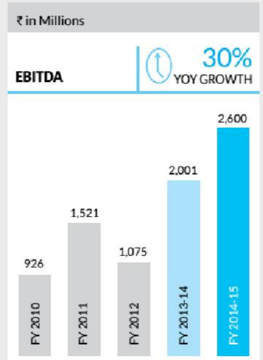
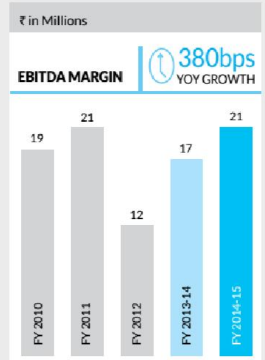
OUR VISION

To be a profitable provider of high quality pharmaceutical products and solutions that create strategic value for our customers and to provide a rewarding workplace for our employees.

OUR MISSION

We innovate and operate in niche areas; deliver high quality products and compelling service that ensure that our customers view us as a long term and reliable partner.





25 years
Glorious years of stakeholder value creation

~US$ 200 Mn
Global turnover

8
State-of-the-art manufacturing facilities (two US FDA approved and six emerging market facilities)

2
Global R&D centres with 110+ scientists

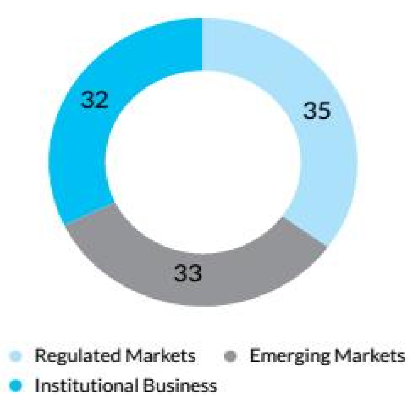
85+
Country presence

2,000+
Global team strength

- **Focus**
  - **Africa-for-Africa**
  - **Raricap – Domestic**
  - **Australia – via Aspen**
  - **Shasun merger - synergy**

%

REVENUE CONTRIBUTION FY 2014-15



BIG STORIES

Given the regulatory environment in which we are operating, we believe Shasun Pharmaceutical's proposed merger with Strides will drive the growth of the combined entity significantly, on the strength of multiple synergies. The result is more enriched portfolio, a secured supply chain, stronger R&D pipeline and enhanced global reach for the combined entity.

range of non-prescription pharmacy products. With one of the largest pharmaceutical product portfolios, backed by our integrated cost-effective manufacturing base, we will be able to drive sustainable growth across Australia.

GROWTH INITIATIVES

- Setting up five manufacturing facilities across Africa enabled vertical integration
- Acquired brand 'Raricap' and the India Branded Generic Business of Bafna Pharmaceuticals, which enabled pan-India presence and entry into women's health business
- Bought back Proparco's stake, which facilitated long-term consolidation of African business
- Announced merger with Shasun, which will give the much needed scale and size
- Entered into an agreement to acquire a generics pharmaceutical business in Australia from Aspen Group, which will boost bottomline
- Strategic investment by GMS Holdings in Biotech business, which will fuel long-term strategy

R&D MOMENTUM

We continue to strengthen our Research and Development (R&D) backbone to create a strong pipeline. Our R&D investment touched ₹ 329 Million in FY 2014-15 from ₹ 203 Million in FY 2013-14. Six new product filings were made with USFDA during the year including two First-to-file (FTF) filings. We have cumulatively filed 34 ANDAs (Non-PEPFAR) with 17 ANDAs, pending approval from USFDA. We have also made 18 PEPFAR filings till date, of which 17 have been approved. Besides this, our new dedicated Global R&D Centre at Bengaluru commenced operations.

FUTURE PRIORITIES

Our priorities are clear to us; we just need to work on those with diligence.

- Facilitate seamless integration (businesses, functions and processes) with Shasun;
- Focus on realising synergies for the combined Strides-Shasun business;
- Initiate integration of Australia acquisition;
- Ramp up our US front-end business through new launches;
- Sustain momentum achieved in the UK front-end business; commercialise key new products in that geography;
- Strengthen our brands launched in Africa and accelerate commercialisation of our facilities in Africa;
- Focus on R&D execution and build a strong R&D pipeline with capability for quick filing; and
- Maximise portfolio for key markets of Australia, the UK and Russia-CIS.

- We focused on developing off-patent and niche products that are difficult to develop or manufacture. Such products will broaden and strengthen our existing product portfolio.

- We introduced a number of products with high entry barrier, limited competition and attractive margins to fuel our future growth strategy.

Shasun Merger Rationale

It will pave the way for enhanced profitability and more efficient use of the combined infrastructure, leading to greater value creation opportunities.

INSPIRING SYNERGIES

Product portfolio: Our cumulative Finished Dosage Formulations portfolio will grow in niche and complex domains with a pipeline of over 100 products and accelerate product filings.

Geographic footprint: Together we will enjoy geographically diversified revenue streams with enhanced presence across regulated markets (Europe and USA) and the key emerging world.

Manufacturing assets: Together, we will have 12 manufacturing facilities including three USFDA approved Finished Dosage manufacturing facilities, two USFDA approved API manufacturing facilities, one USFDA approved CRAMS facility and six manufacturing facilities catering to the emerging markets.

Vertical integration: We develop and manufacture antiretroviral and anti-malaria medicines and are an approved supplier to institutionally-funded aid projects and Global Procurement Agencies, such as UNITAID, Global Drug Facility, PEPFAR and Clinton Foundation. Currently, we are perceived as a fringe player in the institutional business, on account of limited FDF capacity and outside dependence for APIs.

Post-merger, this perspective will change, as we can use Shasun's World Health Organisation (WHO) and US FDA approved FDF facilities and API facilities with spare capacities. Besides, technology will be available in-house to accelerate filings of DMF for the API required for institutional business.

API Capacity: The proposed merger will enable integrate Shasun's best-in-class API manufacturing capacities with our formulation capabilities. The collaborated entity can focus on niche APIs, aligned with Finished Dosages portfolio and pipeline. Shasun possesses a portfolio of 43 commercialised Drug Master Files (DMFs) and additionally, 23 DMFs, which are under development.

R&D capabilities: There will be significant impetus to research and development (R&D) with over 400 scientists in the combined entity. Complementary R&D capabilities with over 100 products are under development, with only one overlapping product.

Revenue streams: Shasun and Strides will leverage existing relationships with customers of each other, resulting in enhanced revenue streams.

Cost advantages: In the long-term, we are expecting significant cost savings on account of the proposed merger in the areas of operations and R&D. Sharing of the facilities will also help reduce capital expenditure.

Aspen generics Rationale

THE ASPEN AUSTRALIAN GENERIC PHARMACEUTICAL BUSINESS REPRESENT A VALUABLE AND UNIQUE PLATFORM FOR STRIDES TO RE-ENTER AUSTRALIAN MARKET. STRONG LOCAL MANAGEMENT, A MARKET LEADING PRODUCT PORTFOLIO, SUPPORTED BY OUR IN-HOUSE COST-EFFECTIVE MANUFACTURING ECOSYSTEM, WILL BE THE KEY INGREDIENTS OF OUR STRATEGY FOR AUSTRALIA.

2nd

Largest generic drug product range in Australia

3rd

Largest market share of Australian generic drug sales

We re-entered the Australian market in a leadership position, with an agreement to acquire a generic pharmaceutical business in Australia and related assets from Aspen. The acquired business and assets from Aspen have a significant market share in prescription drugs. This will rank us as one of the top three generic pharmaceutical suppliers in Australia, and among the top 10 pharmaceutical companies in the Australian pharmaceutical market.

The business will operate under the brand Arrow Pharmaceuticals, selling a wide range of generic prescription drugs and non-prescription pharmacy products.

STRATEGIC RATIONALE

- **Opportunity:** The Australian market will enable us to cater to around 23 million people.

- **Range:** We will offer the second largest range of generic drugs in Australia with over 140 molecules and a pipeline of 51 new generic molecules.

- **Relationships:** We are the preferred generic drug partner to Sigma Pharmaceutical Group (the largest pharmacy wholesaler by market share in Australia).

- **Integration:** Our backward integration will deliver significant supply cost reductions and enhance competitiveness, along with a new product pipeline.

Transparency at its best.
Ajanta Pharma didn't
disclose it

<table>
<tr><td>a.</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2015:</td><td colspan="3">As on date of this Report, the Board comprises of 8 Directors comprising of 1 Executive Director, 4 Independent Directors and 3 Non-Executive Directors.

The appointment and remuneration of Executive Director is by virtue of shareholder approval. Components of remuneration to the Executive Director is fixed in line with the Company's policies.

The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000/- for attending each meetings of the Board and Audit Committee and do not receive any other form of remuneration.

The ratio of remuneration of the Executive Director, Mr. Arun Kumar to the median remuneration of the employees of the Company for the financial year ending March 31, 2015 is 137.98.

The median remuneration for the period under review is approx. ₹ 400,000 per annum</td></tr>
<tr><td rowspan="3">b.</td><td rowspan="3">The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year ending March 31, 2015:</td><td>Sl. No</td><td>Particulars</td><td>% Increase</td></tr>
<tr><td>(1)</td><td>Arun Kumar
Executive Vice Chairman and Managing Director</td><td>33%
(last salary revision was in FY 2010)</td></tr>
<tr><td>(2)</td><td>Badree Komandur
Chief Financial Officer and Company Secretary</td><td>25%</td></tr>
<tr><td>c.</td><td colspan="3">The percentage increase in the median remuneration of employees in the financial year ending March 31, 2015</td><td>13.19%</td></tr>
<tr><td>d.</td><td colspan="3">The number of permanent employees on the rolls of Company as at March 31, 2015</td><td>1,925 Employees</td></tr>
</table>

<table>
<tr><td>i.</td><td colspan="3">Comparison of each remuneration of the key managerial personnel against the performance of the Company</td></tr>
<tr><td></td><td></td><td>Arun Kumar
Executive Vice Chairman & Managing Director</td><td>Badree Komandur
Chief Financial Officer & Company Secretary</td></tr>
<tr><td></td><td>Remuneration in FY 2014-15</td><td>₹ 55,190,860</td><td>₹ 23,512,572*</td></tr>
<tr><td></td><td>Revenue</td><td colspan="2">₹ 9,294.18 Million</td></tr>
<tr><td></td><td>Remuneration of KMPs (as % of revenue)</td><td>₹ 0.59</td><td>0.25</td></tr>
<tr><td></td><td>Profit After Tax (PAT)</td><td colspan="2">₹ 5,323.19 Million</td></tr>
<tr><td></td><td>Remuneration of KMP (as % of PAT)</td><td>1.04</td><td>0.44</td></tr>
<tr><td></td><td colspan="3">* Includes ₹ 11,825,000 paid/ payable as incentive during the year under review</td></tr>
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