

Value Driven Global Vision



UNICHEM
LABORATORIES LTD.

Corporate Information

Board Committees

Audit Committee
Mr. Prafull Anubhai - Chairman
* Mr. Ramdas Gandhi
Mr. Prafull Sheth
** Mr. Dilip Kunkolienkar

Nomination and Remuneration Committee
Mr. Prafull Anubhai - Chairman
Mr. Prafull Sheth
* Mr. Ramdas Gandhi
*** Mr. Anand Mahajan

Stakeholders' Relationship Committee

* Mr. Ramdas Gandhi - Chairman
Dr. Prakash A. Mody
Mr. Prafull Anubhai - Chairman
(wef May 29, 2018)
** Dr. (Mrs.) B. Kinnera Murthy

Corporate Social Responsibility Committee

Dr. Prakash A. Mody - Chairman
Mr. Prafull Anubhai
* Mr. Ramdas Gandhi
Dr. (Mrs.) B. Kinnera Murthy

* Resigned wef May 29, 2018

** Appointed wef May 29, 2018

*** Appointed wef May 25, 2018

Registered 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) 2678 4391

Website: www.unichemlabs.com • E-mail Id.: shares@unichemlabs.com

Statutory Auditors

N. A. Shah Associates LLP

Chartered Accountants

B 41-45, Paragon Centre

Pandurang Budhkar Marg

Worli, Mumbai - 400 013

Registrar and Share Transfer Agents

Link Intime India Private Limited

C 101, 247 Park, L B S Marg

Vikhroli (West), Mumbai - 400 083

Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060

E-mail Id.: mumbai@linkintime.co.in

Chief Finance & Compliance Officer

Mr. Rakesh Parikh

Company Secretary & Compliance Officer

Ms. Neema Thakore

Head - Legal & Company Secretary

Plant Locations

Formulation Plants

GHAZIABAD

C 31, 32 & D10, Industrial Area

Meerut Road, Ghaziabad - 201 003

Uttar Pradesh

GOA

Plot No. 17A & 18

Pilerne Industrial Estate

Pilerne, Bardez - 403 511, Goa

BADDI

Bhatauli Kalan

District Solan, Baddi - 173 205

Himachal Pradesh

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

KOLHAPUR

Plot No. T - 47, Five Star MIDC

Kagal - Hatkanangale, District Kolhapur - 416 236

Maharashtra

Board of Directors



(L) to (R)

Mr. Dilip Kunkolienkar
Director Technical

Mr. Prafull Sheth
Independent Director

Mr. Anand Mahajan
Independent Director

Mr. Prafull Anubhai
Independent Director

Dr. Prakash A. Mody
Chairman & Managing Director

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

Message from the Chairman



Dear Shareholders,

I am pleased to present you with the 55th Annual Report of your Company.

The financial year 2017-18 saw your Company undertake a strategic disinvestment of its domestic business to focus on the international API and formulation business backed by a strong R&D base. The last few years have seen a strong performance in the international markets, with the US formulation business showing robust growth. This growth has continued in the year under review and we are confident that this tactical disinvestment will reap rich dividends in the future and help to ensure the long-term success of your Company in the global pharma market.

The disinvestment of the Domestic Formulations business will allow us to focus our energies on US


and Europe. We have also successfully completed a buyback to share part of the proceeds from the sale with our loyal shareholders.

‘Quality and Reliability’ are not mere words but form an integral part of our DNA. Our world-class API and formulation capacities successfully cleared multiple inspections by regulatory bodies from across the globe during the year under review. These included the USFDA issuing Establishment Inspection Reports (EIR) for the formulations manufacturing facilities at Ghaziabad and Goa. We are confident that we will continue to surpass the stringent cGMP standards that are required for doing business in the regulated markets.

Our investments in R&D are showing results and the past year saw successful ANDA approvals from the USFDA for Piroxicam Capsules USP, Irbesartan and Hydrochlorothiazide Tablets USP and Losartan Potassium and Hydrochlorothiazide tablets USP.

During the year under review, Unichem filed 9 Abbreviated New Drug Applications (ANDAs) (including 2 First-to-File Para IV), 12 US Drug Master Files, and 2 Brazil dossiers. We believe that our investment in R&D will be a game-changer and will open the door to growth, including out-licensing opportunities in generics and biologics.

Our R&D efforts will be led by our State-of-the-Art R&D Centre of Excellence (CoE) in Goa that focuses on API Process Research, API Process Research Analytics, Formulation Development, Formulation Development Analytics and Clinical Research and Intellectual Property Management. With seamless technology transfer, testing and roll-out of new products, the CoE driven by over 300 scientists will enable us to augment our pipeline of ANDA and DMF filings in the regulated markets as we move ahead to address the global pharma opportunity.



Our Capex program funded by internal accruals continued during the year under review and the Company invested in modernization and expansion of its plants. The capex program will continue over the next two years for capacity enhancement across our plants. Unichem is today the preferred partner for many multinationals on the back of an uncompromising approach to quality. The modernization and expansion will lay the ground for transformation into an international business driven company.

Going forward, your Company will proceed with a renewed push in the regulated markets including US and Europe.

With more than 500 regulatory filings for APIs backed by our world class manufacturing facilities in Roha and Pithampur, we are confident of successfully improving our market share and taking your Company to the next level of growth.

During the year under review, Standalone Sales/Income from operations (Gross) increased to ₹66,973.05 lacs (continuing operations) from ₹57,702.28 lacs (continuing operations) in 2016-2017, registering a growth of 16.07%.

Consolidated Sales/Income from Operations (Gross) stood at ₹81,839.69 lacs (continuing operations) in 2017-2018 as compared to ₹69,866.67 lacs (continuing operations) in 2016-2017, registering an increase of 17.14%.

It gives me great pleasure to inform you that the Board of Directors of the Company has recommended a final dividend of ₹ 5/- per share (250 %). The dividend shall be paid, if approved by shareholders at the 55th Annual General Meeting.

I would like to thank all our stakeholders and our esteemed Board members for their guidance and support. I am also grateful to our customers, business associates, banks and financial institutions, and the medical fraternity who have reposed their faith in us. And it would be remiss of me if I did not extend my appreciation to our employees for their unparalleled energy and commitment, and their families for their unstinting support. I look forward to your continued support as we embark on this transformational journey.

Dr. Prakash A. Mody

Chairman & Managing Director
May 29, 2018

Corporate Social Responsibility (CSR)

Adiwasi Unnati Mandal (AUM)



Twin Modular Toilets, Baddi



Jagwati Devi Bishamber Sahai Memorial Trust- Primary Madhyamic School, Ghaziabad.



Swachhata Pakhwada



Corporate Social Responsibility (CSR)

Your Company is actively involved in Corporate Social Responsibility (CSR) activities from many decades. Your Company undertakes various projects across India to do its part in benefiting society in education, health and sanitation sectors. It thrives to touch the lives of people making a positive impact. Below is a summary of the activities in which your Company engaged during the financial year 2017-2018.

Adiwasi Unnati Mandal (AUM)

Adiwasi Unnati Mandal (AUM) was founded by the late Shri Amrut Mody along with the late Shri Shantibhai Sheth in Shahpur Taluka in Thane district. Some activities undertaken were:

- (a) Your Company employees carried out a drive under "Swachhata Pakhwada" in co-ordination with Adiwasi Unnati Mandal on 21st and 23rd August 2017 at Anand Dighe High School, Shahpur and Mahuli Vibhag Madhyamik Vidyalaya, Chandroti, Shahpur. The topics covered were awareness on personal and menstrual hygiene, sanitation and environmental cleanliness. Interactive sessions with the students were held by the employees of Unichem. The importance of "SWACHH BHARAT" was highlighted. Around 400 students were covered under this project. This initiative was actively led by 15 female employees of your Company. 35 principals of schools in Shahpur were addressed on these initiatives and Unichem's role in promoting the same.
- (b) OPD camps were regularly held on Sundays at AUM centers. Around 11,500 patients were given treatment.
- (c) Health and dental checkup camps were carried out in eight schools for students. All students were provided with dental kits.
- (d) 170 patients were operated upon for cataract and other eye diseases at Bombay City Eye Institute and Research Centre, Babulnath, Mumbai and dark glasses were provided to them. Around 1,100 needy people were also provided spectacles.
- (e) T.B., Leprosy and Epilepsy treatment were provided to patients every Sunday.
- (f) First Aid boxes were distributed to schools in various centers namely Shidpada, Sakurli, Padvalapada, Gunde, Thune, Kharid, Dolkhamb, Kharade, Temburli, Alyani, Shahapur, Kinavli, Vasind and Asangaon etc.
- (g) Around 11,500 books were provided to over 3,000 students of Std IV to VI of 31 schools. In addition to note

books, educational aids such as pencils, erasers, sharpeners, ball pens etc. were also provided.

- (h) Educational Awards were given to rank holders of Std X and XII in 75 schools of Shahpur Taluka.
- (i) A separate computer laboratory was set up at Bhaktisangam Vidyalaya, Dalkhan School, where room flooring was done, platform was constructed and six new computers with accessories were provided. The benefit of this computer laboratory will be available to around 200 students.
- (j) Overhead projectors and 9 audio systems were provided to various schools in the area.
- (k) 16 RO Plants were installed in 9 schools for clean drinking water.
- (l) Bicycles were provided to students of various schools for better attendance in school.

HEALTH AND SANITATION

Swachhata Pakhwada

With an aim to address health and sanitation issues and achieve the Prime Minister's goal on Clean India by October 2, 2019, under the Swachh Bharat Mission, your Company observed Swachhata Pakhwada from August 16 to 31, 2017 across India.

More than 15 cleanliness drives were undertaken in Baddi, Ghaziabad, Kolhapur, Goa, Pithampur, Roha and Mumbai on a large scale for 15 days. These projects included cleaning Government schools, public areas, school for the blind, office premises, Government hospitals etc. Awareness sessions regarding not using plastic were also conducted in schools and other public areas. These drives were planned and executed solely by your Company employees. Active participation was shown by them throughout the process.

Vision Foundation of India

Your Company is associated with the Vision Foundation of India, an initiative created by Dr. Kulin Kothari and the Bombay City Eye Institute and Research Centre in 1993, with a vision to eradicate blindness and eye diseases from the marginalized sections of the society. Vision Foundation of India makes sure that people from underserved society get the best quality eye related surgeries and check-ups free of cost, using the latest technology. Your Company has been actively involved with these projects for the past few years.



Rotary Club of Bombay (Midtown)

Your Company, in association with the Rotary Club of Bombay (Midtown), is contributing towards pediatric care. These initiatives will give a new lease of life to some underprivileged Indian children.

Government High School and Industrial Area, Baddi

Your Company constructed two twin modular toilets in the Government High School, Baddi and surrounding industrial area. As a commitment to maintain the facility, water and electricity supply is provided in the toilets. Your Company has also completed the tiling of the assembly area of the school and renovation of the school kitchen.

EDUCATION

Amrut Mody College of Mass Communication and Journalism, Nadiad

Your Company continues its close association with the Amrut Mody College of Mass Communication and Journalism, Nadiad. Every year it contributes towards the welfare of students of the institute.

Muktangan

Muktangan is an innovative model of education located within mainstream Government schools providing quality, child-centered, inclusive English-medium schooling to

thousands of children in Mumbai coming from the underprivileged strata of the society. Your Company has been actively funding this project for many years.

Kreeda Prabhodini, Goa

Your Company provided sponsorships to Kreeda Probhodini (non-profit organization) to conduct regular diet camps, scientific and medical screening of budding gymnasts.

Jagwati Devi Bishamber Sahai Memorial Trust - Primary Madhyamic School, Ghaziabad

Your Company has taken care of seating arrangements for students.

ENVIRONMENT PROTECTION

Pilerne, Goa

Your Company provided benches on footpaths and planted trees around them, towards beautification project conducted by the Government. These benches are currently serving as resting place for people, especially elderly.



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Five-year Financial Highlights (Standalone)

Balance Sheet

(₹ in lakhs)

As at 31st March	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Equity & Liabilities					
Equity share capital	1,812.55	1,815.38	1,816.87	1,817.53	1,406.74
Share Application Money	-	-	-	-	-
Other equity	88,814.17	95,110.04	1,00,898.40	1,11,255.27	2,74,759.86
Net worth	90,626.72	96,925.42	1,02,715.27	1,13,072.80	2,76,166.60
Loans & Borrowings	2,429.53	2,099.46	2,766.73	98.91	32.68
Creditors & Liabilities	23,428.14	19,207.32	25,539.59	34,672.82	30,663.41
Deffered tax liability	4,177.43	3,932.54	3,131.54	2,449.51	3,429.01
TOTAL LIABILITIES	1,20,661.82	1,22,164.74	1,34,153.13	1,50,294.04	3,10,291.70
ASSETS					
Net block	39,371.69	39,586.60	38,119.98	46,795.55	55,484.14
Capital WIP (Including Capital Advances)	8,848.82	12,297.45	24,056.10	24,725.96	23,553.08
NB + CWIP	48,220.51	51,884.05	62,176.08	71,521.51	79,037.22
Investment	11,992.05	15,294.20	11,056.20	8,937.34	97,879.97
Current Assets					
Inventories	18,623.73	18,648.31	20,065.54	25,398.41	20,775.60
Trade Receivables	21,127.51	20,632.93	26,473.14	29,649.22	22,704.98
Cash and bank balance	4,082.60	1,971.05	1,094.07	1,016.03	67,360.52
Loans & advances	16,615.42	13,734.20	13,288.10	13,771.53	22,533.41
TOTAL ASSETS	1,20,661.82	1,22,164.74	1,34,153.13	1,50,294.04	3,10,291.70