

A close-up photograph of a human hand, palm facing the viewer, holding a large, white, oval-shaped pill between the thumb and index finger. The pill is the central focus of the image. The background is a soft, out-of-focus light blue.

Caring & Curing
for over
Six Decades

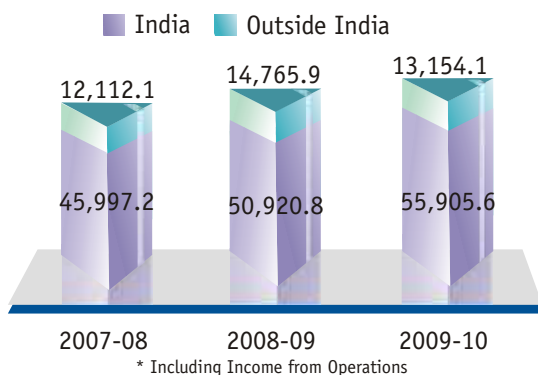


UNICHEM
LABORATORIES LTD.

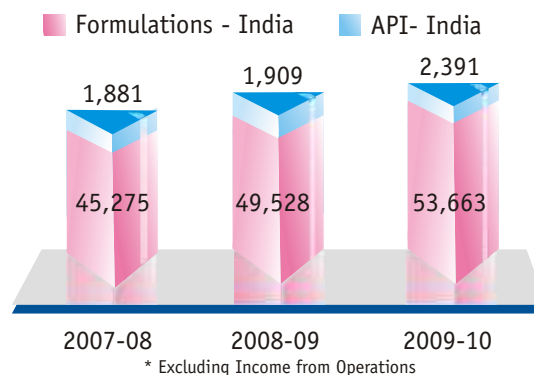
Financial Highlights

- Total Income for the year stood at ₹ 69,059.7 lacs, reflecting 5.14% growth
- Net Profit after Tax for the year stood at ₹ 13,394.4 lacs, reflecting 7.37% growth
- The consolidated net profit for the group grew by 13.98% and stood at ₹ 12,312.3 lacs
- Payment of 200% Interim Dividend during the year

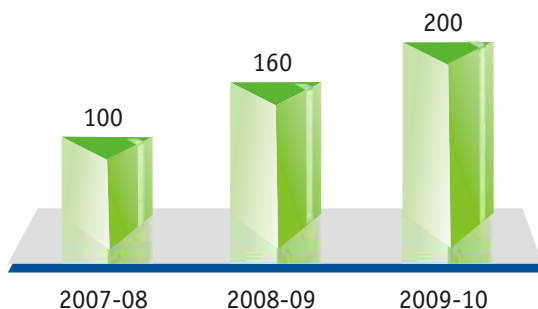
Sales Mix by Geographical Segment*
(₹ in lacs)



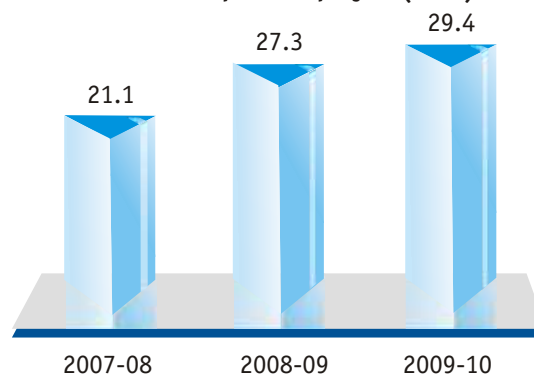
Sales Revenue Mix*
(₹ in lacs)



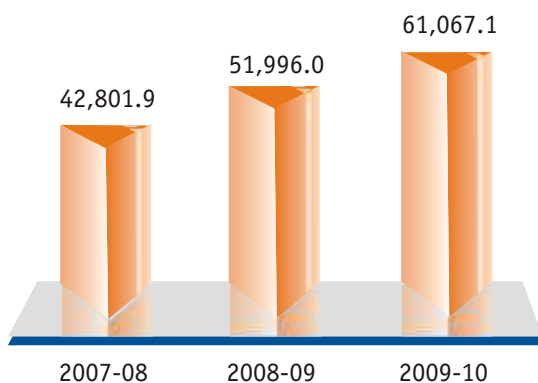
Dividend (in %)



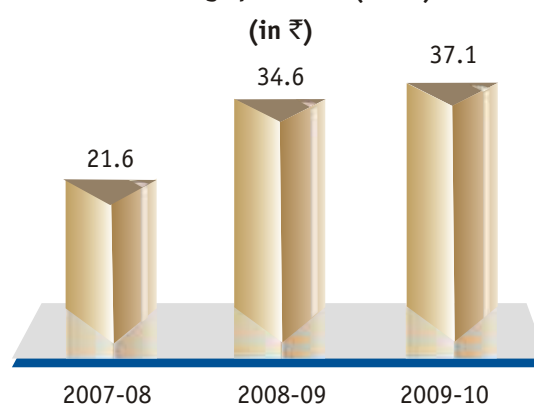
Return on Capital Employed (in %)



Net Worth (₹ in lacs)



Earnings per share (Basic)





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



State of the art manufacturing plants

Ghaziabad



Roha



Goa



Pithampur



Baddi



Sikkim





Corporate Information

Board Committees

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

Registered & Corporate Office

Unichem Laboratories Limited

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

Company Secretary & Compliance Officer

K. Subharaman

Plant Locations

Formulation Plants

GOA

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

BADDI

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

GHAZIABAD

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

SIKKIM

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

API Plants

ROHA

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

PITHAMPUR

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

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.

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

Statutory Auditors

B. D. Jokhakar & Co.

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

Contents

Message from the Chairman	4
Five-year Financial Highlights	8
Directors' Report & Annexures	10
Management's Discussion & Analysis	17
Auditors' Certificate on Corporate Governance	21
Corporate Governance Report	22
Information for Shareholders	29
Auditors' Report on Standalone Financial Statements	37
Standalone Financial Statements	40
Consolidated Auditors' Report	67
Consolidated Financial Statements	68
Statement Pursuant to Section 212 & Summary of Subsidiary Financials	84
Notice	85
Glossary	93



Message from the Chairman

Dear Stakeholders,

Last financial year was a good year for the Company in terms of turnover, profit and dividend. The Company earned PBIDTA of ₹ 179.45 Crores as against ₹ 154.15 Crores earned in the previous financial year despite difficult environment throughout the world. Though the turnover grew modestly by 5.39%, at ₹ 683.84 Crores, the Company earned decent profits which enabled it to declare two interim dividends aggregating to ₹ 10/- per equity share of ₹ 5/- [200%]. This is the biggest payout in the history of Unichem.

Over 73% of our turnover is contributed by the Domestic formulation market where Unichem enjoys an enviable reputation built over six decades. Therefore, one of our key strategies is to consolidate our presence in the domestic market. We can achieve this through expanding our product basket covering more therapeutic segments, by deeper market penetration

and expanding our reach to larger number of customers. The growth potential for Unichem is enormous considering the opportunity that exists in unrepresented therapeutic segments.

Towards this end, we have aligned product portfolios of our domestic formulation business into 8 therapy based Divisions which includes the two Divisions called Integra and Unikare launched in the last two years. All these Divisions are doing well and its products are well received by the medical fraternity. We also intend to add 500 more field personnel across these Divisions in order to cover more medical professionals. We had launched 19 new products last Financial Year and we intend to launch many more in the current Financial Year which will expand our product basket across various therapies.

We have been continuously upgrading and expanding our manufacturing and research facilities at multiple locations to enrich our own product basket, to make products available in the regulated generic markets of the world and also to support our strategic positioning for contract manufacturing and research. The progress in this respect is heartening. Our manufacturing locations at Goa, Roha and Pithampur are certified by USFDA. Out of these, Goa and Roha Plants were already approved earlier by USFDA and received re-certifications. Our Sikkim Plant is commissioned and production has started in this formulation plant. Plant No. 1 at Baddi is undergoing extensive modernization programme and this plant is expected to be ready for commercial production by October this year. Construction work for a formulation plant at SEZ, Pithampur, Madhya Pradesh is under progress and substantial construction work will be completed by the end of the current financial year.

We have made significant investments in manufacturing and research facilities over the last few years catering to both domestic and international market which makes Unichem the ideal partner for collaborative business. To make this happen, we have started leveraging our manufacturing, development



and marketing strengths with key business partners and we are sure that these efforts will add long term value to our stakeholders.

With regard to the global markets, our UK Subsidiary, Niche Generics Limited has commissioned its new packing facility in Baldoyle, Ireland and this will reduce manufacturing costs and release much needed funds for developing the markets. Already, development support is provided by our labs and plants in India. Similarly, regular shipments to US and South America have commenced. With more product approvals in the pipeline, the foundation for substantial ramp up in sales has been laid.

Our focus on the API business continues to form an integral part of our strategy to drive the growth of the Company both in APIs and in Dosage Form business. Even though our exports of APIs did suffer during the year due to the adverse effect of the global meltdown particularly in Europe, we were able to gain the momentum by the end of the year. We are confident of maintaining this surge during the next year and beyond.

With our Dosage Form business in the US slated for a take off, the focus on our API business of support to the international business has started giving the desired results. In addition, new initiatives to expand our API business to a number of new geographical markets are in the pipeline which should drive growth in the coming years.

Our customers, business associates and shareholders have reposed their faith in us. I am grateful to them for their continued confidence in the management. I would also like to record my sincere appreciation for the commitment of our employees for their contribution.

I firmly believe that having made substantial investments in plants, products and market development and with the large opportunities in front of us, we will continue to create superior value for all our stakeholders.

Warm Regards

Dr. Prakash A. Mody

Chairman & Managing Director

Top Brands



LOSAR Group



Ampoxin®



Clodrel®



TG-tor™



UNIENZYM®



Top Brands



METRIDE® 1



Telsar®



CORVADIL®



Trika®

Five-year Financial Highlights

Balance Sheet

(₹ in lacs)

As at 31st, March	2006	2007	2008	2009	2010
SOURCES OF FUNDS					
Equity share capital	1,800.20	1,801.70	1,802.10	1,802.75	1,803.15
Share Application Money	-	-	-	-	2.64
Reserve & surplus	28,260.90	35,331.10	40,999.79	50,193.27	59,261.29
Net worth	30,061.10	37,132.80	42,801.89	51,996.02	61,067.08
Secured Loans	1,046.70	896.30	553.30	674.78	248.08
Unsecured Loans	1,781.60	1,628.10	1,783.00	1,878.41	2,048.35
Total Loans	2,828.30	2,524.40	2,336.30	2,553.19	2,296.43
Total Liabilities	32,889.40	39,657.20	45,138.19	54,549.21	63,363.51
APPLICATION OF FUNDS					
Gross block	24,366.93	27,006.90	31,235.60	38,511.22	43,738.82
Depreciation	6,561.90	7,421.20	8,805.50	10,500.07	12,246.75
Net block	17,805.03	19,585.70	22,430.10	28,011.15	31,492.07
Capital WIP	1,060.90	6,543.20	10,319.20	7,592.94	6,363.08
NB + CWIP	18,865.93	26,128.90	32,749.30	35,604.09	37,855.15
Investment	2,749.30	3,661.70	4,180.93	6,081.03	12,831.44
CURRENT ASSETS					
Inventories	5,974.60	7,020.30	7,145.00	9,206.68	9,764.13
Debtors	9,565.60	12,530.50	12,358.05	13,620.87	16,243.44
Cash and bank balance	4,361.50	750.90	697.07	2,957.77	1,906.40
Loans & advances	2,138.00	2,926.50	2,703.24	3,438.78	4,269.68
Total current assets	22,039.70	23,228.20	22,903.36	29,224.10	32,183.65
CURRENT LIABILITIES					
Creditors	4,743.80	8,216.20	7,991.80	9,507.17	11,633.72
Other current liabilities	728.60	1,005.60	576.60	693.15	840.69
Provisions	2,891.70	1,328.40	2,900.60	2,923.26	3,563.89
Total current liabilities	8,364.10	10,550.20	11,469.00	13,123.58	16,038.30
Deffered tax liability	2,401.43	2,811.40	3,226.40	3,236.43	3,468.43
Net current assets	11,274.17	9,866.60	8,207.96	12,864.09	12,676.92
Total Assets	32,889.40	39,657.20	45,138.19	54,549.21	63,363.51