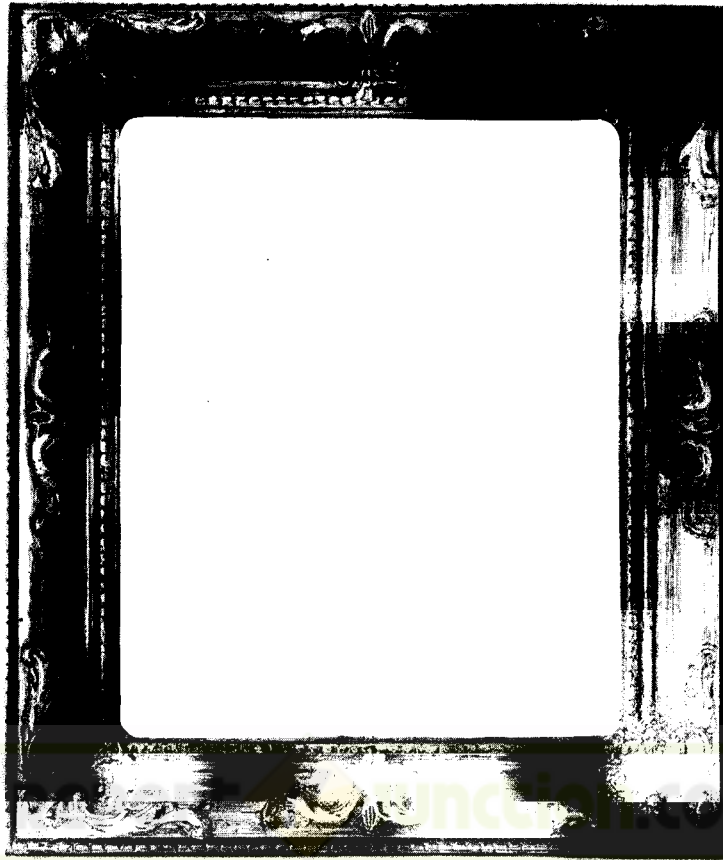


ANNUAL REPORT 2004-05



The portrait of an evolving company





Over time, there has been a paradigm shift in the way we, as a company, foresee our future. We not only look with pride at the 98 years gone by, but visualise with hope, excitement and a youthful vibrancy, how we shall shape the next 100 years.

Our external environment is engulfed with constant change - patent regime, regulations, innovation, competition, collaboration and so on. As we adapt and reinvent, it is important that we give our company an identity that is in consonance with this change.

Just as a country is identified by the national flag, a company is identified by its logo. It reflects the basic ethos of the company, what it stands for and how it expects to ride into the future. From this perspective we are pleased to unveil the vibrant new logo of Alembic.



The simplicity of the earlier logo has remained intact. This is a symbol of the stability and respect Alembic has gained over the past decades. The two uni-directional arrows below the name of Alembic depict the momentum surging across the organization to leverage its brand equity, to achieve its real potential to reach higher goals and aspirations.

Speed x Direction = Velocity. It is this Velocity, this feeling of directed and purposeful movement that we want to bring into our company.

The colours chosen are blue and green. Blue stands for stability, knowledge, dependability and strength of character. Green on the other hand stands for prosperity & freshness of thoughts (innovation). Together blue and green symbolise the colours of the ocean, which has unparalleled depth and is in constant movement.

As members of the Alembic family, it is important that you understand the essence of this logo and feel proud to participate in the growth of Alembic as we confidently march towards our next 100 years.

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Safe Harbour Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Board of Directors

Mr. Chirayu R. Amin
Chairman & Managing Director

Mrs. Malika C. Amin
Whole-time Director

Mr. Rajkumar Baheti
*Director, President -
Finance & Company Secretary*

Mr. Ranjitbhai R. Patel

Dr. Babubhai R. Patel

Mr. Pranav N. Parikh

Mr. K. G. Ramanathan

Mr. Ramanlal M. Kapadia

Statutory Auditors

K. S. Aiyar & Co.
Chartered Accountants,
Laxmi Estate No. F - 07, 08
Shakti Mills Lane, Off Dr. E. Moses Road
Mahalaxmi, Mumbai - 400 011

Bankers

ABN-AMRO Bank N.V.

Bank of Baroda

ICICI Bank Limited

IDBI Bank Limited

State Bank of India

Union Bank of India

UTI Bank Limited

Regd. Office

Alembic Road, Vadodara - 390 003

Manufacturing Facilities

Alembic Road, Vadodara - 390 003

Formulation Division

Panelav

Tal. Halol, Dist. Panchmahal - 389 350
Gujarat

Plot No. 21, 22, EPIP - Phase I, Jharmajri,
Baddi, Tehsil - Nalagarh,
Dist. Solan, Himachal Pradesh

API Division

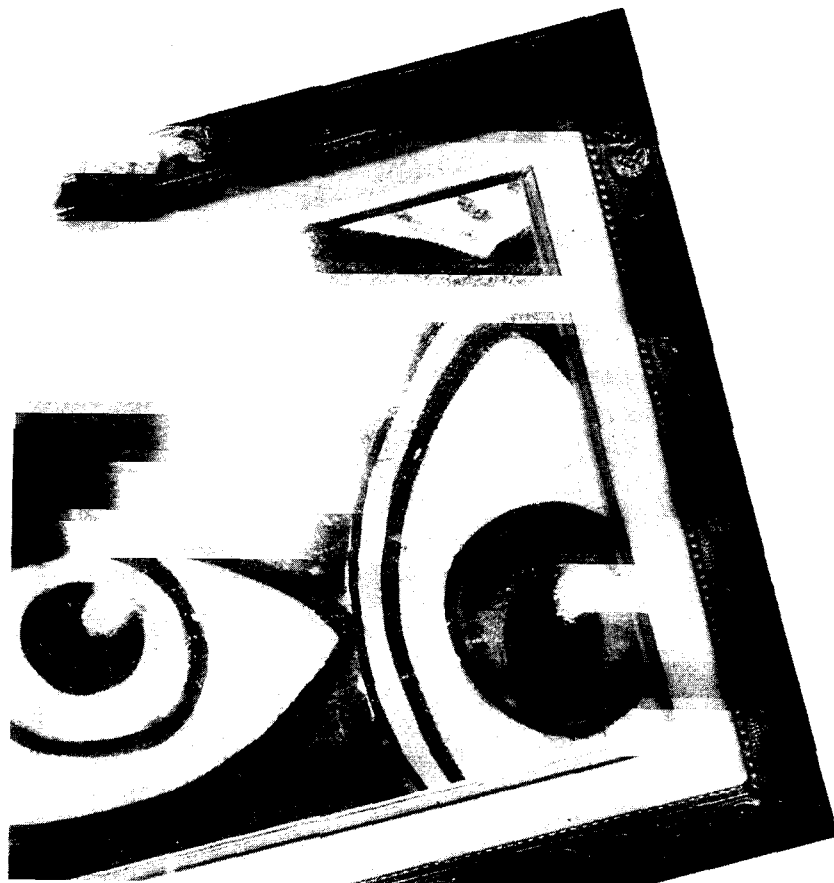
Panelav, Tal. Halol
Panchmahal - 389 350
Gujarat

Registrar & Transfer Agents

M/s. Intime Spectrum Registry Limited
201, Sidcup Tower
Near Marble Arch, Race Course
Vadodara - 390 007
Phone No.: 0265-2332474 (Tele-fax)
E-mail: vadodara@intimespectrum.com

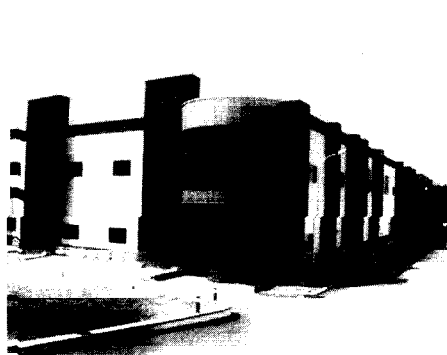
Alembic

A Retrospective





Plant at Baddi, Himachal Pradesh



Plant at Panelav, Gujarat



Report

Alembic, founded in 1907, is committed to excellence in pharmaceutical healthcare through the development of indigenous technologies, with a mission to give access to the best healthcare products at affordable prices to everyone, anywhere in the world. Alembic is one of India's most experienced manufacturers of bulk drugs and pharmaceutical formulations in human and animal healthcare, as well as a respected export house. The leadership position that Alembic's products enjoy in their respective categories speak aloud of the quality and service standards set by the company. Six of Alembic's brands feature among the top 300 brands in the country today.

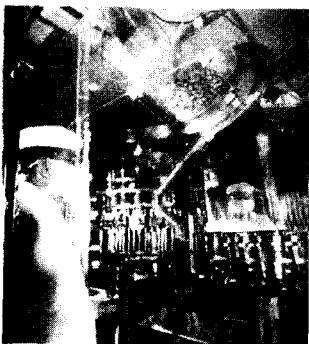
Alembic is a certified ISO-9002 and ISO-14001 company with manufacturing practices and facilities that conform to WHO-GMP guidelines. The Panelav facility has recently been upgraded and has received the approval of International Regulatory authorities such as the Medicines Control Agency, UK, Medicines Control Council, South Africa and the Food and Drug Administration, USA.

Alembic was a pioneer in the basic manufacture of penicillin, is a world leader in macrolides and has the distinction of producing Cephalosporin - C for the first time in the country.

OUR VALUES

We shall establish a meritocracy that values integrity, innovation and fairness to leverage the true potential of our human capital.

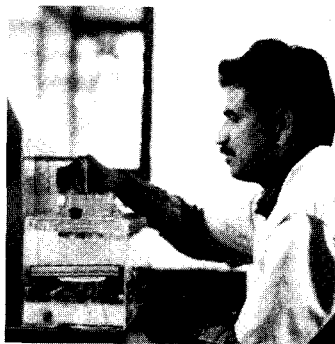
Formulation Plant



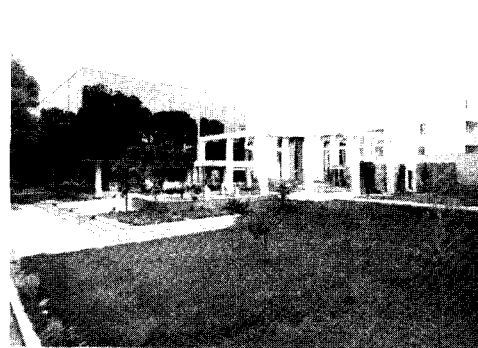
Corporate Office, Vadodara



Quality Testing



BioArc - The research centre at Vadodara



Alembic's brand, Althrocin, is India's 3rd largest antibiotic. The major therapeutic segments where Alembic has a strong presence are antibiotics and antibacterials, cough and cold remedies, analgesic and anti-inflammatory medications, nutraceuticals and anti-diabetics.

Alembic, headquartered in Vadodara is today an integrated pharmaceutical company with the ability to research, develop, manufacture and effectively market pharmaceutical products and services. It has manufacturing facilities in Gujarat and Himachal Pradesh, and a state-of-the-art research centre that conducts landmark projects in Chemistry, Microbiology, and Pharmaceutical Technology. Alembic shares collaborative & symbiotic relationships with preferred business partners, all of who reflect similar business ethics, trust & transparency and quality standards.

In the financial year 2004-2005 Alembic registered revenues of Rs. 583 crore and a profit after tax of Rs. 51.82 crore.

OUR MISSION

To become a knowledge-driven global pharmaceutical company with the highest levels of excellence in all spheres of operations.



Unveiled

New Products fuel growth



New products have been the prime growth drivers in the pharmaceutical industry across the world and are used as the health barometer of a firm. This year Alembic launched 23 new products including line extensions to expand its product portfolio and drive growth in new emerging categories.

These new products span across therapeutic categories and include:

G.I.	Hydral, Nitacure, Ignis
Anti-infective	Altamet, Gatrach, Megaclav
Pain Management	Etrik, Fortafen
Cough & Cold	NeoZeet
Cardiovascular	Amtor, Ezorva
Anti-diabetic	Glimser
OTC	Zero

23

NEW PRODUCTS
LAUNCHED

14
03-04

23
04-05

8
02-03

New product launches/
Line extensions

These new products contributed to 4.5% of the total sales vis-a-vis the 2% industry average, a persuasive indicator that they will be high revenue generators for Alembic.

On the API front, Alembic aims to gain a strong foothold in the regulated markets. Its goal is to file 5 DMFs every year to add to the 7, which have already been filed till date. As this initiative accelerates and the expertise grows, a new healthy revenue stream will be generated for the company.

The research pipeline at Alembic is also healthy. The company filed a number of patents, which include 43 for Active Pharmaceutical Ingredients (APIs) and Intermediates.

