



ARVIND REMEDIES LTD.

Caring for your Health



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From the desk of MD & CEO



Dear Shareholders,

It is a matter of great pleasure that Arvind Remedies has entered into the 25th year of its existence, celebrating its Silver Jubilee. We are much grateful to our esteemed shareholders for all their support and co-operation extended all along in the past.

Emerging markets

Today, while medicines are available in plenty, their side effects stand in the way, causing other problems at later stages, and hence there is the need to reduce unfavourable impacts on human body. ARL is, therefore, making efforts to develop new products with the help of R&D. The gastric problem is solved by introducing mouth-dissolving medicines. Chronic diseases, caused due to high pollution, etc. are quite common, and to fight against this trend, products are being developed by ARL, to be launched shortly.

As far as domestic market is concerned, ARL has increased the number of products, and the marketing territories are being expanded, exploring huge potentials. The growing Asian and African countries are the emerging markets. Exports from India continue to be a major contributor. We have forayed into these regions and expect larger contributions in the marketing share in the coming years. New products are also being developed with the patents registration. We have also the off-patented products in parallel with patented products to market through the players in the US market.

Global presence – The regulated market

We are venturing into the regulated market – US – the largest pharma market in the world. We have already started in US by establishing Arvind Remedies USA LLC, a 100% subsidiary and in order to take forward the US business we have appointed highly qualified and well experienced professionals at key positions from the US pharma industry itself. Around 25 products have been selected for development and filing of ANDAs.

Needless to mention, we look forward to your continued support in bringing up ARL to the heights of global renown.

With good wishes,

Dr. B. Arvind Shah

Management Discussion and Analysis

ARL enters into its Silver Jubilee!

The year 2013 will indeed be remembered as a landmark in the history of Arvind Remedies Ltd. (ARL), the Company continuing to show its trend of excellence across the country with consistency in its growth in all segments.



**"Pioneers Award" for Excellence in Healthcare – 2012 from MHFW,
Govt. of Tamil Nadu along with FICCI**

Over the last 5 years, Indian pharmaceutical environment has become increasingly volatile and challenging. Yet the industry grew with a CAGR of 15% and is expected to grow an additional 10%-12% by 2014 (Source: PWC and ICRA). The pharmaceutical market has reported a growth of 10% last year, the turnover reaching Rs.72,000 crores (Source: IMS Health).

As Dr. APJ Abdul Kalam energized the citizens to DREAM to see India in the club of developed countries by 2020, ARL directs its energies in divergent directions viz., business in Ethical, Institutional and Contract Research and Manufacturing Services (CRAMS).

Apart from higher input costs, the high cost of bringing products to the market coupled with gradual decline in realizations is affecting financial viability. ARL, however, believes that the Indian Pharma Industry has a strong potential to grow. The factors contributed to the growth are: the ageing population, rising incidence of chronic diseases due to change in lifestyle and eating habits, advancement of technology and health care reforms, and it is being taken care of by the potential institutional marketing. This has been ARL's primary market for the past 25 years, and the Company continues to direct its resources towards this market for the foreseeable future.

Domestic Markets

Our Ethical Business has a diversified and specialized product portfolio both from Allopathic and the Ayurvedic segments. This year the Company has successfully launched three new products viz. ARVICEP 100 & ARVICEP 200 (an antibiotic), ARGINDIA (a nitric oxide donor) for use in infertility and ARVINEX & ARVINEX M (an anti-fibrinolytic agent) to control heavy menstrual bleeding. With the successful launchings, the Company has now a strong portfolio of 25 products for ethical marketing. During the year 2012-13, on the strength of ARL's strong presence and competitiveness in the Southern states, it expanded the reach by launching its products in the Northern states.

Consolidating ARL's potential proactive primary marketing share in the **institution business** at the top level as in the past 25 years, the Company's presence, along with a few leading players, is well established in the Central Government, State Governments, Quasi Government and the World Bank-sponsored institutions. During the fiscal year, ARL is proud to state that it has added a few State Government institutions.



ARTIN OIL
ENSURES POWER THAT RELIEVES PAIN



PANKARE
A BREAK THROUGH IN THE
MANAGEMENT AND CONTROL OF TYPE II DIABETES



SOREXIL
A CHALLENGER IN CHALLENGING
SKIN ULCERS



ARVICAL
A REAL CALCIUM FOR HEALTHY
BONE AND HEALTHY LIFE

MEGAFIT OD
THE RIGHT FIT IN NEUROPATHY
TREATMENT



VITOXID FORTE
A HOLISTIC CELL PROTECTOR



LUNKLEAR LM
ENSURES EFFORTLESS BREATHING



FESOZINC
AN ANSWER TO ANAEMIA



CRAMS



WHO GMP Kakkalur Unit, Chennai



Coronet Labs, Roorkee, Haridwar.

The Company is committed to the highest level of scientific excellence. Our facility is designed to provide one stop solution in contract research and manufacturing of five pharmaceutical dosage forms.

Following are the areas of research activities and drug delivery technologies:

Conventional Pharmaceutical Dosage Forms

- Development and manufacturing of immediate release tablet, Hard Gelatin capsules, Oral Liquids (Syrups and Suspensions), Lyophilized products, Liquid injectables, Topicals (creams, Gels and Lotions).

Niche Pharmaceutical Dosage Forms

- Development and manufacturing of Modified Release solid oral formulations.
- Solubility/Permeability Enhancement with enhanced Bio-availability.
- Development and manufacturing of Gastric Retention System and Taste Mask Formulation.
- Development of Oral Dissolving Tablets, Dispersible tablets & customizing the release profile of drug substance.
- Development and manufacturing of Micro emulsion-based / HP beta cyclodextrin-based liquid formulation of poorly soluble drugs, to enhance bio availability of drug substance.
- Development of controlled release osmotic tablets.
- Development and manufacturing of delayed release Capsules.
- Development of tablet in capsule formulations.

Emerging Markets



"An optimist always visualizes a colorful future"

When we do not find a road for onward journey, we make our own path and reach the destination with conspicuous victory. This results from our unshakable confidence. This is exactly what has played an important role in the success of our remarkable growth in emerging markets.

By 2016, the global pharmaceutical industry is expected to generate an estimated 30% of the total sales in emerging markets. Over the last five years, sales in emerging markets have doubled, representing approximately 20 per cent of the global market volume.

(source: Booz & Co.)

ARL envisages a great potential in international marketing, as emerging markets offer significant growth prospects for the future. ASEAN and African markets are at the helm of ARL's plan to tap long-term business returns. The Company has its presence felt in a few ASEAN and African countries through brand building. Many brands of ARL have been registered with French West African (Francophone) countries, and the business has begun already, while in Latin American countries the product registration is in the final stage of approvals, expecting the operation to start soon. ARL has submitted nearly 200 dossiers. This year also, the Company has been planning to submit more dossiers. New products have been developed at R&D with the patents registered for these markets.



"Best Supplier Merit Award " from the State Pharmaceuticals Corporation of Sri Lanka

Regulated Markets



USFDA Unit, Irungatukottai, Sriperumbudur ,Tamil Nadu

“Tomorrow is the result of what we do today”

This understanding is what inspires us to struggle for greater achievements each year.

The Company plans to enter regulated markets through the gateway of US market being the immediate focus.

The US pharma market size is US\$ 326 billion, and US is the world's largest market for Pharma Industry globally. (Source: PWC and ICRA) Nearly US\$ 93 billion worth patents are expected to expire in the next 5 years, which throws excellent opportunity for Arvind Remedies.

ARL has established its wholly-owned subsidiary viz. Arvind Remedies USA LLC, with its office at New Jersey, having appointed a full team to take care of its US operations. The Company has shortlisted a few products to be developed as ANDA. With the help of USFDA plant, the products under ANDA development and with the US team, the Company is confident of its success to establish business in USA.

Research & Development



"SAMAJ RATNA" Title from Her Excellency the President of India, 'Srimati Pratibha Patil' for the Research in Ayurveda.

Speech at SRMC, Chennai, CME Program by Dr. B. Arvind Shah.

Collaboration

ARL has entered into collaboration with:

- Department of Science & Technology (DST), Government of India, New Delhi, and Sri Ramachandra Medical College & Research Institute (SRMC), Chennai, for Rheumatoid Arthritis Project.
- DST and SRMC for Anti-Obesity Project.
- DST, Presidency College, Tamil Nadu Veterinary & Animal Sciences University (TANUVAS), Indian Institute of Integrative Medicine, Jammu, for Anti-Viral Project.

Allopathy

The Formulation Development Unit emphasizes on Novel Drug Delivery System (NDDS) for Oro-Dissolving and Modified release dosage forms. New technologies have been introduced to improve better absorption and reduced side effects.

Patents have been filed with Intellectual Property Rights of India for:

- Treating allergic Rhinitis and Asthma - A novel, synergistic mouth-dissolving composition.
- Treating Type-11 Diabetes - Composition and methods for preparation thereof.

Ayurveda

Due to ARL's continuous R&D efforts in Ayurveda, the Company will be successful in launching medicines for chronic diseases and the medicines, having minimum side effects, can be taken for long-term therapy.

ARL has already filed patents with Intellectual Property Rights of India for:

- Anti-Rheumatoid Arthritis product - An Immuno modulator which delays the progress of RA.
- Anti-Obesity product - A holistic product which reduces cardiac risk.
- Anti-Viral product - An innovative drug for viral infections.

Manufacturing Facilities



In order to serve the health fraternity, ARL unfolds multi-dosage form facilities in different locations such as:

WHO GMP Kakkalur Plant, Chennai (Unit I) – Manufactures oral solid dosage forms, oral liquids, elixirs, topical preparations, Nutraceuticals and Oral rehydration salts.

Approvable USFDA Plant, Irungattukottai (Unit II) – the single-roof solutions for all dosage forms.

- 1.Oral Solids
- 2.Oral Liquids
- 3.Topical Preparations
- 4.Parenterals – Small Volume
- 5.Soft Gel

Acquisition

The Coronet Labs at Roorkee, Haridwar, a subsidiary of ARL has obtained WHOGMP certification, and has passed through various MNC audits.

