

NEW PRODUCTS.

NEW MARKETS.

FINANCIAL HIGHLIGHTS – 2007-08


(Rs. in Lakhs)

Sales	Year ended 31-03-2008	Year ended 31-03-2007	Growth %
Formulation			
Domestic	59,774	49,174	22
Exports	4,666	3,943	18
Regulatory	6,986	2,207	217
API			
Domestic	11,247	7,244	55
Exports	6,034	4,900	23
Regulatory	11,916	2,780	329
Export Incentives and R&D Income	2,038	1,935	5
Grand Total	1,02,661	72,183	42

(Rs. in Lakhs)

Earnings	Year ended 31-03-2008	Year ended 31-03-2007	Growth %
PBIDT	15,687	12,476	26
PBT	11,360	7,059	61
PAT	11,219	7,068	59

- Income accelerates to Rs. 1,027 Crores
- PAT touches Rs. 112 Crores
- Successful integration of acquired business from Dabur. Grew by 29% to post turnover of Rs. 97 Crores
- Outlicensed NDDS technology to UCB
- 8 ANDAs and 15 DMFs filed, aggregating to 11 ANDAs and 21 DMFs
- Tie-up with a large Pharma MNC for supply of API / Intermediates



www.reportjunction.com

Alembic is crossing new milestones guided by the compass of our experience and expertise, diversifying on the domestic front and intensifying international forays. Alembic embarks into another century on a new high; positioning itself to capitalise on the new opportunities. Our energies continue to be focused on improving performance and creating value for you.



Board of Directors

Mr. Chirayu R. Amin
Chairman & Managing Director

Mrs. Malika C. Amin
Whole-time Director

Dr. Babubhai R. Patel

Mr. Pranav N. Parikh

Mr. K.G. Ramanathan

Mr. Paresh Saraiya

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

Mr. Pranav Amin
Chief Business Development Officer

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.
AXIS Bank Limited
Bank of Baroda
ICICI Bank Limited
IDBI Bank Limited
State Bank of India

Regd. Office

Alembic Road, Vadodara - 390 003

Manufacturing Facilities

Alembic Road, Vadodara - 390 003

Panelav, Tal. Halol,
Dist. Panchmahal - 389 350. Gujarat

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

Village Karakhadi, Taluka: Padra
District Vadodara

Registrar & Transfer Agents

M/s. Intime Spectrum Registry Ltd.
1st Floor, 308, Jaldhara Complex,
Opp. Manisha Society,
Off Old Padra Road, Vasna Road,
Vadodara - 390 015
Tel.: (0265) 2250241 & 3249857
Email: vadodara@intimespectrum.com

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 realised. 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.

index

Chairman's Message	01
Centenary Celebrations	03
Formulations Review	07
Research Review	13
International Division	17
Directors' Report	20
Report on Corporate Governance	30
Auditors' Report	40
Financial Section	43



CHAIRMAN'S MESSAGE

Dear Shareholders,

It was with immense pleasure, a deep sense of responsibility, a total uncompromising commitment to provide the best across care continuum, and just a touch of pride that Alembic celebrated its centenary this year.

From being disciples of distillation to becoming the masters of macrolides, taking a therapeutic leap in

NEW HORIZONS. NEW GOALS.

addressing lifestyle diseases and enabling organised healthcare in rural India; Alembic's journey of a hundred years always encompassed the spirit of innovation and enterprise as laid out by its founding fathers. It has been an eventful journey. We have grown and matured with the evolution of the global pharma landscape. We have fiercely competed for market share and mindshare and won. We have overcome tribulations, created triumphs and above all forged lasting bonds with stakeholders.

In our centenary year we also traversed another momentous milestone; we chalked up revenues above Rs. 1,000 Crores. We grew by 42% to Rs. 1,027 Crores and recorded a profit of Rs. 112 Crores, which is a jump of 59%. While these results are very encouraging, they represent only a small portion of our immense potential.

The Indian economy is on an unprecedented robust incline, GDP and consumption levels are northward bound. Information, awareness and access are

outpacing this accelerated economy. More customers are entering organised healthcare as they can afford more medicines. India is well on its way to become the third-largest market in terms of incremental growth after the US and China and touch a market size of \$20 billion by 2015*. This expansion in the market and large influx of first time consumers in organised healthcare, carries a significant advantage for a Company like Alembic with domain strength in the acute therapy segments, which are generally the first line of defence.

This year Alembic also included the lifestyle disease segment to its product range through the acquisition of Dabur's Non-Oncology division. We have seamlessly integrated this division into our fold and are confident that we will leverage its inherent strengths to register more than 25% growth year on year. We are also zeroing in on various other high growth and niche areas in the domestic segment.

Alembic shares a long standing, strong equity of trust with doctors and has successfully built large brands on the foundation of this relationship. Our macrolide powerhouses Althrocin, Roxid and Azithral continued their market domination.

As India matures into a global hub for manufacturing and research operations, Alembic is seeking to record exponential growth in this area as well. Our research laboratories are well equipped to develop new products and formulations, while our manufacturing facilities have successfully proved their competence and cleared inspections from regulatory bodies the world over.

Low product costs and strong Intellectual Property are going to be the two most definitive drivers in the International Generics Markets. Alembic has proven excellence in both these domains. An enhanced focus on these in the coming years will see generics play their role in Alembic's growth.

During the course of the year we also restarted the manufacture of Penicillin. Our cost reduction initiatives and improvement in technology will enable us to remain well-rooted in this business and withstand competition from anywhere in the world. We have also initiated a contract manufacturing agreement with a leading MNC and this deal is probably one of the larger ones by an Indian Pharmaceutical Company.

The outlook for Alembic is very promising. During the last couple of years we have actively invested in our facilities, labs and more importantly in our people. We have always believed that no institution is better than the personnel who populate it and at Alembic every employee shares the credit for the success of our business.

We broke the Rs. 1,000 Crore barrier after 100 years. Now is the time to take a leap. We aim to cross the Rs. 2,000 Crore mark in less than three years. With the relentless commitment of our teams and your staunch support, I am sure we will achieve it.

Sincerely,



Chirayu R. Amin
Vadodara, 25th April, 2008

(*Source: McKinsey & Company)

CELEBRATING A CENTENARY



Mr. Chirayu R. Amin, CMD,
addressing the august audience.



Employees, their families, and esteemed guests
celebrating the momentous occasion together.

*“History is the only laboratory
we have in which to test the consequences
of thought”*

Hundred years ago, a constellation of brilliant minds came together to blend a scientific bent of mind with a drive to make a difference. Their aim, 'to provide employment to Indian graduates and direct their energies to scientific research.'

Nurtured under the patronage of H.H. Maharajah Sayajirao III, the collective visionary action of Prof. Gajjar, Prof. Kotibhaskar and Raj Mitra B.D. Amin, distilled original ideas through the sieves of enterprise and sheer determination. All this in the face of the daunting environment that existed during the British Raj.

Nascent beginnings transformed to enterprising successes as the founding fathers leveraged the opportunity to serve the nation and established Alembic - the Company that would go on to become a change agent in the Indian Pharmaceutical industry.

Starting in 1907 with the manufacture of tinctures and alcohol, Alembic grew in strength and stature as it expanded its product offering to include cough syrups, vitamins, tonics, sulphur drugs and penicillin.

On 16th May, 2007, Alembic entered the annals of history when it became the first pharmaceutical company in India to cross 100 years of operations.

The momentous occasion was celebrated together with esteemed guests and Alembic employees. The event was also graced by two luminaries of India; the former President of India Hon'ble Dr. A.P.J. Abdul Kalam and the Chief Minister of Gujarat, Mr. Narendra Modi.

Dr. A.P.J. Abdul Kalam, was the Chief Guest and Mr. Narendra Modi, the Guest of Honour.



Mr. Narendra Modi, Hon'ble Chief Minister of Gujarat congratulating Alembic for 100 successful years of service to humanity.



Dr. A.P.J. Abdul Kalam, former President of India, was the Chief Guest and enlightened the audience with his thoughts.



Mr. Pranav Amin, Chief Business Development Officer, addressing the audience.



The dignitaries in full quorum at the dais.



The luminaries unveiling a book on the 100 year journey of Alembic Ltd. on the occasion.



The esteemed guests being welcomed at Alembic Limited.



Mr. Chirayu R. Amin, CMD, greeting the Hon'ble Chief Minister Mr. Narendra Modi.



The dignitaries at the research gallery with CMD, Mr. Chirayu R. Amin and Whole-time Director Mrs. Malika Amin.

In his key note address, Dr. Kalam expressed his vision of making India a hub for scientific research and pharmaceutical manufacturing. He encouraged the pharmaceutical industry to set itself a target of producing 40% of world's generic medicines. He also brought into focus the various opportunities available to the Indian Pharmaceutical Industry in the fields of collaborative research with national research laboratories for curing diseases like TB, Typhoid, Malaria, etc.

Dr. Kalam inspired the entire Alembic team by saying, "Alembic has got the core competence for producing cost effective and quality Pharma products. The Pharma specialists from Alembic assembled here must keep these targets in mind and contribute adequately for the realisation of Indian Pharma Vision 2020, for which acquisition of knowledge and development of new drugs is indeed very important."

Speaking on the occasion, Mr. Modi heartily complimented Mr. Chirayu R. Amin and his family members for 100 successful years of service to humanity by manufacturing and marketing quality drugs at affordable prices. The occasion also provided the perfect platform for him to announce the setting up of a Bio Technology Park in the city of Vadodara.

Mr. Chirayu R. Amin, Chairman & Managing Director of Alembic Ltd., in his welcome address appraised the audience on the future path of Alembic. He said that, "After, reaching 100 years, we confidently and proudly enter the next century with a rich history,