₹ in lacs)

	Notes	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Income			
I. Revenue from operations (Gross)	21	114,111.21	108,854.30
Less: Excise duty		766.42	774.02
Revenue from operations (Net)		113,344.79	108,080.28
II. Other Income	22	4,225.76	1,341.87
III. Total Revenue (I + II)		117,570.55	109,422.15
IV. Expenses:			
Cost of materials consumed	23	30,313.01	28,511.41
Purchase of Stock-in-Trade		11,661.31	9,452.67
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade		(3,225.95)	1,530.85
Employee benefits expense	24	18,736.66	16,487.95
Finance costs	25	319.01	328.98
Depreciation and amortization expense		4,571.60	3,833.98
Other expenses	26	32,863.24	31,019.71
Research & Development Expense	27	5,215.10	3,649.32
Total Expenses (IV)		100,453.98	94,814.87
V. Profit before tax and Exceptional Items (III - IV)		17,116.57	14,607.28
VI. Tax expenses			
(1) Current tax		3,785.26	3,245.07
(2) Deferred tax	5	522.00	50.00
(3) Short / (Excess) provision for taxation pertaining to previous years		(6.89)	(10.37)
Total tax expenses (VI)		4,300.37	3,284.70
VII. Profit for the period after tax and before Exceptional Items (V- VI)		12,816.20	11,322.58
VIII. Exceptional Items [(net of taxes) refer note 29]		4,114.55	-
IX. Profit after Exceptional Items (VII+VIII)		16,930.75	11,322.58
X. Earnings per equity share (Face value ₹ 2 each).			
(a) Before Exceptional Items			
(1) Basic (in ₹)		14.15	12.52
(2) Diluted (in ₹)		14.10	12.48
(b) After Exceptional Items			
(1) Basic (in ₹)		18.69	12.52
(2) Diluted (in ₹)		18.63	12.48
Significant Accounting Policies	1		

Notes to Accounts form an Integral part of financial statements

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

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241

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Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Mumbai
May 10, 2014

Consolidated Cash Flow Statement

(₹ in lacs)

Particulars	For the year ended 31 st March, 2014		For the year ended 31 st March, 2013	
A. Cash Flow from Operating Activities				
Net Profit before tax		17,116.57		14,607.28
Adjustment for :				
Provision for Wealth Tax	5.00		15.00	
Depreciation	4,571.60		3,833.98	
Loss/(Profit) on sale of assets (Net)	(1,687.10)		4.67	
Unrealised Exchange difference (Net)	(196.28)		(177.04)	
Finance cost	319.01		328.98	
Provision for doubtful debts, loans, advances & deposits for the year	43.48		133.84	
Employees compensation expenses (ESOS)	32.87		28.22	
Stock Option expenses (other than employees)	6.79		6.79	
Loss/(Profit) on Sale of Investments	(260.14)		(259.87)	
Bad debts Written Off	21.93		954.87	
Interest income	(572.90)		(40.25)	
Excess provision for expenses written back	(313.63)		(114.48)	
Dividend income	(96.55)		(0.09)	
		1,874.08		4,714.62
Operating profit before working capital changes		18,990.65		19,321.90
Adjusted for:				
Trade & other receivables	(38.51)		(2,297.65)	
Inventories	(6,044.83)		1,491.84	
Trade & Other payables	(549.00)	(6,632.34)	2,111.11	1,305.30
Cash generated from operations		12,358.31		20,627.20
Direct taxes paid (Net of refund)		(3,684.91)		(3,504.17)
Net cash flow from Operating Activities		8,673.40		17,123.03
B. Cash flow from Investing Activities				
Purchase of fixed assets including Capital WIP		(10,402.15)		(9,800.43)
Sale of fixed assets		14,530.63		81.04
Exceptional Gain		3,872.55		-
Sale / (purchase) of Investment in others (Net)		2,739.06		(2,425.35)
Profit / (Loss) on Sale of Investments		260.14		259.87
Inter - Corporate deposits placed (Net)		(8,100.00)		-
Interest received		572.90		40.25
Dividend on Investments		96.55		0.09
Net cash used in Investing Activities		3,569.68		(11,844.53)
C. Cash flow from Financing Activities				
Receipt of working Capital borrowings		(513.47)		(386.46)
Proceeds from issue of share capital including share premium		78.61		58.57
Receipt of short term borrowing		-		(1,538.15)
Receipt of long term borrowings		375.41		42.24
Receipt / (repayment) of other long term liabilities		(158.81)		176.94
Finance cost		(319.01)		(328.98)
Dividend paid		(7,646.47)		(2,721.65)
Dividend Distribution tax paid		(1,307.96)		(440.19)
Net cash used in financing activities		(9,491.70)		(5,137.68)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		2,751.38		140.82
Opening balance of cash and cash equivalents		2,463.86		2,323.04
Closing balance of cash and cash equivalents		5,215.24		2,463.86
Closing balance of Cash & cash Equivalents as per Note no. 18		5,215.03		2,463.86
Unrealised Translation (Gain) / Loss on Foreign Currency Cash		0.21		-
Closing balance of Cash & cash Equivalents as per cash flow (Of the above ₹ 45.45 lacs are restricted towards LCs required for Bonds to two states by one of our subsidiary)		5,215.24		2,463.86

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

Raman Jokhakar
 Partner
 Membership No.103241
 Mumbai
 May 10, 2014

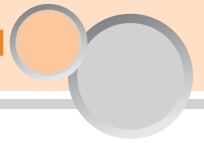
Rakesh Parikh
 Vice President
 Finance

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, Companies Act, 2013 (to the extent applicable) and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006.

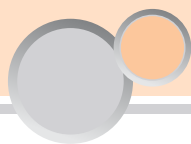
ii. Use of Estimates:

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. 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 28/02/2014 as a date of reporting than that of the parent Company.



(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
2 SHARE CAPITAL		
AUTHORISED		
175,000,000 Equity Shares of ₹ 2/- each (Previous year 175,000,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
50,000,000 Unclassified Shares of ₹ 2/- each (Previous year 50,000,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
5,000,000 Preference Shares of ₹ 10/- each (Previous year 5,000,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	5,000.00	5,000.00

	As at 31 st March, 2014	As at 31 st March, 2013
ISSUED, SUBSCRIBED AND PAID UP		
90,627,326 Equity Shares of ₹ 2/- each fully paid up (Previous year 90,456,438 Equity Shares of ₹ 2/- each fully paid up)	1,812.55	1,809.13
Total	1,812.55	1,809.13

	2013-14		2012-13	
	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	90,456,438	1,809.13	90,321,501	1,806.43
Add: Numbers of Shares Issued during the Year	170,888	3.42	134,937	2.70
Number of Shares outstanding as at the end of the year	90,627,326	1,812.55	90,456,438	1,809.13

Rights, preferences and restrictions attached to Equity Shares.

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

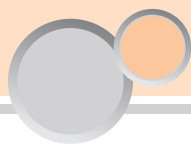
Shareholders holding more than 5 per cent of total Equity Shares of Company

Name of the Shareholders	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	41,205,142	45.47	39,845,639	44.05

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

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
3 RESERVES AND SURPLUS		
CAPITAL RESERVE		
Balance as per last balance sheet	62.50	62.50
	62.50	62.50
CAPITAL REDEMPTION RESERVE		
Balance as per last balance sheet	834.00	834.00
	834.00	834.00
SECURITIES PREMIUM ACCOUNT		
Balance as per last balance sheet	7,715.88	7,653.39
Add: Addition during the year	140.03	62.49
	7,855.91	7,715.88
STOCK OPTIONS OUTSTANDING ACCOUNT		
Employees' stock options outstanding as per last Balance Sheet	151.95	176.26
Add: Addition during the year	336.34	-
Less: Deduction during the year	(73.41)	(24.31)
	414.88	151.95
Less: Deferred Employees' stock compensation	(340.16)	(52.05)
	74.72	99.90
GENERAL RESERVE		
Balance as per last Balance Sheet	17,074.80	15,574.80
Add: Transfer from Profit and Loss Account	1,800.00	1,500.00
	18,874.80	17,074.80
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last balance sheet	283.31	287.56
Add / Less: Addition / (deduction) during the year	388.36	(4.25)
	671.67	283.31
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as per last Balance Sheet	44,827.67	39,768.14
Add: Profit for the year after tax	16,930.75	11,322.58
Profit available for appropriations	61,758.42	51,090.72
Less: APPROPRIATIONS		
Proposed Dividend	3,626.30	4,071.16
Interim Dividend	3,624.99	-
Tax on Proposed Dividend	616.29	691.89
Tax on Interim Dividend	616.07	-
Transfer to General Reserve	1,800.00	1,500.00
Total	10,283.65	6,263.05
Net surplus in the statement of Profit & Loss	51,474.77	44,827.67
Total	79,848.37	70,898.06



(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
4 LONG TERM BORROWINGS		
Term loans from Banks	2,464.51	2,089.10
Total	2,464.51	2,089.10

(₹ in lacs)

5 DEFERRED TAX LIABILITIES (NET)	4,177.43	3,897.43
	4,177.43	3,897.43

The deferred tax liability / (asset) comprises of:

(₹ in lacs)

Particulars	As at 31 st March, 2014	Charge/(credit) for the year	As at 31 st March, 2013
Deferred Tax Liability on account of Depreciation	5,275.64	677.72	4,597.92
Sub Total	5,275.64	677.72	4,597.92
Deferred Tax Assets Provision for Doubtful Debts, Advances and Leave Encashment	856.21	155.72	700.49
Sub Total	856.21	155.72	700.49
	4,419.43	522.00	3,897.43
Less: Deferred Tax Assets on Exceptional Items (Refer note 29)	(242.00)	(242.00)	-
Net Deferred Tax Liability Total	4,177.43	280.00	3,897.43

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
6 OTHER LONG TERM LIABILITIES		
Advances from consignment agents & Others	2,366.95	2,525.76
Total	2,366.95	2,525.76
7 LONG TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	763.55	918.68
Total	763.55	918.68
8 SHORT TERM BORROWINGS		
Secured :		
Loans repayable on Demand (Cash credit from Banks)	103.86	617.33
Total	103.86	617.33

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
9 TRADE PAYABLES		
Trade Payables	15,051.77	15,662.83
Total	15,051.77	15,662.83
10 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	229.59	179.91
Other Payables		
Statutory Dues	512.68	407.30
Payable for Capital Goods	723.60	571.49
Others	1,832.80	2,506.31
	3,069.08	3,485.10
Total	3,298.67	3,665.01
11 SHORT TERM PROVISIONS		
Provision for Employees Benefits (Consists of provision for Gratuity & Leave Encashment)	330.62	403.91
Provision for Income Tax (net of taxes paid)	4.51	-
Others		
Proposed Dividend	3,626.30	4,071.16
Tax on Dividend	616.29	691.89
Total	4,577.72	5,166.96

12 FIXED ASSETS

(₹ in lacs)

Assets	Gross Block				Depreciation / Amortisation	Net Carrying Value	
	Cost As at 01/04/2013	Additions	Deductions	Cost As at 31/03/2014	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
A. Tangible Assets							
Land							
Freehold	248.47	-	-	248.47	-	248.47	248.47
Leasehold	3,227.93	17.31	(944.01)	2,301.23	234.90	2,066.33	2,871.83
Buildings	22,471.87	5,110.14	(4,970.77)	22,611.24	4,950.98	17,660.26	18,203.04
Plant and Machinery	37,177.78	8,681.20	(6,717.96)	39,141.02	18,300.13	20,840.89	21,226.89
Furniture & Fixtures	1,589.10	401.81	(504.80)	1,486.11	1,125.32	360.79	418.05
Cars and Vehicles	643.16	23.63	(71.68)	595.11	363.50	231.61	300.07
Office Equipments	497.08	135.39	(120.64)	511.83	304.70	207.13	201.59
Total Tangible Assets	65,855.39	14,369.48	(13,329.86)	66,895.01	25,279.53	41,615.48	43,469.94
B. Intangible Assets							
Goodwill	154.50	-	-	154.50	-	154.50	154.50
Brands / trademarks	1,576.82	-	-	1,576.82	1,576.82	-	1,151.44
Licences	-	198.77	-	198.77	39.75	159.02	-
Total Intangible Assets	1,731.32	198.77	-	1,930.09	1,616.57	313.52	1,305.94
Total Fixed Assets (Tangible & Intangible)	67,586.71	14,568.25	(13,329.86)	68,825.10	26,896.10	41,929.00	44,775.88
Previous Year	59,926.70	7,930.66	(270.65)	67,586.71	22,810.83	44,775.88	-
Capital Work in Progress						9,054.00	13,220.10

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

Addition to Fixed assets and CWIP includes ₹ 1,233.28 Lacs (Previous year ₹ 6,565.77 Lacs) being expenditure on Research and Development as under:-

(₹ in lacs)

Assets Description	F.Y. 2013-2014	F.Y. 2012-2013
Land	-	31.49
Buildings	55.76	4,464.20
Plant & Machinery	860.96	1,986.40
Furniture & Fixtures	48.50	44.06
Office Equipments	1.88	13.94
Capital Work in Progress	266.18	25.68
Total	1,233.28	6,565.77

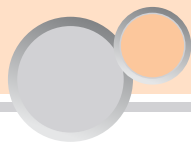
(₹ in lacs)

13 NON - CURRENT INVESTMENTS

	No of Shares/Units		Face Value	As at	As at
	As at 31st March, 2014	As at 31st March, 2013		31st March, 2014	31st March, 2013
OTHER INVESTMENTS					
(I) UNQUOTED					
(a) INVESTMENT IN EQUITY INSTRUMENTS					
Fully paid Equity Shares of Mediklin Healthcare Limited (Earlier known as M/S Gravure Art and Healthcare Limited)	202,500	202,500	₹ 10	30.38	30.38
Fully paid up Equity Shares of Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Fully Paid Equity Shares of Synchron Research Private Limited	208,333	208,333	₹ 10	569.31	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	572.31
(II) QUOTED					
Fully paid Equity Bonus Shares					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	-	-
Jindal Poly Investment and Finance Company Ltd	500	500	₹ 10	-	-
Aurobindo Pharma Ltd	4	4	₹ 1	-	-
Kothari Industrial Corporation Ltd	20	20	₹ 5	-	-
TOTAL QUOTED INVESTMENTS				-	-
TOTAL NON-CURRENT INVESTMENTS				572.31	572.31
Total of Unquoted & Quoted Non current Investment				572.31	572.31
Aggregate of Unquoted Investments - At Book Value				572.31	572.31
Aggregate provision for diminution in value of Investments				(30.38)	(30.38)
Aggregate of Quoted Investments - At Book Value				-	-
-At Market Value				3.23	2.93

(₹ in lacs)

	As at 31 st March, 2014	As at 31 st March, 2013
14 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good.		
Capital advances (Net of provision for Doubtful advances, CY ₹ 13.40 Lacs, PY ₹ 13.40 Lacs)	217.86	814.75
Inter Corporate Deposits	4,600.00	-
Loans to Employees	23.90	23.06
Total	4,841.76	837.81


15 CURRENT INVESTMENTS

(₹ in lacs)

	No of Shares/Units			
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
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 Cash Plus		267855.9170		500.57
Birla Sun Life Floating Rate Fund		72068.5400		100.00
DWS short Maturity Fund Regular Plan Annual Bonus	231763.6800		33.33	
IDFC Cash Fund - Growth	6421.2800		100.00	
IDBI Ultra Short Term Fund -Growth		8024.0630		100.00
Indiabulls Liquid Fund -Growth		17592.1830		200.00
JM Money manager Fund -Super Plus Plan- Bonus Option	394628.2700		39.76	
JM High Liquidity Fund		632315.1690		200.00
Kotak Floater Short Term - Growth		10,440.5293		200.00
Prudential ICICI Ultra Short		849487.7590		100.00
Prudential ICICI Liquid Plan		119909.6400		202.27
Peerless Liquid Fund		2375107.6070		300.00
Pramerica Liquid Fund		16024.9000		200.00
Reliance Liquid fund Treasury plan -Inst Option -Growth option- Growth plan		14347.3610		400.00
Reliance Arbitrage Advantage Fund- Dividend Plan- Dividend Payout	1482469.7950		198.61	
Religare Ultra Short term Fund		12608.2050		203.20
Total Investments in Mutual Funds			371.70	3,306.04
INVESTMENT IN COMMERCIAL PAPERS				
Family Credit Limited Face Value of ₹ 5 Lacs each	40.00		195.28	
Aggregate of Unquoted Investments - At Book Value			566.98	3,306.04

(₹ in lacs)

	As at	As at
	31 st March, 2014	31 st March, 2013
16 INVENTORIES (As Certified by Management)		
Raw Materials (Include ₹ 594.93 lacs in transit, (Previous year ₹ 548.32 lacs))	7,944.67	5,468.19
Packing Materials	1,351.81	1,039.23
Work -in-progress	3,859.38	2,676.44
Finished Goods (excluding finished goods traded in) (Include ₹ 479.69 lacs in transit, (Previous year ₹ 73.88 lacs))	3,792.91	2,696.10
Stock in trade (in respect of goods acquired for trading)	3,101.63	2,155.45
Stores and Spares	299.00	269.16
Total	20,349.40	14,304.57

(₹ in lacs)

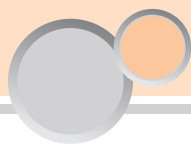
	As at 31 st March, 2014	As at 31 st March, 2013
17 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
(a) Outstanding for period exceeding six months from the date they become due		
Considered good	1,104.48	1,351.41
Considered doubtful	523.91	521.05
	1,628.39	1,872.46
Less: Provision for Doubtful receivables	523.91	521.05
	1,104.48	1,351.41
(b) Other debts - Considered Good	18,546.77	19,343.88
Total	19,651.25	20,695.29
18 CASH AND BANK BALANCES		
(a) Cash & cash equivalents		
(i) Balances with banks		
In Current Accounts	1,327.69	1,193.65
In Fixed Deposits	3,600.51	1,078.59
(ii) Cash on hand	57.24	11.71
(b) Other bank balances		
In Unpaid Dividend Account	229.59	179.91
Total	5,215.03	2,463.86
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance payment of Income Tax (Net of Provision for Taxation)	-	341.60
Short term Deposits	424.75	381.05
Prepaid Expenses	553.94	493.90
Balances with Revenue Authorities (Including refund receivables)	4,621.82	3,624.09
Advance against material & expenses	1,246.12	1,345.50
Inter Corporate Deposits (maturity within 12 months)	3,500.00	-
Other Loans & Advances	773.96	480.28
	11,120.59	6,666.42
Considered Doubtful		
Short term Deposits	14.81	13.90
Other Loans & Advances	161.52	135.34
	176.33	149.24
Less : Provision for Doubtful Loans and Advances	176.33	149.24
	0.00	0.00
Total	11,120.59	6,666.42
20 OTHER CURRENT ASSETS		
Unamortised Premium on forward contracts	62.44	44.96
Interest Accrued on Advances	375.88	6.82
Export incentive receivables	726.74	356.23
Total	1,165.06	408.01

(₹ in lacs)

	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
<u>21 SALES / INCOME FROM OPERATIONS (GROSS)</u>		
Sale of products (Gross)	112,585.79	108,018.56
Other operating revenues		
Export benefits	1,159.39	563.78
Sundries	366.03	271.96
Total	114,111.21	108,854.30
<u>22 OTHER INCOME</u>		
Interest Income (TDS deducted of ₹ 48.58 lacs (Previous year ₹ 3.76 lacs))	572.90	40.25
Dividend Income	96.55	0.09
Net gain on sale of Short term investments	260.14	259.87
Profit on Sale of Assets	1,694.30	3.47
Other non-operating Income	723.71	533.87
Net gain on foreign currency translation and transactions.	878.16	504.32
Total	4,225.76	1,341.87
<u>23 MATERIALS CONSUMED</u>		
Raw Materials	24,848.75	23,321.94
Packing Materials	5,464.26	5,189.47
Total	30,313.01	28,511.41
<u>24 EMPLOYEE BENEFITS EXPENSES</u>		
Salaries, wages, ex-gratia bonus and commission	17,317.36	15,159.21
Contribution to Provident and other funds	979.56	948.76
Expense on Employee Stock Option Scheme	32.87	28.22
Staff Welfare Expenses	406.87	351.76
Total	18,736.66	16,487.95
<u>25 FINANCE COST</u>		
Interest expense	312.85	296.69
Other borrowing costs	6.16	7.00
Net loss on foreign currency transactions and translation (Foreign currency borrowings)	-	25.29
Total	319.01	328.98

(₹ in lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
26 OTHER EXPENSES				
Stores and Spares consumed		855.92		849.03
Manufacturing Charges		746.60		921.78
Power and Fuel		3,597.14		3,135.91
Rent		163.55		146.09
Insurance		312.88		253.54
Repairs :				
Plant and Machinery		550.22		483.93
Buildings		172.75		142.13
Others		699.90		679.05
Rates and Taxes		1,185.97		1,041.54
Advertising and sales promotion		8,890.06		9,705.32
Travelling and Conveyance		4,248.97		3,809.50
Freight outward		3,220.75		2,747.95
Directors' Fees		7.40		9.41
Commission on sales		1,292.39		1,139.34
Loss on sale of assets		7.20		8.14
Bad debts, loans, advances and deposits written off	21.93		954.87	
Less: adjusted out of provision for doubtful debts, loans, advances and deposits	11.94		354.40	
		9.99		600.47
Provision for doubtful debts, loans, advances and deposits for the year		43.48		133.84
Establishment and Administrative Expenses		6,858.07		5,212.74
Total		32,863.24		31,019.71
27 RESEARCH & DEVELOPMENT EXPENDITURE				
(At units approved by Dept of Scientific & Industrial Research)				
Materials		1,128.50		159.07
Salaries, Wages & Exgratia		1,411.72		1,233.64
Contribution to Provident fund & other Funds		60.41		62.28
Employees' welfare expenses		22.92		17.31
Rates & Taxes		7.05		28.50
Repairs:				
Others		150.13		108.69
Power & fuel		434.34		196.71
Travelling & conveyance		46.65		38.41
Others		1,953.38		1,804.71
Total		5,215.10		3,649.32



28 Research & Development expenditure (Refer Note No. 27) includes : (₹ in lacs)

Particulars	2013-14	2012-13
Niche Generics Ltd		
Product Development	-	38.59

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

Particulars	Amount
Profit on sale of SEZ Unit.	5,834.55
Less: Amortisation of Intangible Assets	934.00
Less: Tax Expense	
Current Tax	1,028.00
Deferred Tax	(242.00)
Total Taxes	786.00
Net Exceptional Items	4,114.55

30 Related Party Disclosures

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

1. Relationships

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

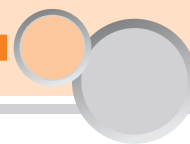
Uni Distributors Pvt. Ltd.

(ii) Key Management personnel and their relatives:

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

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

Particulars	Key Management Personnel & their relatives		Enterprises under significant influence of Key Management Personnel		Total	Total
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Rent & Maintenance paid	13.86	2.54	10.01	9.59	23.87	12.13
Managerial remuneration	858.79	661.32	-	-	858.79	661.32
Commission	177.49	168.97	-	-	177.49	168.97
Dividend paid	3,856.78	1,343.89	-	-	3,856.78	1,343.89
Salary Paid	30.27	28.31	-	-	30.27	28.31
Sale of Assets	1,754.00	-	-	-	1,754.00	-
	6,691.19	2,205.03	10.01	9.59	6,701.20	2,214.62



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

(₹ in lacs)

Particulars	Key Management Personnel & their relatives		Total	Total
	2013-2014	2012-2013	2013-2014	2012-2013
Outstanding Balances				
Deposits given	45.06	45.06	45.06	45.06
Due to Directors	177.49	168.97	177.49	168.97
	222.55	214.03	222.55	214.03

(iii) Details of material transactions during the year

(₹ in lacs)

	2013-14	2012-13
a) Rent & Maintenance Paid		
Mrs. Anita Mody	13.86	2.54
Uni Distributors Pvt Ltd	10.01	9.59
b) Managerial Remuneration		
Dr. Prakash A. Mody	300.76	244.63
c) Commission Paid		
Dr. Prakash A. Mody	177.49	168.97
d) Dividend Paid		
Dr. Prakash A. Mody	3,420.88	1,190.04
e) Salary paid		
Ms. Supriya Mody	30.27	28.31
f) Sale of assets	1,754.00	-

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

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

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

(₹ in lacs)

	2013-14	2012-13
(a) Equity Investment made during the year	-	569.31
(b) Advances Paid during the Year	-	347.48
(c) Advance recovered	121.94	4.73
(d) Amount Recoverable	226.43	342.75
(e) Services Aailed	175.90	9.47
(f) Rent Income	5.00	-

31 Segment Reporting :**Primary Segment**

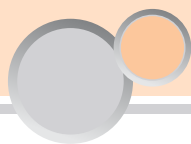
The Company has only one segment i.e. 'Pharmaceuticals'.

Secondary Segment (By Geographical Segment)

(₹ in lacs)

	2013-14	2012-13
Sales and Operating Income (Gross)		
Within India	69,215.70	66,534.57
Outside India	44,895.51	42,319.73
Total	114,111.21	108,854.30

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

**32 Operating lease:**

Premises and certain vehicles are obtained on operating lease and are renewable and non-cancellable. There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements. There are no sub-leases. The aggregate lease rentals payable, are charged as rent (Refer Note no. 26) in the Statement of Profit & Loss.

33 Earning Per Share has been computed as under:

Particulars	2013-14	2012-13
(A) Before Exceptional Items		
Profit after Taxation attributable to equity shareholders (A)(₹ In lacs)	12,816.20	11,322.58
Weighted average number of Equity shares for Basic Earning per Share (B)	90,564,085	90,408,889
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,895,043	90,710,953
Earning Per Share - Basic (A)/(B)	14.15	12.52
Earning per share- Diluted (A)/(C)	14.10	12.48
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		
(B) After Exceptional Items		
Profit after Taxation attributable to equity shareholders (A)(₹. In lacs)	16,930.75	11,322.58
Weighted average number of Equity shares for Basic Earning per Share (B)	90,564,085	90,408,889
Weighted average number of Equity shares for Diluted Earning per Share (C)	90,895,043	90,710,953
Earning Per Share - Basic (A)/(B)	18.69	12.52
Earning per share- Diluted (A)/(C)	18.63	12.48
(Face value of ₹ 2/- per share (previous year ₹ 2/- per share))		

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

Signature to the Notes 1 to 34 of the Financial Statement.

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

For and on behalf of the Board of Directors

Raman Jokhakar
Partner
Membership No.103241
Mumbai
May 10, 2014

Rakesh Parikh
Vice President
Finance

K. Subharaman
Vice President - Legal
& Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director

Prafull Anubhai
Director

Statement Pursuant to Section 212 of the Companies Act, 1956

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, 2014	31 st March, 2014	28 th February, 2014	31 st March, 2014	31 st March, 2014
Shares in the Subsidiary held by the Holding Company as at the above date					
i) Number of Equity Shares	625,000 shares of GBP 1 each fully paid - up	16,983,057 shares R\$ 1 each fully paid - up	19,000 shares of South African Rand10/- each fully paid - up	6,476,955 shares of US\$ 1 each fully paid - up	1,000,000 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 2014					
i) For the Subsidiary's financial year ended as aforesaid	GBP 267,964	R\$ (2,911,614)	SAR (2,952)	US\$ (296,680)	EUR (284,258)
ii) For the Previous financial years of the Subsidiary since it became Holding Company's Subsidiary.	GBP (1,695,956)	R\$ (12,476,008)	SAR (165,597)	US\$ (6,557,544)	EUR (303,449)
B) Dealt with in the Holding Company's accounts for the year ended 31st March 2014					
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 686,481	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 (Long Term Borrowings)	Investments	Turnover	Profit / Loss before taxation	Provision for taxation	Profit / Loss after taxation	Proposed Dividend
Niche Generics Limited @	1,624.12	(568.27)	3,561.63	2,505.79	-	9,545.77	244.08	0.26	243.82	-
Unichem S.A. (Proprietary) Ltd. #	12.14	(10.91)	1.23	-	-	-	(0.25)	-	(0.25)	-
Unichem Farmaceutica Do Brasil Ltda *	4,345.91	(3,917.92)	427.99	-	-	462.09	(783.66)	-	(783.66)	-
Unichem Pharmaceuticals USA Inc. \$	2,951.92	(3,181.42)	(229.50)	-	-	6,945.94	(172.19)	-	(172.19)	-
Unichem Laboratories Ltd, Ireland ^	690.45	(349.74)	340.71	-	-	370.60	(143.95)	-	(143.95)	-

@ Converted to Indian Rupees at the Exchange rate, 1 GBP = INR 90.9898

Converted to Indian Rupees at the Exchange rate, 1 SAR = INR 5.9068

* Converted to Indian Rupees at the Exchange rate, 1 BRL = INR 26.6042

\$ Converted to Indian Rupees at the Exchange rate, 1 USD = INR 57.0565

^ Converted to Indian Rupees at the Exchange rate, 1 EURO = INR 75.9199

Notice

NOTICE is hereby given that the 51st Annual General Meeting of the members of UNICHEM LABORATORIES LIMITED, will be held on Saturday, July 12, 2014 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including audited Balance Sheet as at March 31, 2014 and the statement of Profit & Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 4/- (200%) per equity share having a face value of ₹ 2/- each and to confirm the interim dividend of ₹ 4/-(200%) per equity share, already paid for the year ended March 31, 2014.
3. To appoint a Director in place of Dr. Prakash A. Mody, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Statutory Auditors and to fix their remuneration and to pass the following resolution with or without modification(s) as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139 & 142 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. B. D. Johhakar & Co., Chartered Accountants (Firm Registration No.104345W) and Statutory Auditors of the Company, be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration to be decided by the Board of Directors in consultation with the auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time

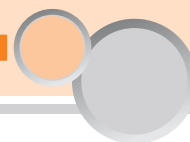
being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ramdas Gandhi, Director of the Company, who retires by rotation at the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation and to hold office for a term of 5 (five) consecutive years upto the March 31, 2019;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company Secretary, be and are hereby severally authorised to make applications whenever necessary to any statutory authorities as per provisions of the Companies Act, 2013 or any other Act, Rules or Regulations and to file necessary forms with the Ministry of Corporate Affairs, as may be applicable to the appointment of Mr. Ramdas Gandhi.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nasser Munjee, Director of the Company, who retires by rotation at the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation and to hold office for a term of 5 (five) consecutive years upto March 31, 2019;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company Secretary, be and are hereby severally authorised to make applications whenever necessary to any statutory authorities as per provisions of the Companies Act, 2013 or any other Act, Rules or Regulations and to file necessary forms with the Ministry of Corporate Affairs, as may be applicable to the appointment of Mr. Nasser Munjee.”



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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Prafull Anubhai, Director of the Company, whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation and to hold office for a term of 5 (five) consecutive years upto March 31, 2019;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company Secretary, be and are hereby severally authorised to make applications whenever necessary to any statutory authorities as per provisions of the Companies Act, 2013 or any other Act, Rules or Regulations and to file necessary forms with the Ministry of Corporate Affairs, as may be applicable to the appointment of Mr. Prafull Anubhai.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Prafull Sheth, Director of the Company, whose period of office, was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation and to hold office for a term of 5 (five) consecutive years upto March 31, 2019;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company Secretary, be and are hereby severally authorised to make applications whenever necessary to any statutory authorities as per provisions of the

Companies Act, 2013 or any other Act, Rules or Regulations and to file necessary forms with the Ministry of Corporate Affairs, as may be applicable to the appointment of Mr. Prafull Sheth.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anand Mahajan, Director of the Company, whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation and to hold office for a term of 5(five) consecutive years upto March 31, 2019;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company Secretary, be and are hereby severally authorised to make applications whenever necessary to any statutory authorities as per provisions of the Companies Act, 2013 or any other Act, Rules or Regulations and to file necessary forms with the Ministry of Corporate Affairs, as may be applicable to the appointment of Mr. Anand Mahajan.”

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Articles of Association of the Company be and are hereby substituted by a new set of Articles of Association, a draft of which has been initialed by the Chairman and made available for inspection by the shareholders at the registered office of the Company, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of all the Articles contained in the existing Articles of Association;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company

Secretary of the Company, be and are hereby jointly and severally authorised by the Company to undertake such acts, deeds and matters, as they may, in their absolute discretion deem necessary, proper or desirable, including any amendment or modification to the proposed Articles of Association as per the suggestion/direction of the regulatory authorities and settle any question, difficulty or doubt that may arise in this regard, including but not limited to making requisite filings with the Registrar of Companies and the stock exchanges, that may be required to give effect to the alteration of the Articles of Association in accordance with this resolution.”

11. To ratify the appointment of Cost Auditors for the financial year 2014-2015 by passing the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Section 148 of the Companies Act, 2013 and the Rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government, for re-appointment of Y. R. Doshi, Cost Accountants, Mumbai (Membership No. 3286) as Cost Auditors to audit the cost records maintained by the Company for the Financial Year Ending March 31, 2015 on a remuneration of ₹ 500,000/- (Rupees Five Lacs only) plus service tax as may be applicable and out of pocket expenses at actuals, as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on May 10, 2014, be and is hereby ratified;

RESOLVED FURTHER THAT Dr. Prakash A. Mody, Chairman & Managing Director and Mr. K. Subharaman, Vice President – Legal & Company Secretary, be and are hereby severally authorised to make applications whenever necessary to any statutory authorities as per provisions of the Companies Act, 2013 or any other Act, Rules or Regulations and to file necessary forms with the Ministry of Corporate Affairs as may be applicable, relating to the appointment of the said Cost Auditor.”

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

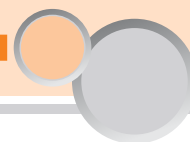
K. Subharaman
Vice President – Legal & Company Secretary

Mumbai
May 10, 2014

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

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from July 07, 2014 to July 12, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for the year ended March 31, 2014.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as may be applicable.
5. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
6. The members/proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
7. The members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
8. 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 E-mail IDs are registered with us or the depositories. In case you are desirous of having a complete text of Annual Report 2013-14, 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.
9. Electronic copy of the 51st Annual Report (including the Notice) of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose E-mail IDs are registered with the Company / Depository Participants(s) for communication purposes, unless any member has



requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report is being sent in the permitted mode.

10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice and is given under the Explanatory Statement. The Directors have furnished the requisite declarations for their appointment.
11. Members may also note that 51st Annual Report (including the Notice, Attendance slip and Proxy Form) will also be available on the Company's website www.unichemlabs.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor Email ID.: shares@unichemlabs.com.
12. Voting through electronic means
In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rules made thereunder, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 51st Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by the Central Depository Services Limited.(CDSL)
In case of members receiving e-mail:
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the Electronic Voting Sequence Number (EVSN) - "140605006" along with "Unichem Laboratories Limited" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company / Depository Participant are requested to use the UNICH1962L (default number) in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter 05/07/2014 in the DOB field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on the relevant EVSN on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on July 05, 2014 at 10.a.m. IST and ends on July 07, 2014 at 6 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date May 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cut off date of May 30, 2014.
- (E) Ms. Ragini Chokshi & Co., Practising Company Secretary (C.P.No.1436) has been appointed as

- (F) scrutinizer to scrutinize the e-voting process in a fair and transparent manner. As the voting of the Members is through electronic means, the members who do not have access to e-voting, may requisite a Physical Ballot form from the Registered office of the Company. You are required to fill in the ballot form and enclose it in sealed envelope and sent it to the scrutinizer Mrs. Ragini Chokhsi, Ragini Chokhsi & Co.34, Kamar Building, 5th Floor,38, Cawasji Patel Street,Fort, Mumbai – 400 001, so as to reach the Scrutinizer not later than July 07, 2014 at 6.00 p.m. IST. Ballot Form received after this date will be treated as invalid. The Scrutinizer's decision on the validity of the forms will be final. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (G) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (H) The results shall be declared at the AGM of the Company. The results declared alongwith the scrutinizers report shall be placed on the Company' website www.unichemlabs.com and on the website of CDSL within 2 (two) days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.

- 13 All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 1.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

K. Subharaman
Vice President– Legal & Company Secretary

Mumbai
May 10, 2014

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

Annexure to Notice

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

Item No. 5

Mr. Ramdas Gandhi is a Non- Executive and Independent Director of the Company. He is an advocate and solicitor by profession. He holds a Masters degree in law from University of Bombay. He was enrolled as an attorney at law in the High Court of Mumbai in 1956. He also served as partner in a leading law firm in India namely M/s. Bhaishanker Kanga & Girdharlal and M/s. Manilal Kher Ambalal & Co. He presently serves as a Director in Aarti Industries Limited, Vinyl Chemicals (India) Limited, Nascent Chemical Industries Limited and Aarti Drugs Limited.

Mr. Ramdas Gandhi has served on the Board of Unichem since 1985. He is the Chairman of the Stakeholders' Relationship Committee and member of Audit Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of Unichem respectively. Mr. Ramdas Gandhi holds 40,500 equity shares in the Company as on March 31, 2014.

Mr. Ramdas Gandhi retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ramdas Gandhi being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Ramdas Gandhi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Ramdas Gandhi fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Mr. Ramdas Gandhi as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to

continue to avail services of Mr. Ramdas Gandhi as an Independent Director of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ramdas Gandhi as an Independent Director of the Company, for the approval by the Shareholders of the Company.

Except Mr. Ramdas Gandhi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Mr. Nasser Munjee is a Non- Executive and Independent Director of the Company. He was educated at the Leys School in Cambridge, UK and then went on to do his Bachelor and Masters Degrees at the London School of Economics, UK. He spent a short while at the University of Chicago, USA, before returning to India in 1977. He joined Mr. H.T. Parekh, then Chairman of one of India's leading development banks to establish the first housing finance company in India, i.e. HDFC. Over the years, HDFC group grew to be a financial conglomerate and Mr. Nasser Munjee rose to be an executive director on the Board with wide responsibilities.

From 1997 to 2004, Mr. Nasser Munjee headed IDFC, an institution created to lead infrastructure finance. Since 2004, Mr. Nasser Munjee has been pursuing his own interests in his own way. He sits on 12 (including Unichem Laboratories Limited) public companies in India which include Tata Motors Limited, Tata Chemicals Limited, Britannia Industries Limited, Cummins India Limited, ABB India Limited, Ambuja Cements Limited (now part of the HOLCIM group), HDFC Limited, Go Airlines (India) Limited and Voltas Limited. He is the Chairman of DCB Bank Limited and Tata Motors Finance Ltd. He is also the Chairman of Aga Khan Rural Support Programme, India and director of Indian Institute for Human Settlements, both not-for-profit companies. He was the President of the Bombay Chamber of Commerce and Industry, the city's oldest Chamber of Commerce and he has served on numerous Government Task Forces on housing, infrastructure and urban development.

Mr. Nasser Munjee has been on Unichem's Board since 2003. He is a member of the Audit Committee of Unichem. Mr. Nasser Munjee holds 17,500 equity shares in the Company as on March 31, 2014.

Mr. Nasser Munjee retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Nasser Munjee being eligible is offering himself for re-appointment, is proposed to be appointed as an Independent Director of the Company for a term of (5) five consecutive years upto March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Nasser Munjee as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Nasser Munjee fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Mr. Nasser Munjee as an Independent Director of the Company setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nasser Munjee as an Independent Director of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nasser Munjee as an Independent Director of the Company, for the approval by the Shareholders of the Company.

Except Mr. Nasser Munjee, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

Mr. Prafull Anubhai, is a Non Executive and Independent Director of the Company. He is a Corporate Advisor. Mr. Anubhai is associated with educational and research institutions like Indian Institute of Management (IIMA), Ahmedabad Education Society (AES), Ahmedabad University, CSTEP (Centre for Science Technology and Policy), ATIRA etc. He is the Chairman of the Board of Management of the Ahmedabad University. He is the member of the Governing Board of Ahmedabad Education

Society. He is also the Hon. Director of Saptak Archives, an institution dedicated to the preservation and dissemination of Indian Classical Music. He has done his B.Sc.(Econ.) from the London School of Economics and attended PMD at Harvard Business School. He has 30 years of experience as a Chief Executive of Textile Manufacturing Operations and presently he is a Director in companies like Gruh Finance Ltd., Vardhman Textiles Ltd., Vardhman Special Steels Ltd., Birla Sun Life Trustee Co. Pvt. Ltd, Torrent Cables Ltd, Management Structure & Systems Pvt. Ltd., Botil Oil Tools (India) Pvt. Ltd.

He has served on the Board of Unichem since 1979. He is the Chairman of the Audit Committee and Nomination and Remuneration Committee and member of the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee of Unichem respectively. He holds 5,800 equity shares in the Company as on March 31, 2014.

Mr. Prafull Anubhai is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Prafull Anubhai being eligible is offering himself for re-appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Prafull Anubhai as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Prafull Anubhai fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Mr. Prafull Anubhai as an Independent Director of the Company would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prafull Anubhai as an Independent Director of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Prafull Anubhai as an Independent Director of the Company, for the approval by the Shareholders of the Company.

Except Mr. Prafull Anubhai, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

Mr. Prafull Sheth is a Non Executive and Independent Director of the Company. Mr. Prafull Sheth is Vice-President, International Pharmaceutical Federation (FIP), and is Founding Professional Secretary of South East Asian FIP-WHO Forum of National Pharmaceutical Associations (SEARPharm Forum).

He was the vice-president of the Federation of Asian Pharmaceutical Associations and President of the Indian Pharmaceutical Association, and Indian Pharmaceutical Congress Association. He is the recipient of two Indian Pharmaceutical Association awards: the Acharya P. C. Ray Memorial Gold Medal for outstanding contribution to the profession of pharmacy (Bengal Branch) and the M. L. Khorana Memorial Award. He also earned a lifetime achievement award for his services to the profession of pharmacy and pharmaceutical sciences and Prof. M. L. Schroff National Award for his contribution to the pharmacy practice and industrial pharmacy of the Indian Hospital Pharmacists Association. Internationally, he received FIP Industrial Pharmacy Section medal for meritorious contribution to the global pharmaceutical industry. Mr. Sheth is a fellow of International Pharmaceutical Federation, and eminent pharmacist and fellow of Indian Pharmaceutical Association. He is also a former executive vice-president and board member of Ranbaxy Laboratories Limited. He holds Bachelor's and Master's degrees in pharmacy from the University of Missouri, USA.

Mr. Prafull Sheth has been on the Board of Unichem since 2003. He is the member of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of Unichem. He is not a Director in any other company. Mr. Prafull Sheth holds 11,250 equity shares in the Company as on March 31, 2014.

Mr. Prafull Sheth is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Prafull Sheth being eligible is offering himself for re-appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto March

31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Prafull Sheth as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Prafull Sheth fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Mr. Prafull Sheth as an Independent Director of the Company would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prafull Sheth as an Independent Director of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Prafull Sheth as an Independent Director of the Company, for the approval by the Shareholders of the Company.

Except Mr. Prafull Sheth, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 9

Mr. Anand Mahajan is a Non Executive and Independent Director of the Company. He 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 from the University of Bombay in 1975. In 1983, he received a MBA (with distinction) from Cornell University, USA. Between 1974 and 1981, Mr. Mahajan worked for the State Bank of India in various positions. 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 acts as the Chairman of the Group and 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 a director of all the Group companies in India and is also a member of the Group Management Executive Committee of Compagnie de Saint-Gobain.

Mr. Anand Mahajan has been on the Board of Unichem since 2005. Mr. Mahajan holds 11,250 equity shares in the Company as on March 31, 2014.

Mr. Anand Mahajan is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Anand Mahajan being eligible is offering himself for re-appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto March 31, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Anand Mahajan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Anand Mahajan fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Mr. Anand Mahajan as an Independent Director of the Company would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anand Mahajan as an Independent Director of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anand Mahajan as an Independent Director of the Company, for the approval by the Shareholders of the Company.

Except Mr. Anand Mahajan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 10

The existing Articles of Association (AoA) of the Company are based on the Companies Act, 1956 and several

regulations in the existing AoA contain special Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (MCA) has notified 98 Sections and on March 26, 2014, MCA has notified most of the remaining Sections barring few provisions. However substantive Sections of the said Act which deal with the general working of the Companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletion in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by Shares.

The Proposed new draft AoA shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 1.00 p.m) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

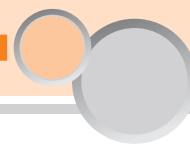
None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10 of the Notice.

Item No.11

The Board of Directors at its meeting held on May 10, 2014, based on the recommendation of the Audit Committee, re-appointed Mr. Y. R. Doshi, (Membership No. 3286) Cost Accountants, Mumbai as Cost Auditors for undertaking Cost Audit of the Cost Records maintained by the Company for a remuneration of ₹ 500,000/- (Rupees Five Lacs Only) plus service tax as may be applicable and out of pocket expenses at actuals. The said auditors have given their eligibility for appointment as Cost Auditors.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the Shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.11 of the Notice.

**Item No. 3**

Re-appointment of Dr. Prakash A. Mody, (Chairman and Managing Director), who retires by rotation.

Dr. Prakash A. Mody was re-appointed as the Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. from July 01, 2013. The said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on July 19, 2013 by way of an ordinary resolution.

Dr. Prakash A. Mody was not subject to retirement by rotation as per the Articles of Association of the Company under the erstwhile Companies Act, 1956. However now Dr. Mody will be subject to retirement by rotation due to the provisions of Section 149 & 152 of the Companies Act, 2013, wherein it is provided that Independent Directors are not subject to retirement by rotation. All Directors in the Board of Directors of the Company are Independent Directors except Dr. Mody, who is Chairman & Managing Director of the Company. Since none of the Independent Directors are subject to retire by rotation, Dr. Mody will retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible has offered himself for re-appointment. As per the clarification issued by the Department of Company Affairs under the erstwhile Companies Act, 1956 (Int. Circular No. 3(No.8/16(1)/61-PR, Dated 9th May 1961), Managing Director's office does not suffer any break if he retires as a director under Section 255 of the Companies Act, 1956 and is re-elected as director in the same meeting.

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

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

Harvard Business School having undergone the Owner President' Management Program.

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

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

Dr. Mody acts as a Director in Kewal Kiran Clothing Limited. Upon his re-appointment as a Director, Dr. Mody shall continue to hold office as the Chairman and Managing Director of the Company. Accordingly, the Board recommends Dr. Mody's re-appointment.

Except Dr. Prakash A. Mody and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in agenda Item No. 3.

The Board of Directors recommends the resolution for your approval.

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

K. Subharaman

Vice President. – Legal & Company Secretary

Mumbai
May 10, 2014

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



**UNICHEM
LABORATORIES LTD.**

CIN:L99999MH1962PLC012451

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

Tel.: (022) 6688 8333 • Fax.: (022) 2679 4089 / 2678 4391

Website: www.unichemlabs.com • Email: shares@unichemlabs.com

PROXY FORM

Name of the Member(s) : _____

Registered Address : _____

Email ID : _____

Folio No./Client ID : _____

DP ID : _____

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

1. Name : _____

Email ID : _____

Address : _____

Signature: _____

or failing her/him;

2. Name : _____

Email ID : _____

Address : _____

Signature: _____

or failing her/him;

3. Name : _____

Email ID : _____

Address : _____

Signature: _____

(contd.)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on Saturday, July 12, 2014 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above proxy to vote in the manner as indicated in the below table:

Resolutions	For	Against
1. Adoption of the Financial Statements and Reports thereon for the Year Ended March 31, 2014.		
2. Declaration of final dividend for 2014 and confirm the interim dividend already paid during the year 2014.		
3. Re-appointment of Dr. Prakash A. Mody who retires by rotation.		
4. Appointment of M/s. B. D. Jokhakar & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
5. Appointment of Mr. Ramdas Gandhi as an Independent Director.		
6. Appointment of Mr. Nasser Munjee as an Independent Director.		
7. Appointment of Mr. Prafull Anubhai as an Independent Director.		
8. Appointment of Mr. Prafull Sheth as an Independent Director.		
9. Appointment of Mr. Anand Mahajan as an Independent Director.		
10. Adoption of new Articles of Association of the Company.		
11. Ratification of the Appointment and Remuneration of the Cost Auditors.		

Signed this day of 2014.

Signature of Shareholder

Signature of proxyholder (s)

Affix
Revenue
Stamp
not less
than
Re. 0.15

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the meeting.
2. A proxy need not be a member of the Company.
3. *It is optional to indicate your preference. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem appropriate.



**UNICHEM
LABORATORIES LTD.**

CIN:L99999MH1962PLC012451

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

Tel.: (022) 6688 8333 • Fax.: (022) 2679 4089 / 2678 4391

Website: www.unichemlabs.com • Email: shares@unichemlabs.com

ATTENDANCE SLIP

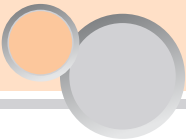
(PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL).

I/We hereby record my/our presence at the **51st Annual General Meeting** of the Company on **Saturday, July 12, 2014 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.**

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

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

Signature of the Member / Proxy



NOTES

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NOTES



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.

