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AUROBINDO IS A LEADING GLOBAL PHARMACEUTICAL COMPANY WITH OVER 26 YEARS OF EXPERIENCE. WE DEVELOP, MANUFACTURE AND MARKET ACTIVE PHARMACEUTICAL INGREDIENTS AND FINISHED DOSAGE FORMULATIONS.

OUR COMMITMENT TO QUALITY, VERTICALLY INTEGRATED MANUFACTURING CAPABILITIES, AND HIGHLY MOTIVATED PEOPLE CREATE VALUE FOR OUR CUSTOMERS, PARTNERS AND SHAREHOLDERS. WE ARE HEADQUARTERED IN HYDERABAD, INDIA WITH OFFICES ACROSS THE WORLD.

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IN 2012-13, AUROBINDO WORKED WITH FOCUS AND DETERMINATION. WE INCREASED OUR REVENUES, EXPANDED OUR PORTFOLIO OF PRODUCTS, IMPLEMENTED STRONG, SUSTAINABLE QUALITY PROCESSES AND MADE SIGNIFICANT COST IMPROVEMENTS.

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## The numbers tell the story

→ Consolidated gross revenue from operations was higher by 27% at ₹60008.3 million in the year under review, over the previous year.

This growth, coupled with an improved product mix, better capacity utilization and productivity improvements, brought about a significant increase in Aurobindo's bottom line.

→ Consolidated profit before exceptional items & tax was ₹3741.1 million in 2012-13 as against ₹1082.3 million in 2011-12.

→ Consolidated net profit for the year was ₹2914 million as against a loss of ₹1241.4 million in 2011-12.

→ Formulations sales to USA was ₹17526 million, recording a 48.1% growth over the previous year.

→ Europe and Rest of the World geographies recorded formulations sales of ₹8843 million in 2012-13,

an increase of 39.8% over the previous fiscal.

→ There was a 4.6% fall in ARV formulation sales at ₹7503 million, in an endeavor to shed low margin products and optimize our margins.

→ USA sales of formulations contributed 51.7% to the overall formulation revenues in the year as against 45.5% in the previous year, ARV with 22.2% against 30.2% last year and Europe and Rest of the World contributed 26.1% as against 24.3% in fiscal year 2011-12.

# 27.0%

GROWTH IN CONSOLIDATED GROSS REVENUE FROM OPERATIONS

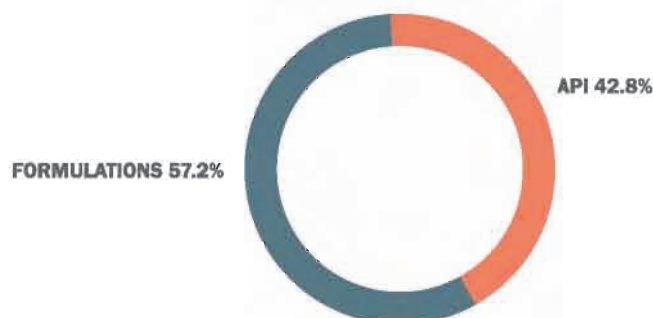
# ₹33872m

GROSS SALES OF FORMULATIONS IN 2012-13, AN INCREASE OF 30.1% Y-o-Y

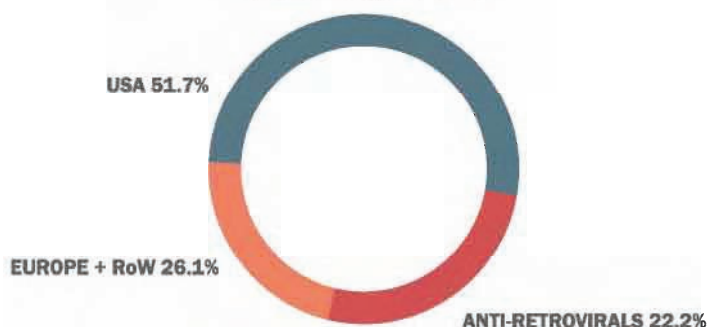
# ₹25362m

GROSS SALES OF API IN 2012-13, AN INCREASE OF 23% Y-o-Y

REVENUE BREAKUP



WHERE OUR FORMULATIONS SALES CAME FROM





## Highlights of the year

→ Gross sales from API stood at ₹25362 million in 2012-13, 23% higher over the previous fiscal.

→ The SSP business grew by 21.7% to ₹7652 million and cephalosporins grew by 25.6% to ₹9373 million on the back of favorable demand in the local market.

→ Non-betalactam products grew by 21.4% to ₹8337 million during the year over ₹6870 million in the previous year and constituted 33% of the overall API sales. This largely came out of advanced markets.

→ At ₹8891 million, EBITDA improved by 200 basis points year-on-year. EBITDA was 15.2% of net operating income as against 13.2% in the earlier year.

→ EBITDA before forex adjustments and other income at ₹8891 million was increased by 45.7% over ₹6101 million in the financial year 2011-12.

Profitability improved due to an improved business mix resulting in a decrease in material consumption to net sales.

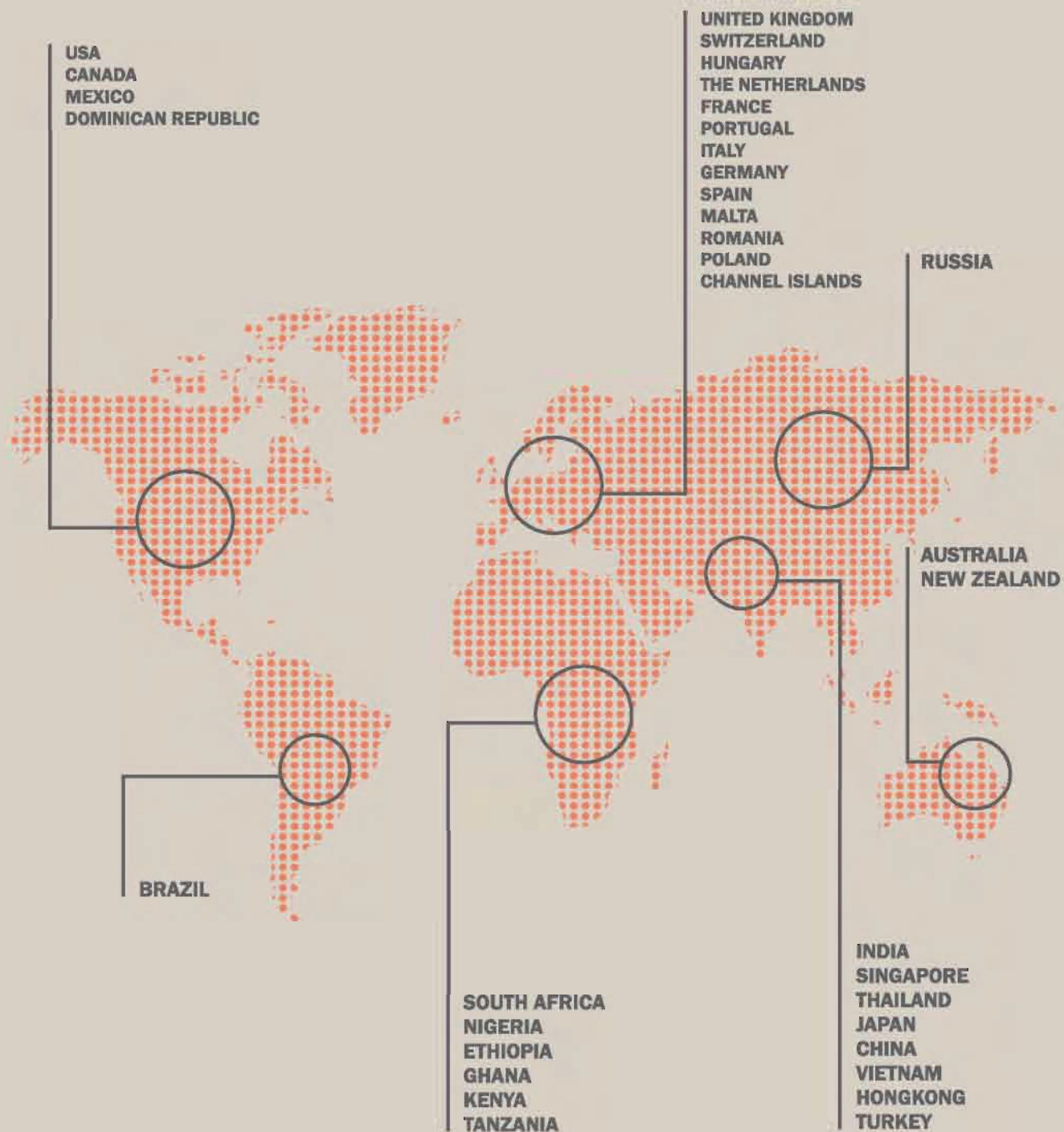
**CONSOLIDATED NET PROFIT FOR THE YEAR WAS ₹2914 MILLION AS AGAINST A LOSS OF ₹1241.4 MILLION IN 2011-12.**



**FORMULATIONS SALES TO USA**



**FORMULATIONS SALES TO EUROPE AND REST OF THE WORLD**



**We market over 300 products in more than 125 countries around the world.**

## What we do

Aurobindo's strength lies in vertically integrating its active pharmaceutical ingredients (API) with finished dosages to yield quality, generic formulations based on extensive pharmaceutical research. We couple non-infringing processes and chemistry challenges for drug substances with non-infringing and complex drug products developed by using innovative technologies.

In the process, the vast scientific pool at Aurobindo creates intellectual wealth for the Company and commercializes cost effective, quality generic finished dosages for people across the globe.

Aurobindo employs more than 8,800 professionals across its API and formulation manufacturing, chemical R&D, formulation R&D and overseas operations.

## Why we do it

We believe that we can help people around the world live healthier lives. Our aim is to make quality pharmaceuticals affordable to all.

## Our Strengths

### Scale and leadership

We own and operate mega manufacturing facilities approved by leading regulatory authorities. We have large R&D facilities for formulations and API. Our product portfolio is wide, spanning several therapeutic segments.

### Operational excellence

We are vertically integrated. We have years of proven expertise with regulatory compliance. We have the technology and the knowhow to make specialty formulations.

### Service delivery

We have a global marketing network with a presence in every continent. Our approach to business is centered around customers and their needs. We listen to customers, have quick delivery times and provide total quality assurance.

## Company Overview



AUROBINDO EMPLOYS MORE THAN 8,800 PROFESSIONALS ACROSS ITS API AND FORMULATION MANUFACTURING, CHEMICAL R&D, FORMULATION R&D AND OVERSEAS OPERATIONS.

## Our Corporate Values

### Business Care

OPERATIONAL EXCELLENCE  
STAKEHOLDER ORIENTATION  
QUALITY, INNOVATION

### People Care

FAIRNESS, HUMILITY, RESPECT  
TEAMWORK, SYNERGY  
APPLIED LEARNING

### Organization Care

ACCOUNTABILITY  
INTEGRITY  
ACHIEVEMENT



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AUROBINDO'S STRENGTH IS DERIVED FROM ITS ROBUST, VERTICALLY INTEGRATED INFRASTRUCTURE, INTELLIGENT RESEARCH & DEVELOPMENT, WIDE PORTFOLIO OF PRODUCTS, QUALITY PROCESSES AND TALENTED AND MOTIVATED PEOPLE WHO ARE COMMITTED TO OUR VALUES.

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# Focused

**Q. Aurobindo's revenues have grown. What were the other key highlights of 2012-13?**

**A.** In 2012-13, we achieved strong double-digit growth in revenues which is reflected in our balance sheet. But we did much more than that. We focused on all key aspects of the business, put our growth strategies into action and gave Aurobindo a renewed sense of direction.

When the year began, we converged on driving change initiatives aimed at realizing our considerable potential. Given our enormous organizational strengths, and in particular our talented people, we efficiently managed our operations by containing our cost structure and improving our cash flow. These efforts combined with strong revenue growth both in API and formulations

enabled us to increase our earnings per share. The results underscore the resilience of the Aurobindo business model, during a period of high volatility.

**Q. What are the Company's priorities and how will you execute them over the next three years?**

**A.** In 2012-13, we drove several initiatives across our manufacturing units. We reviewed our operations and introduced cost improvement programs at various levels. We strengthened our supply chain and enhanced its reliability. We made sure of our quality by increasing accountability and institutionalizing the various checks and balances. The focus was on improving our reliability quotient.

Our increasing success in the world generics market rests on our ability to remain competitive. In order to do that, we need to further strengthen and leverage our execution

capabilities - excel at the operational level, keep a tight rein on costs and maintain consistent quality at all times.

We have taken several steps, but lot more needs to be done. Our goal is to become the most cost effective producer in all our product segments. We have progressed well in this regard, although impact of several initiatives is likely to be visible in the latter half of 2013-14.

We're also widening our geographical reach. We entered new markets and increased the portfolio of our therapeutic segments. We strove to understand the needs of each new market and customer and were able to match their exacting requirements. This is an ongoing process.

In the next three years, we will pursue our goal of doubling our revenues by continuing to drive execution excellence and make telling operational improvements.

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**K. Nithyananda Reddy**  
Vice-Chairman

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