



# Touching

Human Lives



**UNICHEM**  
LABORATORIES LTD.





## 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

Dear Stakeholders,

We are in the midst of challenging domestic and global macro-economic environment. Although, Indian Pharmaceutical Sector is gaining its foothold as a global leader, it is faced with increased challenges in terms of customer's needs, regulatory standards, product price controls and higher public scrutiny.

As indicated in my message last year, our focus has been around certain key strategic priorities, which aim to increase growth, reduce risk and improve our long term financial performance, these are:

- Making API business profitable
- Increasing market share
- Turning around of subsidiary companies
- Improving operational efficiencies
- Penetrating selective global markets through concerted R&D and marketing efforts

Although, the transformation initiatives undertaken in FY 2010 - 11 have taken little longer than our expectation to deliver value, I am optimistic about Unichem's future because I believe, we will accelerate our momentum by continuing to maximize the value of our current portfolio, explore and enter new therapeutic segments, effectively allocate capital and operate efficiently with a more flexible cost base, meet our financial commitments and maintain high standards of corporate governance and business ethics.

The results of the last financial year is somewhat mixed in terms of turnover and net profit. Domestic formulation business was under pressure, while international operations showed robust growth. Our expected performance was affected mainly due to attrition in our field personnel. We took a

detailed review of our HR policies in the marketing area. We have aligned it to job market realities and built innovative performance incentives. We are optimistic that these steps will strengthen the foundation of our future growth and financial performance.

I am happy to inform you that the actions taken by the Company to improve operational efficiencies have started showing results in terms of improved margins as could be seen from the quarterly results announced. The Board has recommended dividend of 150% which works out to ₹ 3/- per equity share of ₹ 2/-.

India's Domestic Pharma Market, which is currently, valued at approximately ₹ 62,904 crores, reflecting strong growth of 16.0% for the twelve months ending March, 2012 (*AWACS MAT March, 2012*). As per the report of Pricewaterhouse Coopers (PwC) - 'India's Pharma Inc: Capitalising on India's growth potential', estimates that by 2020, the domestic market will grow to US\$ 49 billion - @ CAGR of 15%, with the potential to reach US\$ 74 billion - @ CAGR of 20%, if aggressive growth drivers kick in.

The Company continued to focus on transformation initiatives undertaken in FY 2010-11 to accelerate growth of domestic formulation business. The initiatives taken last year on portfolio prioritization and sales force alignment in order to improve the coverage of the existing product portfolio is continuing. Further efforts to build more number of power brands and lessen the dependence upon few power brands are going on. We are sure that the above initiatives combined with steps to improve operational efficiencies and improve internal standards for a variety of business practices to enhance process improvements will have a long term positive impact on the growth of your Company. The Company launched 12 new products during the last fiscal and we are focused to launch more in the current financial year to expand our product offerings.

We have been investing continuously in upgrading and expanding our manufacturing and research facilities at multiple locations. The expansion at Goa Factory to enhance tablet/capsulation capacity from present 900 million to 2400 million units has just been completed. The construction activities at SEZ, Indore are also completed and, we will trigger for USFDA certifications during the current financial year. New research facility at Goa is under way and expected to be operational during the current financial year.

With regard to our global operations, Niche Generics, our UK Subsidiary, continued to face challenging times. We are confident that the subsidiary operations will contribute positively in the current financial year. I am happy to inform you that exports to North America and particularly to US market has substantially improved. With additional product filings and approvals in the pipeline, US market is expected to contribute significantly in the coming years.

We have sharpened our focus on API business. Although domestic and global formulation business is the mainstay of our strategy we have few

strategic aims for the API business also v.i.z., contract development, manufacturing at reasonable margins and integration with our formulation business. We have made significant progress in this direction. This is likely to have substantial impact on our financial results in the coming years.

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

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

Warm Regards,

Dr. Prakash A. Mody  
Chairman & Managing Director



## Top Brands





## Top Brands



**METRIDE<sup>®</sup> 1**



**Telsar<sup>®</sup>**



**allerfex<sup>®</sup>**



**MYCLAV<sup>\*</sup>**



**CORVADIL<sup>®</sup>**



**Trika<sup>®</sup>**

## Adiwasi Unnati Mandal



It is a known fact that the founder of our organization, Late Mr. Amrut Mody, always believed that good health is a basic human need and it is our duty to respond to this social need especially for the economically backward sections. Service to the society played an important role in Mr. Mody's life. However, very few of us know of the zeal with which Mr. Mody "walked the talk". The same zeal which encouraged him to establish the Adiwasi Unnati Mandal (AUM) along with co-founder Late Mr. Shantibhai Sheth.

AUM caters to medical needs of adiwasi population of Shahpur taluka of Thane district. AUM conducts regular Medical check-up, Dental check-up camps, Nutrition programmes, arranges distribution of free medicines and provides regular treatment to patients for TB, epilepsy and leprosy at the Centre with the help of dedicated team of doctors and volunteers who have been rendering selfless service. During the year, 191 cataract operations were successfully conducted with the help of "Vision Foundation of India". Besides Health care programmes, notebooks, shoes, books and other articles useful to school children were distributed amongst more than 2000 students over the last few years. Your Company donated TATA SUMO to AUM. This vehicle is utilised for transporting doctors and paramedical volunteers from Mumbai to Shahpur and back.

## In Harmony with Nature

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 at Baddi and Roha celebrated Environment Day with great enthusiasm and our employees planted about 100 trees in the Company premises followed by a ceremony wherein all our employees took a pledge to protect the environment.



## Serving the Community

The Bus Stop near our plant at Pilerne, Goa has been built and maintained by your Company for the benefit of public as well as employees.



## Safety Week

During the Safety Week observed in various manufacturing units, a demonstration was organized on fire fighting as well as a mock drill was conducted on emergency evacuation for the benefit of all employees.



Goa



Goa



Pithampur



Ghaziabad



Roha



Baddi

## State of the art manufacturing plants

Ghaziabad



Roha



Goa



Indore SEZ



Pithampur



Baddi



Sikkim

