

Touching Human Lives



Annual Report
2015 - 16



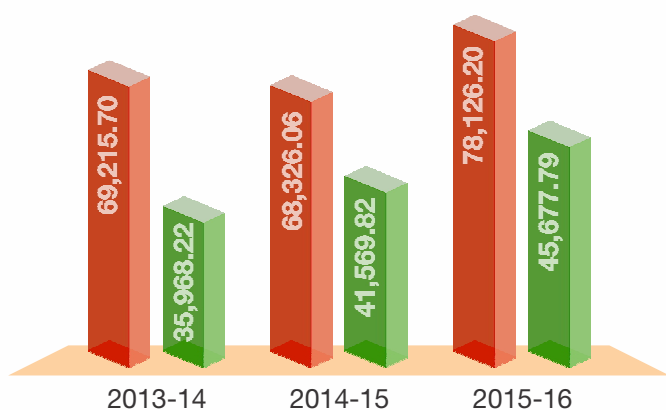
UNICHEM
LABORATORIES LTD.



Financial Highlights

Sales Mix by Geographical Segment* (₹ in lacs)

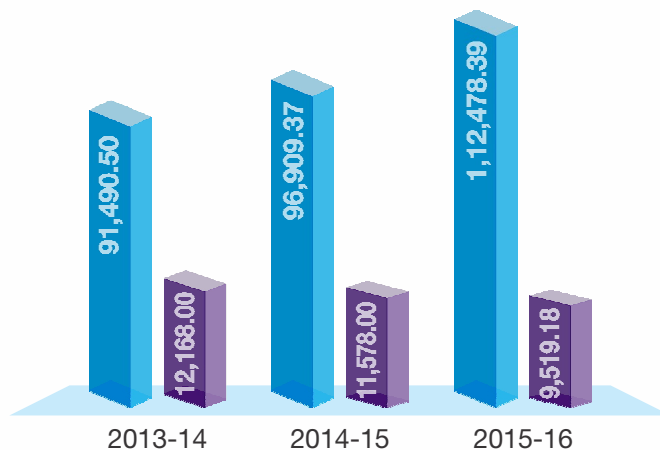
India Outside India



* Including Income from operations

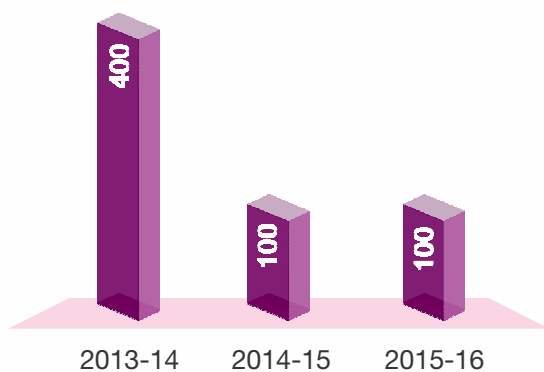
Sales Revenue Mix* (₹ in lacs)

Formulations API

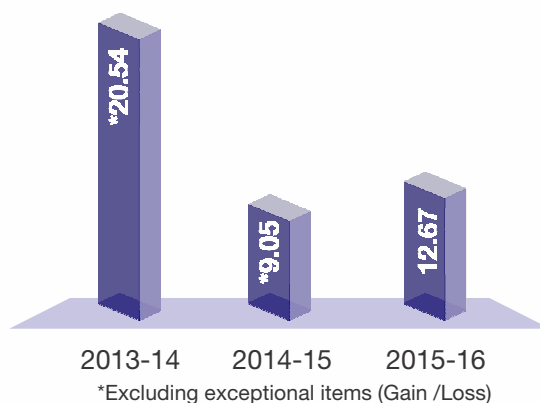


* Excluding Income from operations

Dividend (in %)

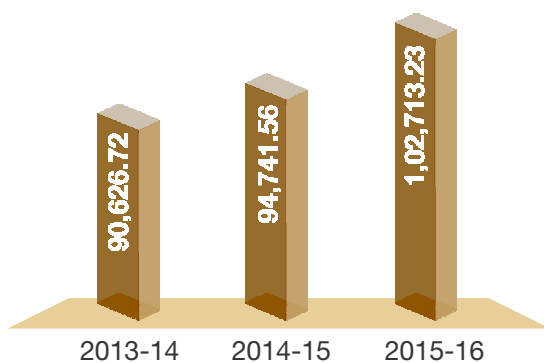


Return on Capital Employed (in %)

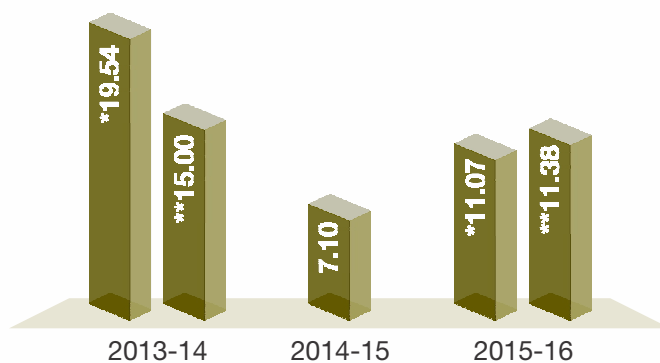


*Excluding exceptional items (Gain / Loss)

Net Worth (₹ in lacs)



Earnings per share (Basic) (in ₹)



* EPS including exceptional items (Gain / Loss)

** EPS excluding exceptional items (Gain / Loss)



Board of **Directors**



(L) to (R)

Anand Mahajan
Independent Director

Prafull Sheth
Independent Director

Dr. (Mrs.) B. Kinnera Murthy
Independent Director

Dr. Prakash A. Mody
Chairman & Managing Director

Prafull Anubhai
Independent Director

Ramdas Gandhi
Independent Director



Message from the **Chairman**



Dear Shareholders,

I take this opportunity to share with you the 53rd Annual Report of your Company.

The bedrock of your Company has always been “Quality and Reliability”, having 4 USFDA re-certified plants. I am extremely pleased to inform you that your Company has received Establishment Inspection Reports (EIRs) for its Formulation plants at Goa and Ghaziabad and also API plant at Roha, resulting in re-certification from the USFDA. I am also happy to apprise you that your Company’s API plant at Pithampur underwent a successful USFDA inspection, with no adverse observations highlighted during their audit, thereby enabling the continuation of Company’s business and supplies to the US market.

Your Company’s International Formulation business continues to showcase robust growth. Unichem’s US subsidiary has reported a revenue growth of over 30% in the financial year 2015-

2016. Having all the regulatory approvals in place and the expanded formulation capacities available at Goa, we continue to remain highly optimistic on our US Formulation business. With the rise in ANDA approvals received by your Company during the financial year 2015- 2016 along with State of the Art infrastructure in place, Unichem is ready for the next leg of growth in various regulated markets. Our focus on R&D remains pivotal to spark further ANDA and DMF filings. With promising new products in our R&D pipeline we look at a brighter future for our International business, especially US.

In our Domestic business, we have undertaken various strategic initiatives and investments. With this, the financial year 2015- 2016 has seen an improvement in performance, having reported a growth of 14% as against Indian Pharma Market’s (IPM) growth of 12.6%. Therapeutic categories of Cardiovascular and Neuropsychiatry steered the growth in the Chronic segment. Similarly, our Acute segment continued the growth momentum witnessed last year. The focus remains on increasing customer base, market share and productivity. Moreover, your Company has also identified other growing therapies for its future growth and has launched new products by way of in-licencing.

The financial year 2015- 2016 saw more action from the domestic pricing regulatory bodies which brought more molecules under price



control coupled with reduction in prices across products. Notwithstanding these challenges your Company reported higher growth compared to IPM's growth.

The challenges faced by your Company in the recent past have made us more vigilant and resilient. Unichem has rich values and history, and needless to mention, our endeavour remains to preserve our core values and at the same time make Unichem a much stronger Company. Our desire remains to grow beyond the market growth rate.

In order to maintain our high standards of supplying quality medicines we continue to upgrade all our plants. Your Company continues to invest heavily in its Capex programme, which is aimed at modernizing all its plants and also making investments in various R&D projects. We have spent around ₹ 14,000 lacs during the financial year 2015- 2016, which was funded from our internal accruals, without availing any debt. With higher R&D spends in the coming years, your Company looks forward to reap benefits from successful projects by leveraging its reach and relations with various customers in the US and other developed markets.

Your Company's Consolidated Sales/Income from Operations (Net) stood at ₹ 1,33,456.38 lacs as compared to ₹ 1,20,179.34 lacs in the

previous year. Net profit after tax and exceptional items (Gains) stood at ₹ 10,803.41 lacs as against ₹ 7,539.01 lacs of previous year, reflecting a robust growth of 43% in profitability.

Your Company has continued its practice of rewarding its shareholders with Dividends. The Board has declared and paid an Interim Dividend of ₹ 2/- (100%) per equity share of ₹ 2/- each. The said Interim Dividend has been confirmed by the Board as Final Dividend for the financial year ended March 31, 2016.

Last but not the least; I would like to thank all our stakeholders for their continued trust and support. I would also like to thank our esteemed Board members for their guidance and support. I am grateful to our Customers, Business Associates, Banks and Medical Fraternity who have reposed their faith in us. I would also like to extend my appreciation to our employees for their unparalleled energy and commitment.

At Unichem we remain excited about our future with a passionate team and well balanced strategy to make the most of unfolding opportunities, thereby creating greater value for all our stakeholders.

Dr. Prakash A. Mody
Chairman & Managing Director



India Formulation Business

New Initiatives



Making difference in Anti-diabetic market through DPP4* inhibitors (Teneligliptin)



Unienzyme – Exploring OTX potential

Venturing into Cosmetology with modern hair care therapy



*DPP4 – Dipeptidyl peptidase-4 Inhibitors



Key Formulations

Cardio / Diabeto

LOSAR
Losartan Potassium 25mg / 50mg

Telsar[®]
(telmisartan 20/40/80mg)

OLSAR[®]
Olmesartan Medoxomil 10mg/20mg/40mg

LOSAR-H
Losartan 50 mg + HCTZ 12.5 mg

METRIDE[®]
(Metformin ER 500mg + Glimepiride 1/2mg)

POSMEAL-MD[®]
Voglibose Mouth Dissolving 0.2mg/0.3mg Tablets

UNISTAR
Rosuvastatin 5/10/20mg+Aspirin 75/150mg

Tolol-xr[®]
(Metoprolol Succinate Extended Release 12.5/25/50/100 mg Tablets)

CNS

Serta[®]
Sertaline 250/100mg

Pre gaba[®]
Pregabalin / Pregabalin Sustained Release 75 mg

C-Pram S
Escitalopram 5/10/20mg Tab.

Levtam[®]
Levetiracetam 250/500mg Tab.

Acute

Ampoxin[®]
Amoxicillin + Cloxacillin
Inf Caps Syrup

Ampoxin-CV[®]
Amoxicillin + Clavulanic Acid

UNIENZYME[®]
(Fungal Diastase 50 mg + Pepsin 10 mg / 5 ml)
Liquid

Vizylac[®]
330 million spores of Lactic Acid Bacteria/
Sachet Dry Syrup

UVA CEF 200 mg
Cefpodoxime proxetil 200mg Tablets
Tablets

LeZyncet[®]
Levocetirizine 5mg Tablets/2.5mg/5ml Syrup

Linux 600mg
Lincoloid 600mg IV & Tablets
TABS/I.V.

Pre gaba-M[®]
Pregabalin 75/150mg + Methylcobalamine 750mcg Cap.

Driven by 3500+ field employees



Reaching across the World with Quality and Reliability





QUALITY is our Passion



Roha (API)



Pithampur (API)



Ghaziabad (Formulations)



Baddi (Formulations)



Goa (Formulations)



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Sikkim (Formulations)



R & D facility, Goa



Corporate Social Responsibility (CSR)

Adiwasi Unnati Mandal



Amrut Mody School of Management



Vision Foundation of India



Muktangan

