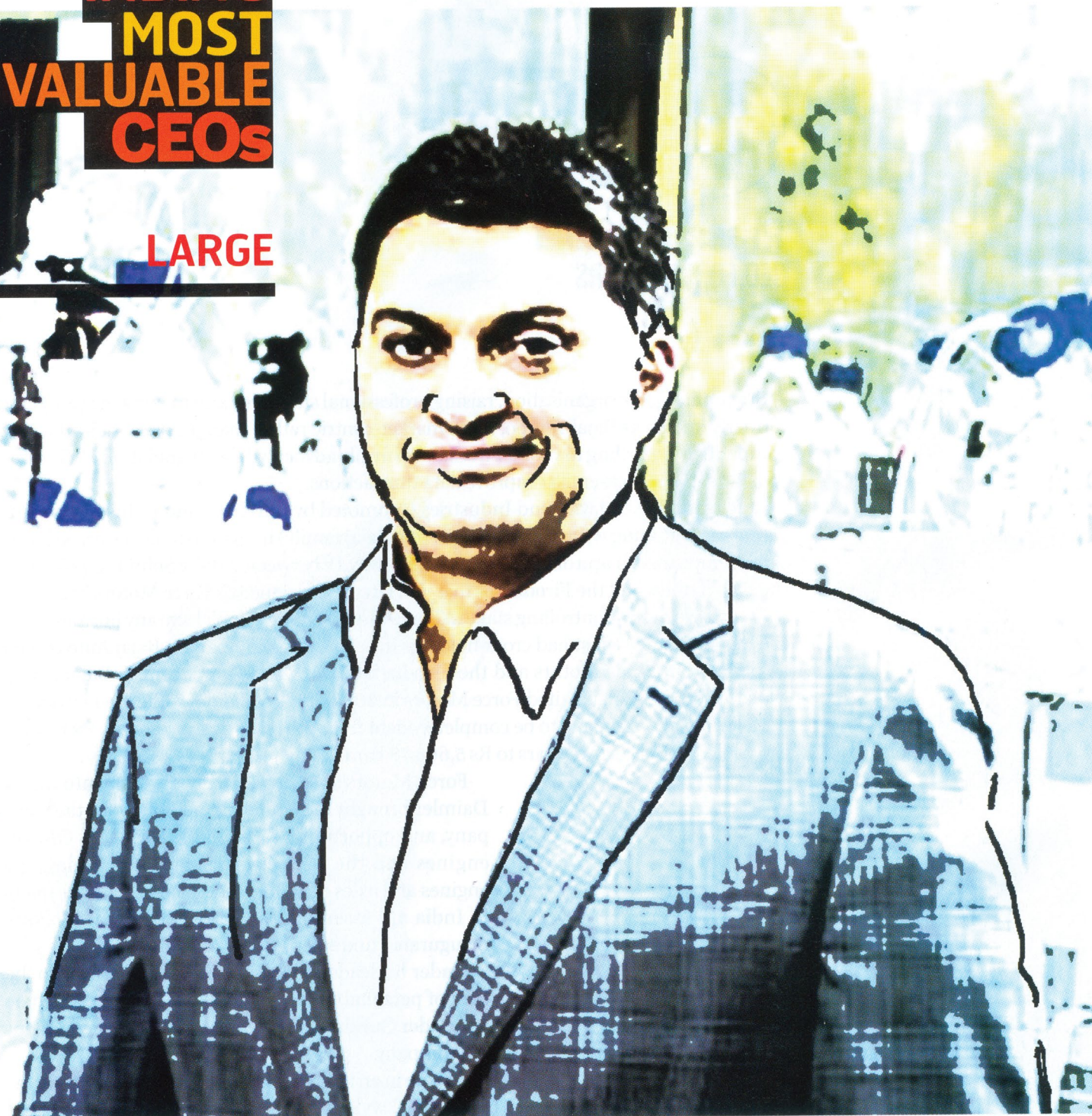


**INDIA'S
MOST
VALUABLE
CEOs**

LARGE



LEGACY ISSUES STRAIGHTENED OUT

Alembic Pharma's market value has jumped 14 times in four years. Credit goes to Pranav Amin for changing it into a more focused company By C. H. Unnikrishnan

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PRANAV AMIN
MANAGING DIRECTOR, ALEMBIC PHARMACEUTICALS

ONE OF INDIA'S OLDEST drug makers, which lagged behind its rivals for many years, is slowly making a comeback to the fore. While induction of new blood and fresh ideas helped it in making new strides, the leadership that paved the way for changes too played a vital role in the company's transformation.

A 2010 decision of the board of Vadodra-based Alembic, promoted by Amin family, to demerge the 109-year-old pharmaceutical business from the group into a new company — Alembic Pharmaceuticals — for better management focus to the healthcare business kick started the change. Further, handing over key management roles in the pharma company to the new generation — chairman Chirayu Amin's sons Pranav and Shaunak brought about a great growth momentum. Sometimes, going back to the roots and focusing on core strength areas works wonders for an organisation. That's what happened with Alembic.

After the young management took over, the company witnessed rapid growth, which put it back in the most watched list since 2013; while the company's commendable performance in last three years placed its new leader among the most valuable CEOs of 2017.

During 2013-2016, Alembic Pharma's profit grew 63.47 per cent (three-year CAGR of profit after tax). Its sales went up 26.05 per cent, and return on capital employed and market cap rose 71.62 per cent and 0.53 per cent, respectively during the last three years.

After the new management took over, Alembic Pharma witnessed rapid growth, which put it on the most watched list & a clear leader among the most valuable CEOs of 2017

A 2007 acquisition of Dabur India's domestic formulation business, including segments such as gynaecology, cardiology and gastrointestinal drugs, also contributed significantly to its turnover and profits in the last few years. This acquisition, marked the entry of Alembic Pharma — which until then engaged mainly in generics in acute therapy segments such as antibiotics, pain management, cough and cold formulations and active pharma ingredients — into the specialty and lifestyle category. The specialty segment

currently contributes about 60 per cent to its domestic revenue.

In the US market — where it already sells 47 approved formulations — it has filed for some 76 specialty generic drugs for approval.

Announcing the company's third quarter earnings of 2016-17, managing director Pranav Amin said, "Our base business in the US is doing well. We will continue to invest in R&D for future growth. We have already spent Rs 117 crore in the quarter, which is approximately 15 per cent of the company's revenue, on R&D is up from Rs 70 crore last year."

While Pranav mainly in charge of the international business along with the overall responsibility, his younger brother Shaunak takes care of the domestic business as joint managing director.

A 14-fold jump in the market value of Alembic Pharma since 2012 to Rs 12,692 crore in October 2016, has brought back investor confidence in its stock. Alembic had suffered a few blows in the socialist era, but its coming back with verve, aggression and new found dynamism as liberal policies and globalisation have opened new doors. India Inc is replete with similar turnaround stories scripted by the likes of Pranav. **BW** — unni@businessworld.in