



We promise.
We deliver.

Contents

Laurus Labs at a glance

Who we are	02
Business overview	04
Facilities	07
Journey	08
COVID-19 response	09

Year in review

Key performance indicators	10
CEO's message	12

We promise. We deliver through

Strong product portfolio	14
Modern manufacturing facilities	16
Robust R&D and unwavering focus on quality	18

Our approach to value creation

Business model	20
Operating context	22
Stakeholder engagement	24
Our value creation strategy	26

ESG focus

Environment	28
Social	30
Governance	34
Risk management	40
Awards and recognitions	42

Management commentary

Management discussion and analysis	44
------------------------------------	----

Statutory reports

Board's Report	53
Report on Corporate Governance	72
Business Responsibility Report	89

Financial statements

Standalone	94
Consolidated	143

Notice	197
--------	-----

2020-21 highlights

Financial

₹4,814 cr

Revenue

↑ 70%

₹1,573 cr

EBITDA

↑ 176%

₹984 cr

Profit after tax

↑ 286%

↑ y-o-y growth

→ page 10

Environment

2,273 MT

Waste recycled

12,23,192 KL

Water consumed

1,80,522 Mwh

Energy consumed

→ page 28

Social

88 %

Average rate of training for employees

₹5.82 cr

CSR spend

260

Customers served

→ page 30

Governance

50 %

Independent Directors on the Board

89 %

Average attendance rate in Board meetings

59

Median Director age

→ page 34

We promise. We deliver.

Ever since we began our journey, we at Laurus Labs have consistently leveraged opportunities to build a sustainable and value-creating enterprise. The result is that we have now emerged as a leading integrated research and development ('R&D') driven pharmaceutical and biotechnology company in India.

We have been moving up the value chain into formulations, and have invested in developing products and building facilities to meet the most stringent regulatory expectations. We expect the formulation business to gain further momentum led by higher capacity/ANDA pipeline build-up for the US market.

Our strong presence in the different therapies, consistency in compliance,

and forward integration into formulations business have cemented the position as an integrated niche pharma player. Moving forward, we are convinced that with the right people, coupled with a culture of innovation, we will continue to deliver sustainable and balanced growth. With our core strengths reinforced, we stand reaffirmed to our promise to deliver on our purpose of building long-term value.

We deliver on our promise of quality healthcare through:



A strong product portfolio

→ page 14



Modern manufacturing facilities

→ page 16



Robust R&D and unwavering focus on quality

→ page 18

We are passionate. We exceed quality benchmarks. We transform patients' lives.

Who we are

Improving health outcomes globally

Laurus Labs is a fully integrated pharmaceutical and biotechnology company, with a leadership position in generic Active Pharmaceutical Ingredients (APIs) and major focus on anti-retroviral, Hepatitis C, and oncology drugs. Today, we are one of the leading suppliers of APIs in the ARV therapeutic area for multinational pharmaceutical companies across different parts of the globe.

We also develop and manufacture oral solid formulations, provide contract research and manufacturing services (CRAMS) to other global pharma companies, and produce specialty ingredients for nutraceuticals, dietary supplements and cosmeceuticals. With our strong R&D and innovation capabilities, we work towards improving manufacturing process efficiencies and backward integration strategy to maintain cost competitiveness. Our aim is to improve access to quality and affordable healthcare globally, while conducting our business ethically and with utmost respect for the environment and communities.

We completed 15 years of offering integrated solutions, and helped thousands of people globally to lead a healthy life.



Business areas

At Laurus Labs, we operate under four business units covering a wide range of therapeutic applications



Laurus Generics - API -

Development, manufacture and sale of APIs and advanced intermediates



Laurus Generics - Finished Dosage Form (FDF) -

Development and manufacture of oral solid formulations



Laurus Synthesis - Key starting materials, intermediates and APIs for New Chemical Entities (NCEs)



Laurus Bio - Recombinant products - animal origin free products for safer and viral free bio manufacturing

Vision

To become a leading player in offering integrated solutions to global pharmaceutical needs in creating a healthier world.

Mission

We constantly strive for innovation to enhance quality and to provide affordable integrated pharmaceutical solutions to facilitate wellness and well-being across the globe.

Values



Knowledge: Seek to learn constantly to stand out from the crowd



Innovation: Strike out on new paths to go farther



Excellence: Scale new peaks in everything we do



Integrity: Stand up always for what is right



Care: Be diligent, safe and sensible



Key strengths

Robust R&D capabilities and process chemistry skills

Our advanced process chemistry skills, manufacturing process efficiencies and backward integration strategy set us apart from our peers. Our research-first approach has been critical to our success and a differentiating factor in the industry. Our strong R&D competencies enable us to improve our existing products and make inroads in areas with significant growth potential.



Cutting-edge facilities

We have seven modern manufacturing facilities in Visakhapatnam, one API facility in Bibinagar near Hyderabad and a Kilo Lab facility in R&D Centre, Hyderabad. Our facilities have been certified and approved by USFDA, WHO, NIP Hungary, KFDA, COFEPRIS, PMDA, ANVISA, and JAZMP. They allow us to develop high-quality, affordable cures to challenging diseases. We are also able to adopt uniform manufacturing standards across all our facilities to achieve standardised product quality for all our markets.



Extensive collaboration and longstanding partnerships

Our expanding product portfolio, cost-effective healthcare solutions and technical expertise have won us long-standing relationships with multinational pharmaceutical companies. Our top 5 customers have been with us for several years and contribute to a major share of our revenue – which has been growing annually over the last three years.



Robust compliance

We have progressively reinforced our compliance with the demanding standards in regulated markets. We continue to strengthen our compliance culture through consistent investments in people, technologies and processes.



Strong leadership at the helm

The team at Laurus Labs is led by qualified and experienced promoters and key managerial personnel, who have extensive knowledge and understanding of the global generic pharmaceutical and bio-pharma business.



Numbers that define us

292
Patents filed

150
Patents granted

4,638_{KL}
Reactor volume

750+
Scientists at our
R&D centres

61
Drug Master
Files (DMFs)

60+
Products commercialised
since inception

Top 10
Global generic pharmaceutical
companies served

27
ANDAs

Business overview

Leveraging integration to create value across businesses

We offer a broad and integrated portfolio of products and services to the global pharmaceutical industry. The journey from APIs to formulations to synthesis businesses is the outcome of our integrated strategy, which we have successfully executed in all these years. Our four business units cover a wide range of therapeutic applications across the product value chain.

Laurus Generics – API

- Development, manufacture and sale of APIs and advanced intermediates
- Leaders in various high-value and high-volume APIs with a sizeable global market share
- High potent manufacturing units

54%

Revenue contribution



Product and service offerings

- Anti-retroviral (ARV)
- Anti-diabetic
- Cardiovascular
- Proton Pump Inhibitors (PPIs)
- Oncology



Filings

- Commercialised 60+ products
- Filed 61 DMFs



Infrastructure

- Four manufacturing facilities, (4,186 KL) ⁽¹⁾ ⁽²⁾
- ~1,000 KL under expansion

2020-21 highlights

- Filed 292 patent applications and 150 patents granted
- Strong ARV API sales and market share gain in first line treatment



Performance review

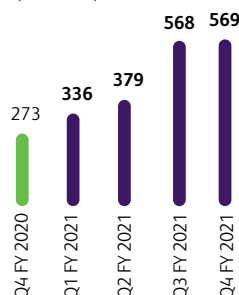
The Generic API division showcased a robust growth of 61 % y-o-y due to increased focus of diversifying into new therapy areas. The anti-viral API business recorded a healthy growth of 70 % with ₹1,852 crore sales. The growth was led by higher volumes for all key first-line APIs.

Second-line ARV APIs continued to see healthy sales. Due to the demand increase from third-party API sales, we are expanding capacities for key APIs in the coming year.

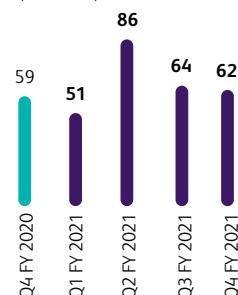
Oncology APIs showed 25 % growth y-o-y increased by ₹52 crore with a total sales ₹263 crore.

Other API sales stood at ₹506 crore, marking a sales growth of 56 % over 2019-20 due to higher contract manufacturing orders from Europe.

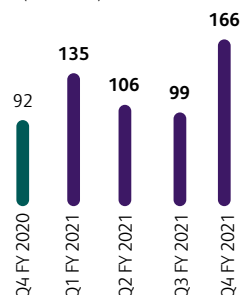
Anti-viral API
(₹ in crore)



Oncology API
(₹ in crore)



Other API
(₹ in crore)



(1) Includes ingredients products, excluding Unit 2 API and Kilo lab capacity

(2) APIs, Ingredients and Synthesis (other than Aspen supplies) are manufactured at Units 1, 3, 4 and 6



Laurus Generics – FDF

- Development and manufacturing of oral solid formulations for low and middle-income countries (LMIC), North America and European Union (EU) markets
- Backed by in-house API strengths

35 %

Revenue contribution



Product and service offerings

- Anti-retroviral (ARV)
- Anti-diabetic
- Cardiovascular
- Proton Pump Inhibitors (PPIs)
- Central nervous system (CNS)



Filings

- Filed 27 ANDAs with USFDA, and nine final approvals and eight tentative approvals
- Completed validation of two products
- Filed 12 dossiers in Canada, nine in Europe, eight with WHO, two in South Africa, two in India and 14 in rest of the world (RoW)



Infrastructure

- Capacity of 5 billion units/year
- Capacity enhancement to 10 billion units/year in progress

2020-21 highlights

- Commenced marketing of in-licensed products in the US by leveraging our frontend
- Completed three product validations for formulation
- Strong demand in ARV segment for LMIC region



Performance review

During the year, this division achieved sales of ₹1,664 crore showing a growth of 102% y-o-y backed by a higher quantum of launches in the US as well as opportunities from in-licensing of products. The business witnessed growth in LMIC, in the developed markets of North America and EU, as well as in RoW markets.

Strong order book in all geographies



RoW Markets

Launched TLE400 in the LMIC market



North America

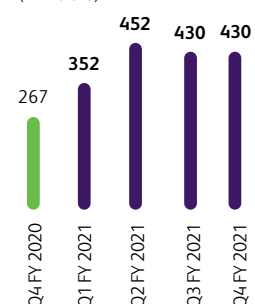
Sales were driven by increased volumes in the US



Europe

Entered into a long-term partnership with a leading generic player in EU region for contract manufacturing opportunities

Generic FDF Division
(₹ in crore)



Business overview

Laurus Synthesis

- Contract development and manufacturing services for global pharmaceutical companies and several late-stage projects
- Steroids and hormone manufacturing capability
- Sale and manufacture of specialty ingredients for use in nutraceuticals, dietary supplements and cosmeceutical products with natural extraction capability

11%

Revenue contribution



Product and service offerings

- Commercial scale contract manufacturing
- Clinical phase supplies
- Analytical and research services
- Nutraceuticals, dietary supplements and cosmeceutical products



Filings

- API validation planned in Unit 5
- Custom development of ophthalmic portfolio initiated
- Laurus Synthesis Pvt. Ltd. (LSPL) – API validations planned

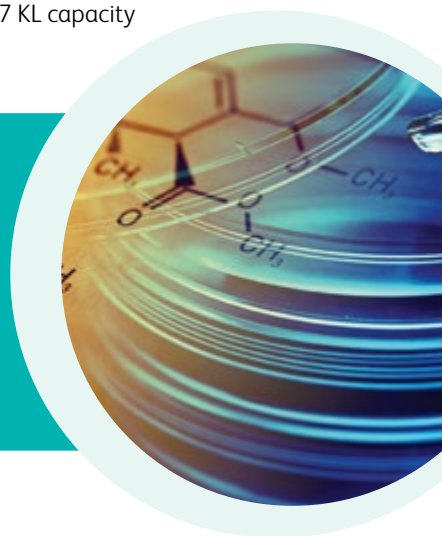


Infrastructure

- Dedicated manufacturing (Unit 5) – 137 KL capacity for steroidal and hormonal intermediates
- A dedicated block set up in Unit 4 for high-potent phytochemical APIs
- LSPL – 147 KL capacity

2020-21 highlights

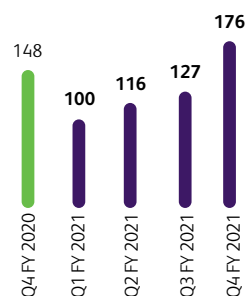
- 50 active projects in the Contract Development and Manufacturing Organisation (CDMO) division
- State-of-the-art cGMP facilities to manufacture new chemical entities (NCEs) and Intermediates
- Commercial supplies on-going for four products
- Expanded client base - Added two big pharma companies



Performance review

We recorded a growth of 35 % during the year, achieving sales of ₹519 crore due to client additions and increasing commercialisation of products.

Synthesis (CDMO) Division
(₹ in crore)



Note: During the year, we acquired 72.55% stake in Richcore Lifesciences from two private equity funds and the company has been renamed Laurus Bio Private Limited. We closed the transaction in the month of January 2021.



Facilities

Delivering quality at scale


Our state-of-the-art facilities enable us to develop quality and affordable medicines. We currently have seven manufacturing facilities in Visakhapatnam, Andhra Pradesh, one API facility in Bibinagar near Hyderabad and a Kilo Lab at our R&D centre, Hyderabad. At seven of these facilities, we manufacture drug substances and one facility is well-equipped to manufacture both drug products and drug substances.

		Function	Capacity	Approvals granted
IKP Knowledge Park, Genome Valley, Turkapally				
	Kilo Lab	Commercialised in 2006, this facility deals in pre-commercialisation activities for APIs, ingredients, custom synthesis and contract manufacturing	43 reactors and 4.3 KL capacity	USFDA, KFDA and PMDA
Jawaharlal Nehru Pharma City, Visakhapatnam				
	Unit 1	Commercialised in 2007, this facility deals with API and includes capacity for ingredients, synthesis and contract manufacturing	328 reactors and 1,226 KL capacity	USFDA, WHO – Geneva, NIP – Hungary, KFDA, COFEPRIS, PMDA, ANVISA
	Unit 3	Commercialised in 2015, this facility deals with APIs and includes capacity	259 reactors and 1,982 KL capacity	USFDA, WHO – Geneva, NIP – Hungary, COFEPRIS, KFDA, ANVISA and JAZMP – Slovenia
	Unit 5	Commercialised in 2017, this is a dedicated hormone and steroid facility for Aspen	46 reactors and 137 KL capacity	
	Laurus Synthesis Private Limited	API manufacturing facility and includes capacity for ingredients, synthesis and contract manufacturing	50 reactors and 156.73 KL capacity	CDSO, WHO GMP by CDSO, PMDA, EDQM, FAMHP and MFDS
APIIC, Atchutapuram, Visakhapatnam				
	Unit 2	Commercialised in 2017, this facility deals with FDFs and APIs	FDF – 5 billion tablets/capsules; capacity expansion initiated and will be operational by the end of FY 22 API – 12 reactors and 83 KL capacity	BVG Hamburg Germany, USFDA, WHO – Geneva, and JAZMP – Slovenia and various African countries
	Unit 4	Commercialised in 2018, this facility deals with APIs and includes capacity for ingredients, synthesis and contract manufacturing	54 reactors and 221 KL capacity	WHO, USFDA and COFEPRIS – Mexico
	Unit 6	Commercialised in 2018, this facility deals with APIs (largely manufacturing intermediates for captive consumption)	68 reactors and 758 KL capacity	USFDA
Bibinagar, Yadadri Bhuvanagiri District, Telangana				
	Sriam Labs Private Limited	API manufacturing facility and includes capacity for intermediates and contract manufacturing	32 reactors and 81.63 KL capacity	WHO GMP by CDSO

Journey

15 years of patience, diligence, and perseverance

We started our journey in 2005 and have yielded promising progress in this one-and-half decade. Today, we are among the world's leading manufacturers of active pharmaceutical ingredients (API) for anti-retroviral (ARV), oncology, cardiovascular, antidiabetics, anti-asthma, and gastroenterology. We cater to the requirements of several Indian and global pharmaceutical companies.

Capabilities	2006-11	2011-16	2016-21
Description of Company 	ARV API Company	API Company	Pharmaceutical Company
Team strength	883	2,266	4,808
Manufacturing units	1	2	8
Reactor volume (KL)	220	1,870	4,638
Formulations OSD billion	-	2	5
DMFs	12	28	61
ANDAs - Total filed			27
- Para IV			2
- First to file			7
Patents – Filed	48	218	292
Granted	-	25	150
USFDA approved manufacturing sites	1	2	5

