

ANNUAL REPORT  
2020-2021



**UNICHEM**  
LABORATORIES LTD.

# Corporate Information

## Board Committees

**Audit Committee** Mr. Prafull Anubhai - Chairman  
Mr. Prafull Sheth  
Mr. Dilip Kunkolienkar  
Mr. Anand Mahajan  
Dr. (Mrs.) B. Kinnera Murthy

**Risk Management Committee** Dr. Prakash A. Mody-Chairman  
Mr. Dilip Kunkolienkar  
Mr. Prafull Sheth

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

**Corporate Social Responsibility Committee** Dr. Prakash A. Mody - Chairman  
Mr. Prafull Anubhai  
Dr. (Mrs.) B. Kinnera Murthy

**Stakeholders Relationship Committee** Mr. Prafull Anubhai - Chairman  
Dr. Prakash A. Mody  
Dr. (Mrs.) B. Kinnera Murthy

**Company Secretary & Compliance Officer** Mr. Pradeep Bhandari  
Head - Legal &  
Company Secretary

**Deputy Chief Financial Officer** Mr. Sandip Ghume

## 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](http://www.unichemlabs.com)  
E-mail Id.: [shares@unichemlabs.com](mailto: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.: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Cost Auditors

Kishore Bhatia & Associates  
701/702, D-Wing, 7th Floor  
Neelkanth Business Park  
Nathani Road, Vidyavihar (West)  
Mumbai - 400 086

## Plant Locations

### FORMULATION PLANTS

#### GHAZIABAD

C 31, 32 & D10, Industrial Area  
Meerut Road, Ghaziabad - 201 003  
Uttar Pradesh

#### GOA

Plot No. 10, 11, 12 to 14, 15 to 18 & 17(A)  
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 Shareowners,

It is my pleasure to present before you the 58th Annual Report of your Company. I hope that you all are keeping safe and healthy!

Before I deliberate on various aspects, let me take this opportunity to pay my sincere gratitude to each one working at the frontline combating the pandemic namely the medical fraternity, sanitation workers, essential service providers, and the law enforcement agencies who have endeavored to make the world safer and more convenient for all of us.

As the world reels under the Covid-19 pandemic, which has disrupted our collective sense of the 'normal', I am sure we will emerge out of this crisis stronger, resilient, and wiser. In its initial stages, as the world braced itself for an extended lockdown, the pharmaceutical industry proved to be a consistent and reliable supplier of life-saving medicines in the world. Your Company's response was twofold: First, we had to ensure the safety and well-being of our employees. Secondly, we had to ensure an uninterrupted supply of medicines to our customers. On both counts, I am pleased to report that your Company did an excellent job.

With over five decades of expertise, we have progressed on the path to providing high-quality products to patients globally. This was possible due to our relentless

commitment to quality, adherence to manufacturing excellence, and strong supply chain capabilities. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus will continue to be on our people's health and safety, ensuring uninterrupted supplies to our customers and caring for the communities in which we operate.

Like the earlier years, we remain committed to strengthening our R&D capabilities. The Centre of Excellence in Goa, fuelled by a team of scientists and PhDs, is the place where the potential of Unichem is brought to life. Offering the most conducive environment for value-added research, the R&D has to date developed novel, innovative and efficient processes for 77+ new generation molecules and 72+ ANDAs across markets and therapeutic categories. This talent pool enables us to leverage our investments in manufacturing capabilities by increased filings with various regulators.

Further, as a part of the Company's strategy of further expanding its export business with a focus on large regulated and emerging markets, Unichem filed 5 ANDAs (Abbreviated New Drug Applications) (including one Para 4), 2 USDMFs (US Drug Master Files), and 1 CEP (Certification of Suitability of European Pharmacopoeia), and other regulatory submissions to various health authorities. The R&D efforts were strategically focused on reverse engineering, launch planning, and cost rationalization efforts. The sustained efforts of R&D over the years resulted in 9 ANDA approvals this year highest so far and 8 launches in the largest generic market of the USA and 2 launches in Brazil. We expect an increase in the number of filings and approvals in time to come. Your Company is also building a pipeline of product dossiers for emerging markets other than the key US market. Your Company plans to launch products in the other regulated markets either through strategic collaborations or with local partners.

The Covid-19 crisis has brought about an unprecedented focus on health care, in particular preventive health. We believe that the unique challenge posed by the magnitude of such a health crisis shall put a spotlight on the need for more fundamental health care reforms and investment in public health infrastructure. This will force governments to explore innovative partnerships with the private sector to address essential healthcare infrastructure, create viable healthcare contingency plans and build strategic reserves of key supplies.

Your Company is continuously investing in the Company's complex manufacturing capabilities and fortifying its supply chain practices to achieve operational excellence. As a Company with a rich legacy of serving the pharma market, we remain focused on complete compliance to regulatory norms and have integrated human resources management processes to drive a culture of integrity. The year also saw the continued implementation of your Company's capital expenditure program funded through internal accruals with significant emphasis on modernization and expansion of capacities. With 'Health for All' being the new mantra, your Company's investment in capital expenditure is well geared to participate in this opportunity. All our manufacturing sites are compliant with the requirements of international accredited regulatory agencies. During the year under review, Unichem successfully underwent the European Union (EU) audit at Baddi and the Ukraine audit at Ghaziabad plant. Continuous improvement and striving to attain the highest levels of quality are ingrained in the culture of your Company.

We have been able to bring down the curtains on the financial year 2020-2021 with substantial growth in revenue and profits. During the financial year ended 2020-2021, the Consolidated Revenue from Operations was ₹ 1,23,513.53 lakhs as against ₹ 1,10,371.28 lakhs in the previous year, representing a growth of 12%. The Profit after tax for the year was ₹ 3,432.48 lakhs against a loss of ₹ (6,018.25) lakhs, representing a growth of 157% for the year ended 2020-2021.

During the year ended 2020-2021, the standalone Revenue from Operations was ₹ 1,12,397.28 lakhs as against ₹ 90,444.07 lakhs in the previous year, representing a growth of 24%. The Profit after tax for the year was ₹ 5,408.23 lakhs against a loss of ₹ (5,631.62) lakhs, representing a growth of 196% for the year ended 2020-2021.

Revenue from the international formulation business contributed 82% of Net Revenue from Operations, which increased from ₹ 72,498.24 lakhs in the financial year 2019-2020 to ₹ 92,559.80 lakhs in the financial year 2020-2021, representing a growth of 28%. The year was benefited by new launches, a better product mix in the international formulation business, and increased leverage from manufacturing overheads and logistics costs.

As a continuous effort towards rewarding Shareholders, it gives me immense pleasure to inform you that the Board of Directors of the Company has recommended a

dividend of ₹ 4/- (200%) per share. The dividend shall be paid if approved by Shareholders at the ensuing 58th Annual General Meeting.

For Unichem, CSR is more than just a statutory mandate. We have contributed to various CSR activities in our support to the nation in its fight against coronavirus. Your Company continues its efforts to the welfare of the communities where it operates, with a key focus on addressing societal and environmental concerns, while co-creating value with local institutions and people. Most of our CSR expenditure is focused on education, health and sanitation, and women empowerment.

Although the future is full of uncertainty and challenges, we are hopeful that with our R&D strength, manufacturing capabilities, and stringent CGMP (Current Good Management Practice) being followed, we will continue to motivate ourselves to outperform. We will continue to deliver value, invest for the future, and strengthen our foundation for growth. We have a strong team built on a legacy of integrity, excellence, and commitment that will continue to grow, expand, and innovate.

Your Company's abiding belief in its unwavering quality and reliability has been experienced by all its customers over the years. I place on record my sincere appreciation to our customers, business associates, banks, suppliers, shareholders and our employees for their continued support and trust reposed in us. I also take this opportunity to extend my gratitude to our esteemed Board members for their invaluable guidance and support in steering your Company in this journey towards being a global pharma player.

Get vaccinated and stay safe!

**Dr. Prakash A. Mody**

Chairman & Managing Director

29th May, 2021

# Corporate Social Responsibility (CSR)

Unichem - Touching Lives



*Distribution of tablets*



*School and hostel renovation*

# Corporate Social Responsibility (CSR)

Unichem - Touching Lives



*Distribution of ration kits and essentials to needy during the pandemic*

# HR Activities



*Uniconnect launch*



*Training Sessions*



*Awards distribution*

# HR Activities



*Fever screening system, plasma donation, vaccination drives during pandemic*

# Corporate Social Responsibility (CSR)

Unichem's interwoven DNA of supporting society from the past five decades encourages all of us to continue to contribute towards social responsibility and make attempts to touch lives in society.

The entire world faced a weighty and unprecedented issue of the pandemic during the year. Amidst this, all nations started supporting society to combat this crisis and like every year, Unichem also participated in serving society.

Your Company being part of essential services, ensuring business continuity was important. This was made possible by our ably supported heroes, "our employees" who run the operations within and outside the office to help the community.

Unichem offered its support to the front-line runners, like medical professionals and police authorities, for their safety and security based on their requirements.

Necessary precautions and covid guidelines were adopted while executing all CSR activities.

Some of the ways in which Unichem extended support during the pandemic were as follows:

- Contributing to the PM CARES Fund. In addition to its contribution to a recognised CSR Fund, Unichem has also extended its support to other relief funds in states like Goa and Himachal Pradesh.
- Donation of preventive health gear like masks, sanitizers, disposable gloves, shoe covers, and PPE kits. These were used by medical professionals and local police authorities near Unichem's Roha, Baddi, Ghaziabad, Kolhapur and Goa plants.
- Donated 250 pumps used for sanitizing activities in the local areas of Roha.
- Provided food packets, water, and other required refreshments to the local authorities, which were distributed amongst the deprived.
- Our Medical Head led from the front during the COVID-19 operations as a medical expert with the Brihanmumbai Municipal Council for screening, treatment, quarantine, and overall planning for the patients at various hospitals in Mumbai.
- Plasma donations were made by employees.

While we focus our attention on fighting the pandemic, which was unparalleled and unheard of, at the same time your Company continued in its goals of providing support to the underprivileged and deprived sections of the society during the year. The activities included:

- Adiwasi Unnati Mandal is an organization supporting local adiwasis in Shahpur, Maharashtra. Your Company continued to support them in addressing the educational and medical needs of the locals in that area.

- In the past few years, your Company has built sanitation units for locals in Baddi and Ghaziabad. During the year, your Company continued to upkeep the hygiene maintenance for these units.
- Your Company was engaged in the redevelopment and refurbishment of a government hospital for the past couple of years, in Pithampur. Last year marked the third year of this engagement. The focus this year was on the renovation of the hospital building to make it more conducive for the treatment of patients.
- Unichem is associated with Sardar Vallabhbhai Samaj Sewa Trust for several years now. The trust is working towards benefiting needy students in Gujarat. Last year your Company supported them in commencing the College on Wheels project. This project aims at providing education at the doorstep to those girls from rural areas who cannot enroll in colleges due to geographical challenges. Through this Trust, your Company continued to contribute to Amrut Mody School of Mass Communication and Journalism based at Nadiad, Gujarat, to provide better educational opportunities to needy students.
- Unichem supported the underprivileged individuals in Bicholim and Sattari talukas in Goa through Goa Development and Welfare Public Charitable Trust. The contribution made by the Company was used towards providing financial assistance to the needy to seek admission to nursing colleges and diploma programmes and providing medical assistance wherever required.
- Unichem participated in several social initiatives through Yusuf Meherally Centre, a non-profit organization. The contribution was used to support schools, junior colleges, and hostels for Adivasi girls, and other educational activities for the underprivileged in areas of Raigad and Kutch.
- Unichem supported a Primary Health Centre (PHC) in the Saligao Village, district of Goa which was identified by the Department of Health in Goa to address the public health system in that village. Your Company created necessary infrastructures such as furniture, sanitation, plumbing, electrical fittings, and water supply. This PHC will cater to a population of around 28,000 and will provide general medical treatments.
- Water shortage was another area where your Company contributed to constructing a pond in Ghaziabad, to help solve the drinking water needs of locals residing in the nearby areas. Around 200 families are going to benefit from this initiative. The construction of the pond is completed, and it is expected to be operational soon.

The Company believes in contributing to the growth of communities where it operates. Your Company is committed to our deeply ingrained culture of responsibility and will continue to run and monitor the initiatives in the areas of health, education, and women's empowerment.