Alembic Pharmaceuticals Limited
Annual Report 2022-23

Diversity makes a difference

Contents

“Diversity: the art of thinking independently together.”

Malcolm Forbes

In diversity there is **beauty**

In diversity there is **strength**

Diversity enhances **creativity**

Diversity provokes **innovation**

Diversity makes us **bolder**

Diversity makes us **smarter**

While diversity accelerates **growth**

In diversity there is **support**

rsity

At Alembic Pharma, our diversity strategy has only just begun playing out.

It has created a culture of thinking differently, deciding boldly, acting swiftly and working smartly.

It has increased our search for novel perspectives, our ingenuity for problem solving and our passion for exploring newer opportunities.

As we traverse this exciting journey, it definitely promises to uplift the organisation into a new orbit of relevance and respect.

We executed meaningful projects and created robust pipeline of products. We have high performance team with ambition to grow at every given opportunity.

Our business in numbers

5,653
Revenue
(₹ crore)

724
Net Cash Flow from Operations
(₹ crore)

680
EBITDA
(₹ crore)

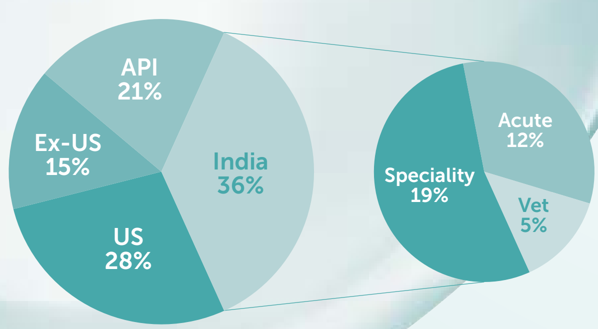
4,370
Networth
(₹ crore)

342
Profit after tax
(₹ crore)

9,749
Market Capitalisation
(₹ crore)

17
Earnings per share
(₹)

Business Breakup YTD Mar'23



1) India business

Overview

- Focused on developing branded specialty medicines for the Indian market
- Products cater to several chronic and acute therapies
- Around 2,30,000 prescribers in India
- High brand recall among doctors and patients alike

Manufacturing facilities

Sikkim

Products/Therapies

Therapies

Cardiology
Anti-Diabetic
Gynaecology
Gastrology
Dermatological
Orthopaedic
Ophthalmology
Nephro/Uro
Anti-Infective
Cold and cough
Veterinary

2,063
Revenue from Operations (FY23) (₹ crore)

11%
Revenue growth (CAGR) (FY19-23)

5,000+
Medical Representatives

18
Marketing Divisions

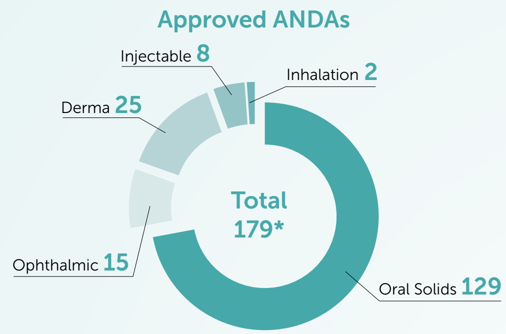
185
Brands

1.5%
Market share of Indian Pharma space (MAT Mar 23)

2) International generics business

Overview

- Present in US, Europe, Canada, Australia, Brazil, South Africa, and other markets
- Offering diverse products
- Long-term relationships with clients and impactful partnerships are key enablers for this business



* includes 24 tentative approval

2,424
Revenue from Operations (FY23) (₹ crore)

8%
Revenue growth (CAGR) (FY19-23)

120+
Products in the US market till date

66
ANDA filings pending approval (March 31, 2023)

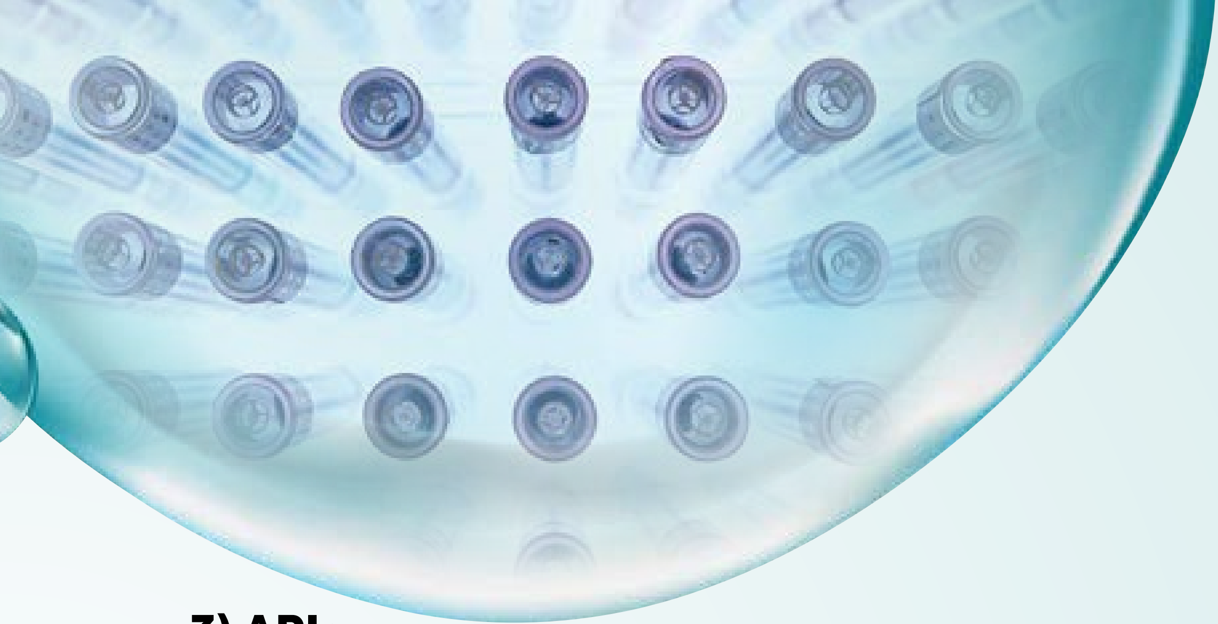
Manufacturing facilities

- Panelav, Gujarat
- Karkhadi, Gujarat
- Jarod, Gujarat

R&D Facilities

- Formulation- Vadodara and Hyderabad
- Bio Centre- Vadodara

PANELAV		KARKHADI	JAROD
F1	F2	F3	F4
Oral solids	Oncology Oral solids & injectables	General Injectables & Opthalmic products	Oral solids
		F5	
		Dermatology	Oral suspension



3) APIs

Overview

- Developing niche APIs for internal use and other formulators
- World-class facilities and adding more capacities to cater future growth opportunities
- API supplied to formulators in over 60 countries across the globe
- FDA-approved facilities
- State-of-the-art R&D centre and process development lab

Manufacturing facilities

- Panelav, Gujarat
- Karkhadi, Gujarat

R&D Facilities

- API- Vadodara and Hyderabad

1,166
Revenue from Operations (FY23)
(₹ crore)

11%
Revenue growth (CAGR)
(FY19-23)

32%
Proportion of output used inhouse
(March 31, 2023)

131
DMFs filed till date
(March 31, 2023)

20+
Products in the development pipeline
(March 31, 2023)

Our Diversity Play


Alembic
Touching Lives over 100

India business

Diversity through Specialty

Legacy had labelled us as a strong player in the acute segment. Not without reason. Some of our acute brands were leaders in their category despite occupying shelf space for years.

But being a leader only in the acute segment was not how we saw our future.

- Because acute was regarded as fleeting opportunities. It was competitive.
- Because we knew we had it in us to make therapy-leading products that could stand out of the clutter.
- Because specialty-infused sustainability, brought in greater recognition and superior returns.

With this understanding, we took some years of painful and patient work to create a meaningful portfolio of products for each specialty therapy. **Today, we are present in eight specialty therapies with a product basket comprising 118 brands.**

We have high-performing domestic brands in specialty segments such as anti-diabetic, cardiovascular, gynaecology, ophthalmology, Gastrology, Dermatology, Urology and orthopaedic. We have **35 brands in our specialty therapies generating more than Rs 10 crore of revenue annually.** Some of our brands in specialty therapies have jumped more than 100 ranks in the pecking order in the last two years, which is testimony to our belief that Alembic does not make good products; it develops and delivers great products.

We dedicatedly worked on growing our presence in the **animal health space**, which worked wonders for us. We emerged as leaders in the Hematinic Market and Antibiotic space. We reported an industry-beating growth. These achievements have energised the team to push for greater headroom in this segment. We are creating a team dedicated to build our presence in the **Livestock segment,** an area where we feel that we have relevant solutions for the address prevailing issues.

We **launched 33 new SKUs in FY23,** of which 66% were in specialty therapies. Some of these products were an instant hit. For example, our new launch in the Gynaecology space was positioned as the second-best launch amongst 3,072 new launches in 12 months IPM.

We are working on setting up **our second plant at Pithampur, Indore** for manufacturing products for our India business. This facility will allow us to increase our specialty solutions in volume and diversity. We will reach shelf space faster and more cost effectively. We will be able to cater to opportunities pan-India more efficiently.

The key takeaway is that India now sees Alembic as a holistic player with the skill and prowess to develop and deliver therapy-leading products across all segments. This respect has already created a demand pull for our products from across the Indian healthcare sector, forcing us to strategies on capacity and capability-building initiatives almost immediately.

US business

Diversity through complexity

Over the last decade, our unwavering focus and untiring efforts have given us some footing in the world's largest pharmaceutical market. We were drawing in the fruits of our efforts as product approvals flowed in.

But now the lingering thought was... was this enough?

Because we were categorised as a generics OSD (Oral Solid Dosages) player. A low-hanging opportunity which would inevitably become competitive.

We needed to make **the upward climb** not only because we had invested significantly but because we have earned respect and recognition as a dependable supplier of quality products (something which takes years to establish). Because we continue to believe that the US market will remain an important growth lever over the medium term.

We decided to make it to the highest level. **General Injectable & Oncology**. In both these spaces, significant initial investments, continuing operational complexity and extremely exacting regulatory compliances deter most from dabbling in these spaces.

We have made a decent start. Our **generic injectables facility (F3)** has received FDA approval. We secured approvals for 3 injectable products, which should see the light of day in FY24. We have 7 filings for generic injectables, which are pending approval. We will continue to file ANDAs at brisk pace for generic injectables in the next three years.

We also received approvals for our **oncology OSD & injectables facility (F2).** This will be our most complex offering and something which is extremely sought after across the world owing to the sudden spike in cancer patients across the world – in advanced and pharmerging markets. Needless to mention that we have an extensive product pipeline (6 filings of which three are approved) that should occupy shelf space in the next 18-36 months.

The key takeaway is that Alembic will soon emerge as **an even larger, dependable and respected player** in the US market for products and delivery platforms. We trust that our tryst with complexity will only make us more relevant in the US market and more sustainable as an organisation.

RoW business

Diversity through multiplicity

In today's day and age, where certainty is only a myth, putting all your eggs in one basket is never a great business strategy. Because one day, this reliability will come crashing down with no cushion to fall back on.

At Alembic, we were on a high with our US and domestic verticals performing exceedingly well. We were gung-ho about growing these businesses. But there was a lurking fear. What if.... one of these verticals becomes competitive, and our returns decelerate? What would cushion the slide?

With this de-risking priority, we started creating a sustainable presence in the Rest of the World's pharmaceutical space. We deployed a two-pronged approach 1) infuse sustainability in existing markets and 2) establish a strong foothold in high-growth pharmaceutical markets across the globe.

1) We were in the opportunistic space in **the Europe market**. Over the recent past, we balanced our presence between opportunity and sustainability, the latter being the larger piece of the pie. In doing so, we widened our presence, product basket and business partners. We strengthened relationship with existing customers and invested in new customer relationships. We put in dedicated efforts across board to identity and reach out to important generic players across ROW markets.

2) We strengthened our presence in **Canada**. We established strong connections with most of the leading distributors. We had some excellent product launches in that region, establishing our brand as a proactive and reliable partner. Having made a mark in this pharmaceutical market, we are now working to engage with players on a long-term basis which provides reasonable business stability and revenue visibility.

3) We established a subsidiary in Chile to set foot in the large and growing **LATAM markets**. We have filed several dossiers and received approvals for many of them too.

4) We also created our physical presence in the UAE, allowing us to seamlessly cater to the **GCC markets**, a region where we were not present earlier. These markets are growing at a healthy clip owing to the Government's efforts to up the healthcare facilities and solutions for its people.

The key takeaway is that combining our existing and new markets promises a significantly larger opportunity horizon. Over time, our ROW operations would emerge as an important business vertical supporting the growth of the overall international generics vertical.

About us

Alembic is a multi-product, multi-platform, multi-location enterprise working with some of the biggest pharmaceutical companies in the world to deliver a variety of complex chemistries.

Headquartered in Vadodara, Alembic Pharmaceuticals Limited (Alembic) is a vertically-integrated, diversified pharmaceutical company with significant presence in India, the US and other regulated/emerging markets.

The Company specialises in manufacturing and marketing generics and active pharmaceutical ingredients at its 9 state-of-the-art manufacturing facilities in Gujarat and Sikkim. The product development is pivoted at R&D centers in Vadodara and Hyderabad.

Alembic ranks 20th in the Indian formulations market. Its share has steadily increased owing to its sharpened focus on fast-growing specialty therapies in its domestic business. In the US market, the Company has established its presence with a healthy product basket and a reputation as a reliable partner.

Alembic also enjoys a healthy marketing footprint in other nations across the world which provide interesting growth opportunities.

The company's equity is listed on the BSE Limited and the National Stock Exchange of India Limited.

Our Mission

Improve healthcare with innovation, commitment and trust.

9
Manufacturing facilities

2
R&D Centres

14,500+
Team size

245
Cumulative ANDA filings
(March 31, 2023)

Our Leaders Speak

From the Chairman's desk

"We will work fervently on ensuring that the Alembic brand remains cemented as the partner of choice for marquee players operating in advanced, domestic and pharmerging markets."

Dear Shareholders,

I take immense pleasure in penning my thoughts in this communique. My satisfaction stems from the fact that the roadmap we envisioned about 5-7 years ago is now playing out. The journey we embarked on, to create a super-focused pharma organisation with multiple growth levers, has happened. The patience and perseverance over years by the entire team to create a diverse and de-risked business is taking shape. This means that with a more extensive product portfolio across an increased number of therapeutic segments and delivery platforms, we will provide superior healing solutions across a wider global presence.

Health and healthcare in a post-Covid world are increasingly coming under the spotlight owing to the fragilities exposed by the pandemic. Moreover, unpredictable and rapid climate change has further increased healthcare issues globally. As a result, the relevance and responsibility of the pharmaceutical sector have increased multifold.

India, the pharmacy of the world, despite stubborn inflationary headwinds, precarious supply chain equations and volatile geopolitical conditions, continued to stay true to its commitment to supplying quality medication across the globe. Alembic is proud to be one of the participants in this endeavor. As we advance, we will not just sustain but amplify our relevance in India's effort to cement its dominance in the global pharmaceutical space.

Even as we scale our business operations, we will sharpen our focus on reducing our carbon footprint. This is critical because what we do today will imprint an indelible impact on our future generations. Hence, it is our individual and collective responsibility to leave an Earth better than what we inherited from our peers. At Alembic, we have only sharpened our focus on increasing the consumption of renewable resources, increasing our participation in the circular economy and engaging more meaningfully towards community upliftment.

Tomorrow that will be...

Reinventing and innovating will be the two essential drivers for the Indian pharma industry in the coming years to move from volume to value leadership amid emerging challenges of inflation and pricing pressures in the global markets.

The industry believes that given India's G20 Presidency, digital health innovation, achieving universal health coverage, and improving healthcare infrastructure and delivery will continue to be the key driving factors in 2023.

The tomorrow that we will work towards

We will continue to focus our energies on intensifying our diversity theme, which will not only de-risk the business from an overdependence on a single growth lever but will ensure that Alembic plays a more decisive role in strengthening India's position in the global healthcare space.

We will sharpen our focus on our R&D efforts to develop value-driving products that are unique and complex and will give us the first-mover advantage in an otherwise cluttered global market.

We will also focus on cost reduction initiatives through technology and process enhancements. Working capital and fixed cost reduction will also be key area of focus going ahead.

We have earned the trust of our global marketing partners through our painstaking efforts to remain committed to our delivery schedules. We will work fervently on growing this trust to ensure that the Alembic brand remains cemented as the partner of choice for marquee players operating in advanced, domestic and pharmerging markets.

While these efforts will take some time to cascade into on-ground realities, I am particularly excited about the benefits they will accrue to the organisation we have built so patiently over a century. It will catapult Alembic into a new orbit of growth.

Before I close, I wish to express my most sincere gratitude towards our employees, who are our most precious assets, in addition to our customers, for their undeterred trust in our brand and our other stakeholders for their continued support and faith. This synergy navigates us ahead and motivates us to remain value driven.

Regards

Chirayu Amin
Chairman & CEO and Fellow shareholder

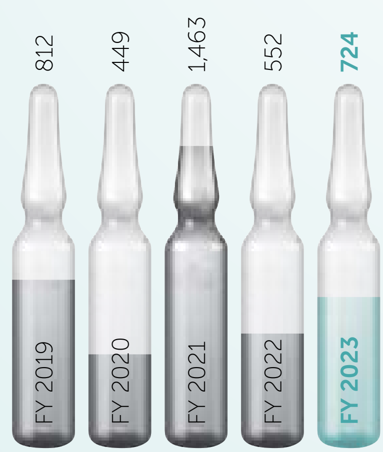
Key performance indicators

Revenue
(₹ crore)

EBITDA
(₹ crore)

Profit After Tax
(₹ crore)

Net Cash from Operations
(₹ crore)



EBITDA margin
(%)

Net Profit Margin
(%)

Return on Capital Employed*
(%)

*Excluding new projects

Return on Equity
(%)**

** Excluding one off for Derma

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

From the leadership team

"As the diversity theme unfolds over the coming years, Alembic's position in the pharmaceutical sector will graduate from strength to strength. With a strong foundation, we will continue executing our strategic priorities and accelerating our growth momentum."

Dear Shareholders,

It is that time of the year once again when we take time out from our business commitments to detail this statement that comprehensively articulates our performance and prospects. We look forward to this time, for it allows us to recuse ourselves from the packed brainstorming sessions to deliberate on what transpired and why, the positives and areas for improvements.

First, our overall financial performance in FY23 was a tad lower than the previous year, something we had expected would transpire. Our consolidated revenue stood at ₹5,653 crore in FY23 against ₹5,306 crore in FY22, our EBITDA dropped by 27% to ₹680 crore in FY23 against ₹930 crore in FY22, and our Net Profit also dipped by 34% to ₹342 crore in FY23 to ₹521 crore in FY22.

Second, we are happy to share that FY23 was a crucial milestone for Alembic as it brings into play the diversity theme which we have so patiently persevered towards over the last 5-7 years, we were also successful applicant under the PLI 2 scheme of GOI and received ₹21 crore as incentive under the scheme.

Coming to our growth levers within the organisation, we had a mixed bag. We would take the opportunity to detail the performance under each vertical for you to appreciate the performance in the face of external realities and understand our prospects within an ever-evolving pharma ecosystem.

The India business: Continuing our stellar performance of FY22, we further upped the benchmarks with an industry-beating performance in our acute and specialty segments.

The performance of our Specialty segment was primarily driven by three therapies, gynecology, anti-diabetics and ophthalmology. in FY 23 we launched various new products, especially in the gynecology and anti-diabetic spaces, which were well received by the healthcare community and made an excellent contribution to our business performance.

Our Animal healthcare segment also continued to run a strong performance driven by increasing awareness of our products. Some of our brands have made a considerable jump in their rank, showcasing the accuracy of our brand-building efforts and the superior value-proposition our products offer.

We intensified our team and capability-building efforts to create a more cohesive and energetic force.

Our business growth was reassuring as it vindicates some of the difficult yet defining strategic initiatives which we embarked upon some years ago we are happy with the continuing momentum but not totally satisfied because we believe that our achievements are only the low-hanging fruit.

Going forward, obviously we have a lot of things which we're working on to totally translate our thought and strategy into on-ground operations which will go a long way in sustaining our growth momentum.

One, we are focusing on the HR piece to build the right culture with the right vibrancy and age profile of our team. We need to have an energetic team of 'go-getters' that will continue to push benchmarks higher.

Two, we will continue to populate our specialty portfolio with more efficacious healthcare solutions. We will put our energy behind the cardiology therapy, more specifically the heart failure segment. We have a slew of niche product which should be on the shelves in the current year. In addition, we have also positioned diabetology and gynecology therapies as important growth levers for the India business and continue to widen our product offerings in these therapies with niche-branded solutions. We will further strengthen our Animal health presence with a dedicated team to create awareness for our livestock products.

Three, we will be deploying data analytics for improving our on-field efficiency. It will enhance our ability to interface with customers, take operational decisions that are knowledge-based and data-backed, considerably improve our turnaround times – in a nutshell, add to our bandwidth in the increasingly competitive turf. By institutionalising data analytics

into our field operations, will help us grow our business in a more sustainable way at a higher-than-market growth rate. We started building the IT backbone in the back half of FY23 and we expect to go-live in the current year.

The US Business: The US pharma ecosystem continued to be battered with challenging headwinds as price erosion continued unabated through the year. This was mainly owing to inventory piles with marketing companies and excess supplies by pharma companies catering to the US market. As a result, our paramount topline and profitability driver in the recent past continued to deliver a muted performance for a second consecutive year. A deeper analysis of the performance highlighted that our despatches to the US markets continued to increase throughout the year. Our volumes were up 18% for the year.

It adds a definitive watermark to our product quality and fulfillment commitment. Today, in the US markets, Alembic is recognised as an organisation that delivers on its commitment. We are particularly proud of this brand recall the team established through their excruciating efforts.

To arrest the dip in business profitability, we are working on improving the efficiencies and execution in the midterm and are identifying and implementing ways to reduce our costs. One key aspect of our cost reduction strategy is to optimise our R&D expenses by reducing our product development grid. Does this hinder our future growth levers? Allow me to elucidate our thought.

We were late entrants into the US markets. Hence, we were in an overdrive mode to catch up and establish our credentials in the world's largest pharmaceutical market. As a result, our grid was extensive, comprising about 200-220 products under development at any point. Also, our R&D expenses were quite significant – at about 13% of revenue our topline in last few years.

This strategy delivered well as the US business emerged as the key growth driver for about 6-7 years until 2021. Now, we realise that we need to become more incisive in our strategy towards the US regarding product selection and R&D spending to ensure we have the right products, which allow us to stand out of the clutter and provide healthy returns on the resources invested.

We have cherry-picked products that involve technology, chemistry and capability complexities and position us in an attractive zone to capitalise on product genericisation opportunities when they transpire. We plan to file 15-20 products in the current year and every subsequent year thereafter over the next 2-3 years.

This strategy will optimise our R&D spend from around ₹700-750 crore a year to ₹500 crore in FY24 and should be around that number for subsequent years.

Leaving aside the muted performance, FY23 was an important milestone for the US business as we received the US FDA approval for our F2 (for oncology Oral Solid Dosage & Injectables) and F3 (general injectables & Ophthalmic) facilities. These were delightful moments for the entire Alembic team as they allow us to play out our diversity theme.

We have started manufacturing and delivering injectables and oncology products to the US markets, which are high-value products and promise superior returns on our effort. We have received cumulative eight product approvals for our F2 and F3 plants. We have also received approval of four product for F4 and we plan to commercialise this plant in FY24.

While the commercialisation of products will set plant operations in motion in a small way, it will considerably add to operational and fixed costs. The additional costs of three new plants will weigh on business profitability for the current year (FY24 and mid-year FY25). But will deliver healthy returns thereafter by where we reach optimum utilisation of our assets.

While we will not comment on the extent of future price erosion and its timing, we can confidently say that the US markets will always continue to provide exciting growth opportunities that will bolster performance. Further, with a rejuvenated product basket comprising high-value products in new therapies and delivery platforms, we are optimistic about our performance in the US market over the next 2-3 years.

Rest of the World: Our prudent business strategy of spreading ourselves across multiple geographies has paid off well. Even while the US markets remained challenging for the last two years, we continued to strengthen our presence in synergic markets, allowing us to leverage our existing product portfolio with some alterations that do not require significant additional effort and investment. This business has grown at a healthy double-digit rate. This is increasingly heartening as it comes off from a strong base of the previous year.

To further strengthen this piece, we have established our presence in the LATAM and Middle East regions which provides the muscle to strengthen our presence in these large and growing markets. We have also worked dedicatedly to make our Europe presence more predictable by reducing our dependence on the tender-driven business. Additionally, we are looking to strengthen our presence in Canada and South Africa with more filings and product launches. Also, we are working on establishing a presence in Mexico in FY24. This multi-geography diversity should help sustain our business growth over the coming years and partially arrest the downslide in our financial performance in key markets.

The API business: Our API business delivered an excellent performance with volumes scaling by 17% over the previous year. This is a good and solid business for us as we have aligned our model to global requirements. The world is looking for committed supplies from compliant facilities. We have continued to focus on improving our product quality, supply timelines, and service levels. This potent combination has given us decent results. Given that we have been operating our facilities at peak levels in the recent past, we are considering options for augmenting capacities for our API business.

The capex cycle: We are at a crucial juncture in our journey, where we have the products, filings, approval and regulatory-ready facilities. Our capex cycle to create capacities is essentially over and done with. We will focus singularly on executing our plans and work dedicatedly on upping our in-plant efficiencies and customer service levels to maximise the returns from every rupee invested in the business.

The key takeaway: As the diversity theme unfolds over the coming years, Alembic's position in the pharmaceutical sector will graduate from strength to strength. With a strong foundation, we will execute our strategic priorities with speed and efficiency to accelerate our growth momentum. We are confident of enhancing the cash flow into the business, which will then be prudently deployed in reducing our financial leverage and rewarding shareholders for their trust in the management.

In conclusion, we thank all of you for your steadfast support of the management of your Company.

Best regards,

Pranav Amin and Shaunak Amin
Managing Directors

We have received cumulative eight product approvals for our F2 and F3 plants. We have also received approval of four product for F4 and we plan to commercialise this plant in FY24.

Some apprehension addressed

Does Alembic plan on reducing its exposure in the US market going forward?

The US is the largest market in the world. It's a great market to be a part of. We would say that you have to look at it through a long term prism. If you look at our track record over the last 10 years, revenue and profit growth has been quite exceptional. Yes, the US move is little cyclical, but we think it is an interesting business, you cannot not be in it.

Margins would stay under some pressure till the realisation from US improves. We are doing everything under our control towards cost rationalisation. But that would have only a smaller influence of margin improvement.

For the medium term, we will continue to invest in this market cherry-picking the right products that give maximise the bang from every buck (rupee) invested.

Have we filed or have we got any approval on the Derma and Opthal products? If not, by what time does can these be expected to generate revenue?

For Derma, we have got about 25 products approved (including one tentative approval) from the Derma facility. These have been commercialised. In the ophthalmic segment, we have got about 10 to 15 ophthalmic products approved. These, of course, the first phase of ophthalmic were all filed from a CMO, not from our own facility. Subsequently even from our own facility (F3), we have some filings which hopefully should receive the stamp of approval in FY24.

Some pharma companies have got significant regulatory issues with respect to the US and that has to some extent led to shift of the supplier base, particularly on the injectable side. So, are we going to see a good business benefit out of it?

Quality and compliance are paramount in the pharmaceutical sector. When these critical issues are comprised, its creates an imbalance between demand and supply. And we've been able to do well on the shortages when we do see it. Injectables are still early days for us because it's just that we just got the first few product approvals.

Strategically, one of the reasons we did get into injectables is because there has consistently been shortages and compliance issues. So, we remain hopeful of capitalising on some of these opportunities in the long run.

Strategic Roadmap

Alembic's unwavering focus and untiring efforts in journeying on its articulated strategic roadmap has enabled it to strengthen its presence in its business space.

S1 – The India business

Focus: Sustain the industry outperformance

Initiatives in FY22	Initiatives in FY23	Plan for FY24
Operational changes at the plant and field Infused energy in the field force Introduced data analytics into business monitoring	Strengthened the presence in specialty therapies with the launch of novel products Increased focus on the animal health space with therapy leading products.	Create new marketing division for increasing sales volumes from high-growth therapies Introduce Data Analytics into on-field operations Invest in a new facility which will drive business growth

S2 – The US generics business

Focus: Increase the product offering and product pipeline

Initiatives in FY22	Initiatives in FY23	Plan for FY24
Launched 13 products Received approval for 23 products Filed 23 ANDAs	Launched 18 products Received approval for 22 products Filed 20 ANDAs	Increase the launch of injectable products Introduce oncology products in the market Grow the product basket for dermatology and ophthalmology therapies

S3 – The RoW generics business

Focus: Establish a meaningful footprint across key pharma markets

Initiatives in FY22	Initiatives in FY23	Plan for FY24
Established a strong presence in South Africa Filed dossiers in LATAM nations File dossiers in South-East Asian geographies	Established a physical presence in Chile and UAE to serve these markets better Strengthened presence in Canada	Establish an office in Mexico Focus on creating a B-2-C model in Europe Establish a strong presence in the MENA region.

Our Performance & Prospects

Management Discussion & Analysis

Global Economy

The world economy surprised most. Despite the geopolitical issues owing to the Russia-Ukraine war, persistently high inflation, energy uncertainty and unexpected natural calamities, the world economic performance in 2022 almost certainly exceeded earlier, more pessimistic expectations. The US and the Eurozone demonstrated strength in the year's second half.

Overall global manufacturing industry output growth is expected to reach 3.8% in 2022. In terms of manufacturing output growth Asia Pacific (APAC), Europe and the US have shown divergent performances in 2022. Europe did not exhibit steady growth, while it was strong in the US and APAC.

Near-term outlook: The IMF has trimmed its global growth projections, warning of high uncertainty and risks owing to financial-sector stress and the continuing Russia-Ukraine war. Global GDP will likely expand by 2.8% in 2023 and 3% in 2024.

Medium-term outlook: The IMF recently released its global growth expectations for the medium term, which is considerably weak. The global growth should be around 3% — the lowest medium-term forecast since 1990. Their estimate is based on 1) a sub-optimal increase in living standards in economies like China and South Korea, 2) slower global labour force growth, and 3) geopolitical fragmentation.

2022 has been brutal on account of inflation.

Just about every country in the world grappled with soaring prices in 2022. What made 2022 so unusual was the breadth of price pressures. The global inflation rate finished the year at a shade below 9%. The difference this year was that inflation peaked in developed nations. The situation will surely improve in the current year but at a severe cost to economic growth.

Indian Economy

India once again showcased its resolve and resilience to report healthy economic growth despite the gloom prevailing in the external world, persistent inflations and the continuing impact of geopolitical fractures.

According to the second advance estimate released by the Ministry of Statistics and Programme Implementation, India's GDP will grow by 7% in FY23 against 9.1% in FY22. The drop in the year-on-year growth rate is also partly due to a fading of pandemic-induced base effects, contributing towards higher growth figures in FY22.

The government's strong capex disbursals, recovery in auto sales, and improving capacity utilisation at a macro level played an essential role in India's economic progress. According to the CMIE, new projects worth Rs 6 trillion were announced in the December quarter. The announced sum was a 44% increase compared to the previous year.

India's exports increased 14% to a record US$770 billion in FY23, supported primarily by the services sector, while imports scaled to a new high of US$892 billion amid a muted demand for goods owing to global headwinds.

According to the World Bank, India's GDP growth will moderate to 6.3% in FY24 owing to a subdued recovery in the pace of private capex and expectations of a moderation in urban consumption. Further, the rise in interest rates in the previous rate (The central bank has raised its benchmark repo rate by 250 basis points from May 2022 up to February 2023) will also take its toll on the private sector's performance and capex. The IMF has also reduced India's GDP growth estimate for FY24 to 5.9% against its earliest estimate of 6.1%

India recently announced a dynamic and responsive foreign trade policy that aims to push rupee trade, increase outward shipments to US$ 2 trillion by 2030, and promote e-commerce exports, amid global uncertainties.

Global pharmaceutical sector

Medicine use grew by 36% over the past decade, driven by increased access to medicines in regions around the world,

Global medicine spending: It is expected to reach US$1.9 Tn by 2027, increasing at a rate of 3–6% per year. This estimates excludes the separate impact of spending on COVID-19 vaccines and therapeutics.

Spending and volume growth will follow diverging trends by region with larger established markets growing more slowly, and growth markets in Eastern Europe, Asia and Latin America growing in both volume and spending.

Key growth drivers include the contribution of new products, the impact of patent expiries and the growing impact of biosimilars. Payers in developed markets are expected to face budget pressures and act to curb drug spending growth, in part motivated by the costs of managing the pandemic.

Global use of medicine: The use of medicines plateaued in 2022 following a significant rebound in 2021 as markets recovered from the pandemic.

Overall volume is projected to grow 1.6% in days of therapy through 2027, driven by Asia-Pacific, India, Latin America, Africa/ Middle East, and China, all of which are expected to exceed global volume growth.

Higher-income countries in Western Europe, North America as well as Japan and Eastern Europe are expected to grow more slowly at 0.1 to 0.4% through 2027 partly due to their already higher per capita use.

The US market: Spending at net levels in the U.S. is projected to grow at -1 to 2% as rising off-invoice discounts and rebates are expected to be amplified by the provisions of the Inflation Reduction Act (IRA). In total, off-invoice discounts and rebates result in spending that is estimated at 36% lower than invoice level in 2022 and projected to be 45% lower than invoice level in 2027.

In addition to discounts and rebates, ongoing market dynamics around the use of medicines, the adoption of newer treatments, the impact of patent expiries, and new generic or biosimilar competition will all contribute to historically slow market growth in the U.S. for the next five years.

Spending on medicines in the U.S. at invoice prices is expected to increase by US$134 Bn through 2027, slower than the US$164Bn increase over the past five years. The largest driver of growth will be increased usage of existing protected branded products which are expected to add US $154 Bn in spending over the next five years.

The impact of losses of exclusivity is expected to increase dramatically to $141B from $49Bn in the prior five years as both small molecule and biologic product exposure to LOE has increased substantially. Generics, including biosimilars, have had an only modest impact on growth as price deflation has largely offset growth from the related patent expiry events.

Opportunities	Threats
• Moving up the value-chain in therapies and delivery platforms • Widening the geographic presence into emerging markets	• Continuing price erosion in the US market could severely impact business profitability and sustainability. • Emerging markets getting more stringent with regulatory compliances.

Indian pharmaceutical sector

US$20bn

Cumulative FDI in the pharma sector upto September 2022.

The Indian pharmaceutical industry has seen a massive expansion over the last few years and is expected to reach about 13% of the size of the global pharma market while enhancing its quality, affordability, and innovation.

This impressive growth is an outcome of a series of sound legislation and economic environment, timely actions, and to a greater extent, the motive of welfare of the masses.

Performing as per its tag as the 'pharmacy of the world', India has been a global generic medicine supplier for over 200 countries from both developed and emerging markets.

When Covid hit the world in 2020, Indian pharma found an unprecedented window of opportunity. Combining expansion in the R&D ecosystem with favourable policies, India became a major vaccine supplier to the world, ensuring self-reliance in vaccine provisioning. India administered free vaccine doses to its citizens, reaching one billion marks. Besides acquiring its role as an important international player, India provided COVID-19-related medical assistance to over 150 countries, Asian Lite reported.

Sticking to its motto of Vasudhaiva Kutumbhakam, India started a Vaccine Maitri Programme in January 2021, supplying 72.3 million doses of COVID vaccine to more than 94 countries by the end of 2021.

It is important to note that the boom for Indian pharma is not sporadic. It continues to experience sustained and robust growth in the post-pandemic period as well. By the end of 2022, Indian pharma has turned from volume to value creator.

With a heightened sense of collaboration between the industry and the government, the industry's focus has shifted to other diseases, the advancement of cell therapies, and policies for IP and government procurements.

Recently, the government of India extended support to pharma companies using the Production Linked Incentive (PLI) scheme to ensure self-reliance through enhanced domestic manufacturing capacity for high-value products.

The PLI schemes are for bulk drugs and pharmaceutical manufacturing, together accounting for an outlay of around USD 2.7 billion. Another important aspect of the pharma landscape in India is the stress on the welfare of the masses using its legislative provisions.

Today's challenge is tomorrow's opportunity

The pandemic had stifled global supply chains and exposed India's heavy dependence on China for its pharma requirements. At a time when basic raw materials for drug-making became scarce because of the lockdowns, India's PLI scheme was aimed at muscling up the domestic US$50-billion pharma industry and ringfencing it from Covid-19-like future black swan events and, in the bargain, reduce its dependence on China.

However, things have not panned out the way they were expected to; at least not yet. Almost three years since the PLI scheme was launched, India's reliance on China for APIs and other pharma products has only increased.

Per data from the Ministry of Chemicals and Fertilisers, the import of bulk drugs or APIs and drug intermediates (materials produced during API synthesis) from China rose 20% from FY21 to Rs 23,273 crore in FY22, which was 66% of India's total imports of medical products worth Rs 35,249 crore that fiscal.

And data from the commerce ministry shows that imports of 30 key medical devices have gone up by 25-152% during April-December 2022 compared to a year ago.

BOOSTER SHOT

An overview of the incentives available under the PLI scheme for various pharma segments

Financial outlay (₹ crore)	Duration	Focus
15,000	FY21-FY29	To promote manufacturing of pharmaceuticals,including APIs
6,940	FY21-FY30	To promote local production of critical key starting materials,drug intermediates and APIs
3,420	FY21-FY28	Prvides 5 per cent incentives on incremental sales of medical devices made in India
3,000	FY21-FY25	Will provides financial assistance to build common infra-structure facilities at three bulk drug parks

HEALTH CHECK

Amount committed for the PLI scheme under various segments

Expected investment	Reported investment	Sector	Project status
17,425	16,199	Pharmaceuticals	55 applicants in the first year of implementation
4,134	2,019	Bulk drugs	51 applications approved
1,059	714	Medical devices	14 projects commissioned for 34 products

FIGURES IN ₹ CRORE;
SOURCE MINISTRY OF CHEMICALS AND FERTILISERS

Promise & Prospects

The year 2023 holds a positive outlook for India's pharmaceutical industry, with a deeper focus on quality manufacturing, affordability of drugs and adoption of innovation and technology. According to an EY-FICCI report, the Indian pharmaceutical market is estimated to touch $130 billion in value by the end of 2030.

Macro potential: The key to success, going forward, will depend on regulatory simplification, increased industry-academia collaboration, and strengthening innovation mindset. This will pave the way for the industry to transition from "Volume" to "Value" leadership in the years to come.

Micro trends: Some of the dominant trends which play out in the medium term are

- Proactive Quality Management System: The medicine manufacturing and distribution supply chain is long and complex. The Indian pharmaceutical industry will need to deploy advanced tracking systems and introduce better tracing-related technologies.

- **Digital technologies:** Indian pharma sector will need to progressively adopting technology to upgrade their manufacturing capacities while also harmonising regulatory requirements to meet global standards. The International Society for Pharmaceutical Engineering (ISPE) Pharma 4.0 framework also recommends the use of digitalisation, cloud technologies, and process automation to enable efficiency, consistent quality, and right-the-first-time manufacturing while being sensitive to the environment.

- **Precision medicine:** This area is increasingly gaining prominence in the Indian pharmaceutical industry. The most important component of this is to diagnose and treat each patient as an individual. Precision medicine is all about offering real-time insights into how a specific patient's body is responding to pharmaceuticals by combining data management, data privacy, and data analysis through Machine Learning.

- **Emerging Markets will drive Innovation:** With the flattening of growth in pharma sales in developed countries, drug makers are increasingly looking to emerging markets for new sources of growth and revenue. Indian Pharmaceutical companies will leverage their competencies to develop and execute tailored strategies for each emerging markets to stay

competitive. Market research firm IMARC projects that the global "pharmerging" market — which includes countries that presently have a low position in the market but are rapidly growing — will experience a compound annual growth rate of 10.4% from 2021 to 2026. IMARC cites the following reasons for growth in the pharmerging market:

- The prevalence of chronic diseases and an increase in consumer awareness about treatment
- Government actions aimed at lowering the cost of treating chronic diseases
- Aging populations that face issues such as cardiac failure and hypertension
- Growth in health insurance in pharmerging countries

- **New therapies:** Innovation in advanced biologics and cell and gene therapies promises to transform lives, and multiple players including start-ups and academia will need to come together to help sustain growth in this space.

Opportunities	Threats
• Brand India is becoming increasingly accepted in emerging pharma markets. • Moving into value-added healthcare solutions is the next big opportunity for Indian pharma companies. • Domestic market is growing at a rapid pace owing to increasing awareness, growing insurance penetration and Government support.	• Non-availability of adequate KSM and API quantities at a reasonable price • Compromise in product quality in the drive for increasing exports could tarnish Brand India.

Business performance

1) India business

India branded Business has always been and continue to be the backbone for Alembic's overall all round growth.

Alembic manufactures and markets niche formulations that cater to various specialty and acute therapies. The Company enjoys a 1.5% market share in India. (Source: IQVIA MAT MAR 23). The Company enjoys a strong presence in acute and specialty therapies, with many brands featuring among the top 500 brands in India.

The branded generics piece is a solid business that has performed consistently in good and bad times. During FY23, the branded business vertical sustained its healthy growth in specialty and acute therapies. The industry-beating growth was also reinforced by the animal health segment, which reported particularly encouraging numbers.

India business launched various new SKUs during the year, which generated respectable business. Also, the novel on-field strategy adopted by the Company some years ago continued to deliver promising growth, vindicating the accuracy of the strategic move.

The Company intensified its efforts to enhance its team's knowledge of products and their skill and capabilities in capitalising on growth opportunities. Going forward, the business will add new teams dedicated to specific therapeutic segments to achieve the full potential of the product offerings in those particular therapeutic segments.

2) International formulations

This business vertical comprises generic formulations marketed across the globe. This vertical is segregated into two segments, 1) the US business and 2) the RoW vertical, for a more focused approach to growing each segment individually.

While the US business delivered healthy returns since its inception, the price erosion trend that transpired in the last 22-24 months dented the performance of this segment. The RoW vertical, on the other hand, has become more stable as the team is working patiently to diversify its presence into newer geographies that provide sustained growth prospects.

The US Business: in FY23, the US business was a mix of satisfying positives and overwhelming challenges. On the one hand, business volumes increased over the previous year despite multiple challenges; the financial parameters of topline, profits and profitability dropped considerably due to the continuing sharp price erosion due to the oversupply position prevailing in the US markets.

During FY23, the Company filed 20 ANDAs and received approvals for 22 ANDAs taking the total filed ANDAs to 245 and pending approval to 66 as on March 31, 2023. Alembic continued to widen its product basket – it added 18 new products across diverse therapeutic segments. The dermatology and ophthalmology therapies have been exciting additions in last few years to the US offering basket and generated considerable interest.

The team further strengthened its supply chain efficiency and service levels to up its fulfilment percentage by 100 bps over the previous year.

The defining achievement in FY23 was the approvals from the FDA regulators for its generic injectables and oncology injectables facilities, as they will open strong revenue verticals with the potential to accelerate business growth over the medium term.

The RoW segment: The business segment continued to deliver healthy growth atop a high base established in the previous year. Canada and South Africa were the best-performing markets reporting high growth in value and volume terms. The Company launched

niche products that generated significant volumes supporting revenue growth in these geographies. The growth was aided by new customer additions.

To strengthen this vertical further, Alembic established a subsidiary in Chile to gain a strong foothold in the large and growing Latin American markets. The Company has opened a scientific office in the UAE to capitalise on the opportunities emerging from the GCC nations. This establishment will also strengthen the Company's ability in servicing the Europe markets more efficiently.

The team also worked on growing its presence in Europe, a large and diverse pharmaceutical market providing immense opportunities. Having established itself in the tender-driven segment, the Company focused on building a more stable base by developing a B-2-B model with regional marketing partners. This combination worked well for the Company. In the future, the Company is focusing on creating a B-2-C model to operate synergically with its existing operations. This strategic initiative will deepen its presence in this large market and accelerate the Company's growth momentum in Europe. We shall continue to invest in these markets.

3) The API business

The API business is a very important vertical for the company as 32% of the niche APIs used by the formulations units are sourced from the in-house API facilities.

The division manufactures approximately 100 APIs at its FDA-approved facilities, which are also marketed to key formulators across 60 nations globally, including non-regulated markets.

In FY23, the division registered strong double-digit growth (to external customers) in volume and value terms as its continued its unrelenting efforts to optimise costs and deliver on its commitments. This consistency has established the division as a dependable partner to other global formulators. During the year, the team added new customers, ensuring its facilities operated consistently at optimum utilisation.

Debottlenecking and capability building at the operating facilities continued unabated, which helped deliver large volumes to its internal and external customers. We have cumulatively invested almost ₹800 crores in API capacity and capability building over last 5-6 years.

With Oncology emerging as a key growth area for the Company, the team continued its efforts toward developing the necessary APIs. The division also launched a few APIs in the difficult Chinese market (akin to taking coal back to Newcastle). The focus of the division going forward will be to increase its business with regulated markets, enabling it to add more value to its financial performance. The division will also seek to identify and establish its presence in old molecules which are relevant today but remain relatively underpopulated.

131
Total DMF filings

Our Value Creation

Business Model

Our value-creation engine

Alembic's business model is the foundation upon which it seek to effectively implement and drive a sustainable business strategy. The business model is built on the foundation of patience and perseverance of the team to create growth levers for the future. It encourages and inspires employees and partners to strive for excellence in what they do, keeping ethics, transparency and good governance practices in mind.

INPUTS ❯

Manufactured Capital Infrastructure created and equipment used for manufacturing products. Our state-of-the-art pan-India infrastructure provides a superior mind-to-market cycle.	Manufacturing units	**9**
	Gross Block	₹**3,467.49** crore
Financial Capital Funds available to create value through production processes, or funds generated by operations. We have a strong, net debt-free balance sheet and focus on efficient capital allocation.	Net Debt	₹**560** crore
	Capital Employed	₹**4545.90** crore
Intellectual Capital Knowledge and experience that helps graduate our business model to stand out of the clutter. Our thirst for knowledge and our confidence to walk the road-less travelled helps in developing innovative products and processes developed.	R&D investment	₹**721.84** crore*
	Grid being worked on	**90** products
Human Capital The skills, knowhow, capabilities, experience, diversity and level of motivation of direct and contractual employees. We promote innovative thinking and equip them with the right development tools and trainings.	Employees on roll	**14,593**
	People benefits	₹**1,169.13** crore
Social & Relationship Capital Trust-based, mutually beneficial relationships with key stakeholders such as investors, customers, vendors, society and government, among others, which play a vital role in our success.	CSR spend	₹**21.58** crore
	Number of Shareholders	**1,01,761**
Natural capital Natural resources such as air, water, energy, land and biodiversity, which are either utilised by us or impacted by our operations. We continuously endeavour to reduce the load of our operations on the Earth.	Energy consumption	**1,022,341.95** GJ units

**Including ₹155 crore non cash one time for Derma*

Value Creation Approach

1) India business

Increase the contribution from specialty therapies; increase the specialty therapies of presence

2) US business

Increase the product basket with a wider therapeutic presence across diverse delivery platforms

3) RoW business

Widen the geographic presence and extend the existing international generics product basket to increased number of geographies.

4) API business

Planning to augment capacities which would help in growing the product basket.

5) R&D strategy

More incisive choice of molecules to be developed to maximise the Return on Investment from research activities

6) HR strategy

Emerge as an employer of preference

7) Financial strategy

Focus on maximising the return on investment

OUTCOME ❯

Manufactured Capital	New products commercialised	
	India Business	**15-20** annually
	US Business	**18**
	RoW Business	**14**
Financial Capital	Revenue	₹**5,653** crore
	EBITDA	₹**680** crore
	EBITDA margin	**12**%
	Net Profit	₹**342** crore
Intellectual Capital	Addition to development pipeline	**90+** products ongoing as on date
	ANDA filings	**20** filings for the year
	DMF filings	**6** filings for the year
Human Capital	Revenue per employee	₹**38.7** lakh
Social & Relationship Capital	Dividend declared	**400**% i.e ₹**8** per share
Natural Capital	Recycled water utilisation	**186,969.3** MT
	Solid waste recycled (includes hazardous and non-hazardous)	**13,338** MT
	Reduction in energy consumption	**4**%

Manufactured Capital

Alembic's focus has been on prudently managing its capital investments to create a portfolio of assets that help create maximum value for its customers.

Alembic manufactures Oral Solid Dosages (OSDs) and APIs at its sophisticated facilities in Gujarat and Sikkim. International generics and APIs are manufactured at its Gujarat facility, and branded generics for the domestic market are developed at its Sikkim facility. The Company's disciplined plant maintenance investments ensure that plant availability is at optimum levels at all times.

The Company continued to deliver on its commitment to responsible manufacturing by minimising resource and energy consumption, adopting contemporary technology and equipment, institutionalising safe and sustainable manufacturing practices and upholding environmental compliance.

FY23 has been an important milestone for the Company as its new facilities received approvals from the US FDA.

These approvals pave the way for significantly widening Alembic's product portfolio and diversifying its delivery platforms.

Panelav, Gujarat

It is Alembic's mother facility (F1) which generates generic formulation products that are accepted across nations (regulated and pharming) across the globe. It is a large, multi-capability FDA-approved facility that has shouldered a large part of Alembic's growth for decades.

During the year, the Company successfully aligned the facility's systems and processes to the Drug Supply Chain Security Act (required for supplying products to the US). This facilitated seamless supplies to the US markets. The team identified several energy conservation and productivity enhancement projects to be implemented in the current year (FY24).

At Panelav, Alembic set up dedicated blocks (F2) for manufacturing oncology products which was approved by the US FDA in 2022. The Company will manufacture sterile (injections) and OSDs (tablets and capsules) products. This facility is capable of manufacturing complex injections based on Nano-particle technology, positioning the unit as a vital revenue earner in the coming years. The Company has made 19 filings from this facility with the US regulators. The commercial operations at the facility will commence upon securing approvals for its filings.

At Panelav, the Company has two units (API I & II) for manufacturing APIs.

Karkhadi, Gujarat

At Karkhadi, the Company manufactures dermatology products (earlier Aleor JV).

Recently the Company created a facility (F3) for manufacturing general injectables products and ophthalmic formulations. The Company received the EIR from the US FDA authorities for its F3 facility, paving the way for manufacturing and marketing ophthalmic formulations and general injectable product for the US and other regulated markets. The Company has received approvals for 3 injectables to be manufactured at this facility. Most of the manufacturing lines in the new blocks are scheduled to start operations in the current year.

At Karkhadi, the Company also manufactures APIs (API – III) that are used in-house and sold to formulators across the globe.

Jarod, Gujarat

This is a greenfield facility (F4) for manufacturing oral solid dosages and oral suspensions for which the Company has secured the FDA approval. Of the filings made from this facility, about 4 product filings have received the stamp of approval from the US regulators. The initial batches for manufacturing these products should happen in the current year. Also, the management is contemplating transferring some products from the F1 unit to this unit to declutter the mother site.

Sikkim

This facility is dedicated to manufacturing branded generic formulations for the domestic market. This multi-capability plant is brimming with activity as the Company launches more than 15-20 SKUs annually into the market. The Company is planning to set up a new facility at Pithampur, Indore to supplement this facility.

Financial Capital

Alembic has always focussed on continuously building a strong financial capital framework while utilising the financial resources prudently and ensuring availability of capital for funding growth over the years.

The Company's astute financial management has been its ability to arrive at a debt-equity ratio (net) at 0.13 as on March 31, 2023, even as its capital projects are just about to initiate full-scale commercial operations.

Financial performance

FY23 was not a great year from a financial performance standpoint. Despite an increase in the topline, profits and profitability took a hit primarily because of the continuing sharp price erosion in the US markets, persisting inflationary headwinds and increasing energy costs.

EBITDA dropped by 27% from ₹930 crore in FY22 to ₹680 crore in FY23 while the Net Profit also scaled down to ₹342 crore in FY23 from ₹521 crore in FY22. The Company expensed out the previously amortised R&D expenses (in erstwhile Aleor – now the Derma division), amounting to ₹155 crore in FY23, cleaning up its financial statements of any intangible assets.

Debt management

Alembic is not averse to debt but has always remained mindful of maintaining a low leveraged position at all times. Despite the large capex which was funded by a prudent mix of debt and equity, the Company prioritised deploying the cash flow from existing operations in deleveraging the organisation.

This has worked well for the Company. Even when the approvals from the regulatory authorities were delayed for its new capacities, the Company did not fall into a debt trap which is quite common in the pharmaceutical world. Couple of years back the Company raised money through QIP offering for more than ₹700 crore.

Gross Debt-equity ratio (X)

Cost management

The Company strategically reduced its R&D product development grid to work only on those products which will provide it a competitive edge in the market place. Further, the Company has also drawn up a comprehensive plan to improve in-plant efficiencies and reduce energy costs which should help in improving business performance.

Cash flow management

Cash flow from business operations remained better than the previous year. It should improve going further as the capex cycle for the Company is largely over with no major projects (other than the formulations unit for the branded generics vertical) on the anvil. The Company plans to utilise the cash flow to minimise its debt burden further and to reward shareholders.

Working Capital management

The Company has adopted a very stringent control on its working capital to ensure that its funds are not locked into inventories and receivables. It is monitored regularly to ensure that issues, if any, are resolved immediately. These factors have contributed to enhancing organisational liquidity.

Internal control systems and their adequacy

Alembic maintains a system of well-established policies and procedures for internal control of operations and activities. It constantly strive to integrate the entire organisation, strategic support functions, such as finance, human resources, and regulatory affairs into core operations, such as research, manufacturing, and the supply chain.

The internal audit function is further strengthened in conjunction with the statutory auditors to monitor statutory and operational matters. Adherence to statutory compliance is a key focus area for the entire leadership team of the Company.

Alembic appointed Sharp & Tannan Associates, as internal auditors to audit the adequacy and effectiveness of all internal control systems and propose improvements.

Significant issues are brought to the attention of the Audit Committee for periodic review. The enterprise-wide risk evaluation and validation process are carried out by the Risk Management Committee and the Board of Directors.

To set the pace for effective and efficient internal control and documentation, the Company has institutionalised a document management system for core and strategic operations. Additionally, it has obtained ISO 9001 and ISO 14001 certifications and adhere to the standard operating procedures applicable to our manufacturing and operating activities.

Estimates for tomorrow

The current year would be a particularly busy one with the Company focusing on operationalising its newly approved facilities. While the revenue from the facilities would be marginal the cost of operations of these facilities will hit the Statement of Profit and Loss. This could take a toll on profitability margins of FY24. Also with the price erosion trend continuing to play out in the US, margins could remain depressed.

The positive side to this would be the additional revenue that will accrue from new regions in which the Company is establishing its presence namely Latin American markets, Mexico, GCC nations, among others. The robust platform established by the branded generics piece is expected to sustain its growth in the current year helping to arrest the downslide in the US business.

FY25 definitely promises to be a better fiscal as new products and new platforms catering to new therapies start occupying shelf space in the US and Rest of the World markets.

Key financial ratios are provided in Notes to Financial Statements (Note No. 19 of Notes to Standalone Financial Statements & Note No. 21 to Consolidated Financial Statements) along with the reasons for major variations, if any.

Intellectual Capital

Over the years, Alembic has enriched its experience and sharpened its expertise to gain market share and strengthen its market standing and brand recall. The Company's brands, in-house technologies and processes comprise its intellectual capital. Alembic continues to leverage its intellectual capital to create a portfolio of niche products that address today's dynamic healthcare issues.

Research & Development

Alembic has focused on quality research and development initiatives that have enabled it to strengthen its presence across world geographies. Alembic has invested in cutting-edge technology, contemporary equipment and a highly skilled team to enhance the effectiveness of its innovative zeal. Its 870+ experienced professionals possess the technical expertise related to advanced technologies and chemistry platforms.

The Company's R&D function comprises Formulation R&D and APIs R&D for adopting a focused approach to product development. The specialised teams for technology transfer and regulatory filings facilitate faster approval and commercialisation of its innovation assets.

1) Formulation R&D (OSDs & injectables)

The Company has three R&D centres at Vadodara and Hyderabad for developing niche formulations and strengthening its international operations.

The Vadodara unit is the mainstay R&D centre, primarily focusing on non-oncology molecules. The Hyderabad unit specialises in developing both oncology and non-oncology molecules.

In the recent past, the Company was in an overdrive mode to create an extensive product basket for establishing a solid presence in the US market. The strategy delivered the desired returns. But with the US markets on a downslide owing to significant price erosion over the last two years, the Company has recalibrated its R&D strategy to reduce its product development grid with complex and difficult-to-make products that address healthcare spaces with relatively lower competition.

Technological interventions support the development of products through a structured short, medium and long-term technology roadmap ensuring quality products. The Company has invested in predictive tools to gauge the accuracy and precision of the development path and make timely and necessary course corrections if required.

With the injectables facilities having received FDA approval, product development has gained steam. The Company has created a dedicated team for developing injectable products (oncology and non-oncology), which are expected to emerge as an essential value driver over the coming years.

The Company has reorganised its R&D operations to maintain a lean structure and hence decided to discontinue US R&D operations.

Progress in FY23: The team has filed 20 ANDAs (for OSDs & injectables) with the US regulatory authorities in FY23, some of which position Alembic in the first wave of product genericisation.

The Company also received approvals (including tentative approvals) for 22 filings. These products should get commercialised in the current year (FY24).

In FY24, the Company plans to sustain its filing momentum of about 20+ ANDAs in the US market comprising of all dosages. The team

plans to strengthen its filings in other global markets to strengthen its presence in select markets.

2) API R&D

Alembic's dedicated team is committed to developing APIs and filing the DMFs with the US FDA. The API team develops new polymorphs with product intellectual property, which in turn gives the Company a competitive advantage in an otherwise cluttered marketplace.

The dedicated peptide API unit develops complex APIs for developing complex injectables for high-value, high-growth therapies. Over the years, the team has persevered immensely to build expertise and capabilities and align product development with plant operations and the injectables formulation team. With this novel capability, Alembic will be one of the few companies to be a vertically integrated peptide player. Over the years, the team has created a healthy pipeline of molecules for developing formulations.

Progress in FY23: The team has filed 6 DMFs with the USFDA. The team is working on 20+ projects and expected to file 6-8 DMFs in FY 24. The team has prudently introduced genotoxic impurity (GI) analysis to address the purity, safety and quality of drug substances or finished drug products at the development level for which the Company has invested in equipment and people.

Information Technology

Realising that information technology will emerge as a critical business imperative, the Company has proactively created a robust IT platform to support business operations. Over the years, the Company has invested in contemporary solutions to manage business dynamism and improve operational efficiency. It has created a strong team of IT experts to manage IT infrastructure and solutions and identify and install products/solutions that facilitate seamless business operations.

During FY23, the team carefully created an IT security policy. The IT team provided training to 2,000+ users in the Company on the policy and its application and addressed user apprehensions.

Some of the solutions adopted by the Company include

Endpoint Security: This cloud-based solution is used to secure entry points of end-user devices such as desktops and laptops, which are the Company's assets. These entry points must be protected to prevent them from being exploited by malware and viruses.

Network Security

Perimeter security: It protects assets and information from unauthorised access and intrusion.

MAC binding: This is a process where the MAC address and IP address are bound together so that all requests from that IP address are served only by the device having the particular MAC address.

Guest Network Solution: The team created a separate guest network to eliminate the possibility of a security breach owing to unsecured guest devices being connected to Alembic's business network.

Security tunnel: A secure tunnel provides secure movement of data from one network to another by allowing private network communications to be sent across a public network.

Operational Infrastructure Security

Multi-Factor Authentication: This requires the user to provide two or more verification factors to gain access to a resource.

Virtual Desktop Infrastructure: The team has initiated this solution in the corporate office. This system delivers desktop images over a network to endpoint devices, enabling users to access their desktops from anywhere.

Human Capital

Alembic's considers is human capital as the foremost resource that drives business performance and sustains growth in the face of a volatile external environment.

The Company pays utmost attention to creating a learning and growing ecosystem. Over the years, it has made considerable investments towards the professional growth of its team. Its people-friendly policies have gone a long way in strengthening the team's loyalty to the Alembic brand.

The Management continues to strive to foster a best-in-class working environment for creating a future-ready workforce.

1) India Business

The talent pool forms the driving force of the India business for its crucial role in creating product awareness among the prescribing community. The Company' team of 5000+ Medical Representatives (MRs) who play a defining role in sustaining the growth of its India business.

Alembic focuses on enhancing the product knowledge and sharpening the marketing skills of its MRs which allows them to make a meaningful representation of the Company and its products to the doctors. In FY23, the MR training was reverted back to offline training with a focus on capability enhancing for better in-clinic performance.

The HR team also strengthened its online Learning Management System in collaboration with the product management team. The improved system was more comprehensive in providing more data to the MRs on product details. During the year, the HR team switched back to the face-to-face recruitment process.

HR team is organizing an international trip to motivate the top performing MRs (of FY 23) after a gap of three years (owing to the pandemic and related restrictions).

The painstaking efforts of the HR team was lauded and rewarded. In FY23, Alembic received the SHRM Award and stood at the Runner-Up position in the National Level HR Award.

2) International Business

The HR team continued to build people competencies through its skill development and training initiatives.

The Company conducted the Gallup survey to assess employee engagement level across important metrics. The scores of the survey were heartening. The survey threw up excellent rating for quality commitment which showcased the team's focus on quality issues, so relevant for the pharmaceutical business. The issues that got highlighted were even more interesting as its showcased commitment of the team towards long-term business sustainability.

The highlight of the year was that the Company participated in the Great Places to Work that recognises high trust and high-performance culture at workplaces. Alembic received the coveted certification and was ranked among the Top 10 under the category of the size of pharmaceutical companies by people.

The operations team has consistently been working on open communication and transparency. It consensually uses tools such as Town hall meeting etc.

As part of it people policies, the Company introduced paternity leave which was well appreciated by the team. The team also upgraded the intranet portal which provided every information detail to all team members. The HR team also celebrated special events and festivals for enhancing team bonding and infusing energy into the organisation.

Entering FY24, the HR team will focus its energies on strengthening the teams for full operations of its facilities. The team also plans to undertake time and motion study to improve shopfloor productivity.

Social Capital

As a responsible organisation, we believe in giving back to society and bringing about transformation in the lives of communities in the plant vicinity and people in the unorganised sector. All CSR initiatives are strategically designed and monitored to make a tangible difference to the communities and the environment in which we operate. When measured, the outcome of these activities stands as testimony to the Company being a responsible and caring organisation.

EDUCATION

Alembic strives to provide quality education to community children, the future of a New India, to make them self-reliant and infuse energy into their educational aspirations. Because when that happens, India's economic progress will gather new momentum. Alembic through its various programmes namely Shiksha Setu and Vikas, support the education of nearly 1000 students. The Company has set up a foster care home in Vadodara, where eight children are given complete support. The CSR team supports two other child care institutions for girls and boys.

LIVELIHOOD

Alembic is convinced that the underprivileged have the ability to learn if they are given the right opportunity. Hence, the Company promotes skill development in rural areas through multiple outreach programs such as Sneh Shakti Stitching Unit (for women) and the Farmer Empowerment Programme (for farmers) to create opportunities for self-advancement. This, the Company believes, will go a long way in improving their livelihood and national economic progress.

WATER

Water is the basic existential requirement for every human directly and indirectly. Realising the inadequate water and sanitation facilities, Alembic has lent out a helping hand. It has set up seven water ATMs in neighboring villages, benefitting more than ten thousand people. The Company has built a check dam close to Panelav with a storage capacity of four crores liters of water that assists in irrigation, recharging the groundwater base and meeting the daily requirements of the households. The Company has constructed wells around Jarod for the same purpose.

SANITATION

For a clean and hygienic environment, the Company facilitated the construction of 70 toilets around the Jarod region as part of the sanitation drive, under which more than 2300 toilets were constructed over the last five years.

COMMUNITY INFRASTRUCTURE

Alembic builds five anganwadis- two in Panelav, one in Jarod and two in Karakhadi that take care of the nutrition and preschool education of community children of these villages.


YERA


CSR FOUNDATION
સ્વાસ્થ્ય સેતુ

Natural Capital

As a responsible business, Alembic diligently works towards extending its environmental accountability and stewardship much beyond compliance with applicable laws and regulations for resource conservation and energy efficiency. The Company optimises its consumption of natural resources in a sustainable manner. Embedding a circular economy in its manufacturing processes has helped it optimise its resource requirements.

Energy Conservation: At Alembic, efficient use of energy has always been a focus area. Energy consumption at every stage is monitored at the company's sites after which the necessary actions required to reduce wastage and optimise consumption are taken. Every year the operations team identifies areas for minimising energy consumption and executes the required plan of action.

"Net Zero": Alembic has embarked on an ambitious target of achieving Net Zero by 2040. The Company has focused on energy efficiency projects and strives to reduce its net energy use per unit of production. Considering the climate challenges humanity is struggling with, it has decided to go for Net zero for Its Scope-1 and Scope-2 emissions, in line with the international COP26 declaration in Paris. To meet the objective, the company is increasing its power dependence on renewables in a phased manner. Wherever permissible, the company has deployed rooftop solar panels. The remaining demand will be met by a combination of Wind energy, Hybrid energy and our own Solar Parks.

Water Management: Alembic regularly inculcates the habit of frugal use of water in all its employees. It has provided RO plants at all its manufacturing locations, for treating effluent treated water and recovering and recycling the effluents generated from its operations to the maximum extent possible. Alembic has provided separate Sewage Treatment Plants (STPs) besides ETPs to separately treat its sewage water and use the same for gardening. The Company has taken a target of **Water Neutrality by 2027.** Under this target, the company wants to recharge clean rainwater, equivalent to its total consumption (of fresh water) across all locations, back to the underground water table. Till March 2023, the company built a recharge capacity of 48% of its total water uses.

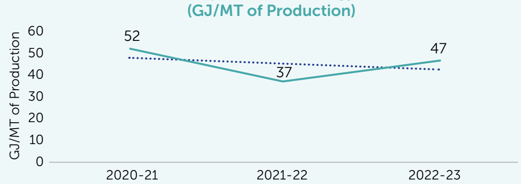
Solvent Recovery: Alembic strengthened its efforts to get maximum benefits from the process of waste reduction. The increase in the proportion of recycled solvents helped the company reduce the consumption of fresh solvents in the manufacturing process. The solvents, which cannot be recycled internally are also being refined to high purity levels to get maximum value, avoiding any possibility of damage to the environment, while its purification is done outside. Additionally, the residue that is produced during this process, which used to be incinerated earlier, is now sent to neighbouring cement factories for use in their manufacturing operations.

Plastic waste management: Alembic understands that plastics can be detrimental to the environment and therefore it has appointed an agency to collect an equal amount of plastics that go into the marketplace because of its packaging and discards them responsibly. Alembic also carries out awareness programs in nearby villages to minimise the use of plastics and segregate the same. Alembic carries out campaigns in villages to collect plastic waste and send the collected waste to recyclers.

Net Zero by
2040

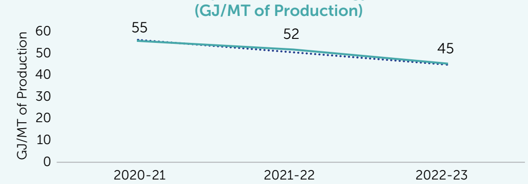
Water Neutrality by
2027

Scope-1 (Direct Energy)
(GJ/MT of Production)



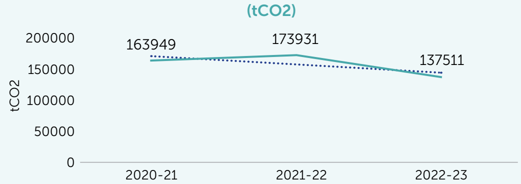
10% Reduction in the FY 2022-23

Scope-2 (Indirect Energy)
(GJ/MT of Production)



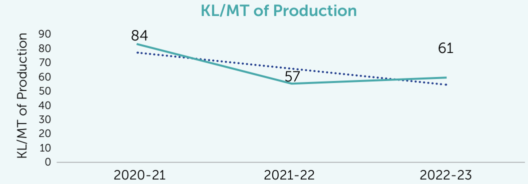
19% Reduction in the FY 2022-23

Total GHG Emission (Scope- 1 & 2)
(tCO2)



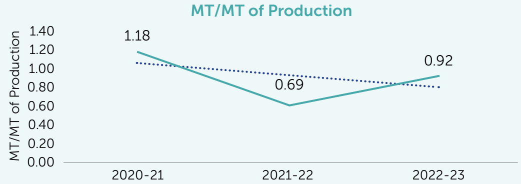
16% Reduction in the FY 2022-23

Water Consumption
KL/MT of Production



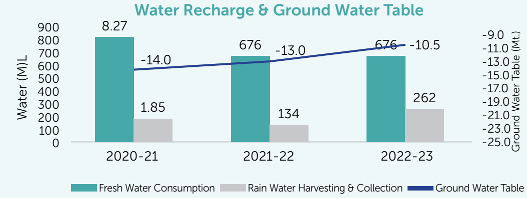
28% Reduction in the FY 2022-23

Hazardous Waste Disposal
MT/MT of Production



21% Reduction in the FY 2022-23

Water Recharge & Ground Water Table



42% Rain Water Harvesting, 3.5 meter increase in water table 18% Water Reduction

% Reduction is over 2020-21

The numbers are for all locations across Alembic pharmaceuticals limited

Risk management

Risk is an integral and unavoidable component of all businesses. Raymond is committed to manage its risk in a proactive manner. Though risks cannot be completely eliminated, an effective risk management plan ensures that risks are reduced, avoided, retained or shared.

At Alembic, risk management is embedded within our operating framework, and we have a well-defined, internal financial control structure. The Risk Management Committee maintains an oversight on our risks and is responsible for reviewing the effectiveness of the risk management plan or process.

1. Growth Risk: Sustaining growth momentum could be a challenge.

Mitigation measures

- Rejuvenating the US product basket with complex products and new platforms
- Widening the presence in other important global markets
- Intensifying the focus on specialty therapies in the domestic branded generic vertical

2. Pipeline Risk: Reducing the product development pipeline could impact business growth over the medium term

Mitigation measures

- Product development grid has been optimised to include products that will provide the Company an edge in the market place and enhance return on resources invested.
- High risk products have been dropped from the product grid to increase the prospects of superior returns from R&D efforts.
- Products deployed in the US market are being launched in other markets to maximise value growth.
- Continue to file 20+ ANDAs every year with the US regulators.

3. Margin Risk: Business profitability could remain under pressure going forward.

Mitigation measures

- Profitability in FY24 will be impacted owing to the additional operational costs of two new facilities.
- R&D expenses have been reduced to optimise the drop in margins.
- Introduction of high-value products could contribute marginally to arresting the drop in margins.
- Profitability is expected to improve in subsequent years.

4. People Risk: Inability to retain talent could debt business operations.

Mitigation measures

- Received the Great Place to Work certificate which is a stamp to the relevance of its people-friendly policies.
- Continue to invest in skill and capability building through L&D initiatives and challenging projects.

5. IT Risk: Sustaining the relevance and robustness of the IT infrastructure, network and solutions is critical to seamless business operations

Mitigation measures

- New IT policy created and a large section of the team trained on the nuances of the policies.
- Considerable investment made in FY23 to deploy solution for data security and network availability.
- Contemporary solutions deployed across the organisation for improving business systems and processes.
- Focus on the IT systems and process to remain unaltered over the coming years.

6. Environment Risk: Reducing the Company's carbon footprint has emerged as crucial business imperative.

Mitigation measures

- Continue to increase the reliance on renewable sources for energy; continue to reduce energy consumption at the operating facilities.
- Focus on reducing fresh water consumption by increasing the usage of recycled water.
- Increase recovery and utilisation of solvents in plant operations.
- Endeavour to reduce the consumption of plastic at the operating facilities and other establishments.

Board of Directors

Mr. Chirayu Amin
Chairman & CEO

Mr. Chirayu Amin, the Chairman of Alembic Pharmaceuticals Limited, has played a pivotal role in the growth of the organisation. Being an MBA from the United States, Mr. Amin has well adapted to the changing needs of modern-day business while keeping intact the legacy of more than 100 years. Along with being the Chairman of all Alembic Group businesses, he also holds the trusteeship in the hospital and schools, which are under charitable trust.

Mr. Pranav Amin
Managing Director

Mr. Pranav Amin heads the international business unit of the organisation. A graduate in Economics/Industrial Management from the Carnegie Mellon University in Pittsburgh, USA and MBA in International Management from Thunderbird, USA, he is a great people leader and leads his enterprise through involvement, empowerment, and autonomy.

Mr. Shaunak Amin
Managing Director

Mr. Shaunak Amin has graduated from University of Massachusetts, USA with Economics as his specials. He has varied work experience with renowned multinationals including Merril Lynch, Hong Kong and Shanghai Banking Corporation, among others. His extensive experience in Sales and Marketing has benefited our Company.

Mr. Raj Kumar Baheti
Director - Finance & CFO

Mr. R. K. Baheti is Commerce graduate and a fellow member of the Institute of Chartered Accountants of India. He is also a fellow member of the Institute of Company Secretaries of India with wide and varied experience in Finance, Accounts, Taxation and Management.

Mr. K. G. Ramanathan
Independent Director

Mr. K. G. Ramanathan is a postgraduate in Physics from the University of Madras and is a retired IAS Officer. He has worked in senior administrative positions with the Government of Gujarat and Government of India. He has vast industrial experience, particularly in the fields of fertilizers, chemicals and petrochemicals. Before he retired from government service, he was the Chairman and Managing Director of Indian Petrochemicals Corporation Limited (IPCL). Mr. Ramanathan is well connected with National level Industry organisation such as FICCI & CII. He was also the president of Chemical and Petrochemical Manufacturers Association of India (CPMA) for over 2 decades. He is the founder President of the Indian Centre for Plastics in the Environment (ICPE).

Mr. Pranav Parikh
Independent Director

Mr. Pranav Parikh is a Commerce Graduate and has done Business Administration Programme at Harvard University, USA. He is an Industrialist and is Chairman of TechNova Imaging Systems (P) Ltd. and Director of Lemuir Group of Companies. He is an active participant in various industrial forums and organisations.

Board of Directors

Mr. Paresh Saraiya
Independent Director

Mr. Paresh Saraiya is a senior business leader and the Chairman of Silox India Pvt. Ltd., which is a Joint-Venture Company between Silox S.A., Belgium; Excel Industry Ltd. & Transpek Industry Ltd. He served as the Managing Director of the Company from January 2001 till July 2020. He is also a Designated Partner in MuellerUnifab Packaging LLP, a 50-50 Joint-Venture between Mueller Group of Switzerland & Unifab Engineers, a Saraiya family firm. Mr. Saraiya has held key positions in different trade bodies such as Federation of Gujarat Industries (FGI), Vadodara, CII-Western Region and Gujarat Safety Council. Outside of business, Mr. Saraiya is also a patron of art & culture and an advocate for environmental preservation. He is associated as Trustee with several socio-cultural organisations including the United Way of Baroda, Swar Vilas, etc.

Dr. Archana Hingorani
Independent Director

Dr. Archana Hingorani holds a Bachelor's Degree in Arts from the University of Mumbai, a Master's Degree in Business Administration from the Graduate School of Business, University of Pittsburgh, USA and a Doctorate Degree in Philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She has 28 years of experience in financial services and private equity fund investment. She is currently a Managing Partner at Siana Capital, an investment firm focused on technology and innovation and a Visiting Faculty for Private Equity at the Katz Graduate School of Business, University of Pittsburgh, USA. She has been the recipient of various awards including the 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, and '25 Most Influential Women in Asia Asset Management' by Asian Investor in May, 2014, etc. In sum, she has over 35 years' experience in the financial services business, teaching and research.

Mr. Ashok Barat
Independent Director

Mr. Ashok Barat is a Fellow Member of the Institute of Chartered Accountants of India, Fellow Member of the Institute of Company Secretaries of India, Associate Member of the Institute of Chartered Accountants of England & Wales and CPA, Australia. He has held responsible and senior leadership positions in various Indian and multinational organizations, both in India and overseas. He began his career with Hindustan Lever Limited and thereafter in positions of increasing responsibility, with them and amongst others, RPG Group, Pepsi, Electrolux, Telstra and Heinz (now Kraft Heinz). He retired in 2016 as the Managing Director of Forbes & Company Limited. He is on the Board of several other companies. He is a regular speaker at public forums and takes keen interest in mentoring start-ups. Mr. Ashok Barat is a Past President of the Bombay Chamber of Commerce and Industry, Council of EU Chambers of Commerce in India and presently, Member, Managing Committee of ASSOCHAM. He is a Certified Mediator empanelled with the Ministry of Corporate Affairs, Government of India.

Mr. Jai Diwanji
Independent Director

Mr. Jai Diwanji completed his education from the University of Cambridge (U.K.) with a B.A. in Law degree in the year 1997. In addition to this he also holds a B.S.M. degree from Tulane University (U.S.A.). Jai Diwanji is an advocate with over 25 years of experience. He is presently a partner at Desai & Diwanji, a full – service Indian law firm. His practice includes advising national and international corporates and other multifarious enterprises in the areas of mergers & acquisitions, private equity, joint ventures and general corporate law. Mr. Jai Diwanji is an Independent Director on the board of several other companies and charities.

Corporate Information

Board of Directors

Mr. Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Mr. Pranav Amin
Managing Director
(DIN: 00245099)

Mr. Shaunak Amin
Managing Director
(DIN: 00245523)

Mr. R. K. Baheti
Director – Finance & CFO
(DIN: 00332079)

Mr. K. G. Ramanathan
Independent Director
(DIN: 00243928)

Mr. Pranav Parikh
Independent Director
(DIN: 00318726)

Mr. Paresh Saraiya
Independent Director
(DIN: 00063971)

Dr. Archana Hingorani
Independent Director
(DIN: 00028037)

Mr. Ashok Kumar Barat
Independent Director
(DIN: 00492930)

Mr. Jai Diwanji
Independent Director (w.e.f. 5th May, 2023)
(DIN: 00910410)

Company Secretary

Mr. Charandeep Singh Saluja *(till 21st March, 2023)*
Ms. Manisha Saraf *(w.e.f. 1st April, 2023)*

Registered Office

Alembic Pharmaceuticals Limited
Alembic Road, Vadodara – 390 003
Tel: +91 265 6637000
E-mail: apl.investors@alembic.co.in
Website: www.alembicpharmaceuticals.com

Statutory Auditors

M/s. K C Mehta & Co LLP
Chartered Accountants, Vadodara

Internal Auditor

M/s. Sharp & Tannan Associates LLP
Chartered Accountants, Vadodara

Cost Auditor

M/s. Diwanji & Co.
Cost Auditor, Vadodara

Secretarial Auditor

M/s. Samdani Shah and Kabra
Company Secretaries in Practice,
Vadodara

Bankers

Axis Bank Limited
Citi Bank N.A.
HDFC Bank Limited
HSBC Bank
ICICI Bank Limited
JP Morgan Chase Bank N.A.
Kotak Mahindra Bank Limited
Yes Bank Limited

Registrar and Share Transfer Agents

Link Intime India Pvt. Limited
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020
Tel: +91 265 6136000
Email Id: vadodara@linkintime.co.in

Board's Report

Dear Members,

Your Directors have pleasure in presenting their 13th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2023.

1. Operations and State of Affairs of the Company:

(₹ In Crores)

Particulars	Standalone Basis		Consolidated Basis	
	2023	2022	2023	2022
For the year ended 31st March				
Revenue from operations	5,149.00	5,035.41	5,652.62	5,305.79
Other Income	3.55	51.14	2.74	50.46
Profit for the year before Interest, Depreciation and Tax	667.88	959.95	711.10	924.62
Less:				
Interest (net)	49.00	17.02	50.17	17.73
Depreciation	272.95	284.92	275.43	286.78
Provision for Taxation	(0.79)	114.45	12.60	104.46
Share of (Profit)/Loss of Associates and Joint Venture	-	-	30.92	(5.28)
Net Profit for the year	**346.73**	**543.55**	**341.99**	**520.94**
Retained Earnings – Balance brought forward	2,632.89	2,440.83	2,554.39	2,384.94
Conversion of subsidiary into wholly owned subsidiary	-	(76.30)	-	(76.30)
Dividend paid on Equity Shares during the year	(196.56)	(275.19)	(196.56)	(275.19)
Transfer from General Reserve	868.63	-	868.63	-
Balance carried forward	**3,651.68**	**2,632.89**	**3,568.44**	**2,554.39**

The break-up of consolidated sales including export incentives is as under:

(₹ In Crores)

Particulars		2023	2022
Formulations	India Branded Business	2,063.50	1,926.45
	International Business	2,423.61	2,440.82
API	India Business	250.17	192.57
	International Business	915.34	745.95
Total		**5,652.62**	**5,305.79**

The Company has prepared the Standalone and Consolidated Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (the "Act").

2. Impairment Review of the Capital Work-in-Progress and Scheme of Arrangement:

The Company has provided detailed disclosure at note no. 27 to the Standalone Financial Statements about the Impairment Review of the Capital Work-in-Progress.

The Board also approved a Scheme of Arrangement between the Company and its shareholders, for reorganization of General Reserve of the Company, inter alia, providing for utilization of the amounts standing to the credit of the General Reserve, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder ("Scheme") with the Appointed Date of 1st January, 2023.

The Scheme is subject to the approval of National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") and Securities and Exchange Board of India Limited, the shareholders and creditors of the Company and other statutory and regulatory authorities, as may be required, including that of National Company Law Tribunal, Ahmedabad Bench.

3. Dividend:

The Board of Directors at their meeting held on 5th May, 2023 has recommended Dividend of ₹8/- (400%) per equity share having face value of ₹2/- each for the financial year 2022-23 as against the Dividend of ₹10/- (500%) per equity share having face value of ₹2/- each for the financial year 2021-22.

4. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") forms part of this Annual Report. Certain Statements in the said report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

5. USFDA Audit:

Our Injectable and Opthalmic Facility (F-3) at Karkhadi was inspected by USFDA with 2 minor observations. As on date, the Establishment Inspection Report (EIR) is in place for all our USFDA facilities, except for F-4 facility at Jarod.

6. Financing:

During the year under review, the Company had issued commercial papers (CPs) to meet working capital requirements. As on 31st March, 2023, the outstanding amount of CPs was ₹100 Crore.

The other financing requirement of the Company has been met through working capital loans from multiple banks.

7. Subsidiaries, Associates and Joint Venture:

A statement containing the salient features of the financial statements of subsidiary/associate/joint venture companies, as per Section 129(3) of the Act, is part of the consolidated financial statements.

In accordance with third proviso of Section 136(1) of the Act, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.alembicpharmaceuticals.com Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company. Shareholders interested in obtaining a physical copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary requesting for the same.

8. Directors:

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee appointed Mr. Jai Diwanji (DIN: 00910410) as an Additional Director designated as Independent Director of the Company w.e.f. 5th May, 2023.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Pranav Amin (DIN: 00245099), Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

9. Key Managerial Personnel:

Mr. Chirayu Amin, Chairman & Chief Executive Officer, Mr. Pranav Amin, Managing Director, Mr. Shaunak Amin, Managing Director, Mr. R. K. Baheti, Director - Finance & Chief Financial Officer and Ms. Manisha Saraf, Company Secretary are Key Managerial Personnel of the Company.

During the year under review, Mr. Charandeep Singh Saluja resigned as Company Secretary & Compliance Officer of the Company w.e.f 21st March, 2023. Ms. Manisha Saraf was appointed as Company Secretary and Compliance Officer of the Company w.e.f 1st April, 2023.

10. Meetings of the Board:

Seven (7) Board Meetings were held during the financial year ended 31st March, 2023. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

11. Independent Directors:

The Company has received declarations/ confirmations from all the Independent Directors of the Company as required under Section 149(7) of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(8) of the SEBI Listing Regulations, 2015.

12. Performance Evaluation:

Pursuant to the provisions of the Act, SEBI Listing Regulations, 2015 and Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee ("NRC") and the Board has carried out the annual performance evaluation of the Board, its Committees and individual Directors by way of individual and collective feedback from Directors. The Independent Directors have also carried out annual performance evaluation of the Chairperson, the non-independent directors and the Board as a whole. Structured questionnaires covering the evaluation criteria laid down by the NRC, prepared after taking into consideration inputs received from Directors, were used for carrying out the evaluation process.

The Directors expressed their satisfaction with the evaluation process.

13. Audit Committee:

The Audit Committee consists of Independent Directors with Mr. Paresh Saraiya as Chairman, Mr. K. G. Ramanathan, Mr. Pranav Parikh, Dr. Archana Hingorani and Mr. Ashok Kumar Barat as members. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors, Key Audit Matters presented by the Statutory Auditors and compliance of various regulations. The Committee also reviews the financial results and financial statements before they are placed before the Board.

14. Vigil Mechanism/Whistle Blower Policy:

Pursuant to the provisions of Section 177(9) & (10) of the Act and Regulation 22 of the SEBI Listing Regulations, 2015, a Vigil Mechanism/Whistle Blower Policy for directors and employees to report genuine concerns has been established. The same is uploaded on the website of the Company and the web-link as required under SEBI Listing Regulations, 2015 is as under:
https://alembicpharmaceuticals.com/wp-content/uploads/2022/02/05APL-Whistle-Blower-Policy.pdf

15. Internal Control Systems:

The Company's internal control procedures which includes internal financial controls, ensure compliance with various policies, practices and statutes and keeping in view the organization's pace of growth and increasing complexity of operations. The internal auditors' team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee.

16. Corporate Social Responsibility:

Alembic Group has been proactively carrying out CSR activities since more than fifty years. Alembic Group has established, nurtured and promoted various Non-Profit Organizations focusing on three major areas – Education, Healthcare and Rural Development.

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31st March, 2023 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure A.

17. Policy on Nomination and Remuneration:

In compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, 2015, the Company has laid down a Nomination and Remuneration Policy which has been uploaded on the Company's website. The web-link as required under the Act is as under:
https://alembicpharmaceuticals.com/wp-content/uploads/2022/02/Nomination-and-Remuneration-Policy.pdf

The salient features of the NRC Policy are as under:

1) Setting out the objectives of the Policy
2) Definitions for the purposes of the Policy
3) Policy for appointment and removal of Director, KMP and Senior Management
4) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees
5) Remuneration to Non-Executive/ Independent Director

18. Dividend Distribution Policy:

In compliance with the requirements of Regulation 43A of the SEBI Listing Regulations, 2015, the Company has laid down a Dividend Distribution Policy, which has been uploaded on the Company's website. The web-link as required under SEBI Listing Regulations, 2015 is as under: https://alembicpharmaceuticals.com/wp-content/uploads/2023/06/APL-Dividend-Distribution-Policy.pdf

19. Related Party Transactions:

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There were no related party transactions which could be considered material. Hence, there is no information to be provided as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link as required under SEBI Listing Regulations, 2015 is as under: https://alembicpharmaceuticals.com/wp-content/uploads/2022/02/RPT-Policy-1.pdf

20. Corporate Governance Report:

The Report on Corporate Governance as required under Regulation 34 read with Schedule V of the SEBI Listing Regulations, 2015, forms part of this Annual Report.

The certificate from M/s. Samdani Shah & Kabra, Practicing Company Secretaries required as per the aforesaid Schedule V, confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations, 2015 is attached to the Report on Corporate Governance.

21. Business Responsibility & Sustainability Report:

The Business Responsibility & Sustainability Report as required under Regulation 34 of the SEBI Listing Regulations, 2015, forms part of this Annual Report.

22. Listing of securities:

The equity shares of the Company are listed on BSE and NSE with security ID/symbol of APLLTD. The ISIN for equity shares is INE901L01018.

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2023-24 have been paid.

23. Loans, Guarantees or Investments:

During the year under review, the Company has not granted any Loans and given any Guarantees falling within the purview of the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The details of Investments made under the said provisions are provided in Note No. 5 of Notes to Standalone Financial Statements of the Company.

24. Auditors:

a) Statutory Auditors:

In compliance with the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. K C Mehta & CO LLP, Chartered Accountants having Firm Registration No. 106237W/W100829 has been appointed as Statutory Auditors of the Company by the members at their 10th Annual General Meeting held on 22nd July, 2020 to hold office for a term of five (5) years i.e. till the conclusion of Annual General Meeting for the financial year 2024-25.

The Statutory Auditor's in their Reports to the members, have issued their Audit Reports with Qualified opinion as mentioned under 'Basis for Qualified Opinion' of their Reports.

The Company has provided the Statement on Impact of Audit Qualifications on Standalone Financial Statements and Consolidated Financial Statements as Annexure B to this Report which shall be treated as Board's response.

Many other large and reputed listed companies have, in the past, followed similar accounting treatment in such situations.

b) Secretarial Auditors:

The Board of Directors appointed M/s. Samdani Shah & Kabra, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2023-24.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practicing Company Secretaries for the financial year 2022-23, is annexed herewith as Annexure C.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards.

c) Cost Auditors:

The provisions of Section 148(1) of the Act with regard to maintenance of cost records are applicable to the Company and the Company has made and maintained the cost records as specified therein.

The Board of Directors appointed M/s. Diwanji & Co., Cost & Management Accountants as Cost Auditors for conducting audit of the cost records maintained by the Company relating to Bulk Drugs and Formulations for the financial year 2023-24.

d) Internal Auditors:

The Board of Directors appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2023-24.

25. Risk Management:

The Company has constituted a Risk Management Committee and formulated Enterprise Risk Management Policy which functions as a guiding tool in fulfilling the management's responsibility towards risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management Committee, Audit Committee and the Board of Directors of the Company.

26. Material Changes:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2023. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

27. Annual Return:

A copy of the Annual Return as required under Section 92(3) of the Act has been placed on the Company's website. The web-link as required under Section 134(3)(a) of the Act is as under: https://alembicpharmaceuticals.com/notices-correspondences-disclosures/

28. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure D.

29. Particulars of employees and related disclosures:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure E.

A statement showing the names and particulars of the employees falling within the purview of Rule 5(2) of the aforesaid rules are provided in the Annual Report. The Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and the same will be furnished on request in writing to the members.

30. Other Disclosures:

a) The Company has not accepted/renewed any deposits. Further, there has been no default in repayment of deposits or interest thereon on unclaimed deposits.

b) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

c) Neither the Managing Directors nor the Whole-time Directors of the Company have received any remuneration or commission from any of its subsidiaries.

d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

e) No fraud has been reported by the Auditors to the Audit Committee or the Board.

f) The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and has constituted the Internal Complaints Committee to redress complaints received regarding sexual harassment. During the year, no complaint was received by the Company.

g) Neither application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

h) No settlements have been done with banks or financial institutions.

31. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

On behalf of the Board of Directors,

Chirayu Amin
Chairman & Chief Executive Officer
(DIN: 00242549)

Date: 5th May, 2023
Place: London

Alembic Pharmaceuticals Limited
CIN: L24230GJ2010PLC061123
Regd. Office: Alembic Road, Vadodara - 390 003
Tel: +91 265 6637000
Website: www.alembicpharmaceuticals.com
Email Id: apl.investors@alembic.co.in

Annexure A

Annual Report on CSR Activities for the financial year ended 31st March, 2023

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Act read with rules framed thereunder and provides for carrying out CSR activities in the area of Education, Healthcare including preventive healthcare, Rural Development, Sanitation, etc. either directly by the Company or through 'Non-Profit Organisations', viz. Alembic CSR Foundation, Bhailal Amin General Hospital, Rural Development Society, Uday Education Society and others or by way of contribution to Central / State Government Relief Funds.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Chirayu Amin	Chairman	4	4
2.	Mr. K. G. Ramanathan	Member	4	4
3.	Mr. Paresh Saraiya	Member	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

https://alembicpharmaceuticals.com/corporate-social-responsibility/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The Company has carried out Impact Assessment through an Independent Agency; 3DM Dataworks, which has undertaken Impact Assessment Study of the following major projects/activities:

a) Construction of hundred individual toilets in Panchdevla village

b) Strengthening of earthen dam with a waste weir at Parekhpura village

c) Installation of seven water ATMs

d) Reconstruction of seven Aganwadies

e) Running of Vikas school (secondary/senior secondary school for approx 300 students from nearby villages)

f) Pan India distribution of Covid-19 protective gear (masks) to health personnel

The Impact Assessment Report can be accessed at:

https://alembicpharmaceuticals.com/corporate-social-responsibility/

5.

(a) Average net profit of the Company as per section 135(5): ₹1,078.01 Crores

(b) Two percent of average net profit of the Company as per section 135(5): ₹21.56 Crores

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (b+c-d): ₹21.56 Crores

6. (a) **Amount spent on CSR Projects (Both Ongoing and other than ongoing Projects):** ₹21.18 Crores

(b) **Amount spent in Administrative Overheads (including capital assets for administrative purpose):** ₹0.35 Crore

(c) **Amount spent on Impact Assessment, if applicable:** ₹0.05 Crore

(d) **Total amount spent for the Financial Year (a+b+c):** ₹21.58 Crore

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
21.58	Nil	-	-	Nil	-

(f) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	21.56
(ii)	Total amount spent for the Financial Year	21.58
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.02

7. **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:** No.

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

Signing both on behalf of the Company and the Committee,

Chirayu Amin
Chairman & Chief Executive Officer and Chairman of CSR Committee
(DIN: 00242549)

Annexure B

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone.

Statement on Impact of Audit Qualifications for the financial year ended 31st March, 2023

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I. (₹ in Crores)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total income	5,152.54	5,152.54
2	Total Expenditure	4,806.61	4,806.61
3	Profit Before Exceptional Item and Tax	345.93	345.93
4	Exceptional Item (Net of Tax)	-	1,025.66
5	Profit / (Loss) for the Period	346.73	(678.93)
6	Earnings Per Share	17.64	(34.54)
7	Total Assets	6,130.42	6,130.42
8	Total Liabilities	1,716.12	1,716.12
9	Net Worth	4,414.30	4,414.30
10	Any other financial item(s) (as felt appropriate by the management)	No	No

II. Audit Qualification (each audit qualification separately):

a Details of Audit Qualification:

"We refer to Note No. 2b to the standalone financial results regarding Draft Scheme of Arrangement ("Scheme") approved by the Board of Directors in its meeting held on March 2, 2023, involving reorganisation/utilisation of General Reserve, between the Company and its shareholders with effect from the appointed date i.e. January 1, 2023 which is pending before regulatory authorities. Further, the company has withdrawn INR 1,025.66 crores from General Reserve and transferred the same to the Statement of Profit and Loss for the year ended March 31, 2023 under the head "Exceptional Items". We are of the opinion that the said treatment does not meet the criteria of "Income" under Indian Accounting Standards ("Ind AS") and therefore, the same should not be recognised in the Statement of Profit and Loss for the year. Had this transfer not been effected, Profit after tax for the year and consequently Retained Earnings as at March 31, 2023 would have been reduced by INR 1,025.66 crores, General Reserve as at March 31, 2023 would have been increased by INR 1,025.66 crores and Basic and Diluted Earnings per Share for the year ended March 31, 2023 would have been lower by INR 52.18 on standalone basis."

b Type of Audit Qualification : Qualified Opinion

c Frequency of qualification: Appeared first time d **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

The Board of the Company has approved Draft Scheme of Arrangement between the Company and its shareholders ("Scheme"), which provides for reorganization / utilization of General Reserve of the Company, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder ('the Act'), with the Appointed Date of January 1, 2023.

With reference to Note No. 2b, an amount equivalent to the amount of write-off and impairment of assets / Identified CWIP (net of deferred tax amount) has been transferred from General Reserve to the Statement of Profit and Loss for the financial year ended on March 31, 2023 in order to maintain the accumulated unconditional distributable profits that existed before giving effect of write-off / impairment of Identified CWIP, in a manner permitted under the Act, and in alignment with intention specified in the Scheme.

It is pertinent to note that the transfer of General Reserve to the Statement of Profit and Loss, as aforesaid, does not have any impact on the networth of Company and it is a mode of utilization of the General Reserve of the Company.

The management has considered it appropriate to give the above accounting treatment together with giving effect to the provisions of the Scheme in the financial results for the financial year ended on March 31, 2023, pending approval from Hon'ble NCLT, given that appointed date (January 1, 2023) falls within the FY 2022-23 and that there is high probability of effectiveness of the Scheme and to avoid reopening / restating the financial statements post receipt of all requisite approvals.

Said treatment gives an appropriate presentation of financial results given that Identified CWIP was built-up over the years and its debit to P&L in the current year does not reflect true financial result for the current year and as such also, said treatment provides better / true reflection of the financial results of the current financial year.

e **For Audit Qualification(s) where the impact is not quantified by the auditor:** Not Applicable

III. Signatories:

Chirayu Amin
Chairman and CEO
(DIN: 00242549)

Paresh Saraiya
Chairman of Audit Committee
(DIN: 00063971)

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)

Vishal P. Doshi
Partner, Statutory Auditor
(Membership No. 101533)

Date: 5th May, 2023
Place: Vadodara

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated.

Statement on Impact of Audit Qualifications for the financial year ended 31st March, 2023

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I. (₹ in Crores)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total income	5,655.36	5,655.36
2	Total Expenditure	5,269.86	5,269.86
3	Profit Before Exceptional Item and Tax	354.59	354.59
4	Exceptional Item (Net of Tax)	-	1,025.66
5	Profit / (Loss) for the Period	341.99	(683.67)
6	Earnings Per Share (in ₹)	17.40	(34.78)
7	Total Assets	6,182.83	6,182.83
8	Total Liabilities	1,812.36	1,812.36
9	Net Worth	4,370.47	4,370.47
10	Any other financial item(s) (as felt appropriate by the management)	No	No

II. Audit Qualification (each audit qualification separately):

a **Details of Audit Qualification:**

"We refer to Note No. 3b to the consolidated financial results regarding Draft Scheme of Arrangement ("Scheme") approved by the Board of Directors of Holding Company in its meeting held on March 2, 2023, involving reorganisation/utilisation of General Reserve, between the Holding Company and its shareholders with effect from the appointed date i.e. January 1, 2023 which is pending before regulatory authorities. Further, the Holding Company has withdrawn INR 1,025.66 crores from General Reserve and transferred the same to the Statement of Profit and Loss for the year ended March 31, 2023 under the head "Exceptional Items". We are of the opinion that the said treatment does not meet the criteria of "Income" under Indian Accounting Standards ("Ind AS") and therefore, the same should not be recognised in the Statement of Profit and Loss for the year. Had this transfer not been effected, Profit after tax for the year and consequently Retained Earnings as at March 31, 2023 would have been reduced by INR 1,025.66 crores, General Reserve as at March 31, 2023 would have been increased by INR 1,025.66 crores and Basic and Diluted Earnings per Share for the year ended March 31, 2023 would have been lower by INR 52.18 on consolidated basis."

b **Type of Audit Qualification :** Qualified Opinion

c **Frequency of qualification:** Appeared first time d **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

The Board of the Company has approved Draft Scheme of Arrangement between the Company and its shareholders ("Scheme"), which provides for reorganization/utilization of General Reserve of the Company, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder ('the Act'), with the Appointed Date of January 1, 2023.

With reference to Note No. 3b, an amount equivalent to the amount of write-off and impairment of assets/Identified CWIP (net of deferred tax amount) has been transferred from General Reserve to the Statement of Profit and Loss for the financial year ended on March 31, 2023 in order to maintain the accumulated unconditional distributable profits that existed before giving effect of write-off/impairment of Identified CWIP, in a manner permitted under the Act, and in alignment with intention specified in the Scheme.

It is pertinent to note that the transfer of General Reserve to the Statement of Profit and Loss, as aforesaid, does not have any impact on the networth of Company and it is a mode of utilization of the General Reserve of the Company.

The management has considered it appropriate to give the above accounting treatment together with giving effect to the provisions of the Scheme in the financial results for the financial year ended on March 31, 2023, pending approval from Hon'ble NCLT, given that appointed date (January 1, 2023) falls within the FY 2022-23 and that there is high probability of effectiveness of the Scheme and to avoid reopening/restating the financial statements post receipt of all requisite approvals.

Said treatment gives an appropriate presentation of financial results given that Identified CWIP was built-up over the years and its debit to P&L in the current year does not reflect true financial result for the current year and as such also, said treatment provides better/true reflection of the financial results of the current financial year.

e **For Audit Qualification(s) where the impact is not quantified by the auditor:** Not Applicable

III. **Signatories:**

Chirayu Amin
Chairman and CEO
(DIN: 00242549)

Paresh Saraiya
Chairman of Audit Committee
(DIN: 00063971)

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)

Vishal P. Doshi
Partner, Statutory Auditor
(Membership No. 101533)

Date: 5th May, 2023
Place: Vadodara

Annexure C

Secretarial Audit Report

For the Financial Year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
Alembic Pharmaceuticals Limited
Alembic Road,
Vadodara - 390 003,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Alembic Pharmaceuticals Limited** ("Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

i. The Companies Act, 2013 ("Act") and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992: -

   a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable;

   b. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable;

   d. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable;

e. SEBI (Prohibition of Insider Trading) Regulations, 2015;

f. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

g. SEBI (Delisting of Equity Shares) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable;

h. SEBI (Depositories and Participants) Regulations, 2018;

i. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

j. SEBI (Debenture Trustees) Regulations, 1993.

vi. Other sector specific laws as follows:

a. The Drugs and Cosmetics Act, 1940 and the rules made thereunder;

b. The Narcotic Drugs and Psychotropic Substances Act, 1985 and the rules made thereunder;

c. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made thereunder;

d. Drugs (Prices Control) Order, 2013;

e. Food Safety and Standards Act, 2006 and the rules made thereunder.

We have also examined compliance with the applicable clauses / regulations of the following: -

I. Secretarial Standards issued by The Institute of Company Secretaries of India; and

II. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the review period;

B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;

C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;

D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable Laws, Rules, Regulations and Guidelines;

E. During the review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs, however;

I. The Company has received approval of National Company Law Tribunal, Ahmedabad Bench, for the Scheme of Arrangement in the nature of Amalgamation of Aleor Dermaceuticals Limited ("Transferor Company") with Alembic Pharmaceuticals Limited ("Transferee Company") and their respective shareholders.

II. The Board of Directors of the Company at its meeting held on March 02, 2023, have approved the Scheme of Arrangement between Alembic Pharmaceuticals Limited and its shareholders which provides for reorganization of General Reserve of the Company, inter alia, providing for utilization of the amounts standing to the credit of the General Reserve, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder.

Sd/-
S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000258448

Place: Vadodara
Date: May 5, 2023

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

Appendix A

The Members,
Alembic Pharmaceuticals Limited
Alembic Road,
Vadodara – 390003,
Gujarat, India.

Our Secretarial Audit Report of even date is to be read along with this letter, that:

i. Maintenance of secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.

iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.

iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the Company's affairs.

Sd/-
S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021

ICSI UDIN: F003677E000258448

Place: Vadodara
Date: May 5, 2023

Annexure D

Information required under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

(A) Conservation of Energy/ Water

(i) Steps taken or impact on conservation of energy:

a) Stoppage of multiple small capacity chillers with installation of Centralized energy efficient screw chiller of 500 TR for Heating, Ventilation and Air Conditioning ("HVAC") under Variable Frequency Drive ("VFD") control to optimize specific power consumption, giving saving of 1717 KWh/day.

b) Conversion of Air Handling Unit ("AHU") from Direct expansion to chilled water or Variable Refrigerant Flow (VRF) system, giving a saving of 1408 KWh/day.

c) Replacement of existing conventional cooling system with 06 nos. Hydroid system in stability chamber has yielded an energy saving of 120 KWh/day.

d) At two of its units, conventional decanters/ centrifuges used for Effluent Treatment Plant ("ETP") sludge dewatering are replaced with Volute screw press, which not only improved the moisture content of the sludge but at the same time, resulted in saving of 80 KWh/day. The Company has plans to put screw press in two more units in 2023-24.

e) All the CFL lights have not only been replaced with energy efficient LED bulbs but wherever light requirement is not continuous, these have been fitted with motion sensors, giving additional savings.

f) Waste heat utilization – Two initiatives of utilizing waste heat of Multi Effect Evaporator ("MEE") stripper and waste heat of boiler blow down in preheating the boiler feed has resulted in saving of 3 MT of steam per day.

g) Optimization of re-generation air, used for air dryers in compressed air system has contributed in 10 % reduction of compressed air generation.

h) An additional roof top solar power generator of 896 KW Solar power generation system in one of its new formulation unit has started generating @ 3600 KWh /day.

i) Utilization of Chiller condenser heat for HVAC warm water generation has resulted in to direct saving of steam consumption of 3.1 MT/day, in its injectable facility.

j) Over the period, the Company has worked on the philosophy of not having any effluent discharge connection and either operate as a Zero Liquid Discharge ("ZLD") plant or utilize the final effluent for gardening or any other application. This has reduced the load on fresh water consumption. In spite of increase in production figures, company's net freshwater consumption has reduced by 12% in last three years. The Company's total effluent generation has also reduced by 10% in last three years.

k) There has been a regular focus on finding projects, which can reduce the net water intake. This includes efforts to collect the rainwater by providing artificial catchments or artificial ponds and reusing the collected rainwater. This also include finding better use for RO treated effluent from ETP, which earlier was being used in cooling towers, now being used directly in boilers.

l) 12000 kl collection of rainwater and reuse in various plants, at Panelav.

m) Use of First stage RO reject water in cooling towers, in place of freshwater use thereby saving 10000 kl of water in 2022-23.

(ii) Steps taken for utilising alternate sources of energy:

The Company has installed wind power and solar power generation to be used as alternate source of renewable energy.

(iii) Capital Investment on energy conservation equipments:

The Company continuously endeavors to discover usages on new technologies and tools to save energy and reduce consumption.

(B) Technology Absorption

(i) Efforts made towards technology absorption:

Innovation is the key for the growth of pharmaceutical industry and Alembic research scientists leverage on getting updated about newer product development tools and technologies to gain competitive advantage in the market. The team develop new products with niche technologies in both the APIs and finished products.

The manufacturing capabilities that have been introduced into sterile facilities span the wide range of complex injection product portfolios. New technologies to manufacture these various dosage forms are through the technology of sterile powder namely lipid-based liposomes and polymer-based microspheres. Nanoparticle delivery system technology is also introduced that uses nanoparticles for targeted administration and controlled release of therapeutic agents. Device capabilities have been introduced for manufacturing pre-filled syringes, pre-filled cartridges, pens and auto-injectors both upstream and downstream. These devices are capable of managing fixed and variable doses for routine and emergency use.

Formulation development teams work on different dosage form and deal with different challenges during the development of new product. Four new technologies such as spray drying, hot melt extrusion, wet milling using Dyno-mill and dry granulation using roller compactor were introduced in R&D for making the drug products.

The pharmaceutical industry spends more as a percentage of sales on Research and Development than any other industry.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

(a) The Company filed 20 ANDAs and 6 DMFs with USFDA in this fiscal year. The cumulative ANDA filings stood at 245 and 179 approvals (including 24 tentative approval) have been received till 31st March, 2023 including 1 NDA and the cumulative DMFs stood at 131. The continuous research activities have led to commercialization of in-house formulations in the USA market.

(b) The Company has R&D workforce of more than 850.

(c) Our endeavor to expand our product pipeline and the tenacity of purpose has established itself making us a strongly research-driven Organization.

(d) Till date 729 patents for Active Pharmaceutical Ingredients (APIs) and Intermediates and 1 patent application for New Chemical Entities (NCEs) as well as 311 patents for formulations have been filed.

(e) With the increase in thrust on cost optimization, at Alembic Research Centre, scientists have focused on specific cost reduction projects for the molecules which are already generic in the regulated market, which has experienced price erosion.

(iii) Information regarding technology imported, during the last 3 years: Nil

(iv) Expenditure incurred on Research and Development:

(₹ in Crores)

Particulars		2023	2022
(a)	Capital	31.13	53.55
(b)	Recurring Opex	544.26	628.25
(c)	Non Recurring Opex	155.13	188.01
(d)	Total	730.52	869.82
(e)	Total R&D expenditure as a percentage of total turnover	14%	17%

(C) Foreign Exchange Earnings and Outgo:

Foreign exchange earned in terms of actual inflows during the financial year 2022-23 was ₹2,621.00 Crores.

Foreign exchange outgo in terms of actual outflows during the financial year 2022-23 was ₹684.56 Crores.

On behalf of the Board of Directors,

Chirayu Amin
Chairman & Chief Executive Officer
(DIN: 00242549)

Annexure E

As per the provisions of Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board's Report.

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary in the financial year:

Name	Ratio to median remuneration	% Increase in remuneration in the financial year
Independent Directors		
Mr. K. G. Ramanathan	1:0.34084	Nil
Mr. Pranav Parikh	1:0.34084	Nil
Mr. Paresh Saraiya	1:0.34084	Nil
Dr. Archana Hingorani	1:0.34084	Nil
Mr. Ashok Kumar Barat	1:0.34084	N.A.
Mr. Jai Diwanji (Appointed w.e.f. 5th May, 2023)	N.A.	N.A.
Executive Directors, CEO & CFO		
Mr. Chirayu Amin, Chairman & CEO	1:0.00465	(64.37)
Mr. Pranav Amin, Managing Director	1:0.00335	(39.80)
Mr. Shaunak Amin, Managing Director	1:0.00335	(39.80)
Mr. R. K. Baheti, Director-Finance & CFO	1:0.00719	(27.19)
Company Secretary		
Mr. Charandeep Singh Saluja	-	11.00
Ms. Manisha Saraf (Appointed w.e.f. 1st April, 2023)	-	N.A

Percentage increase in the median remuneration of employees in the financial year	(9.16)%
Number of permanent employees on the rolls of company	14,593
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	10.16% (Non-Managerial Personnel) (42.79)% (Managerial Personnel)

We affirm that the remuneration paid to the Managerial and Non-Managerial Personnel is as per the Nomination and Remuneration policy of the Company.

On behalf of the Board of Directors,

Chirayu Amin
Chairman & Chief Executive Officer
(DIN: 00242549)

Report on Corporate Governance

1. Company's Philosophy

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and management of the Company is an important part of corporate governance.

The Company has always been committed to the principles of good corporate governance.

Alembic endeavors to make its management team empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. The Board has also institutionalized good management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

2. Board of Directors

- **Composition of the Board**

  The Board of Directors consist of 3 Promoter Executive Directors, 1 Professional Executive Director and 6 Independent Non-Executive Directors. The Chairman of the Board is an Executive Director. As on 31st March, 2023, 5 out of 9 directors and on the date of this Report, 6 out of 10 Directors are Non-Executive Independent Directors including 1 Woman Director. Hence, the Board meets the requirement of having at least one Independent woman director and not less than 50% of the Board strength comprising of Non-Executive Independent Directors.

- **Number of Board Meetings held and the dates of the Board Meetings**

  Seven (7) Board Meetings were held during the financial year ended 31st March, 2023 on 2nd May, 2022, 10th June, 2022, 4th August, 2022, 13th September, 2022, 11th November, 2022, 1st February, 2023 and 2nd March, 2023. The time gap between any two meetings was not exceeding one hundred and twenty days.

- **Details of composition and category of Directors, attendance at the Board Meetings, Annual General Meeting and shareholding of each Director:**

Name of the Director	Category	No. of Board Meetings held & attended during the financial year	Attend-ance at the last AGM	No. of Equity shares held in the Company[#]
Mr. Chirayu Amin	Promoter Executive	7 out of 7	Yes	42,42,529[$&]
Mr. Pranav Amin	Promoter Executive	7 out of 7	Yes	10,09,800[&]
Mr. Shaunak Amin	Promoter Executive	7 out of 7	Yes	10,06,980[&]
Mr. R. K. Baheti	Professional Executive	7 out of 7	Yes	Nil
Mr. K. G. Ramanathan	NED (I)[*]	7 out of 7	Yes	Nil
Mr. Pranav Parikh	NED (I)[*]	7 out of 7	Yes	22,210[^]
Mr. Paresh Saraiya	NED (I)[*]	6 out of 7	Yes	4,824[^]
Dr. Archana Hingorani	NED (I)[*]	7 out of 7	Yes	Nil
Mr. Ashok Kumar Barat	NED (I)[*]	7 out of 7	Yes	Nil
Mr. Jai Diwanji[@]	NED (I)[*]	N.A.	N.A.	Nil

[#]The Company has not issued any convertible instruments.
[$]7,73,250 Equity Shares are held in the name of Chirayu Amin in the capacity of Karta of Chirayu Ramanbhai Amin HUF.
[&]Shares held as First holder.
[*]NED (I) means Non-Executive Director (Independent).
[^]Jointly with immediate relatives.
[@]Mr. Jai Diwanji was appointed as an Additional Director w.e.f. 5th May, 2023.

- **Number of other board of directors or committees in which a Director is a director/member/ chairperson[1]:**

Name of the Director	No. of Directorships	No. of Committee Memberships		No. of Committee Chairmanships	
		All committees	Only Audit & Stakeholders Relationship Committee	All committees	Only Audit & Stakeholders Relationship Committee
Mr. Chirayu Amin	4	4	1	3	1
Mr. Pranav Amin	3	3	1	-	-
Mr. Shaunak Amin	1	-	-	-	-
Mr. R. K. Baheti	-	-	-	-	-
Mr. K. G. Ramanathan	-	-	-	-	-
Mr. Pranav Parikh	1	-	-	-	-
Mr. Paresh Saraiya	2	2	1	1	1
Dr. Archana Hingorani	4	16	7	5	2
Mr. Ashok Kumar Barat	4	10	4	5	4
Mr. Jai Diwanji	3	10	5	4	1

[1]Public limited companies.

- **Names of the listed entities where the person is a director and the category of directorship.**

Name of the Director	Name of the listed entities and category of directorship
Mr. Chirayu Amin	1. Alembic Limited, Non-Executive Chairman
	2. Paushak Limited, Non-Executive Chairman
Mr. Pranav Amin	1. Elecon Engineering Company Limited, Non-Executive Independent Director
	2. Max Healthcare Institute Limited, Non-Executive Independent Director
Mr. Shaunak Amin	-
Mr. R. K. Baheti	-
Mr. K. G. Ramanathan	-
Mr. Pranav Parikh	-
Mr. Paresh Saraiya	-
Dr. Archana Hingorani	1. Den Networks Limited, Non-Executive Independent Director
	2. 5Paisa Capital Limited, Non-Executive Independent Director
	3. Grindwell Norton Limited, Non-Executive Independent Director
	4. Balaji Telefilms Limited, Non-Executive Independent Director
Mr. Ashok Kumar Barat	1. Bata India Limited, Non-Executive Independent Director
	2. Birlasoft Limited, Non-Executive Independent Director
	3. Huhtamaki India Limited, Non-Executive Independent Director
Mr. Jai Diwanji	1. Elecon Engineering Company Limited, Non-Executive Independent Director
	2. Nesco Limited, Non-Executive Independent Director
	3. Kaira Can Company Limited, Non-Executive Independent Director

Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 (the "Act") and Regulation 17A & 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), none of the Directors holds Directorships in more than 20 Companies (Public or Private), 10 Public Companies, 7 Listed Companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 5. None of the Directors serve as Independent Director in more than 7 Listed Companies. None of the Director who serves as Whole-Time Director or Managing Director in any Listed Company serves as Independent Director in more than 3 Listed Companies.

- **Disclosure of relationships between directors inter-se**

  Mr. Chirayu Amin, Chairman & CEO is the father of Mr. Pranav Amin and Mr. Shaunak Amin, Managing Directors of the Company. None of the other Directors are related to each other.

- **Familiarisation Programmes for Independent Directors**

  The Company has conducted familiarisation programmes for Independent Directors during the financial year. The details for the same have been disclosed on the website of the Company at the following web-link:
  https://alembicpharmaceuticals.com/wp-content/uploads/2022/02/Familiarization-Programme.pdf

- **Confirmation on the independence of the Independent Directors**

  The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations, 2015 and are Independent of the Management.

- **Matrix setting out the skills/expertise/ competence of the board of directors**

  The board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the board along with its availability assessment collectively for the board and individually for each Director are as under:

Core skills/ Experience/Competence	Actual Availability with current board	Mr. Chirayu Amin	Mr. Pranav Amin	Mr. Shaunak Amin	Mr. R. K. Baheti	Mr. K. G. Ramanathan	Mr. Pranav Parikh	Mr. Paresh Saraiya	Dr. Archana Hingorani	Mr. Ashok Kumar Barat	Mr. Jai Diwanji
Industry Skills											
(a) Healthcare Industry Knowhow	Available	√	√	√	√	√	√	√	√	-	-
(b) Creating value through Intellectual Property Rights	Available	√	√	√	-	-	-	-	-	-	-
(c) Global Operations	Available	√	√	√	√	√	√	√	√	√	√
(d) Value Spotting and Inorganic Growth	Available	-	√	√	√	-	√	√	-	√	√
(e) Previous Board Experience on similarly sized or bigger companies	Available	√	-	-	√	√	√	√	-	√	√
Technical Skills/Experience											
(a) Strategic planning	Available	√	√	√	√	√	√	√	√	√	√
(b) Risk and compliance oversight	Available	√	√	√	√	√	√	√	-	√	√
(c) Marketing	Available	√	√	√	-	-	√	√	-	√	-
(d) Policy Development	Available	-	√	√	√	√	√	√	√	√	-
(e) Accounting, Tax, Audit and Finance	Available	-	√	-	√	√	√	√	√	√	-
(f) Legal	Available	√	-	-	√	-	-	-	-	√	√
(g) Sales/Customer Engagement	Available	-	√	√	√	√	√	√	-	-	√
(h) Public Relations and Liasoning	Available	√	√	√	√	√	-	√	-	-	√
(i) Information Technology	Available	-	√	√	√	-	√	-	-	-	-
Behavioural Competencies											
(a) Integrity & ethical standards	Available	√	√	√	√	√	√	√	√	√	√
(b) Mentoring abilities	Available	√	√	√	√	√	√	√	√	√	√
(c) Interpersonal relations	Available	√	√	√	√	√	√	√	√	√	√

3. Audit Committee

- **Composition, Name of Chairman and Members & Terms of Reference**

  The Audit Committee comprises of 5 Independent Non-Executive Directors with Mr. Paresh Saraiya as Chairman, Mr. K. G. Ramanathan, Mr. Pranav Parikh, Dr. Archana Hingorani and Mr. Ashok Kumar Barat as members. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI Listing Regulations, 2015 and the Act.

  The Statutory Auditors, Internal Auditors, Cost Auditors and other relevant Senior Management Persons are invited to attend the meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Paresh Saraiya, Chairman of Audit Committee was present at the last Annual General Meeting held on 11th November, 2022.

- **Meetings and attendance during the financial year**

  Six (6) meetings of the Audit Committee were held during the financial year ended 31st March, 2023 on 2nd May, 2022, 4th August, 2022, 13th September, 2022, 11th November, 2022, 1st February, 2023 and 2nd March, 2023.

  The attendance of each member of the Audit Committee is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Paresh Saraiya	6	5
Mr. K. G. Ramanathan	6	6
Mr. Pranav Parikh	6	6
Dr. Archana Hingorani	6	6
Mr. Ashok Kumar Barat	6	6

4. Nomination and Remuneration Committee

- **Composition, Name of Chairman and Members & Terms of Reference**

  The Nomination and Remuneration Committee comprises of 4 Independent Non-Executive Directors with Mr. K. G. Ramanathan as Chairman, Mr. Pranav Parikh, Mr. Paresh Saraiya and Dr. Archana Hingorani as members. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI Listing Regulations, 2015 and the Act. Mr. K. G. Ramanathan, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on 11th November, 2022.

- **Meetings and attendance during the financial year**

  Five (5) meetings of the Nomination and Remuneration Committee were held during the financial year ended 31st March, 2023 on 2nd May, 2022, 4th August, 2022, 13th September, 2022, 11th November, 2022 and 1st February, 2023.

  The attendance of each member of the Nomination and Remuneration Committee is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K. G. Ramanathan	5	5
Mr. Chirayu Amin#	4	4
Mr. Pranav Parikh	5	5
Mr. Paresh Saraiya	5	4
Dr. Archana Hingorani*	1	1

#Ceased to be a member w.e.f 12th November, 2022

*Appointed as member w.e.f. 12th November, 2022.

- **Performance Evaluation Criteria for Independent Directors**

  The Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of Independent Directors which includes parameters like knowledge and skills, professional conduct, duties, role and functions, independence, etc.

5. Stakeholders' Relationship Committee

- **Composition, Name of Chairman and Members & Terms of Reference**

  The Stakeholders' Relationship Committee comprises of 3 Directors with Mr. Paresh Saraiya as Chairman, Mr. Pranav Amin and Mr. R. K. Baheti as members. The terms of reference of the Committee cover the matters specified for Stakeholders' Relationship Committee under the SEBI Listing Regulations, 2015 and the Act. Mr. Paresh Saraiya was present at the last Annual General Meeting held on 11th November, 2022.

  Mr. Charandeep Singh, Company Secretary was the Compliance Officer of the Company till 21st March, 2023. Ms. Manisha Saraf, Company Secretary is the Compliance Officer of the Company w.e.f. 1st April, 2023.

  No. of shareholders' complaints received during the financial year: 23

  No. of complaints not solved to the satisfaction of shareholders: Nil

  No. of pending complaints: Nil

- **Meetings and attendance during the financial year**

  Four (4) meetings of Stakeholders' Relationship Committee were held during the financial year ended 31st March, 2023 on 2nd May, 2022, 4th August, 2022, 11th November, 2022 and 1st February, 2023.

  The attendance of each member of the Stakeholders Relationship Committee is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Paresh Saraiya	4	4
Mr. Pranav Amin	4	4
Mr. R. K. Baheti	4	4

6. Risk Management Committee

- **Composition, Name of Chairman and Members & Terms of Reference**

  The Risk Management Committee comprises of 3 Directors and 2 senior management personnel with Mr. Paresh Saraiya as Chairman, Mr. Pranav Amin, Mr. R. K. Baheti, Mr. Vinod Kamath and Mr. Shreekumar Nair as members. The terms of reference of the Committee cover the matters specified for Risk Management Committee under the SEBI Listing Regulations, 2015.

- **Meetings and attendance during the financial year**

  Two (2) meetings of the Risk Management Committee were held during the financial year ended 31st March, 2023 on 4th August, 2022 and 11th November, 2022.

  The attendance of each member of the Risk Management Committee is given below:

Name of the Director/senior management personnel	No. of meetings held	No. of meetings attended
Mr. Paresh Saraiya	2	2
Mr. Pranav Amin	2	2
Mr. R. K. Baheti	2	2
Mr. Vinod Kamath	2	2
Mr. Shreekumar Nair	2	2

7. Details of Remuneration paid to Directors

- **Executive Directors**

The details of remuneration paid to the Executive Directors for the financial year 2022-23 are given below:

(₹ in Crores)

Name & Designation of the Executive Directors	Tenure	2022-23				2021-22	% Change in remuneration
		Fixed Salary & Perquisites	Variable Performance Pay	Commission	Total Remuneration	Total Remuneration	
Mr. Chirayu Amin Chairman & CEO	5 years w.e.f. 1st April, 2021	8.80	-	-	8.80	24.70	(64.37)%
Mr. Pranav Amin Managing Director	5 years w.e.f. 1st April, 2021	8.22	4.00	-	12.22	20.30	(39.80)%
Mr. Shaunak Amin Managing Director	5 years w.e.f. 2nd May, 2018	8.22	4.00	-	12.22	20.30	(39.80)%
Mr. R. K. Baheti Director-Finance & CFO	5 years w.e.f. 1st April, 2021	4.54	1.15	-	5.69	7.81	(27.19)%
Total		**28.78**	**9.15**	**-**	**38.93**	**73.11**	**-**

Notes:

a) The criteria for variable performance incentive includes Company Performance, Periodical Reviews, Skills and Competence.

b) The Executive Directors and the Company are entitled to terminate the service contracts by giving not less than three months' notice in writing to the other party. There is no provision for payment of severance fees.

The Company does not have any Stock Options Scheme.

- **Non-Executive Directors**

Non-Executive Directors are paid ₹60,000/- as sitting fees for attending Board Meetings, ₹30,000/- for Audit Committee Meetings and ₹10,000/- for other Committee Meetings. Non-Executive Directors are also paid reimbursement of out of pocket expenses incurred for attending the meetings of the Board of Directors and Committees thereof.

The details of payment made to Non-Executive Directors during the financial year 2022-23 are as under:

(₹ in Lakhs)

Name of Director	Sitting Fees	Commission	Total
Mr. K. G. Ramanathan	7.10	12.00	19.10
Mr. Pranav Parikh	6.70	12.00	18.70
Mr. Paresh Saraiya	6.70	12.00	18.70
Dr. Archana Hingorani	6.30	12.00	18.30
Mr. Ashok Kumar Barat	6.20	12.00	18.20

The Board has approved the payment of commission to Non-Executive Independent Directors for the financial year 2022-23 which is within the limit approved by the members of the Company at the 11th Annual General Meeting of the Company held on 27th July, 2021.

The remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates.

8. General Body Meetings

- **The details of the location and time where the last three Annual General Meetings (AGMs) were held are as under:**

Financial Year	Location	Date	Time	No. of Special Resolutions passed
2021-22	N.A.[1]	11th November, 2022	3.00 p.m.	1
2020-21	N.A.[1]	27th July, 2021	3.00 p.m.	2
2019-20	N.A.[1]	22nd July, 2020	3.00 p.m.	1

[1]AGM held through Video Conferencing / Other Audio Visual Means.

- **Details of special resolution passed through postal ballot during the financial year 2022-23, person who conducted the postal ballot, details of the voting pattern and procedure of postal ballot:** Nil
- **Whether any special resolution is proposed to be conducted through postal ballot:** No

9. Means of Communication

Quarterly Results	The Company's financial results are sent to the Stock Exchanges and then they are being published in the newspapers having wide coverage.
Newspapers wherein results normally published	Are being published normally in - The Economic Times (English), The Financial Express (Gujarati) or any other leading newspapers
Website, where the results, official news releases and presentation made to institutional investors or analysts are displayed	www.alembicpharmaceuticals.com

10. General Shareholder Information

a)	Annual General Meeting Date, Time and Venue	Friday, 4th August, 2023 at 3:00 p.m. IST. The meeting will be held through VC / OAVM.
b)	Financial Year	1st April to 31st March
c)	Dividend Payment Date	On or from 8th August, 2023
d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051. The Company confirms that the annual listing fees to both the stock exchanges for the F.Y. 2023-24 have been paid.
e)	Stock Code	Please refer point no. 22 of Board's Report.
f)	Market price data – high, low during each month in last financial year	Please see Annexure A

g)	Share Performance of the Company in comparison to BSE Sensex	Please see Annexure B
h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable
i)	Registrar and Share Transfer Agents	Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Tel: +91 265 6136000 Email Id: vadodara@linkintime.co.in
j)	Share Transfer System	SEBI has mandated that w.e.f. 1st April, 2019, shares shall be transferred only in demat form. The request for share transfer in physical form received upto 31st March, 2019 were processed and transferred by Registrar and Share Transfer Agents in accordance with SEBI circulars in this regard and the share certificates were returned within the stipulated period, if the documents were accurate in all respect. No fresh requests for transfer of shares in physical form can be lodged by the shareholders. Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect requests for transmission, name deletion, duplicate share certificates, etc.
k)	Distribution of Shareholding/ Shareholding Pattern as on 31st March, 2023	Please see Annexure C
l)	Dematerialization of Shares and Liquidity	As on 31st March, 2023, 19,51,80,743 shares (99.29%) are held in dematerialised form by the shareholders.
m)	Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
n)	Commodity price risk or foreign exchange risk and hedging activities	1. The Company imports API/Intermediates/Key Starting Material (KSM) which may be prone to commodity price risk. The Company does not do any hedging except strategic procurement at times. 2. The Company is a net foreign exchange earner and like the pharma sector, faces foreign currency fluctuation risk. Looking at the broad long-term trend, the Company hedges a certain percentage of net forex earning and keeps the balance open. The disclosure pertaining to exposure & commodity risks is not applicable to the Company.

o)	Plant Locations General Oral Solid Formulation Facility – I & II (F-I & F-II), API – I, API- II	1. Panelav, Tal. Halol, Dist. Panchmahal, Gujarat.
	Injectable Facility (F-III), API-III, Derma Division	2. Karakhadi, Tal. Padra, Dist. Vadodara, Gujarat
	General Oral Solid Formulation Facility (F - IV)	3. Jarod, Taluka, Vaghodiya, Dist. Vadodara, Gujarat
	General Oral Solid Formulation Facility	4. Samardung Busty, Namthang, South Sikkim.
p)	Address for Correspondence / Investor Correspondence	1. Company Secretary & Compliance Officer Alembic Pharmaceuticals Limited Alembic Road, Vadodara - 390 003 Tel: +91 265 6637300 Email Id: apl.investors@alembic.co.in
		2. Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Radha Krishna Char Rasta, Akota, Vadodara – 390 020 Tel: +91 265 6136000 Email Id: vadodara@linkintime.co.in
q)	Credit Ratings	The Credit Rating details are given hereunder:

Instrument	₹ in Crores	Rating Agency	Rating & Outlook	Remarks
Bank Loan Facilities	600.00	CRISIL Limited	CRISIL AA+ /Stable	Reaffirmed - Fund and Non-Fund based facilities
Commercial Papers	750.00	CRISIL Limited	CRISIL A1+	Re-affirmed - Issue of Commercial Papers
Commercial Papers	750.00	CARE Ratings Limited	CARE A1+	Re-affirmed - Issue of Commercial Papers

11. Other Disclosures

a) Related Party Transactions:

The details pertaining to related party transactions and web link for the policy on dealing with related party transactions are provided at point no. 19 of the Board's Report.

b) Compliance:

There were no instances of non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

c) Vigil Mechanism/Whistle Blower Policy:

The details pertaining to Vigil Mechanism/ Whistle Blower Policy established by the Company are provided at point no. 14 of the Board's Report.

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

Mandatory requirements:

The Company complies with all the mandatory requirements of the SEBI Listing Regulations, 2015 with regard to Corporate Governance.

Non-Mandatory requirements:

a) Office for non-executive Chairman at Company's expense: Not Applicable

b) Half-yearly declaration of financial performance to each household of shareholders: Not complied

c) Modified opinion(s) in Audit Report: The Statutory Auditor's in their Reports to the members, have issued their Audit Reports with Qualified opinion as mentioned under 'Basis for Qualified Opinion' of their Reports.

The Company has provided the Statement on Impact of Audit Qualifications on Standalone Financial Statements and Consolidated Financial Statements as Annexure B to the Board's Report which shall be treated as Board's response.

d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Not complied

e) Reporting of Internal Auditors directly to Audit Committee: Complied

e) Policy for determining 'material' subsidiaries':

The Company has formed the policy for determining 'material' subsidiaries'. The same has been placed on the website of the Company and web-link to the same is as under: https://alembicpharmaceuticals.com/wp-content/uploads/2022/02/Policy-on-Material-Subsidiaries.pdf

f) Disclosure of commodity price risks and commodity hedging activities:

The details are provided at Point No. 10(n) of this report.

g) Disclosure of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015:

The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI Listing Regulations, 2015.

h) Independent Directors' Meeting:

The Independent Directors met on 5th May, 2023 to carry out the evaluation for the financial year 2022-23 and inter alia, discussed the following:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

During the financial year 2022-23, the Independent Directors meeting was held on 2nd May, 2022 to discuss the above referred points. Further, the Independent Director's meeting was also held on 2nd March, 2023 to consider and recommend to the Board of Directors, the Scheme of Arrangement in the nature of Re-organisation of General

Reserve and to approve the Report from the Committee of Independent Directors on the Scheme.

All Independent Directors were present at the aforesaid meetings.

i) **Certificate from Practising Company Secretaries:**

The Company has received a certificate from M/s. Samdani Shah & Kabra, Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such statutory authority.

j) **Fees to the Statutory Auditors of the Company:**

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 27(8) of Notes to Standalone Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

k) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The details are provided at point no. 30(f) of the Board's Report.

l) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations, 2015:**

Not Applicable.

m) **Instances of not accepting any recommendation of the Committee by the Board:**

There was no such instance where Board had not accepted any recommendation of any committee of the Board, whether mandatorily required or not, in the relevant financial year.

n) **Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

No loans and advances in the nature of loans to firms/companies in which directors are interested has been given by the Company and its subsidiaries.

o) **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

Sr. No.	Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditors	Date of Appointment of the Statutory Auditors
1	Alembic Pharmaceuticals Inc., USA	10.08.2012	New Jersey	Acquavella Chiarelli Shushter, LLP	31.03.2023

p) **Details of Unclaimed Suspense Account:**

Disclosure pertaining to Unclaimed Suspense Account as required under Schedule V of the SEBI Listing Regulations, 2015, is annexed herewith as Annexure D. The voting rights on the equity shares which are transferred to Unclaimed Suspense Account shall remain frozen till the rightful owner of such equity shares claims the shares.

Annexure A

Market price data of the Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the financial year 2022-23:

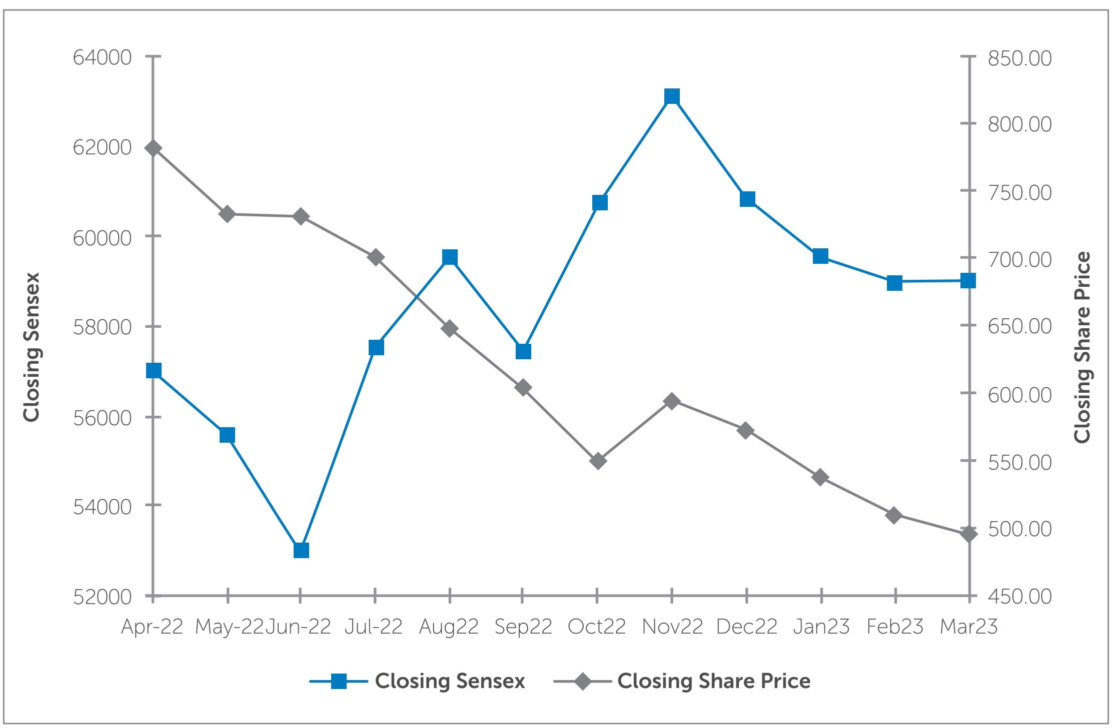
(in ₹)

Month – Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April – 2022	792.30	742.00	792.90	741.95
May – 2022	790.00	709.95	792.00	707.10
June – 2022	757.65	690.50	757.85	703.20
July – 2022	746.60	690.00	747.65	685.00
August – 2022	708.10	641.80	707.90	641.95
September – 2022	652.00	587.25	653.00	577.75
October - 2022	629.40	541.10	629.40	540.00
November – 2022	675.00	550.00	675.00	550.00
December – 2022	607.95	568.00	608.60	562.85
January – 2023	582.25	532.70	582.90	532.00
February – 2023	554.75	490.35	554.20	494.80
March – 2023	528.45	463.30	529.75	462.30

On 31st March, 2023, the closing price of the shares of the Company on BSE was ₹495.95 and on NSE was ₹496.35.

Annexure B

Share Performance of the Company in comparison to BSE Sensex:



Annexure C

The distribution of shareholding as on 31st March, 2023 is as under:

Number of Shares	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
001-500	95,785	94.13	65,41,929	3.33
501-1000	3,114	3.06	23,67,097	1.20
1001-2000	1,458	1.43	21,45,073	1.09
2001-3000	462	0.45	11,66,207	0.59
3001-4000	225	0.22	7,98,937	0.41
4001-5000	147	0.14	6,77,012	0.34
5001-10000	289	0.28	20,60,146	1.05
10001 and above	281	0.28	18,08,06,723	91.98
Total	**1,01,761**	**100.00**	**19,65,63,124**	**100.00**

Shareholding pattern as on 31st March, 2023 is as under:

Sr. No.	Category	No. of Shares Held	% of (A+B+C)
(A)	**Shareholding of Promoter & Promoter Group**		
(1)	Indian	13,58,21,273	69.10
(2)	Foreign	10,06,980	0.51
	Total Shareholding of Promoter and Promoter Group	**13,68,28,253**	**69.61**
(B)	**Public Shareholding**		
(1)	Institutions	3,51,03,229	17.86
(2)	Non-institutions	2,46,31,642	12.53
	Total Public Shareholding	**5,97,34,871**	**30.39**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**		
(1)	Promoter and Promoter Group	-	-
(2)	Public	-	-
	Total (A) + (B) + (C)	**19,65,63,124**	**100.00**

Annexure D

Details of Unclaimed Suspense Account as per the provisions of Schedule V of the SEBI Listing Regulations, 2015:

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	250	1,14,098
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	1	200
Number of shareholders to whom shares were transferred from suspense account during the year	1	200
Number of shareholders whose shares were transferred to the Investor Education and Protection Fund	45	37,003
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	204	76,895

On behalf of the Board of Directors,

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Code of Conduct

The Board has adopted code of conduct for all Board Members and Senior Management Personnel of the Company and the said code of conduct is placed on the website of the Company at www.alembicpharmaceuticals.com. A declaration signed by the Chief Executive Officer on behalf of the Board of Directors is given below:

I hereby confirm that:

As provided under the SEBI Listing Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the financial year ended 31st March, 2023 and the copy of the code of conduct is placed on the website of the Company at www.alembicpharmaceuticals.com

On behalf of the Board of Directors,

Chirayu Amin
Chief Executive Officer

Corporate Governance Compliance Certificate

For the Financial Year ended March 31, 2023 [Pursuant to Schedule V –Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
Alembic Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Alembic Pharmaceuticals Limited ("Company") for the Financial Year ended March 31, 2023 ("review period"), as per the relevant provisions of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that in respect of investor grievances received during the review period, no such grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-
S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000258327

Place: Vadodara
Date: May 5, 2023

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24230GJ2010PLC061123
2.	Name of the Listed Entity	Alembic Pharmaceuticals Limited (APL)
3.	Year of incorporation	2010
4.	Registered office address	Alembic Road, Vadodara – 390003, Gujarat, India
5.	Corporate address	Alembic Road, Vadodara – 390003, Gujarat, India
6.	E-mail	apl.investors@alembic.co.in
7.	Telephone	+91-265-663 7000
8.	Website	www.alembicpharmaceuticals.com
9.	Financial year for which reporting is being done	1st April 2022 to 31st March 2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11.	Paid-up Capital	₹39.31 Crore
	Contact Person	
12.	Name of the Person	Mr. Sushil Kharkwal, Head EHS
	Telephone	+91 267 666 4186
	Email address	sushil.kharkwal@alembic.co.in
	Reporting Boundary	
13.	Reporting Boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone-Basis Reporting

II. Product/Services

14. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturing of Pharmaceuticals	Manufacturing and trading of Active Pharmaceutical Intermediates and Finished Dosage Formulations	100%

15. Products/Services sold by the entity

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
1	Manufacturing and trading of Active Pharmaceutical Intermediates and Finished Dosage Formulations	210	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	11*	2	13
International	0	3	3

*9 Manufacturing Plants, and 2 R & D Centres

17. Market served by the entity

	Locations	Numbers
a. No. of Locations	National (No. of States)	33#
	International (No. of Countries)	77 (worldwide)
b. What is the contribution of exports as a percentage of the total turnover of the entity?	55%	
c. A brief on types of customers	Alembic's products are broadly classified into Active Pharmaceuticals Ingredients (APIs), Formulations, and International Generics, serving a large international and national customer base across various geographies. Customers include: • APIs: Pharmaceutical Companies engaged in formulation business • Formulations: Patients, healthcare facilities • International Generics: Patients, healthcare facilities	

#Includes Union territories

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	**Employees and workers (including differently-abled)**					
	Employees					
1	Permanent Employees (A)	13,875	13,212	95.22	663	4.78
2	Other than Permanent Employees (B)	0	0	NA	0	NA
3	**Total Employees (A+B)**	**13,875**	**13,212**	**95.22**	**663**	**4.78**
	Workers					
4	Permanent (C)	718	717	99.86	1	0.13
5	Other than Permanent (D)	2,047	2,006	97.99	41	2.01
6	**Total Workers (C+D)**	**2,765**	**2723**	**98.48**	**42**	**1.52**
b.	**Differently abled employees and workers**					
	Employees					
1	Permanent Employees (E)	12	10	83.33	2	16.66
2	Other than Permanent Employees (F)	0	0	NA	0	NA
3	**Total Differently abled Employees (E+F)**	**12**	**10**	**83.33**	**2**	**16.66**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Workers						
4	Permanent (G)	1	1	100	0	0
5	Other than Permanent (H)	0	0	NA	0	NA
6	**Total Differently abled Employees (G+H)**	**1**	**1**	**100**	**0**	**0**

19. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	9	1	11.11%
2	Key Management Personnel (other than Executive Directors)	1	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)*

Category	FY 2022-23 (Turnover rate in current FY, %)			FY 2021-22 (Turnover rate in current FY, %)			FY 2020-21 (Turnover rate in current FY, %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.91	28.46	26.97	27.26	23.49	27.07	17.13	10.68	16.80
Permanent Workers	4.38	0.0	4.37	5.25	0	5.23	7.59	33.33	7.72

*Data for International Business Unit only. India Branded Business team consists of medical representatives and hence their turnover rate may not be an appropriate indicator.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures	Indicate whether it is a holding/Subsidiary/Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Nirayu Limited	Holding	35.63	No
2.	Alembic Pharmaceutical Inc	Subsidiary	100	No
3.	Alembic Global Holding SA (AGH)	Subsidiary	100	No
4.	Alembic Pharmaceuticals Australia Pty Ltd	Subsidiary	100	No
5.	Alembic Pharmaceuticals Europe Ltd.	Subsidiary	100	No
6.	Alnova Pharmaceuticals SA	Subsidiary	100	No
7.	Alembic Pharmaceuticals Canada Ltd.	Subsidiary	100	No
8.	Alembic Pharmaceuticals Chile SPA	Subsidiary	100	No
9.	Alembic Pharmaceuticals S.A DE C.V	Subsidiary	100	No
10.	Genius LLC#	Subsidiary	100	No
11.	Alembic Labs LLC	Subsidiary	100	No
12.	Okner Realty LLC	Subsidiary	100	No

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures	Indicate whether it is a holding/Subsidiary/ Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
13.	Rhizen Pharmaceuticals AG	Associate	50	No
14.	Incozen Therapeutics Pvt. Ltd.	Associate	50	No
15.	Dahlia Therapeutics SA	Associate	50	No
16.	Rhizen Pharmaceuticals Inc.*	Associate	50	No
17.	Alembic Mami SPA	Joint venture	49	No
18.	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd.	Joint venture	44	No

#The Company is based out in Ukraine and the formal legal process for liquidation is yet to be initiated.
*Liquidated in FY 2022-23.

VI. CSR Details

22	a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes, CSR is applicable as per the section 135 of Companies Act, 2013 to the Company.
	Turnover (in ₹)	₹5,149 Crores
	Net worth (in ₹)	₹4,413.72 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	https://alembicpharmaceuticals.com/wp-content/uploads/2023/04/Policies-on-Business-Responsibility.pdf	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes		0	0	NA	0	0	NA
Shareholders	Yes		23	0	NA	15	0	NA
Employees and workers	Yes		0	0	NA	0	0	NA
Customers	Yes		0	0	NA	0	0	NA
Value Chain Partners	Yes		0	0	NA	0	0	NA

24 Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
1. Human Rights	Risk	Human Rights have a significant impression on the whole supply chain. It might negatively impact a company's reputation and public relations, in case of violation. Therefore, making this topic significant to company.	The Company has pivoted its focus to provide an enabling, supportive and safe environment for its employees and it also has a Policy on prevention of Sexual Harassment. They have robust redressal mechanism to address grievances related to human rights violation.	Negative implications are found due to cost incurred in systems and processes to ensure strict adherence with fundamental principles of Human Rights.
2. Product Quality and Safety	Risk	Due to increased regulatory constraints on products' quality to ensure safety of consumers. It becomes highly critical to be complaint with them in order to ensure the consumer centricity as well.	The Company consciously works for its quality commitments on priority. They nurture an environment where everyone embraces culture of quality for a responsible work produce. Alembic has progressively invested in quality enhancements initiatives across plants to comply with international standards of product quality and safety. Also, the management has ensured compliance with all applicable regulations.	Positive implication due to customer loyalty and acceptance.
3. R&D and Innovation	Opportunity	The current market scenario provides lot of opportunities to develop innovative solutions and serve customers. Being proactive in R&D, a company gains advantages in their operational efficiency, productivity and accuracy.	Alembic's R&D teams stay well-informed about newer product development tools and technologies to gain competitive market advantage. The Company has also invested significantly to augment R&D capabilities across several high-growth and high-value therapies.	Positive impact is due to increased productivity and new product development.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
4. Digital Business model and digitization	Opportunity	With growing technological advancements and innovations, more avenues are available. The pharma industry has seen a sharp rise in rapid digitization. It is expected to change the future in terms of e-pharmacies, digital clinical trials, digital pills, artificial intelligence tools, precise medicine production.	Alembic is focused on making operations digital. For this, they have drawn the contours of a digital blueprint which will be implemented in a phased manner.	Positive implications are due to increased precision, efficiency, improved quality and enhanced productivity.
5. Pharmacovigilance	Risk	It is associated with hazards of pharmaceutical products. It is important for a company to monitor the effect of their drugs to identify their adverse reactions. It is important in order to ensure patient safety.	Portal for reporting side effects of products has been set up for keeping a record of Pharmacovigilance risk after drug administration. The Company has provided a customer care number on the site to contact in case of Adverse Drug Reaction (ADR). Also, Corrective Action Preventive Actions (CAPA) is implemented for each ADR based on the incident, change control, impact analysis etc.	Negative implications are due to additional cost incurred in monitoring and tracking.
6. Clinical Trail Conduct	Risk	Clinical trials in the pharmaceutical industry play a vital role in advancing medical knowledge, developing new treatments, and ensuring patient safety. Stringent regulatory requirements needs to be followed during the process to ensure compliance with all governing bodies. Any unethical conduct may impact company's reputation negatively.	The Company ensure that all regulatory requirements are followed during the clinical trial process including obtaining informed consent from participants, ensuring patient safety, maintaining data integrity, and protecting participant privacy.	Negative implication due to additional cost incurred in the additional measure implemented in Clinical Trail process

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
7. Resilient Business Performance	Risk	Disruption of business operations can occur due to multiple risks including changing business landscape, regulatory requirements, natural or man-made disasters etc. It is imperative for a company to have robust business continuity and resilience mechanism to ensure uninterrupted Business performance.	We have a robust Risk management mechanism to effectively manage the emerging risk and develop mitigating strategies to manage them. Additionally, we have developed and adopted a Business Continuity Plan. It outlines specific emergency scenarios and a structured plan for response, rescue, and recovery. We have adopted this plan for our formulation unit and planning to develop and adopt such plans for our other facilities in future.	Negative implication due to expenditure on preparedness measures.
8. Human Resource Development	Opportunity	With drastic change in the latest technology and availability of highly skilled and knowledgeable workforce. It becomes imperative for the organizations to develop and retain right talent for effective and profitable operations.	Alembic is focused on development of talent within the organization and has a robust learning management system that provides necessary training modules to all the employees. The company prefers inhouse development talent for leadership roles through skill upgradation trainings.	Positive implication due to increased productivity of the workforce.
9. Sustainable Supply Chain	Risk	Sustainable supply chain is crucial for long-term business success, environmental stewardship, and social well-being. By integrating sustainability into supply chain strategies, companies gain numerous benefits, from cost savings and risk mitigation to enhanced brand value and competitive advantage. However, any ESG violation within the supply chain can lead to loss of business from reputed customers and can negatively company's reputation.	The Company has implemented 'sustainability assurance across value chain' procedures, wherein its critical suppliers are assessed on ESG parameters. Evaluation of its suppliers is done based on two methods, as mentioned below: • Audit Method: Under this method, the Company assesses its major suppliers on sustainability parameters by conducting an on-site audit and providing ratings to them, which is used during the procurement activities such as contract renewal • Checklist Method: The Company collects sustainability data from its suppliers through a checklist and collate it to rate them accordingly	Negative cost implication due to additional measures being taken to ensure sustainability across supply chain.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
10. Community Engagement	Opportunity	Community engagement helps the company to build trust in the community and avoid any conflicts. It is important for a company to be coherent with community needs and support them holistically.	Alembic works with different communities based on needs expressed by them. Alembic Group has established, nurtured and promoted various Non-Profit Organizations focusing on three major areas – Education, Healthcare and Rural Development for the wellbeing of the rural population.	Positive implications are found due to better reputation and goodwill.
11. Business Ethics & Corporate Governance	Risk	The conduct of business within the organization and with external environment requires ethical and true to business standards practices.	The Company has policy relating to ethics, bribery and corruption covering all the aspects of business conducts. The business model is built on the foundation of patience and perseverance of the team which encourages and inspires employees and partners to strive for excellence in what they do, keeping ethics, transparency and good governance practices in mind.	No Significant financial impact
12. Availability and affordability of medicine	Risk	The pricing and availability of medicines is a complex process due to multiple considerate variables. The medicines should be made affordable for the customer while retaining the competitive edge in the market.	Alembic's is working consistently in improving health across the globe through its affordable and high-quality generic medicines. Alembic continues to strengthen its Intellectual Capital with a focus on innovation, developing a portfolio of high-quality and affordable medicines.	Positive implications in longer run due to increased market share and development.
13. Biodiversity	Risk	For a company being established as responsible corporate citizen, it is important for that entity to work coherently with its respective biodiversity.	The Company focuses on nurturing its biodiversity through its endeavors to continuously reduce the impact of their operations on the surroundings.	Negative implication due to cost incurred for the protection of biodiversity.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
14. Waste Management	Risk	Due to their nature of industry, waste generation is unavoidable in operations. Irresponsible waste management including improper disposal, incineration of hazardous waste, poor management of biomedical waste, battery waste will lead to harmful effect on environment.	The Company is taking several steps to ensure its responsible waste management: • The Company has developed a robust mechanism to divert high calorific waste to cement industry for co-processing. • The Company has mechanism for recycling of product as well as waste. It has taken a special drive for collection of plastic waste in neighbouring village and use the same for recycled plastic material. • The Company adopts sustainable practices by using 50% recycled cardboard boxes in packaging materials.	Negative implication due to cost incurred in handling and safe disposal of waste.
15. Climate Change and GHG Emissions	Risk	Due to rapidly evolving stress on climate change and responsible operations, it is imperative to recognize the significance of GHG emissions and its impact towards climate change. The management of GHG emissions is a scattered and complex process, which can lead to critical risk.	The Company has extensive plans to reduce its GHG emissions. This includes use of solar power internally, installation of windmill, purchasing renewable power for its operations, and increase in efficiency for its manufacturing sites. Identification of the risk and control measures regarding climate related risks and Global Climate issues are addressed through its corporate policies.	Positive implication due to process improvement, energy efficiency, and improved stakeholder output.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
16. Employee Health and Safety	Risk	Employees and workers within the Company are exposed to hazardous chemicals and substances which may have health impacts.	The Company has its EHS policy which gives a broad framework for various environmental related systems and processes being followed. There is a structure of EHS personnel in all sites to ensure that safety policies and programs are implemented. Additionally, the Company undertook the following initiatives to ensure that EHS risks are being effectively mitigated: • Physical classroom training is provided to all employees on relevant EHS topics • Periodic Medical checkups are conducted for all employees and contractual workers. • A robust Risk assessment exercise is conducted to effectively mitigate the EHS Risks • Appropriate PPEs are provided to employees as per their job role. • Strict following of SOPs for Chemical handling. • Continuous efforts to identify unsafe act & conditions at workplace.	Negative impact due to increased operational cost incurred on safety trainings and protective gears.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
17. Energy Management	Risk	The effective use of energy sources is mandatory to manage cost to company and reduce environmental burden. With evolving focus on climate, the use of conventional fuels including fossil fuels is going to diminish.	Alembic has generously invested in renewable energy that includes: 1. Increasing its solar energy capacity by installing roof solar panels and the Company is in process of setting up a solar plant of 12 MW. 2. Installation of windmills to increase the share of renewable energy. The Company is working extensively in development of flow chemistry as well for its production process, which is likely to result in improvement of yield, energy consumption reduction.	Negative impact due to increased cost of fuel and capex in energy efficiency appliances. However, positive financial impact is expected in long-run due to lower cost of energy.
18. Water Management	Risk	Excessive consumption and toxic discharge are implications of faulty water management which poses risks of regulatory restrictions, stakeholder activism, and operational shutdown. Continual supply is necessary to support multiple activities like heating, cooling, washing, distillation and other manufacturing activities throughout the production process.	Alembic is working in multiple avenues for responsible water management. • The Company has converted all its API site to Zero Liquid Discharge (ZLD) and all its formulation units uses their treated effluents in gardening and as process inputs. • In its efforts to restore ground water, the Company has made numerous charging wells and is adding more every year. • The Company effectively uses its waste water by using domestic treated water in gardening and industrial treated water in boilers and chillers. The Company has constructed artificial ponds at some sites for effective rainwater harvesting.	Negative implication due to cost incurred in handling and safe disposal.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes, all the Business Responsibility Policies (including amendments thereto) have been formulated by the management of the Company in consultation with the relevant stakeholders and are approved by the Board of Directors of the Company.								
	c. Web Link of the Policies, if available	The link for the policies is as under: https://alembicpharmaceuticals.com/wp-content/uploads/2023/04/Policies-on-Business-Responsibility.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4.	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	USFDA, WHO GMP, TGA (Australia), Cofepris, EU GMP, Korean FDA, ANVISA, Danish Medicines Agency, PMDA, Health Canada.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	a. Net zero by 2040 b. Water neutrality by 2027 c. Plastic waste recycle 95% by 2026 d. Critical supplier assessment 50% by 2026								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA

Governance, Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

At Alembic Pharmaceuticals Limited, the Company believes in creating a sustainable ecosystem that generates shared value for all our stakeholders. With evolving times, the Company has pivoted its focus in transforming its business to operate in a more social and responsible manner. We are in the process to commence our sustainable journey this year by evaluating our operations to identify key areas that can be improved to enhance our performance on ESG parameters. The Company has set targets for reducing environment footprints of our products and operations and improve its performance in a continual manner.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Pranav Amin Designation: Managing Director DIN Number: 00245099 Email Id: apl.investors@alembic.co.in
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Pranav Amin and Mr. Shaunak Amin, Managing Directors of the Company are responsible for decision making on sustainability relates issues. Additionally, the Company has a Board-level committee on risk management which is also responsible to oversee all aspects of Sustainability and ESG.

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the Board is the ultimate owner of the Business Responsibility Policy. Respective Board committees or authorised team members review functioning of the applicable policies and performance against set objectives during quarterly meetings.									Quarterly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, the Company has a robust compliance management system which tracks all applicable compliances under existing statutes and regulations. During the reporting period, no penalties or fines, were imposed on the Company for any non-compliance related matters. Audit Committee has been entrusted with the responsibility to oversee compliance with applicable regulations. The Company has software based compliance management system.									Monthly								

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency**	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No	No	No	No	No	No	No	No	No
	In addition to statutory audits & certification, a periodical internal assessment is a part of the Company's culture to oversee the implementation of principles laid down.								

12. **If answer to Question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	01	Principles of Environmental, Social and Governance	88.88
Key Management Personnel	The Company has a integrated LMS system through which the training modules are delivered across the organization	The Company has a structured training programme in place for its employees comprising of induction program, classroom program, training through online management system (LMS), on-job training, and training through experts. Training topics include data integrity, safety, emergency preparedness, skill-upgradation, ethics, code of conduct, prevention of sexual harassment (POSH).	100
Employees other than BODs and KMPs			
Workers			

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format.**

During FY 2022-23, there were no such reported cases on the Company.

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement/agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty /Fine		NIL			
Settlement		NIL			
Compounding Fees		NIL			

	NGRBC Principle	Name of the regulatory/enforcement/ agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		NIL		
Punishment		NIL		

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, the Company has an Anti-Corruption and Anti-Bribery Policy, which provides safeguards to prevent the Company in the event of any activity related to bribery, corruption, facilitation payments or kickbacks. The policy is not available in public-domain, however, it is circulated internally through the Company's intranet portal. Additionally, Anti-corruption aspects are also covered in our BRR policy which can be accessed.
   https://alembicpharmaceuticals.com/wp-content/uploads/2023/04/Policies-on-Business-Responsibility.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:**

   During FY 2022-23, there were no such reported cases on the Company.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

Type	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	1.9%	0.3%	• Improvement in medicine effectiveness • Process Improvement for reduction in nitrosamine impurities.
Capital Expenditure (CAPEX)	8.8%	19.8%	• Installation of Renewable power capacity through Solar Park & roof top solar plants • Technology up gradation in environment facilities • Recharge wells for recharging rainwater • Other energy conservation and emission reduction initiatives.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the Company has implemented 'sustainability assurance across value chain' procedures, wherein its critical suppliers are assessed on ESG parameters. Evaluation of its suppliers is done based on two methods, as mentioned below:

   - **Audit Method:** Under this method, the Company assesses its major suppliers on sustainability parameters by conducting an on-site audit and providing ratings to them, which is used during the procurement activities such as contract renewal.
   - **Checklist Method:** The Company collects sustainability data from its suppliers through a checklist and collate it to rate them accordingly.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   4.5% of Critical Suppliers*

   *Critical suppliers include Key Supplier for API and Advance Intermediate.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**
   The Company has Plastic management plan in place to collect plastic through a third-party agency from market of equivalent value that is introduced by the Company. Additionally, the Company brings back all date expired products and responsibly dispose them through incineration.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**
   As per the statutory requirements, the Company is registered with CPCB for its EPR liabilities to collect and recycle/ decompose the plastic waste generated because of its products. The company has successfully fulfilled its liabilities for FY 2022-23.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	13,212	13,212	100	13,212	100	NA	NA	0	0	NA	NA
Female	663	663	100	663	100	663	100	NA	NA	663	100
Total	**13,875**	**13,875**	**100**	**13,875**	**100**	**663**	**100**	**0**	**0**	**663**	**100**
Other than Permanent Employees											
Male	0	0	NA	0	NA	0	NA	0	NA	0	NA
Female	0	0	NA	0	NA	0	NA	0	NA	0	NA
Total	**0**	**0**	**NA**	**0**	**NA**	**0**	**NA**	**0**	**NA**	**0**	**NA**

b. **Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	717	717	100	717	100	NA	NA	0	0	NA	NA
Female	1	1	100	1	100	1	100	NA	NA	1	100
Total	**718**	**718**	**100**	**718**	**100**	**1**	**100**	**0**	**0**	**1**	**100**
Other than Permanent Workers											
Male	2,006	2,006	100	2,006	100	NA	NA	NA	NA	NA	NA
Female	41	41	100	41	100	41	100	NA	NA	41	100
Total	**2,047**	**2,047**	**100**	**2,047**	**100**	**41**	**100**	**NA**	**NA**	**41**	**100**

2. **Details of retirement benefits, for Current FY and Previous Financial Year:**

S. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100	100	Y	100	100	Y
2	Gratuity	100	100	Y	100	100	Y
3	ESI	100	100	Y	100	100	Y

*ESIC is covered as per statutory limit

3. **Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:**

   Yes, the premises and offices of the Company are accessible to differently abled employees and workers, in accordance with the Rights of Persons with Disabilities Act, 2016. The Company ensures that the facilities are friendly to people with special needs and has provided ramps and requisite infrastructure for the differently abled.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:**

   Yes, the Company has an equal opportunity policy in place as a part of its BRSR policy which highlights on providing equal opportunities to every competent applicant in jobs/promotions, skill up gradation and does not discriminate based on one's race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, and nationality.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	73.5%	NA	NA
Total	**100%**	**73.5%**	**NA**	**NA**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company ensures quick redressal of all the raised complaints and maintain confidentiality of the concerned individual/s within the whole process. A quarterly report is shared with the Chairman and / or Managing Director of the Company about the total complaints received along with the summary of findings and corrective actions taken by respective Committee handling issues related to HR, Admin etc.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	13,212	0	0	12,489	0	0
Female	663	0	0	628	0	0
Others	0	0	0	0	0	0
Total	**13,875**	**0**	**0**	**13,117**	**0**	**0**
Permanent Workers						
Male	717	0	0	634	0	0
Female	1	0	0	1	0	0
Others	0	0	0	0	0	0
Total	**718**	**0**	**0**	**635**	**0**	**0**

8. **Details of training given to employees and workers:**

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation*		Total (D)	On Health and safety measures		On Skill upgradation*	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	13,212	13,212	100	23	0.17	12,489	12,489	100	8	0.06
Female	663	663	100	1	0.15	628	628	100	0	NA
Total	**13,875**	**13,875**	**100**	**24**	**0.17**	**13,117**	**13,117**	**100**	**8**	**0.06**
Permanent Workers										
Male	717	717	100	0	NA	634	634	100	0	NA
Female	1	1	100	0	NA	1	1	100	0	NA
Total	**718**	**718**	**100**	**0**	**NA**	**635**	**635**	**100**	**0**	**NA**

* Only external trainings are considered in skill trainings. (point 8)

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	% (D/C)
Permanent Employees						
Male	13,212	13,212	100	12,489	12,489	100
Female	663	663	100	628	628	100
Others	0	0	NA	0	0	NA
Total	**13,875**	**13,875**	**100**	**13,117**	**13,117**	**100**

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	% (D/C)
Permanent Workers						
Male	717	717	100	634	634	100
Female	1	1	100	1	1	100
Others	0	0	NA	0	0	NA
Total	**718**	**718**	**100**	**634**	**634**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, the Company has a well-defined Occupational Health and Safety Management System.
a. What is the coverage of such system?	The system covers all these suppliers, contractors, employees, contract workers and others which are engaged with the Company. Therefore, the coverage of the system is 100% of the Company.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company follows the guidelines of Process Hazard Analysis (PHA) for identifying and managing risks, it uses holistic procedure that incudes methods like HAZOP, FMEA, JSA HIRA etc. to effectively manage hazardous risks. The Company has a highly qualified and experienced team that review risk assessment process and implement mitigation measures as per predefined schedule.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.08	0
	Workers	0	0.20
Total recordable work-related injuries	Employees	32	41
	Workers	27	35
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company encourages and ensures safe working environment with reduced accidents and incidents trends. The employees and workers are made aware about the safety trainings and procedures as soon as they join the Company, within the tenure of their working, regular classrooms sessions and mock drills are conducted to update them with the system. The Company has included EHS requirement as a part of the contract and service agreement for all the contractors. The Company also ensures that the deployed contractor's workers are having mandatory PPE's and trained in safety & respective job work training before starting their job work.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

14. **Assessments for the year:**

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:**

In all cases, Observations of audit are recorded, corrective actions planned and tracked. The feedback is provided to auditing agency for their agreement.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

The Company identifies all the parties that either have significant impact from its business operation or will influence its operation as 'key stakeholders', and consults them to identify its key material topics regularly. The Company acknowledges the importance of effective stakeholder engagement in achieving its goal of sustainable, scalable, and inclusive growth. It engages with multiple stakeholder groups through different channels to understand their concerns and take constructive feedback to improve business strategy and business plans.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	• Annual reports • Investor Meets • Quarterly Results • Company Website • Intimation to Stock Exchange	Quarterly/ Annual/ Need Basis	• Economic value generated & distributed • Long term value creation • Transparency • Good Governance • High Reputation & Brand image
Regulatory Bodies & Government Agencies	No	• Open Invitations • Media releases • Conferences • Membership and Associations	Quarterly	• Proactive compliance • Implementation of compliance management system • Governance at different levels
Financial Institutions, Bankers & Lenders	No	• Annual reports • Investor Meets • Need basis during financial discussion meeting • Regular feedback through emails	Annual	• Good return on investment
Employees	No	• Leadership development interventions • Performance Dialogue • Continuous Feedback • Employee Induction • Employee Experience • Town hall briefing • Employee Engagement Survey • Emails • Quarterly/Publications Newsletters	Quarterly	• Diversity • Quality of Work & Life • Fair wages & Remuneration benefits • Training & Development • Career Growth • Health & Safety
Customers	No	• Video Conferencing • Emails	Annual	• Quality & Timely Delivery • Competitive Cost • Responsible Production • Transparency in disclosure

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers & Contractors	No	• Supplier meets • Supplier assessment • MoU Agreements • Contract discussion meetings • Performance review	Need basis	• Product Quality • Cost • Timely delivery • On time payment • Ethical behavior • Upcoming technologies or equipment • Health & Safety
Local Communities	No	• Regular engagement to understand concerns & requirement • Community engagement during CSR initiatives	Need basis	• Local employment generation • Development interventions

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	13,875	13,875	100	13,117	13,117	100
Other than permanent	0	0	0	0	0	0
Total Employees	**13,875**	**13,875**	**100**	**13,117**	**13,117**	**100**
Workers						
Permanent	718	0	100	635	0	100
Other than permanent	2,047	0	0	2,100	0	0
Total Workers	**2,764**	**0**	**100**	**2,735**	**0**	**100**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	13,212	0	NA	13,212	100	12,489	0	NA	12,489	100
Female	663	0	NA	663	100	628	0	NA	628	100
Other than Permanent										
Male	0	0	NA	0	NA	0	0	NA	0	NA
Female	0	0	NA	0	NA	0	0	NA	0	NA
Worker										
Permanent										
Male	717	0	NA	717	100	634	0	NA	634	100
Female	1	0	NA	1	100	1	0	NA	1	100
Other than Permanent										
Male	2,006	0	NA	2,006	100	2,103	0	NA	2,103	100
Female	41	0	NA	41	100	47	0	NA	47	100

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories	Number	Median remuneration/ salary/ wages of respective categories
Directors	4#	10,51,07,786	0	0
KMPs	1*	25,58,189	0	NA
Employees other than BoD and KMP	13,666	6,70,340	664	6,11,330
Workers	717	3,20,001	1	4,01,248

#Includes Executive Directors only

*Excluding Executive Directors

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The Company works with agility by continuously reviewing their practices, policies and programs to build a robust system of redressal of grievances related to human rights by keeping the details of concerned individual/s confidential. A quarterly status report is shared with the company's Chairman and/or Managing Director regarding the filed complaints and their respective action taken by Whistle Committee.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at Workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The Whistle Blower Policy and the POSH ensures the protection of the concerned individual/s and safeguard them at work against any retaliation or reprisal. The Company proceeds with the corrective majors after assuring the confidence in the complaint raised is genuine and not made in the spirit of damaging someone's reputation, which prevents adverse consequences of false accusations.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	NA
Forced/involuntary labor	NA
Sexual harassment	NA
Discrimination at workplace	NA
Wages	NA

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No such cases of risk as mention above.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	4,99,971	6,16,872
Total fuel consumption (B) (GJ)	5,22,371	4,43,350
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	10,22,342	10,60,222
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per million ₹)	18.08	19.98

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No such assessment carried by external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	291,999	2,35,305
(iii) Third party water	3,69,423	3,56,778
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	14,196	12,661
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	**6,75,617**	**6,76,214**
Total volume of water consumption (in kilolitres)	**5,74,988**	**5,72,575**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per INR of revenue)(KL per million INR)	10.17	10.79

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

All the manufacturing sites are audited by external environment auditors recognized by State Pollution Control Board.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, all our API Units are Zero Liquid Discharge (ZLD). The wastewater generated is treated in-house completely and is used in boiler and cooling tower. Additionally, all our formulation plants are using their treated water for gardening purpose.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox	T/year	14.85	21.40
Sox	T/year	41.94	57
Particulate matter (PM)	T/year	20.60	33.32

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   All the manufacturing sites are audited by external environment auditors recognized by State Pollution Control Board.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	48,679	41,213
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	88,833	1,32,604
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e/ million ₹	2.43	3.27

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   No

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details**

   Yes, the Company has undertaken various interventions to reduce greenhouse gas emissions. The details are provided below:

   1. Reduction in energy consumption through equipment up gradation.
   2. Increasing renewable energy capabilities through solar plant/solar park and windmills installation.
   3. Purchasing renewable energy for its operation through a third-party agreement.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	96	30
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	10.09	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (Process residue and waste, Etp sludge, evaporation salt etc.) (G)	22,260	15,943
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (MS Steel, Mix scrap, glass bottles, etc.)	1,468	1,411
Total (A+B + C + D + E + F + G+ H)	**23,834**	**17,384**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	**Non-Hazardous Waste**	**Non-Hazardous Waste**
(i) Recycled	441	513
(ii) Re-used (pre-processing)	10	10
(iii) Other disposal operations (Non-hazardous)	1,005	905
Total	**1,456**	**1,428**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	**Hazardous Waste**	**Hazardous Waste**
(i) Incineration	219	332
(ii) Landfilling	3,623	3,732
(iii) Recycling	12,190	7,494
(iv) Co-processing	5,192	3,448
(v) Other disposal operations	953	768
Total	**22,177**	**15,774**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Environment audit is carried out through third party SPCB approved auditors.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has adopted a standard operating procedure (SOP) for hazardous waste management to effectively manage and reduce the negative impacts of hazardous waste. It includes recovery of spent solvent and selling it for reuse. The high calorific value wastes are sent to the cement industries for co-processing and boiler ash is sent to brick manufacturing units as per the statutory requirements of waste management. Used oil is also sent for recycling. A third-party agency is also engaged to collect plastics waste from end consumers and either recycle it or dispose it responsibly.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

    None of the units are located in ecological sensitive areas. No adverse impact of our operations on ecosystem and biodiversity have been reported. However, environmental impact assessment was carried out for all API units before establishment.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No such assessment in current financial year	-	-	-	-	-

12. **Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

    The Company is in compliance with all applicable environmental norms.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) **Number of affiliations with trade and industry chambers/associations.**

   The Company is a member of 6 trade and industry chamber/associations.

   b) **List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (state/national)
1.	Federation of Gujarat Industries	State
2.	Federation of Indian Chambers of Commerce & Industries	National
3.	International Chamber of Commerce	National
4.	Indian Drug Manufacturers' Association	National
5.	Federation of Indian Export Organizations	National
6.	Pharmaceutical Export Promotion Council of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

   During FY 2022-23, no such cases were reported against the Company related to anti-competitive conduct.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

   During FY 2022-23, none of the Company' projects were under ambit of mandated SIA exercise.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

   NA

3. **Describe the mechanisms to receive and redress grievances of the community:**

   The Company interacts with local community at different levels to understand their concerns and act upon them, there is dedicated channel which is managed by the site level HR to receive and redress grievances from the community.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ Small producers	27%	8%
Sourced directly from within the district and neighboring districts	35%	36%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner.

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company makes reasonable efforts to have a robust mechanism to handle and redress customer grievance. The Company also welcomes customer concerns and feedback and focuses to address them promptly. To work coherently with the consumers' concerns, the company has updated their website with a specific dashboard that provides consumers a platform for reporting any adverse event/reaction elicited by the company's product.

   Web link for consumer redressal- https://alembicpharmaceuticals.com/report-side-effects-adverce-event/

2. **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:**

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints**

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Others (Specifications, Labelling, and Packaging)	0	0	0	0

4. **Details of instances of product recalls on account of safety issues**

	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:**

Yes, the company has "Information Security Policy" in place. All the sensitive information is safeguarded by Alembic IT Policy. The Company is committed to protect the information of all users and consumers' data as well. Any violation in the standards of policy will lead to disciplinary actions.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:**

The incident response process is defined in IT Security Policy and based on the duty allocation it is taken care.

For the mitigation of the Breaches, the company has processed different layer-based approaches:

1. There is firewall at the Periphery security level.
2. Applications are deployed on a secure layer & Role-based access is given as required.
3. Application Firewall is implemented for all internally hosted applications.
4. Network security and managed by SDWAN and IPSEC tunnelling.
5. An endpoint is secured with NextGen EDR-based solution.

Independent Auditors' Report

To the Members of Alembic Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Alembic Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We refer to Note No. 27(27(a)&(b)) read with Note No. 26 to the standalone financial statements regarding Draft Scheme of Arrangement ("Scheme") approved by the Board of Directors in its meeting held on March 2, 2023, involving reorganisation/utilisation of General Reserve, between the Company and its shareholders with effect from the appointed date i.e. January 1, 2023 which is pending before regulatory authorities. Further, the company has withdrawn ₹1,025.66 crores from General Reserve and transferred the same to the Statement of Profit and Loss for the year ended March 31, 2023 under the head "Exceptional Items". We are of the opinion that the said treatment does not meet the criteria of "Income" under Ind AS and therefore, the same should not be recognised in the Statement of Profit and Loss for the year. Had this transfer not been effected, Profit after tax for the year and consequently Retained Earnings as at March 31, 2023 would have been reduced by ₹1,025.66 crores, General Reserve as at March 31, 2023 would have been increased by ₹1,025.66 crores and Basic and Diluted Earnings per Share for the year ended March 31, 2023 would have been lower by ₹52.18 on standalone basis.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

Attention is drawn to Note No. 27(27)(c) to the standalone financial statements which describes the fact that pending requisite approvals of the Draft Scheme of Arrangement, an amount of ₹868.63 crores has been transferred from General Reserve to the Retained Earnings under the head "Other Equity" during the financial year ended on March 31, 2023, for which there is no specific accounting treatment specified in Ind AS.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1	**Provision for return of non-saleable goods (Expiry, Breakage and Spoilage) in the market in India:** As referred to note 27(12) to the standalone financial statements, the Company, under the prevailing trade practice, has an obligation to accept returns of expiry, breakage and spoilage (EBS) products, from the customers in India. This results in deductions to gross amounts invoiced. The methodology and assumptions used to estimate the accruals of EBS are monitored and adjusted regularly by the management in the light of the obligations, historical trends, past experience and prevailing market conditions. This is considered as key audit matter in view of significant estimates and judgements made by the management for recognition and measurement for the same.	Our audit procedures consisted of following: 1. Assessed the appropriateness of the accounting policy in respect of recognition of provision of EBS estimated in future out of the sales effected during the current period; 2. Tested the operating effectiveness of controls over Company's review of recognition of provision for EBS; 3. Obtained management 's calculations for accruals and assessed management analysis of the historical pattern of accruals to validate management's assumption for creation of such provisions; 4. Examined the historical trend of the Company's estimates to assess the assumptions and judgements used by the Company in accrual of provisions. **Conclusion:** We did not find any material exceptions to the calculations made and estimates, assumptions and judgements used by the management on the subject matter.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
2	**Impairment losses of Formulation plants** As referred to Note No. 27(27(a)&(b)) to the standalone financial statements, during March 2023 quarter, the management had carried out a comprehensive and systematic impairment review of the Formulation Plant 2, 3 & 4 which were under construction and became ready for its intended use on receipt of regulatory approvals and, arrived at their recoverable value. On completion of this review, the Management identified impairment loss of ₹676.87 crores and provision for impairment amounting to ₹473.56 crores relating to these plant facilities. On March 2, 2023, the Board of Directors has considered impairment review and approved the write-off of ₹676.87 crores and provision for impairment of ₹473.56 crores. Determination of recoverable value and/or impairment assessment involves significant management judgement and hence it is considered as key audit matter.	Our audit procedures consisted of the following: • Obtained an understanding and assessed the design, implementation and operating effectiveness of management's controls to assess impairment of Formulation plants. • Evaluated the objectivity, competency and independence of the management expert engaged by the Company. • Obtained management expert's report on impairment review from the management. • Assessed the reasonableness of the cashflow projections, key management assumptions and estimates used in the impairment analysis. • Evaluated the adequacy of the disclosures made in the standalone financial statements. **Conclusion:** We did not find any material exceptions to the conclusion arrived by the Management based on the procedure performed by it, in the impairment assessment carried out for Formulation plants.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Management Discussion and Analysis but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. except for the effects of the matter described in the Basis for Qualified opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d. except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

e. on the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

f. the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, prima facie, does not appear to have any adverse effects on the functioning of the company;

g. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

h. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

i. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

j. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27(2) to the standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv.(a) the management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 27(18) to the standalone financial statements

   (a) The final dividend proposed for the Financial Year 2021-2022, and declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

   (b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company from Financial Year beginning April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 23101533BGSTCH6730

Place: Vadodara
Date: May 5, 2023

Annexure A
to the Independent Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Alembic Pharmaceuticals Limited)

i. In respect of the Company's Property, Plant and Equipment:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible Asset and hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the registered sale deed/conveyance deed provided to us, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties i.e. land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) According to the information and explanation given to us, the Inventories except for goods-in- transit have been physically verified by the management during the year and in our opinion, the coverage and procedure for such verification is reasonable. As explained to us, there were no discrepancies of 10% or more in the aggregate for each class of inventory on physical verification of inventory as compared to the book records.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.

iii. (a) During the year, the Company has provided loans and extended guarantee to companies, firms, limited liability partnership or any other parties as follows:

(₹ in Crores)

Particulars	Loan	Guarantee
-Subsidiary	9.57	8.22
-Other party	-	3.31
Balance outstanding as at the Balance sheet date		
-Subsidiary	9.86	8.22

(b) In our opinion and according to the information and explanations given to us, during the year the investments made, guarantees provided and terms and conditions of the grant of loans to companies, firms, limited liability partnerships or any other party are, prima facie, not prejudicial to the Company's interest.

(c) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment of principal and payment of interest is not due during the year as per schedule.

(d) The principal and interest are not overdue in respect of loans granted to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013.

(e) There were no loans granted to companies or any other parties which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As disclosed in Note 27(7)J to the standalone financial statements, the Company has granted loan of ₹9.86 crore to subsidiary company with stipulated terms and conditions. The Company has not granted any loan or advance in nature of loan to any other party.

iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans granted, investment made and guarantee provided by it.

v. In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder or under the directives issued by the Reserve Bank of India, to the extent applicable. Accordingly, reporting under clause (v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, income-tax, duty of customs, cess, goods and services tax and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, duty of customs, duty of excise, goods and services tax, cess and other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no disputed dues in respect of value added tax, income tax, goods and services tax and duty of customs which have not been deposited. The following are the particulars of sales tax, central sales tax, entry tax, professional tax, and excise duty as at March 31, 2023 which have not been deposited on account of dispute:

Name of the statute	Nature of disputed dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending
Sales Tax	Sales Tax	0.02	1st April 2006 to 30th November 2008	Additional Commissioner
	Sales Tax	0.16	2015-16	Revisional Authority
Central Sales Tax	Central Sales Tax	0.02	1st April 2006 to 30th November 2008	Additional Commissioner Sales tax
	Central Sales Tax	0.11	2006-07	Deputy Commissioner
Entry Tax	Entry Tax	0.03	2013-14	Revisional Authority
	Entry Tax	2.34	April 2016 to June 2017	West Bengal Taxation Tribunal
Professional tax	Professional tax	0.04	2014-15	Joint Commissioner
Central Excise Act 1944	Excise duty	0.24	2013-14	Commissioner appeals
Goods and Services Tax Act 2017	Goods and Service Tax	0.15	October 2018	Commissioner appeals
Customs Act 1962	Custom duty	0.90	2017-18 and 2020-2021	Commissioner appeals

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the

Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or ultimate joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or ultimate joint ventures and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) To the best of our knowledge and according to information and explanations given to us and as represented by the Management and based on our examination of books and records of the Company and in accordance with generally accepted auditing practices in India, no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties were approved by the Audit Committee and are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause (xv) of the Order are not applicable to the Company.

xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the examination of records and except for the effects of the matter described in Basis for Qualified Opinion paragraph in our Independent Auditors' Report, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. However, considering the impact of the aforesaid Qualification, we report that the Company has incurred cash losses of ₹34.37 Crore and ₹ NIL during the financial year covered by our audit and immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly, this clause is not applicable.

xix. In our opinion and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (3)(xx)(a) of the Order is not applicable for the year.

(b) In our opinion and according to the information and explanations given to us, the Company does not have any ongoing project for Corporate Social Responsibility (CSR) and accordingly reporting under clause (3)(xx)(b) of the Order is not applicable for the year.

xxi. According to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order 2020 (CARO 2020) reports of the companies included in the consolidated financial statements.

For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 23101533BGSTCH6730

Place: Vadodara
Date: May 5, 2023

Annexure B
to the Independent Auditors' Report

(referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Alembic Pharmaceuticals Limited on the standalone financial statements for the year ended March 31, 2023)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls with reference to standalone financial statements of ALEMBIC PHARMACEUTICALS LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to standalone financial statement and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has in all material respects, adequate internal financial controls with reference to standalone financial statements in place and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 23101533BGSTCH6730

Place: Vadodara
Date: May 5, 2023

Standalone Balance Sheet

as on 31st March, 2023

(₹ in Crores)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	2,377.45	1,714.72
(b) Capital work-in-progress	27(15)	601.28	2,205.79
(c) Other Intangible assets	4	-	56.38
(d) Intangible assets under development	27(16)	-	98.44
(e) Financial Assets			
(i) Investments	5	229.27	219.36
(ii) Loan	27(7)J	10.29	-
(f) Deferred tax assets (net)	15	78.16	-
(g) Other Non-Current Assets- Capital Advance		53.74	34.88
Total non-current assets		**3,350.20**	**4,329.58**
(2) Current Assets			
(a) Inventories	6	1,275.13	1,396.83
(b) Financial Assets			
(i) Trade receivables	7	1,201.20	988.33
(ii) Cash and cash equivalents	8	21.67	13.56
(iii) Bank balances other than cash and cash equivalents	9	6.79	8.34
(iv) Other financial assets	10	9.33	23.13
(c) Current Tax Assets (Net)	27(9)	76.70	22.12
(d) Other current assets	11	189.39	292.16
Total current assets		**2,780.22**	**2,744.46**
TOTAL ASSETS		**6,130.42**	**7,074.04**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	39.31	39.31
(b) Other Equity	13	4,374.98	5,251.03
Total equity		**4,414.30**	**5,290.35**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	27(22)	58.63	62.03
(b) Provisions	14	106.20	95.82
(c) Deferred tax liabilities (Net)	15	-	46.40
Total non-current liabilities		**164.83**	**204.25**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	635.07	629.99
(ia) Lease liabilities	27(22)	16.23	14.10
(ii) Trade payables	17		
A) Total outstanding dues of Micro and Small enterprises		23.14	7.63
B) Total outstanding dues of others		572.72	562.58
(iii) Other financial liabilities	18	148.73	173.90
(b) Other current liabilities	19	85.45	127.61
(c) Provisions	20	69.96	63.64
Total current liabilities		**1,551.29**	**1,579.44**
TOTAL EQUITY AND LIABILITIES		**6,130.42**	**7,074.04**
The accompanying notes form an integral part of these Standalone financial statements.	1-27		

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Standalone Statement of Profit & Loss

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I Revenue from Operations	21	5,149.00	5,035.41
II Other Income	22	3.55	51.14
III Total Income		**5,152.54**	**5,086.55**
IV Expenses			
Cost of Materials Consumed	23	1,250.08	1,129.11
Purchase of Stock-in-Trade		337.21	353.25
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	23	72.84	19.85
Employee Benefits Expense	24	1,094.82	1,062.30
Finance Costs		49.00	17.02
Depreciation and Amortization Expense	3	272.95	284.92
Other Expenses	25	1,729.71	1,562.08
Total Expense (IV)		**4,806.61**	**4,428.54**
V Profit/(loss) before exceptional items and tax (III-IV)		**345.93**	**658.01**
VI Exceptional Item (Net of Tax)	26	-	-
VII Profit Before Tax (III-IV)		**345.93**	**658.01**
VIIITax Expense	27(9)		
(i) Current Tax		-	115.70
(ii) Short/(Excess) Tax Provision		(0.79)	(1.25)
IX Profit for the year (V-VI)		**346.73**	**543.55**
X Other Comprehensive Income			
(i) Items that will not be reclassified to Profit / (Loss)		(0.35)	(3.96)
(ii) Income tax relating to items that will not be reclassified to Profit / (Loss)		-	0.70
Total Other Comprehensive Income (VIII)		**(0.35)**	**(3.25)**
XI Total Comprehensive Income for the year (VII+VIII)		**346.38**	**540.30**
XII Earnings per equity share (FV ₹2/- per share) :	27(1)		
Basic & Diluted (in ₹) - After Exceptional Items		17.64	27.65
Basic & Diluted (in ₹) - Before Exceptional Items		17.64	27.65
The accompanying notes form an integral part of these Standalone financial statements.	1-27		

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Standalone
Statement of Changes in Equity

as at 31st March, 2023

A. Equity Share Capital

Equity shares of ₹2/- each issued, subscribed and fully paid

(1) Current reporting period

(₹ in Crores)

Balance As at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1st April, 2022	Changes in equity share capital during the current year	Balance As at 31st March, 2023
39.31	-	39.31	-	39.31

(2) Previous reporting period

(₹ in Crores)

Balance As at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1st April, 2021	Changes in equity share capital during the previous year	Balance As at 31st March, 2022
39.31	-	39.31	-	39.31

B. Other Equity - Attributable to owners

(1) Current reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other comprehensive income (OCI)		Total
	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained earnings	Financial Instruments through OCI	Remeasurements of the net Defined Benefit Plan	
Balance As at 1st April, 2022	748.39	1,844.50	50.00	2,632.89	0.21	(24.95)	5,251.03
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance As at 1st April, 2022	**748.39**	**1,844.50**	**50.00**	**2,632.89**	**0.21**	**(24.95)**	**5,251.03**
Total Comprehensive Income for the current year	-	-	-	346.73	0.36	(0.71)	346.38
Dividend	-	-	-	(196.56)	-	-	(196.56)
Reversal of Deferred Tax Asset	-	(0.21)	-	-	-	-	(0.21)
Transfer from Debenture Redemption Reserve	-	50.00	(50.00)	-	-	-	-
Transferred from General Reserve ##	-	(1,894.29)	-	868.63	-	-	(1,025.66)
Balance As at 31st March, 2023	**748.39**	**-**	**-**	**3,651.68**	**0.57**	**(25.66)**	**4,374.98**

Standalone
Statement of Changes in Equity
as at 31st March, 2023

(2) Previous reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other comprehensive income (OCI)		Total
	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained earnings	Financial Instruments through OCI	Remeasurements of the net Defined Benefit Plan	
Balance As at 1st April, 2021	748.39	1,769.77	125.00	2,440.83	-	(21.49)	5,062.50
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance As at 1st April, 2021	**748.39**	**1,769.77**	**125.00**	**2,440.83**	**-**	**(21.49)**	**5,062.50**
Total Comprehensive Income for the previous year	-	-	-	543.55	0.21	(3.46)	540.30
Acquisition of Non-Controlling Interest	-	-	-	(76.30)	-	-	(76.30)
Dividend	-	-	-	(275.19)	-	-	(275.19)
Reversal of Deferred Tax Asset	-	(0.27)	-	-	-	-	(0.27)
Transfer from Debenture Redemption Reserve	-	75.00	(75.00)	-	-	-	-
Balance As at 31st March, 2022	**748.39**	**1,844.50**	**50.00**	**2,632.89**	**0.21**	**(24.95)**	**5,251.03**

Please refer note 27(27).

The accompanying notes form an integral part of these Standalone financial statements (note1-27).

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Standalone Statement of Cash Flow

for the year ended 31st March, 2023

(₹ in Crores)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Net Profit Before Tax as per Statement of Profit and Loss (After Exceptional item and Tax thereon)	345.93	658.01
	Adjustments for:		
	Depreciation and amortisation	272.95	284.92
	Interest charged	49.00	17.02
	Interest Income	(0.76)	(1.69)
	Dividend Income / Gain on Sale of Investments	(0.61)	(2.88)
	Unrealised foreign exchange (gain) / loss (net)	29.06	36.45
	Fair value (gain)/ loss on financial instruments at fair value through profit or loss	(0.14)	-
	Provision / write off for doubtful trade receivables	-	0.15
	Sundry balances written off / written-back (net)	(0.01)	(0.21)
	Loss/(Profit) on sale of Asset	0.56	(0.54)
	Product development expenses	98.44	80.13
	Operating Profit before change in working capital	794.41	1,071.35
	Working capital changes:		
	(Increase)/Decrease In Inventories	121.70	(54.87)
	(Increase) In Trade Receivables	(205.51)	(573.74)
	(Increase)/Decrease In Other Assets	117.63	128.08
	Increase In Trade Payables	24.06	42.26
	Increase/(Decrease) In Other Liabilities	(84.24)	43.24
	Increase In Provisions	15.99	17.75
	Cash generated from operations	784.04	674.06
	Direct taxes paid (Net of refunds)	(53.78)	(128.80)
	Net Cash inflow from Operating Activities (A)	**730.25**	**545.26**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Proceeds from Sale of Asset	0.27	1.39
	Loan to subsidiary company (Net)	(9.53)	-
	Interest received	0.33	1.69
	Dividend / Gain on Sale of Investments received	0.61	2.88
	Purchase of Property, Plant & Equipment and Capital Advance	(443.26)	(422.36)
	Investment in Alternative Investment Equity Fund	(7.00)	(139.29)
	Investment in Subsidiary	(2.40)	
	(Purchase) / sale of current investments (net)	-	186.97
	Net Cash inflow from Investing Activities (B)	**(460.98)**	**(368.72)**

Standalone Statement of Cash Flow

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(200.00)	(300.00)
Net Increase / (Decrease) in working capital demand loans	205.07	429.98
Payment of lease liabilities	(21.56)	(20.17)
Increase in Restricted Bank Balances other than Cash & Cash Equivalents	1.53	(0.05)
Dividends paid	(196.56)	(275.19)
Interest and other finance costs (including borrowing cost capitalised)	(49.64)	(51.21)
Net Cash inflow from Financing Activities (C)	**(261.16)**	**(216.64)**
I. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	8.11	(40.10)
II. a) Cash and cash equivalents at the beginning of the Year	13.56	53.66
b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.00)	(0.00)
III. Cash and cash equivalents at the end of the period (I+II)	**21.67**	**13.56**
IV. Cash and cash equivalents at the end of the period		
Balances with Banks	21.39	13.17
Cash on hand	0.27	0.38
Cash and cash equivalents	**21.67**	**13.56**

Note :

Change in liability arising from financing activities

(₹ in Crores)

Borrowings	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Balance	629.99	499.8
Changes from financing cash flow	5.07	129.98
Other changes	0.01	0.21
Closing Balance	**635.07**	**629.99**

The accompanying notes form an integral part of these Standalone financial statements (note 1-27).

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Company Overview and Significant Accounting Policies

1 General information

Alembic Pharmaceuticals Limited is in the business of development, manufacturing, and marketing of Pharmaceuticals products i.e. Formulations and Active Pharmaceutical Ingredients. The Company is the public limited Company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on the two recognised Stock Exchanges in India. The registered office of the Company is located at Alembic Road, Vadodara – 390 003, India.

The financial statements are approved by the Company's board of directors on 5th May, 2023.

1.01 Statement of compliance

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time together with the comparative period data as at and for the year ended March 31, 2022.

1.02 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company's Financial Statements for the year ended 31st March, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

The Company has consistently applied accounting policies to all periods presented in these financial statements.

1.03 Basis of Measurement

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz derivatives, employee benefit plan assets.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

Functional and Presentation Currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1, for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.04 Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements includes financial instruments, useful lives of property, plant and equipment and intangible assets, valuation of inventories, measurement of defined benefit obligations and actuarial assumptions, provisions and other accruals, sales returns, chargebacks, allowances and discounts, recoverability/recognition of tax assets/liabilities, assessment of functional currency, contingencies and fair valuation of investments.

2 Significant Accounting Policies

2.01 Property, Plant and Equipment (PPE) & Investment Property

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property that is held for long-term rental yields or for capital appreciation or both and that is not occupied by the company is classified as investment property, measured at cost. Cost comprises of the purchase price net of eligible input tax credit, and any attributable cost of bringing the assets to its working condition for its intended use, including the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the net realisable value less cost to sell. Freehold land is carried at historical cost and not depreciated.

The company has adopted, "Cost Model" for accounting of its Property Plant and Equipment and Investment Property.

2.02 Capital Work-in-Progress

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-In-Progress. It includes expenditure directly attributable for setting up of plants yet to commence commercial operation.

Directly attributable expenditure comprises of revenue expenses incurred in connection with project implementation during the period upto ready for use in the manner as intended by the management and are treated as part of the project costs and capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

2.03 Intangible Assets

Intangible assets are stated at cost less provisions for amortisation and impairments. Software licenses fees are charged to statement of profit and loss when incurred. Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use.

2.04 Intangible Assets under development

Intangible assets consisting of development expenditure of certain products, are evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable.

2.05 Impairment of Assets

Non- Financial Assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Financial Assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires the Company to apply expected credit loss model for recognition and measurement of impairment loss. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The impairment loss is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.06 Borrowing Cost

Borrowing costs attributable to the acquisition and/or construction of an qualifying asset, i.e., that necessarily takes a substantial period of time to get ready for use in the manner as intended by management, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

2.07 Inventories

Inventories consist of Raw Materials, Stores and Spares, Packing Materials, Work-in-Progress, Goods in Transit and Finished Goods and are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of purchase is determined on a moving average basis. In the case of Finished Goods and Work-in-Progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.08 Financial Instruments

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a. Financial Assets

(i) Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way trade of financial assets are accounted for at trade date.

(ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

-Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, debt instruments are subsequently measured at amortised cost using the effective interest rate method, less impairment, if any.

-Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

-Financial assets at fair value through profit or loss

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

(iii) De-recognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Trade receivables

Trade receivables are carried at original invoice amount less any expected credit loss. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

-Investments in subsidiaries and associates

The Company has elected to recognise its investments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

b. Financial Liabilities

(i) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities are classified, at initial recognition, at fair value through profit and loss or as those measured at amortised cost.

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

-Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

-Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method except for those designated in an effective hedging relationship.

(iii) De-recognition

A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

c. Derivative Financial Instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are not designated as hedges under Ind AS 109, Financial Instruments.

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.09 Revenue Recognition

Revenue from contracts with customers is recognised on satisfaction of performance obligation, when control of the goods is passed to the customer, at an amount of transaction price that reflects the consideration the company expects to receive. The point at which control passes is determined based on terms of agreement with the customer or as per general industry/ market practice.

Estimated future returns are calculated based on specific methodology and assumptions. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in the light of contractual and legal obligations, past trend & experience and projected market conditions. Revenue is recognised net of such future expected return and actual return.

Variable consideration arises on the sale of goods as a result of profit sharing arrangement and various deductions including chargeback. Revenue is recognised considering the impact of variable consideration.

Revenue recognition in case of profit sharing is highly uncertain hence the same is recognised based on reasonable certainty of revenue.

The company enters into development and marketing collaborations and out-licences of the company's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based profit sharing and royalties.

Income dependent on the achievement of milestone is recognised when the related event occurs and it is highly probable that significant reversal in the amount of cumulative revenue recognised will not occur. Sales-based royalties on a licence of intellectual property are recognised on confirmation of actual sales.

GST and other taxes on sales are excluded from revenue.

Income from operations includes Export benefits available under prevalent schemes are recognised to the extent considered receivable.

Other income is comprised of interest income, Gain / loss on investments, dividend income and Insurance claim. Dividend income and other income is recognized when the right to receive payment is established.

2.10 Research and Development Expense

All revenue expenses related to research and development including expenses in relation to development of product/processes and expenses incurred in relation to compliances with international regulatory authorities in obtaining of Abbreviated New Drug Applications (ANDA) and Drug Master Files (DMF) are charged to the statement of profit and loss in the year in which it is incurred.

Development expenditure of certain nature is capitalised as intangible assets under development when the criteria for recognising an intangible asset are met, usually when a regulatory filing is intended to be made in a major market and approval is considered highly probable.

2.11 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, and other compensated absences.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

A Long Term Employment Benefits

(a) Defined Benefit Obligation Plans:

(i) Gratuity

Defined Benefit Obligation Plans:

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund by the Life Insurance Corporation of India (LIC) and HDFC Life Insurance Company Ltd. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these re-measurements in the Other Comprehensive Income (OCI).

(ii) Provident Fund

The Company's contribution to provident fund, administered through a Company managed trust, is recognised as an expense in the Statement of Profit and Loss.

(b) Defined Contribution plans

Superannuation fund is administered by the HDFC Life Insurance Company Ltd. The contribution to Superannuation fund, Contribution to pension fund, ESIC, EDLI and Labour Welfare Fund are recognised as an expense in the statement of profit and loss.

(c) Leave Liability

The Company has a policy to allow accumulation of leave by employees up to certain days. Accumulated leave liability as at the year end is provided as per actuarial valuation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these actuarial gains and losses in the statement of Profit and Loss, as income or expense.

B Short Term Employee Benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

2.12 Depreciation / Amortisation

Depreciation is calculated on a straight-line basis as per the specified life of the assets as provided in schedule II to the Companies Act, 2013

Class of Assets-Tangible	Range of useful life
Building	05 - 60 Years
Plant & Equipment	03 - 22 Years
Furniture & Fixtures	10 Years
Vehicles	08 - 10 Years
Office Equipment	05 Years

Class of Assets-Intangible	Range of useful life
Other Intangible Asset	02 - 05 Years

The management, based on internal technical evaluation, believes that the useful lives as given above best represent the period over which the assets are expected to be used.

The useful lives for certain assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013, and the same is considered in the above range of useful life. Leasehold Land is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Depreciation on PPE added during the year is provided on pro rata basis from the month of addition. Depreciation on sale / disposal of PPE is provided pro-rata up to the preceding month of disposal/discarding.

2.13 Leases

As lessee

Initial measurement

Lease Liability: At the commencement date, The Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

Right-to-use assets: Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability: The Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right-to-use assets: Subsequently measured at cost less accumulated depreciation and impairment losses. Right-to-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right-to-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. Low value assets lease are assessed based on the value of an underlying asset when it is new, regardless of the age of the asset being leased. If the company elected to apply for such lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

2.14 Foreign Exchange Transactions

Transactions in foreign currencies are initially recorded by the Company at the rate of exchange prevailing on the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies remaining unsettled at the end of the year are converted at the exchange rate prevailing on the reporting date. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. In respect of forward cover contracts, the mark to market loss / gain as at the reporting date is charged to Statement of Profit and Loss. In respect of options contracts to mitigate the probable foreign exchange fluctuation risk, the options contracts are fair valued and the resultant variation as at the reporting date is charged to Statement of Profit and Loss.

2.15 Taxes

a. Current income tax

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity, in such case it is recognised in OCI or directly in equity respectively. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115J (AA) of Income Tax Act 1961 over the period of subsequent 15 assessment year and it is recognised to the extent of deferred tax liability in view of the certainty involved of its realisation against reversal of deferred tax liability.

2.16 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is recognised in the statement of profit and loss or balance sheet as the case may be.

b. Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c. Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

2.17 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.18 Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with conditions attached to the grant. Accordingly, Government grants is deducted to calculate the carrying amount of the asset, and is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense. Government grant related to specific expenses are shown as other income in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Government grant relating to income is recognised in the statement of profit and loss and presented with other operating income.

2.19 Business Combinations

Business combinations (Common control transactions):

In accordance with Ind AS 103, Business combination involving entities that are controlled by the group are accounted for using the pooling of interest method. It is accounted for at carrying value of the assets and liabilities in the Group's consolidated financial statements. The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. "

2.20 Recent Accounting Pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

I **Ind AS 107** – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

II **Ind AS 109** – Financial Instruments – modification relating to reassessment of embedded derivatives.

III **Ind AS 1** - Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

IV **Ind AS 8** - Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

V **Ind AS 12** – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

VI **Ind AS 34** – Interim Financial Reporting - modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

3. Property, Plant and Equipment (PPE):

(₹ In Crores)

Property, Plant and Equipment	Free Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Right to Use Building#	Right to Use Land#	Total
Gross carrying amount										
Carrying Amount As at 1st April, 2021	91.63	500.27	1,219.33	351.13	30.48	16.67	13.70	103.67	20.70	2,347.58
Additions/ Adjustment	-	18.97	126.04	53.55	1.51	4.49	2.91	1.88	14.01	223.37
Disposals	-	-	(0.50)	(0.17)	(0.00)	(0.74)	-	(0.85)	-	(2.26)
Closing Gross Carrying Amount	**91.63**	**519.24**	**1,344.87**	**404.52**	**32.00**	**20.42**	**16.61**	**104.69**	**34.71**	**2,568.69**
Accumulated Depreciation	-	77.25	404.25	113.67	9.14	10.07	6.25	27.31	11.38	659.32
Depreciation charge during the year	-	19.44	115.58	38.30	2.98	2.01	2.60	14.52	0.63	196.06
Disposals	-	-	(0.36)	(0.12)	-	(0.68)	-	(0.25)	-	(1.41)
Closing Accumulated Depreciation	**-**	**96.69**	**519.47**	**151.84**	**12.12**	**11.40**	**8.85**	**41.58**	**12.02**	**853.98**
Net Carrying Amount As at 1st April, 2021	91.63	423.02	815.08	237.47	21.35	6.60	7.45	76.36	9.31	1,688.26
Net Carrying Amount As at 31st March, 2022	**91.63**	**422.55**	**825.40**	**252.67**	**19.88**	**9.02**	**7.76**	**63.12**	**22.69**	**1,714.72**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ In Crores)

Property, Plant and Equipment	Free Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Right to Use Building#	Right to Use Land#	Total
Gross carrying amount										
Carrying Amount As at 1st April, 2022	91.63	519.24	1,344.87	404.52	32.00	20.42	16.61	104.69	34.71	2,568.69
Additions/ Adjustment	8.46	178.49	632.16	31.13	4.28	0.84	11.10	15.10	-	881.56
Disposals	-	-	(2.84)	(1.42)	(0.01)	(0.35)	(0.03)	(4.32)	-	(8.98)
Closing Gross Carrying Amount	**100.09**	**697.73**	**1,974.18**	**434.23**	**36.26**	**20.91**	**27.69**	**115.47**	**34.71**	**3,441.28**
Accumulated Depreciation	-	96.69	519.47	151.84	12.12	11.40	8.85	41.58	12.02	853.98
Depreciation charge during the year	-	21.52	129.86	40.89	3.22	1.84	3.30	15.21	0.73	216.56
Disposals	-	-	(2.22)	(1.26)	(0.01)	(0.32)	(0.02)	(2.88)	-	(6.71)
Closing Accumulated Depreciation	**-**	**118.21**	**647.11**	**191.47**	**15.32**	**12.92**	**12.14**	**53.91**	**12.75**	**1,063.83**
Net Carrying Amount As at 1st April, 2022	91.63	422.55	825.40	252.67	19.88	9.02	7.76	63.12	22.69	1,714.72
Net Carrying Amount As at 31st March, 2023	**100.09**	**579.52**	**1,327.07**	**242.76**	**20.94**	**7.99**	**15.55**	**61.56**	**21.96**	**2,377.45**

Note:

1 The Company does not have any restrictions on the title of its property, plant and equipment.

2 #Refer note no. (2.13).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

4 Other Intangible Assets

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying Amount	164.41	104.73
Addition		59.68
Closing Gross Carrying Amount	**164.41**	**164.41**
Accumulated Amortisation	108.03	19.17
Amortisation	56.38	88.86
Closing Accumulated Amortisation	**164.41**	**108.03**
Net Carrying Amount	**-**	**56.38**

5 Non-Current Financial Investment

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Equity Instruments-Unquoted		
Valued at Cost		
Investment in Wholly Owned Subsidiaries		
45,00,000 (PY: 45,00,000) equity shares of CHF 1 each fully paid up in Alembic Global Holding SA.	30.31	30.31
1,20,000 (PY: 1,20,000) equity shares of USD 1 each fully paid up in Alembic Pharmaceuticals Inc.	122.36	122.36
169 (PY: Nil) equity shares of CLP 1725989 each fully paid up in Alembbic Pharmaceuticals Chile SpA	2.40	-
Investment in Associate		
10,00,000 (PY: 10,00,000) equity shares of ₹10 each fully paid up in Incozen Therapeutics Pvt. Ltd.	3.00	3.00
Investments in Preference Shares-Unquoted		
Valued at Amortised Cost		
1% Cumulative Redeemable Non-Convertible Preference Shares 4,50,000 (PY: 4,50,000) of ₹10 each fully paid up in Enviro Infrastructure Company Ltd. (EICL) (Redemption date 14.12.2031)	0.45	0.45
Valued at Fair value through other comprehensive income		
5% Convertible Preference Shares 2875491 (PY: 2875491) of USD 1.0433 each fully paid up in Rigimmune. Inc.	22.99	22.99
Investments in Limited liability partnership -Unquoted		
Valued at Fair value through other comprehensive income		
ABCD Technologies LLP - share 6.45%	40.62	40.25
Valued at Fair value through Profit and Loss		
Investment in Alternative Investment Equity Fund (Unquoted) units 700,000 (PY: Nil)	7.14	-
Aggregate amount of unquoted Investments	**229.27**	**219.36**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

6 Inventories (Basis of Valuation - Refer Note 2.07)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	382.43	438.06
Packing Materials	68.92	61.07
Work-in-Process	75.07	88.68
Finished Goods	596.81	646.51
Stock-in-trade	55.02	67.97
Goods in Transit - Finished Goods	52.60	49.18
Goods in Transit - Raw Materials	6.61	9.69
Stores and Spares	37.67	35.66
	1,275.13	**1,396.83**

Note:

(i) Inventories are hypothecated as security for working capital borrowings.

(ii) During the year ended 31.03.2023 the Company recorded inventory write-downs of ₹4.12 Crores (PY ₹8.17 Crores).

7 Trade Receivables

(₹ in Crores)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered good	a	1,201.20	988.33
Trade Receivables which have significant increase in credit Risk		2.18	2.48
Less Allowance for doubtful debts (expected credit loss allowance)		2.18	2.48
	b	-	-
	(a+b)	**1,201.20**	**988.33**

Receivables are hypothecated as security for working capital borrowings.
Refer Note 27 (7)J for related party receivables.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Trade Receivables Ageing (Contd.)

(₹ in Crores)

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
Undisputed Trade Receivables							
- Consider Good	1,119.29	73.92	6.06	1.39	0.02	0.53	1,201.20
- which have significant increase in credit risk	-	0.62	0.40	0.25	0.08	0.35	1.70
Disputed Trade Receivables							
- Consider Good	-	-	-	-	-	0.47	0.47
	1,119.29	**74.54**	**6.47**	**1.64**	**0.10**	**1.35**	**1,203.38**
Less: Expected Credit loss allowance							2.18
As at 31st March, 2023							**1,201.20**
Undisputed Trade Receivables							
- Consider Good	913.06	73.51	0.82	0.52	0.38	0.03	988.33
- which have significant increase in credit risk	-	0.43	0.03	0.08	0.32	1.15	2.01
Disputed Trade Receivables							
- Consider Good	-	-	-	-	-	0.47	0.47
	913.06	**73.94**	**0.84**	**0.61**	**0.70**	**1.66**	**990.81**
Less: Expected Credit loss allowance							2.48
As at 31st March, 2022							**988.33**

8 Cash and Cash Equivalents*

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks	21.39	13.17
Cash on hand	0.27	0.38
	21.67	**13.56**

* In Previus year Includes Banks Balance of ₹2.46 Crores and Cash ₹0.12 Lacs of Aleor, please refer 27(26).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

9 Bank Balances Other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earmarked Balance with Bank		
Unpaid Dividend	6.39	6.41
Margin Money Deposit	0.40	1.93
	6.79	**8.34**

10 Other Financial Assets (Current)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	9.33	8.55
Fair valuation of Foreign currency derivative contracts	-	14.57
	9.33	**23.13**

Refer Note 27 (7)J for related party deposits.

11 Other Current Assets (Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to Employees	5.00	3.66
Advance to Suppliers	36.59	25.94
Pre-paid Expense	48.19	30.14
Balances with Government Authorities	99.62	232.42
	189.39	**292.16**

12 Equity Share Capital

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised		
20,25,00,000 (PY 20,25,00,000) - Equity shares of ₹2/- each	40.50	40.50
Shares issued, subscribed and fully paid		
19,65,63,124 (PY 19,65,63,124) - Equity shares of ₹2/- each	39.31	39.31
	39.31	**39.31**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	196,563,124	39.31	196,563,124	39.31
Issued, subscribed and paid up during the year	-	-	-	-
Outstanding at the end of the year	**196,563,124**	**39.31**	**196,563,124**	**39.31**

The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital

The Company is having only one class of shares i.e. Equity carrying a nominal value of ₹2/- per share. Every holder of the equity share of the Company is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution/repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Numbers	% held	Numbers	% held
1 Alembic Limited	56,097,544	28.54%	56,097,544	28.54%
2 Nirayu Limited	70,035,435	35.63%	70,035,435	35.63%

Shareholding of Promoters

Sr. No	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Changes during the year
		No of Shares	% of Total Shares	No of Shares	% of Total Shares	
i	Chirayu Ramanbhai Amin	4,242,529	2.16%	4,542,529	2.31%	-6.60%
ii	Pranav Chirayu Amin	1,009,800	0.51%	1,009,800	0.51%	0.00%
iii	Shaunak Chirayu Amin	1,006,980	0.51%	1,006,980	0.51%	0.00%
iv	Alembic Limited	56,097,544	28.54%	56,097,544	28.54%	0.00%

Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

13 Other Equity

(Refer statement of changes in equity for detailed movement in other equity balance) (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) General Reserve*	-	1,844.50
(b) Securities Premium	748.39	748.39
(c) Retained Earnings	3,651.68	2,632.89
(d) Remeasurements of the net defined benefit plan through OCI	(25.66)	(24.95)
(e) Financial Instruments through OCI	0.57	0.21
(f) Debenture Redemption Reserve	-	50.00
Total Other Equity	**4,374.98**	**5,251.03**

*Refer Note 27(27).

Nature and purpose of each Reserve

General Reserve :- The reserve was created by transfer of a portion of the net profit.

Securities Premium :- Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.

Debenture Redemption Reserve : The company has created debenture redemption reserve out of the profits as prudent practice in accordance with erstwhile provision of Companies Act, 2013.

Other Comprehensive Income (OCI) : represents remeasurements of the defined benefits plan and fair value change of certain financial instruments.

14 Provisions (Non-Current)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer Note 27(5))		
Provision for Gratuity	5.72	-
Provision for Leave benefits	50.27	47.54
Provision for Non-Saleable return of goods (Refer Note 27(12))	50.21	48.28
	106.20	**95.82**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

15 Deferred Tax Liabilities / (Deferred Tax Assets) (Net)

(₹ in Crores)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities			
Depreciation	a	83.14	197.69
Deferred Tax Assets			
Provision for Expected credit loss		0.77	0.87
MAT Credit Entitlement		125.90	114.49
Intangible Asset		0.62	0.83
Expenses claimed for tax purpose on payment basis		29.82	26.63
Others		4.19	8.48
	b	**161.30**	**151.30**
	(a-b)	**(78.16)**	**46.40**

16 Borrowings (Current)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans repayable on demand		
From Banks		
Secured		
Working Capital Loan	165.07	-
First charge on Pari-Passu basis by hypothecation of current assets at interest rates below 10% repayable on demand		
Unsecured		
Working Capital Loan, Interest rates below 8.05%	370.00	180.00
From Other Parties		
Unsecured		
Commercial Paper - Carrying interest rates below 7.4%	100.00	250.00
Current maturities of long-term debt	-	199.99
	635.07	**629.99**

17 Trade Payables

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Due to Micro and Small Enterprises (Refer Note 27(3))	23.14	7.63
Others	572.72	562.58
	595.85	**570.21**

Refer Note 27 (7) J for related party payables.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Trade Payable Ageing (₹ in Crores)

Particulars	Outstanding for following periods from Due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	44.27	0.76	-	-	-	45.03
ii) Others	351.22	141.77	3.97	3.35	0.13	500.44
	395.48	**142.53**	**3.97**	**3.35**	**0.13**	**545.46**
iii) Unbilled Dues						50.39
As at 31st March, 2023						**595.85**
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	12.44	2.67	-	-	-	15.11
ii) Others	411.57	102.27	3.41	5.33	0.05	522.62
	424.01	**104.94**	**3.41**	**5.33**	**0.05**	**537.73**
iii) Unbilled Dues						32.48
As at 31st March, 2022						**570.21**

18 Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payables on purchase of property, plant and equipment	37.73	50.87
Interest accrued but not due on borrowings	0.27	5.38
Unpaid dividends	6.39	6.41
Trade Deposits	11.27	12.36
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.01	0.05
Payables for Employee benefits	73.84	98.83
Fair valuation of Foreign currency contracts	19.22	-
	148.73	**173.90**

Refer Note 27 (7) J for related party payables.

19 Other Current Liabilities

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Statutory payable	45.83	58.39
Advance from Customers	39.62	69.22
	85.45	**127.61**

Refer Note 27 (7) J for related party payables.

20 Provisions (Current)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Provision for Employee Benefits (Refer Note 27(5)&(6))		
Provision for Gratuity	15.00	15.87
Provision for Leave benefits	6.68	6.52
Provision for Non-Saleable return of goods (Refer Note 27(12))	48.28	41.26
	69.96	**63.64**

21 Revenue from Operations

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products		
- Domestic	2,302.12	2,120.90
- Exports	2,701.01	2,866.59
	5,003.13	**4,987.49**
Other Operating Revenues		
- Export Incentives	35.33	22.94
- Royalty	24.58	15.39
- Government Incentive	21.39	-
- Miscellaneous	64.57	9.58
	5,149.00	**5,035.41**

22 Other Income

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Dividend	0.00	0.00
Insurance Claims	0.82	0.88
Lease Rent Income	0.08	0.08
Profit on Sales of Assets (net)	-	0.54
Profit on Sales of Investment	0.61	2.87
Net gain arising on financial assets measured at fair value through profit or loss	0.14	-
Interest Income	0.76	1.69
Exchange Difference (net)	0.93	45.02
Miscellaneous income	0.19	0.05
	3.55	**51.14**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

23 Cost of Material Consumed

(₹ in Crores)

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials and packing materials			
Inventory at the beginning of the year		508.82	440.83
Add : Purchases		1,199.22	1,197.11
		1,708.04	**1,637.94**
Less : Inventory at the end of the year		457.96	508.82
		1,250.08	**1,129.11**
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress			
Work in Process		75.07	88.68
Finished Goods		649.41	695.69
Stock-in-Trade		55.02	67.97
Inventory at the end of the year	**a**	**779.50**	**852.34**
Work in Process		88.68	66.80
Finished Goods		695.69	760.65
Stock-in-Trade		67.97	44.74
Inventory at the beginning of the year	**b**	**852.34**	**872.20**
	(b-a)	**72.84**	**19.85**

24 Employee Benefits Expense

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and Wages	997.83	974.44
Contribution to Provident and Other funds	67.51	60.31
Staff welfare expense	29.48	27.55
	1,094.82	**1,062.30**

25 Other Expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	262.30	256.12
Power and Fuel	151.19	120.50
Manufacturing and Labour Charges	31.02	16.86
Repairs and Maintenance		
Machinery	41.45	37.24
Buildings	6.36	4.49
Others	16.08	9.39

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

25 Other Expenses (Contd.)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Freight and Forwarding Charges	128.68	140.87
Sales Promotion, Service Fees and Commission	551.17	507.06
Rates and Taxes	16.06	14.51
Insurance	14.59	14.20
Travelling Expense	167.46	121.76
Communication Expenses	60.22	51.33
Legal & Professional Fees	142.57	125.57
Payment to Auditors (Refer Note 27(8))	0.88	0.95
Bad Debts written off	0.30	0.03
Less : Bad Debts Provision Utilised	(0.30)	(0.03)
Provision for Doubtful Debts	-	0.15
Expenses on CSR Activities (Refer Note 27(13))	21.58	22.26
Donation	9.91	-
Patent Filing & Registration Fees	62.30	61.84
External Research & Development	29.07	50.59
Loss /(Profit) on sale of property, plant and equipment (net)	0.56	-
Miscellaneous Expenses	16.28	6.41
	1,729.71	**1,562.08**

26 Exceptional Items (Net of Tax)*

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a. Identified CWIP		
i) Write-off of Impaired Asset	676.87	-
ii) Provision for Impairment of Asset	473.56	-
Sub-total [i) + ii)]	**1,150.43**	**-**
b. Deferred Tax Asset [due to Identified CWIP]	(124.77)	-
Sub-total [a) + b)]	**1,025.66**	**-**
c. Withdrawal from General Reserve	(1,025.66)	-
	-	**-**

*Refer Note 27 (27)(a)&(b).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

27 Other explanatory Notes to the Standalone Financial Statement

1 Earning Per Share (EPS)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Profit after Tax available for equity shareholders (₹in Crores)	346.73	543.55
b) Weighted Average number of equity shares	196,563,124	196,563,124
c) Basic and Diluted Earnings per share in ₹ - After Exceptional Items	17.64	27.65
d) Basic and Diluted Earnings per share in ₹ - Before Exceptional Items	17.64	27.65
(Face value per share ₹2/- each)		

2 Contingent Liabilities, Contingent Asset and Commitments (To The Extent Not Provided For)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i Estimated amount of contracts net of advances remaining to be executed on capital accounts and not provided for:	208.73	165.28
ii Contingent liabilities		
(a) Letters of credit and Guarantees	114.94	61.35
(b) Liabilities Disputed in appeals filed with respect to Indirect tax	1.77	0.79
(c) Claims against the company not acknowledged as debt	0.35	0.35
(d) Export obligation against advance license	0.04	0.03
(e) Disputed liability in respect of Ministry of Industry, Department of Chemicals and Petrochemicals in respect of price of Rifampicin allowed in formulations and landed cost of import.	0.35	0.35
(f) Disputed cases under Industrial Dispute Act,1947 and other forums.	Amount not ascertainable	Amount not ascertainable

3 Disclosure required under Micro, Small and Medium Enterprise Development Act 2006

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), details are as below.

Total outstanding dues of Micro, Small and Medium Enterprises (₹ in Crores)

	Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
a	The principal amount remaining unpaid to any supplier at the end of the year - Micro & Small enterprise	23.14	7.63
	The principal amount remaining unpaid to any supplier at the end of the year - Medium enterprise	21.89	7.48
b	Interest due remaining unpaid to any supplier at the end of the year	-	-
c	The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d	The amount of interest due and payable for the period of delay in making payment	-	-
e	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
		45.03	**15.11**

4 Segment Reporting

Segment information as required under Ind AS 108 i.e. Operating Segments is given in the Consolidated financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

5 Defined benefit plans / compensated absences - As per actuarial valuation

a) The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	95.29	85.06
Current service cost	14.35	13.48
Interest Cost	7.05	5.78
Components of actuarial gain/losses on obligations:	-	-
- Due to Change in financial assumptions	(3.57)	0.01
- Due to experience adjustments	2.53	0.77
Benefits paid	(10.55)	(9.82)
Present Value of defined benefit obligation at the end of the year	**105.10**	**95.29**
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	79.42	76.34
Expenses deducted from the fund		
Interest Income	5.91	5.23
Actuarial (losses) / gains	(1.75)	(3.43)
Contributions paid by the employer	11.35	10.86
Benefits paid from the fund	(10.55)	(9.58)
Fair Value of plan assets at the end of the year	**84.38**	**79.42**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
iii) Net asset / (liability) recognized in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(105.10)	(95.29)
Fair Value of plan assets at the end of the year	84.38	79.42
Amount recognized in the balance sheet	(20.72)	(15.87)
Net Liability - non current	(5.72)	-
Net Asset / (Liability) recognized - current	**(15.00)**	**(15.87)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
iv) Expense recognized in the statement of profit and loss for the year*		
Current service cost	14.35	13.48
Net interest cost	1.14	0.55
Total expenses included in employee benefit expenses	**15.49**	**14.03**

*₹1.19 Crores (PY ₹1.50 Crores) Included in capital work in progress pending capitalization and PPE.

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
v) Recognized in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	(3.57)	0.01
Actuarial changes arising from experience adjustment	2.53	0.77
Return on plan assets excluding amounts included in interest income	1.75	3.43
Recognized in other comprehensive income	**0.71**	**4.21**

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
vi) Actuarial Assumptions		
Rate of Discounting	7.40%	6.80%
Rate of Salary Increase	5.50%	5.25%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
vii) Composition of the plan assets		
Policy of insurance	100%	100%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

viii) Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Cash Flow	As at 31st March, 2023
Year 1	20.10
Year 2	5.06
Year 3	5.52
Year 4	7.30
Year 5	6.09
Year 6 to Year 10 Cash flow	50.34

The future accrual is not considered in arriving at the above cash-flows.

ix) The Expected contribution for the next year is ₹15.00 Crores and the average outstanding term of the obligations (years) as at valuation date is 12.24 years.

x) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions (₹ in Crores)

Sensitivity Analysis	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Delta Effect of +0.5% Change in Rate of Discounting	100.29	90.73
Delta Effect of -0.5% Change in Rate of Discounting	110.32	100.25
Delta Effect of +0.5% Change in Rate of Salary Increase	110.39	100.30
Delta Effect of -0.5% Change in Rate of Salary Increase	100.18	90.64
Delta Effect of +0.5% Change in Rate of Employee Turnover	105.95	95.95
Delta Effect of -0.5% Change in Rate of Employee Turnover	104.19	94.58

b) The following table sets out the non funded status of the Privilege Leave benefits and the amounts recognized in the Company's financial statements as at March 31, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	50.91	44.93
Current service cost	5.85	5.67
Interest Cost	3.77	3.06
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	(2.16)	0.00
- Due to experience adjustments	5.65	6.05
Benefits paid	(10.35)	(8.79)
Present Value of defined benefit obligation at the end of the year	53.66	50.91
Present Value of defined benefit obligation of sick leave at the end of the year	3.29	3.14
	56.95	**54.06**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
ii) Net asset / (liability) recognized in the Balance Sheet		
Amount recognized in the balance sheet	(56.95)	(54.06)
Net (Liability) - non current	(50.27)	(47.54)
Net (Liability) recognized - current	**(6.68)**	**(6.52)**

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
iii) Expense recognized in the statement of profit and loss for the year*		
Current service cost	5.85	5.67
Past service cost and loss/(gain) on		
Net interest cost	3.77	3.06
Net value of measurements on the obligation	3.49	6.05
Total Charge to statement of profit and loss	**13.10**	**14.78**

* ₹0.52 Crores (PY ₹0.94 Crores) Included in capital work in progress pending capitalization and PPE.

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
iv) Actuarial Assumptions		
Rate of Discounting	7.40%	6.80%
Rate of Salary Increase	5.50%	5.25%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

v) Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Cash Flow	As at 31st March, 2023
Year 1	6.26
Year 2	2.62
Year 3	2.79
Year 4	3.54
Year 5	3.12
Year 6 to Year 10 Cash flow	7.65

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

The future accrual is not considered in arriving at the above cash-flows.

The average outstanding term of the obligations (years) as at valuation date is 12.24 years.

vi) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions (₹ in Crores)

Sensitivity Analysis	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Delta Effect of +0.5% Change in Rate of Discounting	50.77	48.09
Delta Effect of -0.5% Change in Rate of Discounting	56.82	54.00
Delta Effect of +0.5% Change in Rate of Salary Increase	56.86	54.03
Delta Effect of -0.5% Change in Rate of Salary Increase	50.71	48.04
Delta Effect of +0.5% Change in Rate of Employee Turnover	54.22	51.36
Delta Effect of -0.5% Change in Rate of Employee Turnover	53.07	50.44

A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change, if any.

Major risk to the plan

A. Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

6 Provident Fund

The Company is liable for any shortfall, as per terms of the Provident Fund Trust deed, in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same, no such shortfall during the year & in previous year. Contribution to Provident fund trust and ESIC ₹31.09 Crores (PY ₹27.73 Crores).

7 Disclosures in respect of Related Parties transactions

A Controlling Company: Nirayu Limited

B Subsidiaries including step down subsidiaries:

1	Alembic Pharmaceuticals Inc.	(Subsidiary of Alembic Pharmaceuticals Limited)
2	Alembic Global Holding SA	(Subsidiary of Alembic Pharmaceuticals Limited)
3	Alembic Pharmaceuticals Chile SpA	(Subsidiary of Alembic Pharmaceuticals Limited)
4	Alembic Pharmaceuticals S.A de C.V	(Subsidiary of Alembic Pharmaceuticals Limited)
5	Alembic Pharmaceuticals Australia Pty Ltd.	(Subsidiary of Alembic Global Holding SA)
6	Alembic Pharmaceuticals Europe Ltd.	(Subsidiary of Alembic Global Holding SA)
7	Alnova Pharmaceuticals SA	(Subsidiary of Alembic Global Holding SA)
8	Alembic Pharmaceuticals Canada Ltd.	(Subsidiary of Alembic Global Holding SA)
9	Genius LLC	(Subsidiary of Alembic Global Holding SA)
10	Alembic Labs LLC (Formerly Known as Orit Laboratories LLC)	(Subsidiary of Alembic Pharmaceuticals Inc.)
11	Okner Realty LLC	(Subsidiary of Alembic Pharmaceuticals Inc.)

C Associates:

1	Incozen Therapeutics Pvt. Ltd.	(Associate of Alembic Pharmaceuticals Limited)
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	(Associate of Alembic Global Holding SA)
3	Dahlia Therapeutics SA	(Subsidiary of Rhizen Pharmaceuticals AG)
4	Rhizen Pharmaceuticals Inc.	(Subsidiary of Rhizen Pharmaceuticals AG)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

D Joint Ventures:

1	Alembic Mami SPA	(Joint venture of Alembic Global Holding SA)
2	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd.	(Joint venture of Alembic Global Holding SA)

E Other Related Parties:

1. Alembic Limited
2. Shreno Limited
3. Paushak Limited
4. Viramya Packlight LLP
5. Bhailal Amin General Hospital
6. Alembic CSR Foundation
7. Shreno Publications Limited
8. Rakshak Services Pvt. Ltd.
9. Alembic City Limited
10. Shreno Engineering Ltd.
11. Alembic Pharmaceuticals Limited Provident Fund
12. Alembic Pharmaceuticals Limited Superannuation Scheme
13. Alembic Pharmaceuticals Limited EGGS

F Key Management Personnel:

1	Mr. Chirayu Amin	Chairman & CEO
2	Mr. Pranav Amin	Managing Director
3	Mr. Shaunak Amin	Managing Director
4	Mr. R. K. Baheti	Director - Finance & CFO
5	Mr. K. G. Ramanathan	Non-Executive Director
6	Mr. Pranav Parikh	Non-Executive Director
7	Mr. Paresh Saraiya	Non-Executive Director
8	Ms. Archana Hingorani	Non-Executive Director
9	Mr. Ashok Barat	Non-Executive Director (w.e.f. 10-02-2022)
10	Mr. Charandeep Singh Saluja	Company Secretary (up-to 21st March, 2023)

G Close Member of Key Management Personnel:

1. Mrs. Malika Amin
2. Mr. Udit Amin
3. Ms. Yera Amin
4. Mrs. Jyoti Patel
5. Mrs. Ninochaka Kothari
6. Mrs. Shreya Mukharji

H Key Managerial Personnel Remuneration

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Short Term Employment Benefits	37.27	76.23
Post Employment Benefits	1.94	1.80
Other	0.93	0.77

I Transactions with Related parties:

During the year, the following transactions were carried out with related parties in the ordinary course of the business:

(₹ In Crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Sale of Goods (Net)		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	820.05	1,288.96
Others	5.50	0.34
Associates	0.01	72.71
Controlling Company	-	0.05
Other Related Parties	0.27	0.71
(b) Purchase of Goods/ Others		
Controlling Company	-	0.00
Other Related Parties		
Alembic Limited	4.71	5.96
Shreno Publications Limited	43.31	32.65
Others	2.40	1.78
(c) Corporate Guarantee Given		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Chile SpA	8.22	-
(d) Withdrawal of Corporate Guarantees		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	-	73.11
Alembic Pharmaceuticals Inc.	-	58.48
(e) Reimbursement of expenses Paid		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	26.69	28.23
Alembic Global Holding SA	-	0.83
Others	2.89	2.46
Other Related Parties		
Alembic Limited	4.27	0.90
Others	-	0.03
(f) Reimbursement of expenses Received		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	-	0.37
Associates		
Rhizen Pharmaceuticals AG	0.21	-
Other Related Parties		
Paushak Limited	0.58	0.32

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

(₹ In Crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(g) Rent / Lease liability paid		
Other Related Parties		
Alembic Limited	9.91	9.90
Others	0.70	0.68
(h) Guarantee Commission Received		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Chile SpA	0.01	-
Alembic Pharmaceuticals Inc.	0.21	0.19
(i) Receiving of Services		
Controlling Company	-	0.02
Other Related Parties		
Alembic Limited	14.38	18.58
Rakshak Services Pvt. Ltd.	2.54	0.89
Bhailal Amin General Hospital	4.26	4.16
Others	0.05	0.23
(j) Purchase of Property, Plant and Equipment		
Controlling Company	-	1.81
Other Related Parties		
Shreno Engineering Ltd.	17.41	2.81
Others	1.86	0.03
(k) Deposit Given		
Other Related Parties		
Alembic Limited	-	0.13
(l) Deposit Returned		
Other Related Parties		
Alembic Limited	-	0.04
(m) Dividend Paid		
Controlling Company	70.04	98.05
Other Related Parties		
Alembic Limited	56.10	78.17
Others	0.00	0.00
Close Member of Key Management Personnel	6.50	9.23
Key Management Personnel	6.56	9.19
(n) CSR Contribution		
Other Related Parties		
Alembic CSR Foundation	21.30	22.26

(₹ In Crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(o) Post Retirement benefits		
Other Related Parties		
Alembic Pharmaceuticals Limited Provident Fund	84.99	75.36
Alembic Pharmaceuticals Limited EGGS	11.43	10.50
Others	2.99	2.94
(p) Remuneration		
Key Management Personnel	40.13	78.80
(q) Loan Given to		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	9.57	-
(r) Interest Income		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	0.43	-
(s) Investment made		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Chile SpA	2.40	-

J Balance Outstanding as at the end of the year - Consider Good

(₹ In Crores)

	As at 31st March, 2023	As at 31st March, 2022
Receivables (Unsecured)		
Subsidiaries including step down subsidiaries	960.65	953.68
Associates	-	0.00
Other Related Parties	-	0.33
Payables		
Key Management personnel	8.60	36.52
Associates	28.85	26.30
Other Related Parties	19.52	14.48
Subsidiaries including step down subsidiaries	2.89	2.51
Loan (Unsecured)		
Subsidiaries including step down subsidiaries	10.29	-
Investments (Unsecured)		
Subsidiaries including step down subsidiaries	155.07	152.67
Associates	3.00	3.00
Corporate Guarantee		
Subsidiaries including step down subsidiaries	90.38	75.79
Deposit Given (Unsecured)		
Other Related Parties	2.78	2.78

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

8 Auditors Fees and Expenses

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Statutory Auditor:-		
As Auditor	0.33	0.33
In Other Capacity:-		
(i) Other Services		
Limited Review	0.26	0.24
Others	0.06	0.14
(ii) Reimbursement of expenses	0.00	0.00
(b) Tax Auditor:-		
As Auditors	0.11	0.09
In Other Capacity:-		
(i) Other Services	0.01	0.03
(c) Cost Auditor:-		
As Auditors	0.02	0.02
In Other Capacity:-		
(i) Other Services	0.04	0.06
(ii) Reimbursement of expenses	0.00	-
(d) Secretarial Auditor:-		
As Auditors		
Secretarial Audit Fee	0.06	0.03

9 Income Taxes

a. Income tax expense

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax		
Current tax expense	-	115.70
Deferred Tax		
Decrease (increase) in deferred tax assets	(10.21)	(8.77)
(Decrease) increase in deferred tax liabilities	10.21	8.77
Total deferred tax expenses (benefit)	-	-
Total Income tax expenses*	**-**	**115.70**

*This excludes tax benefit on other comprehensive income of ₹Nil (PY ₹0.60 Crores), reversal of DTA on intangibles against general reserve of ₹0.21 Crores (PY ₹0.28 Crores) and DTA impact on Identified CWIP ₹124.77 Crores.

b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before Income tax expense	345.93	658.01
Tax at the Indian Tax Rate*	60.44	114.97
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect of Deductible Tax Expense	(60.41)	0.02
Others (including deferred tax)	(0.03)	0.71
Income Tax Expense	**-**	**115.70**

*The company falls under the MAT provision of India Income Tax Act and the applicable Indian statutory tax rate for year ended 31st March, 2023 is 17.472% (PY 17.472%).

c. Current tax (liabilities)/assets (₹ In Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	22.12	7.07
Income tax paid	53.78	128.80
Current income tax payable for the year	-	(115.00)
Write back of income tax provision of earlier years	0.79	1.25
Net current income tax asset/ (liability) at the end	**76.70**	**22.12**
Current income tax asset at the end	76.70	22.12
Current income tax liability at the end	-	-

d. Unrecognised deferred tax assets

The details of unrecognised deferred tax assets are summarised below: (₹ In Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deductible temporary differences, net	161.59	169.44

During the year ended 31 March, 2023, the Company did not recognise deferred tax assets of ₹161.59 Crores on account of MAT credit entitlement, as the Company believes that utilization of same is not probable. The above MAT credit expire at various dates ranging from 2032 through 2037.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

10 Direct attributable expenditure for setting up of new facilities included in Capital Work-In-Progress.

(₹ In Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	990.82	770.48
Incurred during the current year		
a) Borrowing Cost*	1.13	39.05
b) Others	169.21	181.29
c) Capitalised	(1,161.16)	-
Closing balance	**-**	**990.82**

*Borrowing cost capitalised in F.Y. 2022-23 @ 8.88 %. (PY@ 8.93%).

11 Research and Development Expenses (₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Material Consumption	58.77	74.17
Employees Benefit Expenses	186.60	190.36
Utilities	23.10	20.68
Depreciation and Amortization Expense	99.52	164.28
Others	331.39	366.77
Research and Development Expenses (included in Profit and Loss)*	**699.39**	**816.26**

*Included non-recurring non-cash ₹155.13 Crores (PY 188.01 Crores).

12 Provision for Non-Saleable return of goods (₹ In Crores)

Particulars	As at 31st March, 2023
Opening Blalance	89.54
Increase during the year	50.21
Reduction during year	(41.26)
Closing Balance	**98.49**

13 Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder, the Company is required to spend 2% of its average net profits of immediately three preceding financial years on the CSR activities. A CSR Committee has been constituted by the Company.

(₹ In Crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Gross amount required to be spent by the Company	21.56	22.26
b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	0.03
(ii) On purposes other than (i) above	21.58	22.23
	21.58	**22.26**
c) Shortfall at the end of the year	-	-
d) Total of previous years Shortfall	-	-
e) Nature of CSR activities	Note (i)	Note (i)
f) Provision of CSR	-	-
Opening Balance	-	-
Addition	-	-
Withdrawal	-	-
Closing Balance	**-**	**-**

Notes:

i The Company directly and through Alembic CSR Foundation, Implementing Agency has spent the amount referred in (b) above on CSR activities such as Healthcare including preventive healthcare, Education, Sanitation, Promotion and development of traditional arts and handicrafts, Adoption of Schools in tribal/backward areas, Rural development projects, Livelihood Enhancement, Reducing Inequality and Environmental Sustainability.

ii Refer Note 27 (7) for related party transactions.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

14 Financial instruments

Category of Financial Instrument

(₹ In Crores)

Particulars	As at 31st March, 2023			As at 31st March, 2022	
	Fair value through other comprehensive income	Fair value through Profit and loss	Amortised cost	Fair value through other comprehensive income	Amortised cost
Financial assets					
Investment in Preference shares	22.99		0.45	22.99	0.45
Investment in LLP	40.62		-	40.25	-
Investment in Alternative Investment Equity Fund	-	7.14	-	-	-
Loan to Subsidiary (Refer Note 27(7)J)	-		10.29	-	-
Trade Receivables	-		1,201.20	-	988.33
Cash and cash equivalents	-		21.67	-	13.56
Bank balances other than cash and cash equivalents	-		6.79	-	8.34
Derivatives not designated as Hedge	-	-	-	-	14.57
Others	-		9.33	-	8.55
Total	**63.61**	**7.14**	**1,249.74**	**63.24**	**1,033.80**
Financial liabilities					
Borrowings	-	-	635.07	-	629.99
Lease liabilities	-	-	74.86	-	76.12
Trade Payables	-	-	595.85	-	570.21
Other Financial liabilities	-	-	148.73	-	173.90
Total	**-**	**-**	**1,454.52**	**-**	**1,450.22**

Fair value measurement hierarchy

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Investment in Alternative Investment Equity Fund	-	7.14	-	-	-	-
Investments in Preference share & LLP	-	-	63.61	-	-	63.24

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Refer Note No 5,7,8,9,10,27(22),16,17,18,27(7)J.

The Fair value of unquoted investment in Limited liability partnerships is arrived by Net Asset Value ('NAV') method under Cost Approach by external valuation agency. The valuation is carried out based on provisional financial statement of ABCD Technologies LLP as at 31st December, 2022. With respect to the fair value of the investment in Rigimmune. Inc., due to insignificant change in fair valuation, transaction price is considered as fair value as at 31st March, 2023.

The following Table represent the changes in the Level 3 items

	(₹ In Crores
As on 1st April 2022	63.24
Gain / (losses) recognised in other comprehensive income	0.36
As on 31st March 2023	**63.61**

15 Capital - Work - in Progress (CWIP)

a) Ageing Schedule (₹ in Crores)

Particular	CWIP For a Period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project In progress As at 31st March, 2023	36.12	59.06	89.28	416.82	601.28
Project In progress As at 31st March, 2022	365.33	458.28	340.75	1,041.44	2,205.79

There is no project whose completion is overdue since project completion is subject to regulatory approvals. There is neither project which is temporarily suspended nor cost over run.

b) The company has impaired/written off Rs 1150.43 Crores from CWIP considering the price erosion witnessed in the US generics market in the recent past and prolonged delay in approvals due to the Covid-19 pandemic by USFDA. The recoverable amount is value in use considering the discount rate of 12.23%. Refer Note 27(27)(a)&(b).

16 Intangible Assets under Development ageing schedule

(₹ in Crores)

Particular	Intangible Asset under Development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project In progress As at 31st March, 2023	-	-	-	-	-
Project In progress As at 31st March, 2022	-	38.73	59.71	-	98.44

There is no project which is temporarily suspended.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

17 Financial Risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, Deposit, Cash and cash equivalents and other receivables.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer, default risk of the industry and country in which the customer operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has used expected credit loss model for assessing the impairment loss.

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	1,201.20	988.33
Allowance for doubtful debts (expected credit loss allowance)	2.18	2.48
Percentage	0.18%	0.25%

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ in Crores)
Loss allowance As at 1st April, 2021	2.36
Changes in loss allowance	0.12
Loss allowance As at 31st March, 2022	2.48
Changes in loss allowance	(0.30)
Loss allowance As at 31st March, 2023	**2.18**

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹21.67 Crores (PY ₹13.56 Crores). The cash and cash equivalents, other bank balances and derivatives are held with banks having good credit rating.

Other financial assets

Other financial assets are neither past over due nor impaired.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company ensures that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions. The Company has sufficient unutilised fund and non fund based working capital credit limit duly sanctioned by various banks.

The company is rated by leading credit agency CRISIL, the rating "CRISIL A1+" and "AA+/Stable" has been assigned for short term and long term facility respectively, indicating high degree of safety regarding timely payment and servicing of financial obligation.

Exposure to liquidity risk

The following are the remaining contractual maturities of undiscounted financial liabilities at the reporting date.

(₹ in Crores)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Non derivative						
Borrowings	635.07	-	635.07	629.99	-	629.99
Trade payables	588.40	7.45	595.85	561.42	8.79	570.21
Other financial liabilities	164.96	58.63	223.59	187.99	62.03	250.02

iii) Market risk

Currency Risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses. The Company uses foreign exchange option contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its business transactions and recognized assets and liabilities. The Company enters into foreign currency options contracts which are not intended for trading or speculative purposes but for mitigating currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(₹ in Crores)

As at 31st March, 2023	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables (net)	833.37	86.43	63.78	983.58
Loan to Subsidiary - Refer Note No 27(7)J	10.30	-	-	10.30
Cash and cash equivalents	0.12	-	-	0.12
Financial liabilities				
Trade payables	114.49	15.53	4.22	134.24

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

As at 31st March, 2022	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables (net)	759.23	79.27	60.24	898.74
Cash and cash equivalents	0.34	-	-	0.34
Financial liabilities				
Trade payables	142.10	8.90	15.38	166.38

Sensitivity analysis

For the year ended 31st March, 2023 every 5% weakening of Indian Rupee as compare to the respective major currencies for the above mentioned financial assets/liabilities would increase Company's profit and equity by approximately ₹40.01 Crores (PY ₹34.39 Crores). A 5% strengthening of the Indian Rupee as compare to the respective major currencies would lead to an equal but opposite effect.

Interest rate risk and Exposure to interest rate risk

The Company has loan facilities on floating interest rate, which exposes the company to risk of changes in interest rates.

For the year ended 31st March, 2023 every 50 basis point decrease in the floating interest rate component applicable to its borrowings would decrease the Company's interest cost by approximately ₹2.68 Crores (PY ₹0.90 Crores) on a yearly basis. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

The Company's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies.

Other Risk

Since company has been significantly dealing in regulatory market, continuous compliance of all manufacturing facilities is pre requisite. Any adverse action by regulatory authority of the company's target market can adversely affect company's operation.

18 Capital Management

The Company's capital management objectives are:

* to ensure the Company's ability to continue as a going concern and

* to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Dividend on equity shares

The Board has recommended dividend on Equity Shares at ₹8/- per share i.e. 400% for the year ended 31st March, 2023, as against Dividend ₹10/- per equity share i.e. 500% for the financial year 2021-22. Dividends for the year 2021-22 have been paid during the year.

19 Key Ratios

Particulars	Notes	2022-23	2021-22	% Change
1 Current Ratio (in times) (Current Asset / Current Liabilities)	6,7,8,9,10,27(9),11, 16,27(22),17,18,19,20	1.79	1.74	-3%
2 Debt-Equity Ratio (in times) (Debt / Net Worth [Debt : Total Debt (Short term + Long term) Net worth : Share Capital + Other Equity])	16,12,13	0.14	0.12	21%
3 Debt Service Coverage Ratio (in times)[$] (Profit Before Tax + Interest) / (Interest + schedule principal repayments of Long Term Debt)	16	2.20	2.42	9%
4 Return on Equity Ratio[#$] (Net Income / Average Shareholders' Equity)	12,13	10.34%	13.24%	22%
5 Inventory Turnover (in times) (Sale of products / Average WIP, FG and Stock in trade Inventory) Annualised	21,23	6.24	5.80	-8%
6 Trade Receivables turnover ratio (in times)[*] (Value of Sales and Service / Average Trade Receivables)	21,7	4.67	7.11	34%
7 Trade Payable Turnover Ratio (in times) (All Purchase of Goods & Services / Average Trade Payable)	17,23,25	5.55	5.67	2%
8 Net Capital Turnover Ratio (in times) (Net Annual Sales /Average Working Capital)	21,6,7,8,9,10, 27(9),11,16,27(22), 17, 18,19,20	4.30	3.99	-8%
9 Net Profit Ratio[#$] (Profit After Tax / Turnover)	21	9.75%	13.66%	29%
10 Return on Capital Employed[#$] (Earning Before Interest and Tax / Capital Employed = Total Asset - Current liability)	3,4,5,6,7,8,9,10, 27(9),11,15, 27(7)J,27(15),27, (16),16,27(22),17, 18,19,20,	12.01%	15.71%	24%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

19 Key Ratios Continue

Particulars	Notes	2022-23	2021-22	% Change
11 Return on Investment#$ (Profit Before Tax/ Total Asset)	3,4,5,6,7,8,9,10, 27 (9),11,15,27(7) J,27(15),27(16)	8.17%	11.96%	32%
12 Interest Service Coverage Ratio (in times)#$ (Profit before tax+interest)/ Interest		10.97	15.39	29%
13 Operating Margin#$ (EBITDA / Revenue from Operations)	3,27(9),21	14.88%	21.51%	31%

$Ratios are calculated before non-cash non-recurring expenses as mentioned in Note No.11

Explanation for changes by more than 25% as compared to the preceding year

*Due to temporary delay in realisation of debtors during FY 23.

#Lower profit compare to last year.

20 Disaggregation of revenue

The Company is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business ₹1165.16 Crores and ₹3983.84 Crores respectively, and considering Geographical business, revenue can be disaggregated as in India ₹2312.20 Crores and out side India ₹2836.80 Crores.

21 Donation includes political contributions of ₹9.70 Crores through Electoral Bond.

22 Lease

A) The following is the movement in lease liabilities

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Balance	76.12	83.82
Additions	15.10	5.40
Derecognise	(1.46)	(0.62)
Finance cost accrued during the period	6.65	7.70
Payment of lease liabilities	(21.56)	(20.17)
Closing balance	**74.86**	**76.12**

B) Maturity Analysis of Lease Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023
Maturity Analysis - Contractual undiscounted Cash Flows	
Less than one year	22.31
One to five years	7.78
More than five years	2.18
Total Undiscounted Lease Liabilities	**32.27**
Lease Liabilities included in the Statement of Financial Position	
Non Current	58.63
Current	16.23
Total	**74.86**

C) Amount Recognized in the Statement of Profit & Loss

(₹ in Crores)

Particulars	For the year ended 31st March, 2023
Interest on Lease Liabilities	6.65
Depreciation on Lease Asset	15.21

D) The Company has obtained certain premises for its business operations under short-term leases or leases of low-value leases. These are generally not non-cancellable and are renewable by mutual consent on mutually agreeable terms. (Refer Note 25).

23 Details of Investment, Loans and Guarantee given to Subsidiaries for business purpose

(₹ in Crores)

Name of Company	Nature	As at 31st March, 2023	Maximum balance during the year	As at 31st March, 2022	Maximum balance during the year
Alembic Global Holding SA	Loan	10.29	10.29	-	-
Alembic Global Holding SA	Guarantee	-	-	-	73.11
Alembic Pharmaceutical Inc.	Guarantee	82.17	82.17	75.79	75.79
Alembic Pharmaceuticals Chile SpA	Guarantee	8.22	8.22	-	-

For Investment made kindly refer Note 5.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

24 Relationship with Struck off Companies

As per the information available with the company, following are the transactions with struck off companies:

Nature of transactions & Relationship: Shares held by Struck off Company as Shareholder

Name of Struck off company	Balance outstanding As at 31st March, 2023
Share Holder Name (Amount in ₹)	
1 Unickon Fincap Private Limited	450.00
2 Vaishak Shares Limited	2.00
3 Victor Properties Private Limited	2,290.00
4 Synectic Management Services Pvt Ltd	2.00
5 Canny Securities Private Limited	300.00
Trade Payable (Amount in ₹ in Crores)	
1 Advanced Micro Devices Private Limited	0.10
2 Shubham Pharmachem Private Limited	0.20

25 The Company has working capital borrowing from banks on the basis of security of current asset and quarterly returns filed by the Company with banks are in agreement with the books of account.

26 Business Combination

In the previous year, the Board of Directors of the Company had at their meeting held on 29th March, 2022 inter alia approved the Scheme of Arrangement in nature of Amalgamation of Aleor Dermaceuticals Ltd. ('the Transferor Company'/'Aleor') engaged in the business of Pharmaceuticals with Alembic Pharmaceuticals Ltd. ('the Transferee Company') and their respective shareholders ('the Scheme') with effect from the appointed date i.e. 1st April, 2021. The said Scheme had been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 29th August, 2022. The Scheme was effective upon filing of the certified copy of the said Order with the Registrar of Companies, Gujarat/Ministry of Corporate Affairs. Accordingly, the Board approved the financial statements after giving effect to the Scheme.

As per Ind AS - 103, the financial information in the financial statements in respect of prior period is required to be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, Accordinglly the Company has restated the financials of the comparative period, on account of Amalgamation of Aleor. The transaction does not have any impact on the consolidated financial statement.

The Standalone Financial Statements for the year ended 31st March, 2022 were earlier approved by the Board of Directors on 2nd May, 2022 on pre-Amalgamation basis. Pursuant to the approval of the Scheme by Hon'ble NCLT, this Standalone Financial Statement for the year ended 31st March, 2022 had been revised as per the scheme by applying the principles as set out in Appendix C of Ind As 103 "Business Combination" and inter-company balances and inter-company investments between both companies stood canceled. The financial statements of Aleor for the year ended on March 31, 2022 and March 31, 2021 were audited by the statutory auditor of Aleor.

27 The Board of Directors of the Company at their meeting held on 2nd March, 2023, inter alia, considered and approved:

a Impairment review of the capital work-in-progress ("CWIP") in respect of 3 (three) new manufacturing facilities that were under construction viz. Formulation 2 located at Panelav, Gujarat, Formulation 3 located at Karakhadi, Gujarat and Formulation 4 located at Jarod, Gujarat, which indicated an aggregate impairment amount of ₹1,150.43 Crores ("Identified CWIP"), to be charged to the Statement of Profit and Loss of FY 2022-23, as write-off in respect of manufacturing facilities or part thereof, for which the commercial operation has commenced during the FY 2022-23, and as provision for impairment / diminution in the value of assets in respect of manufacturing facilities or part thereof, for which the commercial operation has not commenced during the FY 2022-23; and

b Draft Scheme of Arrangement between the Company and its shareholders ("Scheme"), which provides for reorganization / utilization of General Reserve of the Company, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder, with the Appointed Date of 1st January, 2023 subject to receipt of requisite regulatory, statutory and contractual approvals. Currently, the Scheme is pending with the Stock Exchanges / SEBI for their No-objection Letter as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view of above, an Identified CWIP amount of ₹676.87 Crores has been written off to the Statement of Profit and Loss for the year ended 31st March, 2023, in respect of manufacturing facilities or part thereof, for which the commercial operation has commenced during the FY 2022-23 and an Identified CWIP amount of ₹473.56 Crores has been provided for in the Statement of Profit and Loss as provision for impairment /diminution in the value of assets in respect of manufacturing facilities or part thereof, for which the commercial operation has not commenced during the FY 2022-23. Further, an amount equivalent to the amount of write-off and impairment of assets (net of deferred tax) has been transferred from General Reserve to the Statement of Profit and Loss for the financial year ended on 31st March, 2023.

Above items a) and b) are disclosed as Exceptional item. Refer Note 26.

c The amount of ₹868.63 crores has been transferred from General Reserve to the Retained Earnings under the head "Other Equity" during the financial year ended on 31st March, 2023, pending requisite approvals as stated above, for which there is no specific accounting treatment specified in Ind AS.

28 Other Statutory information

i The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

ii The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

iii The company have not traded or invested in Crypto currency or Virtual Currency during the period/year.

iv The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vii The company holds all the title deeds of immovable properties in its name.

viii The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

29 The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Independent Auditors' Report

To the Members of Alembic Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Alembic Pharmaceuticals Limited ("the Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate as referred to in the "Other Matters" section and except for the effects, of the matter described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We refer to Note No. 28 (27(a)&(b)) read with Note No. 27 to the consolidated financial statements regarding Draft Scheme of Arrangement ("Scheme") approved by the Board of Directors of Holding Company in its meeting held on March 2, 2023, involving reorganisation/utilisation of General Reserve, between the Holding Company and its shareholders with effect from the appointed date i.e. January 1, 2023 which is pending before regulatory authorities. Further, the Holding Company has withdrawn ₹1,025.66 crores from General Reserve and transferred the same to the Statement of Profit and Loss for the year ended March 31, 2023 under the head "Exceptional Items". We are of the opinion that the said treatment does not meet the criteria of "Income" under Indian Accounting Standards ("Ind AS") and therefore, the same should not be recognised in the Statement of Profit and Loss for the year. Had this transfer not been effected, Profit after tax for the year and consequently Retained Earnings as at March 31, 2023 would have been reduced by ₹1,025.66 crores, General Reserve as at March 31, 2023 would have been increased by ₹1,025.66 crores and Basic and Diluted Earnings per Share for the year ended March 31, 2023 would have been lower by ₹52.18 on consolidated basis.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter

Attention is drawn to Note No. 28(27)(c) to the consolidated financial statements which describes the fact that pending requisite approvals of the Draft Scheme of Arrangement, an amount of ₹868.63 crores has been transferred from General Reserve to the Retained Earnings under the head "Other Equity" during the financial year ended on March 31, 2023, by the management of Holding Company for which there is no specific accounting treatment specified in Ind AS.

Our opinion is not modified in respect of above matter.

2. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1	**Provision for return of non-saleable goods (Expiry, Breakage and Spoilage) in the market in India:** As referred to note 28(14) to the consolidated financial statements, the Holding Company, under the prevailing trade practice, has an obligation to accept returns of expiry, breakage and spoilage (EBS) products, from the customers in India. This results in deductions to gross amounts invoiced. The methodology and assumptions used to estimate the accruals of EBS are monitored and adjusted regularly by the management of the Holding Company in the light of the obligations, historical trends, past experience and prevailing market conditions. This is considered as key audit matter in view of significant estimates and judgements made by the management for recognition and measurement for the same.	Our audit procedures consisted of following: 1. Assessed the appropriateness of the accounting policy in respect of recognition of provision of EBS estimated in future out of the sales effected during the current period; 2. Tested the operating effectiveness of controls over Company's review of recognition of provision of EBS; 3. Obtained management 's calculations for accruals and assessed management analysis of the historical pattern of accruals to validate management's assumption for creation of such provisions; 4. Examined the historical trend of the Company's estimates to assess the assumptions and judgements used by the Company in accrual of provisions.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1		**Conclusion:** We did not find any material exceptions to the calculations made and estimates, assumptions and judgements used by the management of the Holding Company on the subject matter.
2	**Impairment losses of Formulation plants** As referred to Note 28 (27(a)&(b)) read with Note No. 27 to the consolidated financial statements, during March 2023 quarter, the management of the Holding Company had carried out a comprehensive and systematic impairment review of the Formulation Plant 2, 3 & 4 which were under construction and became ready for its intended use on receipt of regulator approvals and arrived at their recoverable value. On completion of this review, the Management identified impairment loss of ₹676.87 crores and provision for impairment amounting to ₹473.56 crores relating to these plant facilities. On March 2, 2023, the Board of Directors has considered impairment review and approved the write-off of ₹676.87 crores and provision for impairment of ₹473.56 crores. Determination of recoverable value and/or impairment assessment involves significant management judgement and hence it is a key audit matter.	Our audit procedures consisted of the following: • Obtained an understanding and assessed the design, implementation and operating effectiveness of management's controls to assess impairment of Formulation plants. • Evaluated the objectivity, competency and independence of the management expert engaged by the Company. • Obtained management expert's report on impairment review from the management. • Assessed the reasonableness of the cashflow projections, key management assumptions and estimates used in the impairment analysis. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements. **Conclusion:** We did not find any material exceptions to the conclusion arrived by the management of the Holding Company based on the procedure performed by it, in the impairment assessment carried out for Formulation plants.

3. Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Management Discussion and Analysis but does not include the consolidated financial statements and our Auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

5. Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associate incorporated in India have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Other Matters

(i)(a) We did not audit the financial statements of 3 subsidiaries included in the consolidated financial statements, whose financial statements for the year ended March 31, 2023 reflect as follows:

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2023
Total Assets	1,253.59
Total Revenues	1,516.97
Total Net profit/(loss) after tax	(18.73)
Total Comprehensive Income	(5.03)
Total Cash Inflow / (Outflow) (net)	6.28

The financial statements of these 3 subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

(b) Certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in its respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(ii) The consolidated financial statements also include the Group's share of net profit after tax, and total comprehensive income for the year ended March 31, 2023 as mentioned below, in respect of 1 associate based on their financial statements which have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor.

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2023
Total Net profit/(loss) after tax	0.17
Total Comprehensive Income	0.17

Our opinion on the consolidated financial statements is not modified in respect of the above other matters with respect to our reliance on the work done and the reports of the other auditors. Refer Annexure 1 for entities included in the consolidated financial statements

7. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and on the other financial information of subsidiaries and associate, as noted in "Other Matters" paragraph 2 and 3 above, we report, to the extent applicable, that.

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;

d. except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.;

f. the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, prima facie, does not appear to have any adverse effects on the functioning of the Group;

g. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and its associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

h. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

i. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the remuneration paid by the Holding Company and its associate incorporated in India to whom section 197 is applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act: and

j. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and based on the consideration of the report of the other auditors on separate financial information of the subsidiaries as noted in "Other matters" paragraph:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer note 28(2) to the consolidated financial statements;

   ii. the Group and its associate have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate incorporated in India;

iv.(a) The respective managements of the Holding Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or associates to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries or associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries or associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us/the other auditor on the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our/the other auditor notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 28(20) to the consolidated financial statements

(a) The final dividend proposed for the Financial Year 2021-22,and declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and Associate, which are the companies incorporated in India from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us and the auditor of the associate included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 23101533BGSTCI6065

Place: Vadodara
Date: May 5, 2023

Annexure 1

Sr. No.	Name of Entity	Relation	Consolidated/ Standalone	Included in Consolidation	Whether audited/ reviewed by other auditors
1	Alembic Pharmaceutical Inc.	Subsidiary	Consolidated	Yes	Audited
	a. Okner Realty LLC	Step down Subsidiary			
	b. Alembic Labs LLC (formerly known as Orit Laboratories LLC)	Step down Subsidiary			
2	Alembic Global Holding SA (AGH)*	Subsidiary	Standalone	Yes	Audited
	a. Alembic Pharmaceuticals Australia Pty Ltd	Step down Subsidiary			
	b. Alembic Pharmaceuticals Canada Ltd	Step down Subsidiary			
	c. Alembic Pharmaceuticals Europe Ltd	Step down Subsidiary			
	d. Alnova Pharmaceuticals SA	Step down Subsidiary			
	e. Genius LLC**	Step down Subsidiary			
	f. Rhizen Pharmaceuticals AG	Associate of AGH			
	g. Dahlia Therapeutics SA	Associate as a Subsidiary of Rhizen Pharmaceuticals AG			
	h. Rhizen Pharmaceuticals Inc.***	Associate as a Subsidiary of Rhizen Pharmaceuticals AG			
	i. Alembic Mami SPA****	Joint Venture			
	j. SPH Sine Alembic (Shanghai) Pharmaceutical Technology Limited*****	Joint Venture			
3	Alembic Pharmaceuticals Chile SpA	Subsidiary	Standalone	Yes	Audited
4	Incozen Therapeutics Pvt Ltd.	Associate	Standalone	Yes	Audited

*Consolidated Financial Information of Alembic Global Holding SA (AGH) is prepared by the management of the company based on audited financials statements received from subsidiary, step down subsidiaries, associate and joint ventures.

**Genius LLC is based out in Ukraine. The investment value in Genius LLC is already provided for by AGH during the previous year. As at March 31, 2023, Genius LLC does not have any asset/liability and no transaction is entered during the current year. Formal legal process for liquidation is yet to be initiated by the Parent Company.

*** The entity is dissolved during the year. The Parent Company has written off the investments during March 23 quarter.

****The consolidated financial statements do not include share of profit or loss as the financial statements of the same have not been received or prepared by the Alembic Global Holdings SA and no further share of loss is required to be borne by the Group as the entire Equity capital and loan given to it is fully provided for in earlier year. Formal legal process for dis-association is still to be initiated by the Parent Company.

*****The consolidated financial statements do not include share of profit or loss in respect of a joint venture, agreement of which was entered into on 7th May 2019. We are informed that the Group has invested ₹0.46 Crores during the earlier year to acquire 44% share and the operations have not started till March 31, 2023 and therefore, there are no transactions for the year.

Annexure A
to the Independent Auditors' Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Alembic Pharmaceuticals Limited on the consolidated financial statements of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to consolidated financial statements of Alembic Pharmaceuticals Limited ("the Holding Company" or "the Company") and its associate which are companies incorporated in India as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate which are companies incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its associate has, in all material respects, adequate internal financial controls with reference to consolidated financial statements in place and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to an associate company, which is company incorporated in India, is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 23101533BGSTCI6065

Place: Vadodara
Date: May 5, 2023

Consolidated Balance Sheet

as on 31st March, 2023

(₹ in Crores)

Particulars	Note No	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	2,398.45	1,741.47
(b) Capital work-in-progress	28(17)	601.28	2,205.79
(c) Other Intangible assets	4	-	56.38
(d) Intangible assets under development	28(18)	-	98.44
(e) Financial Assets			
(i) Investments	5	71.20	63.69
(ii) Investment accounted for using Equity Method	6	25.13	54.71
(f) Deferred tax assets (net)	16	123.01	5.88
(g) Other Non-Current Assets- Capital Advance		53.74	34.88
Total non-current assets		**3,272.81**	**4,261.24**
(2) Current Assets			
(a) Inventories	7	1,475.27	1,609.70
(b) Financial Assets			
(i) Trade receivables	8	1,046.40	807.13
(ii) Cash and cash equivalents	9	75.48	61.09
(iii) Bank balances other than cash and cash equivalents	10	6.79	8.34
(iv) Other financial assets	11	9.85	23.51
(c) Current Tax Assets (Net)	28(10)	82.71	25.08
(d) Other current assets	12	213.52	325.93
Total current assets		**2,910.02**	**2,860.79**
TOTAL ASSETS		**6,182.83**	**7,122.03**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	39.31	39.31
(b) Other Equity	14	4,331.16	5,198.23
Total Equity		**4,370.47**	**5,237.55**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	28(22)	69.23	72.14
(b) Provisions	15	106.20	95.82
Total non-current liabilities		**175.43**	**167.96**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	635.87	629.99
(ia) Lease liabilities	28(22)	16.92	14.98
(ii) Trade payables	18		
A) Total outstanding dues of Micro and Small enterprises		23.14	7.63
B) Total outstanding dues of others		656.67	698.76
(iii) Other financial liabilities	19	148.73	173.90
(b) Other current liabilities	20	85.54	127.64
(c) Provisions	21	70.06	63.64
Total current liabilities		**1,636.92**	**1,716.53**
TOTAL EQUITY AND LIABILITIES		**6,182.83**	**7,122.03**
The accompanying notes form an integral part of these Consolidated financial statements.	1-28		

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	Note No	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I Revenue from Operations	22	5,652.62	5,305.79
II Other Income	23	2.74	50.46
III Total Income		**5,655.36**	**5,356.25**
IV Expenses			
Cost of Materials Consumed	24	1,250.08	1,129.11
Purchase of Stock-in-Trade		380.09	360.50
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	24	78.65	(43.19)
Employee Benefits Expense	25	1,169.13	1,133.00
Finance Costs		50.17	17.73
Depreciation and Amortization Expense	3 & 4	275.43	286.78
Other Expenses	26	2,066.33	1,852.20
Total Expense (IV)		**5,269.86**	**4,736.14**
V Profit Before Share of Profit / (Loss) of Associates and Joint Ventures, Exceptional Item and Tax (III-IV)		385.50	620.11
VI Share of Profit/(Loss) of an associate and a joint venture		(30.92)	5.28
VII Profit Before Exceptional Item and Tax (V-VI)		354.59	625.39
VIII Exceptional Item (Net of Tax)	27	-	-
IX Profit Before Tax (VII-VIII)		**354.59**	**625.39**
X Tax Expense	28(10)		
(i) Current Tax		4.20	129.18
(ii) Deferred Tax		9.20	(23.47)
(iii) Short/Excess Tax Provision		(0.79)	(1.25)
XI Profit for the year (VII+VIII)		**341.99**	**520.94**
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit and Loss		(0.35)	(3.96)
(ii) Income tax relating to items that will not be reclassified to profit / (loss)		-	0.70
		(0.35)	**(3.25)**
B Items that will be reclassified to Profit or Loss		13.71	4.65
		13.71	**4.65**
Total Other Comprehensive Income (A+B)		**13.37**	**1.40**
XIII Total Comprehensive Income for the year (IX+X)		**355.36**	**522.34**
XIV Earnings per equity share (FV ₹2/- per share) :	28(1)		
Basic & Diluted (in ₹) - After Exceptional Items		17.40	26.50
Basic & Diluted (in ₹) - Before Exceptional Items		17.40	26.50
The accompanying notes form an integral part of these consolidated financial statements.	1-28		

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

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(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Consolidated
Statement of Changes in Equity

as at 31st March, 2023

A. Equity Share Capital

Equity shares of ₹2/- each issued, subscribed and fully paid

(1) Current reporting period

(₹ in Crores)

Balance As at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1st April, 2022	Changes in equity share capital during the current year	Balance As at 31st March, 2023
39.31	-	39.31	-	39.31

(2) Previous reporting period

(₹ in Crores)

Balance As at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance As at 31st March, 2022
39.31	-	39.31	-	39.31

B. Other Equity - Attributable to owners

(1) Current reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other comprehensive income (OCI)			Total
	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained earnings	Financial Instruments through OCI	Exchange difference on translating the financial statements of a foreign operation	Remeasurements of the net Defined Benefit Plan	
Balance As at 1st April, 2022	748.39	1,844.74	50.00	2,554.39	0.21	25.46	(24.95)	5,198.23
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at 1st April, 2022	**748.39**	**1,844.74**	**50.00**	**2,554.39**	**0.21**	**25.46**	**(24.95)**	**5,198.23**
Total Comprehensive Income for the current year	-	-	-	341.99	0.36	13.71	(0.71)	355.36
Dividend	-	-	-	(196.56)	-	-	-	(196.56)
Reversal of Deferred Tax Asset	-	(0.21)	-		-	-	-	(0.21)
Transfer from Debenture Redemption Reserve	-	50.00	(50.00)	-	-	-	-	-
Transferred from General Reserve##		(1,894.29)		868.63	-	-	-	(1,025.66)
Balance As at 31st March, 2023	**748.39**	**0.24**	**-**	**3,568.44**	**0.57**	**39.17**	**(25.66)**	4,331.16

Consolidated
Statement of Changes in Equity

as at 31st March, 2023

(2) Previous reporting period (₹ in Crores)

Particulars	Reserves and Surplus: Securities Premium	Reserves and Surplus: General Reserve	Reserves and Surplus: Debenture Redemption Reserve	Reserves and Surplus: Retained earnings	Other comprehensive income (OCI): Financial Instruments through OCI	Other comprehensive income (OCI): Exchange difference on translating the financial statements of a foreign operation	Other comprehensive income (OCI): Remeasurements of the net Defined Benefit Plan	Total
Balance As at 1st April, 2021	748.39	1,770.01	125.00	2,384.94	-	20.80	(21.49)	5,027.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at 1st April, 2021	**748.39**	**1,770.01**	**125.00**	**2,384.94**	**-**	**20.80**	**(21.49)**	**5,027.66**
Total Comprehensive Income for the previous year	-	-	-	520.94	0.21	4.65	(3.46)	522.34
Acquisition of Non-Controlling Interest	-	-	-	(76.30)	-	-	-	(76.30)
Dividend	-		-	(275.19)	-	-	-	(275.19)
Reversal of Deferred Tax Asset	-	(0.27)	-	-	-	-	-	(0.27)
Transfer from Debenture Redemption Reserve	-	75.00	(75.00)	-	-	-	-	-
Balance As at 31st March, 2022	**748.39**	**1,844.74**	**50.00**	**2,554.39**	**0.21**	**25.46**	**(24.95)**	**5,198.23**

##Please refer note 28 (27).

The accompanying notes are an integral part of the Consolidated financial statements (note1-28).

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Consolidated Statement of Cash Flow

for the year ended 31st March, 2023

(₹ in Crores)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Net Profit Before Tax as per Statement of Profit and Loss (After Exceptional item and Tax thereon)	354.59	625.39
	Adjustments for:		
	Share of (Profit)/Loss of Associates and Joint Ventures	30.92	(5.28)
	Depreciation and amortisation	275.43	286.78
	Interest charged	50.17	17.73
	Interest Income	(0.33)	(1.73)
	Dividend Income/Gain on Sale of Investments	(0.61)	(2.88)
	Unrealised foreign exchange (gain)/loss (net)	29.06	36.45
	Fair value (gain)/loss on financial instruments at fair value through profit or loss	(0.14)	-
	Provision/write off for doubtful trade receivables	-	7.30
	Sundry balances written off/written-back (net)	(0.01)	(0.21)
	Loss/(Profit) on sale of Asset	4.70	(0.54)
	Product development expenses	98.44	80.13
	Operating Profit before change in working capital	842.20	1,043.14
	Working capital changes:		
	(Increase)/Decrease In Inventories	134.44	(123.55)
	(Increase) In Trade Receivables	(222.88)	(469.62)
	Decrease In Other Assets	127.14	128.19
	Increase/(Decrease) In Trade Payables	(28.17)	36.67
	Increase/(Decrease) In Other Liabilities	(84.18)	43.22
	Increase In Provisions	16.09	17.75
	Cash generated from operations	784.64	675.79
	Direct taxes paid (Net of refunds)	(60.70)	(123.43)
	Net Cash inflow from Operating Activities (A)	**723.95**	**552.35**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Proceeds from Sale of Asset	1.87	1.39
	Interest received	0.33	1.73
	Dividend / Gain on Sale of Investments received	0.61	2.88
	Purchase of Property, Plant & Equipments, Intangible Assets and Capital Advance	(443.41)	(425.64)
	Investment in Alternative Investment Equity Fund	(7.00)	(139.29)
	(Purchase) / sale of current investments (net)	-	186.97
	Net Cash inflow from Investing Activities (B)	**(447.59)**	**(371.97)**

Consolidated Statement of Cash Flow

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(200.00)	(300.00)
Net Increase/(Decrease) in short term borrowings	205.87	429.98
Payment of lease liabilities	(23.10)	(20.17)
Change in Restricted Bank Balances other than Cash & Cash Equivalents	1.53	(0.05)
Dividends paid	(196.56)	(275.19)
Interest and other finance costs (including borrowing cost capitalised)	(49.70)	(51.92)
Net Cash inflow from Financing Activities (C)	**(261.96)**	**(217.35)**
I. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	14.39	(36.97)
II. a) Cash and cash equivalents at the beginning of the Year	61.09	98.06
b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.001)	(0.00)
III. Cash and cash equivalents at the end of the period (I+II)	**75.48**	**61.09**
IV. Cash and cash equivalents at the end of the period		
Balances with Banks	75.20	60.71
Cash on hand	0.28	0.38
Cash and cash equivalents	75.48	61.09

Note :

Change in liability arising from financing activities

(₹ in Crores)

Borrowings	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Balance	629.99	499.80
Changes from financing cash flow	5.87	129.98
Other changes	0.01	0.21
Closing Balance	**635.87**	**629.99**

The accompanying notes form an integral part of these Consolidated financial statements (note 1-28).

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

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(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

1 General information

Alembic Pharmaceuticals Limited is in the business of development, manufacturing, and marketing of Pharmaceuticals products. The Company is the public limited Company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on the two recognised Stock Exchanges in India. The registered office of the Company is located at Alembic Road, Vadodara – 390 003, India.

The consolidated financial statements are approved by the company's board of directors on 5th May, 2023.

The Financial Statement of the Subsidiaries, Associates and Joint Venture used in the consolidation is drawn up to the same reporting date as that of the Alembic Pharmaceuticals Limited ("the Holding Company"), namely 31st March, 2023.

2 Significant accounting policies

The accounting policies of the parent company and that of its subsidiaries, associates and joint venture are similar and as per generally accepted accounting principles in India.

2.00 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time together with the comparative period data as at and for the year ended March 31, 2022.

2.01 Principles of Consolidation:

The Consolidated Financial Statements consist of Alembic Pharmaceuticals Limited (“the Holding Company”) and its Subsidiaries (collectively referred to as "the Group"), Associates and Joint Venture. The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits as per Ind As 110 "Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2015 as amended from time to time.

Investment and share of profit of associate and Joint Venture have been consolidated as per the equity method as per Ind AS 28 – “Investments in Associates” and “Ind AS 111 Joint Arrangements” respectively specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules 2015 as amended from time to time.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group’s foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

translated at the average exchange rates for the period. Resulting foreign currency differences are recognised as Foreign Currency Translation Reserve through other comprehensive income.

The Group accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits resulting from transactions between the Group and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss and Other Comprehensive Income, if any, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves, if any, for the balance.

Change in Ownership interest

Changes in the Group's ownership interest in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions.

2.02 Companies Included in Consolidation:

<table>
<tr><th>Name</th><th>Country of Incorporation</th><th>Nature</th><th>Proportion of Ownership Interest As on 31st March, 2023</th></tr>
<tr><td>Alembic Global Holding SA (AGH SA)</td><td>Switzerland</td><td>Subsidiary</td><td>100% subsidiary of Alembic Pharmaceuticals Limited India. (APL)</td></tr>
<tr><td>Alembic Pharmaceutical Inc.(AP Inc)</td><td>U.S.A</td><td>Subsidiary</td><td>100% Subsidiary of APL</td></tr>
<tr><td>Alembic Pharmaceuticals Chile Spa</td><td>Chile</td><td>Subsidiary</td><td>100% subsidiary of APL from 5th January, 2023</td></tr>
<tr><td>Alembic Pharmaceuticals S.A de C.V</td><td>Mexico</td><td>Subsidiary</td><td>99% Alembic Pharmaceuticals Limited, 1% Alembic Global Holding SA from 31st March, 2023</td></tr>
<tr><td>Incozen Therapeutics Pvt. Ltd.</td><td>India</td><td>Associate</td><td>50% shareholding of APL</td></tr>
<tr><td>Alembic Pharmaceuticals Australia Pty Ltd</td><td>Australia</td><td>Subsidiary</td><td rowspan="5">100% subsidiary of AGH SA</td></tr>
<tr><td>Alembic Pharmaceuticals Europe Limited</td><td>Malta</td><td>Subsidiary</td></tr>
<tr><td>Alnova Pharmaceuticals SA</td><td>Switzerland</td><td>Subsidiary</td></tr>
<tr><td>Alembic Pharmaceuticals Canada Ltd</td><td>Canada</td><td>Subsidiary</td></tr>
<tr><td>Genius LLC</td><td>Ukraine</td><td>Subsidiary</td></tr>
<tr><td>Alembic Labs LLC (Formerly Known as Orit Laboratories LLC)</td><td>USA</td><td>Subsidiary</td><td rowspan="2">100% subsidiary of AP Inc.</td></tr>
<tr><td>Okner Realty LLC</td><td>USA</td><td>Subsidiary</td></tr>
<tr><td>Alembic Mami SPA</td><td>Algeria</td><td>Joint Venture</td><td>49% shareholding of AGH SA</td></tr>
<tr><td>SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co Ltd</td><td>Shanghai</td><td>Joint Venture</td><td>44% shareholding of AGH SA</td></tr>
<tr><td>Rhizen Pharmaceuticals AG (RP AG) (Formerly Known as Rhizen Pharmaceuticals SA)</td><td>Switzerland</td><td>Associate</td><td>50% shareholding of AGH SA</td></tr>
<tr><td>Dahlia Theraputics SA</td><td>Switzerland</td><td rowspan="2">Subsidiary of Associate</td><td rowspan="2">100% subsidiary of RP AG</td></tr>
<tr><td>Rhizen Pharmaceuticals Inc</td><td>USA</td></tr>
</table>

2.03 Significant Accounting Policies:

The accounting policies of the parent company and that of its subsidiaries, associates and joint venture are similar and as per generally accepted accounting principles in India. Please refer page No 152

2.04 Translation of Accounts:

In Consolidated Financial Statements, the Financial Statements of subsidiary companies and proportionate share of associates and Joint Venture have been translated into INR as prescribed under Ind AS 21 the Effects of Changes in Foreign Exchange Rates specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2015 as amended from time to time.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

3. Property, Plant and Equipment (PPE):

(₹ In Crores)

Property, Plant and Equipment	Free Hold Land	Buildings	Plant & Equipment	R&D Equip-ment	Furniture & Fixtures	Vehicles	Office Equip-ments	Lease Hold Improve-ments	Right to Use Building#	Right to Use Land#	Total
Gross carrying amount											
Carrying Amount As at 1st April, 2021	93.09	508.37	1,227.29	351.13	30.99	16.67	13.81	-	103.67	20.70	2,365.71
Additions	-	18.97	126.77	53.55	2.54	4.49	2.92	0.73	12.87	14.01	236.86
Disposals	-	-	(0.50)	(0.17)	(0.00)	(0.74)	-	-	(0.85)	-	(2.26)
Foreign Exchange Adjustments	0.05	0.30	0.26	-	0.04	-	(0.01)	(0.00)	-	-	0.65
Closing Gross Carrying Amount	**93.14**	**527.65**	**1,353.83**	**404.52**	**33.57**	**20.42**	**16.72**	**0.73**	**115.68**	**34.71**	**2,600.96**
Accumulated Depreciation	-	78.21	406.36	113.67	9.50	10.07	6.34	-	27.31	11.38	662.84
Depreciation charge during the year	-	19.72	116.36	38.30	3.09	2.01	2.64	0.04	15.12	0.63	197.92
Disposals	-	-	(0.36)	(0.12)	-	(0.68)	-	-	(0.25)	-	(1.41)
Foreign Exchange Adjustments	-	0.04	0.06	-	0.05	-	(0.03)	(0.01)	0.02	-	0.13
Closing Accumulated Depreciation	**-**	**97.97**	**522.43**	**151.84**	**12.64**	**11.40**	**8.96**	**0.04**	**42.19**	**12.02**	**859.49**
Net Carrying Amount As at 1st April, 2021	93.09	430.16	820.92	237.47	21.49	6.60	7.46	-	76.36	9.31	1,702.87
Net Carrying Amount As at 31st March, 2022	**93.14**	**429.67**	**831.40**	**252.67**	**20.93**	**9.02**	**7.76**	**0.69**	**73.49**	**22.69**	**1,741.47**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

3. Property, Plant and Equipment (PPE):

(₹ In Crores)

Property, Plant and Equipment	Free Hold Land	Buildings	Plant & Equipment	R&D Equip-ment	Furniture & Fixtures	Vehicles	Office Equip-ments	Lease Hold Improve-ments	Right to Use Building#	Right to Use Land#	Total
Gross Carrying amount											
Carrying Amount As at 1st April, 2022	93.14	527.65	1,353.83	404.52	33.57	20.42	16.72	0.73	115.68	34.71	2,600.96
Additions	8.46	178.49	632.16	31.13	4.32	0.84	11.39	-	15.10	-	881.89
Disposals	-	-	(11.60)	(1.42)	(0.01)	(0.35)	(0.28)	-	(4.32)	-	(17.99)
Foreign Exchange Adjustments	0.13	0.70	0.68	-	0.17	-	(0.03)	0.06	0.92	-	2.63
Closing Gross Carrying Amount	**101.73**	**706.83**	**1,975.07**	**434.23**	**38.06**	**20.91**	**27.79**	**0.79**	**127.38**	**34.71**	**3,467.49**
Accumulated Depreciation	-	97.97	522.43	151.84	12.64	11.40	8.96	0.04	42.19	12.02	859.49
Depreciation charge during the year	-	21.83	130.64	40.89	3.37	1.84	3.35	0.07	16.32	0.73	219.04
Disposals	-	-	(5.27)	(1.26)	(0.01)	(0.32)	(0.02)	(0.11)	(2.88)	-	(9.88)
Foreign Exchange Adjustments	-	0.12	0.19	-	(0.04)	-	(0.05)	0.08	0.08	-	0.38
Closing Accumulated Depreciation	**-**	**119.92**	**648.00**	**191.47**	**15.96**	**12.92**	**12.25**	**0.08**	**55.70**	**12.75**	**1,069.04**
Net Carrying Amount As at 1st April, 2022	93.14	429.67	831.40	252.67	20.93	9.02	7.76	0.69	73.49	22.69	1,741.47
Net Carrying Amount As at 31st March, 2023	**101.73**	**586.92**	**1,327.07**	**242.76**	**22.09**	**7.99**	**15.54**	**0.71**	**71.67**	**21.96**	**2,398.45**

Note:

1 The Company does not have any restrictions on the title of its property, plant and equipment.

2 #Please Refer note no. (2.13).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

4 Other Intangible Assets

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying Amount	239.37	179.69
Addition	-	59.68
Closing Gross Carrying Amount	**239.37**	**239.37**
Accumulated Amortisation	182.99	94.13
Amortisation Expense	56.38	88.86
Closing Accumulated Amortisation	**239.37**	**182.99**
Net Carrying Amount	**-**	**56.38**

5 Non-Current Financial Investment

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Preference Shares-Unquoted		
Valued at Amortised cost		
1% Cumulative Redeemable Non-Convertible Preference Shares 4,50,000 (PY: 4,50,000) of ₹10 each fully paid up in Enviro Infrastructure Company Ltd. (EICL) (Redemption date 14.12.2031)	0.45	0.45
Valued at Fair value through other comprehensive income		
5% Convertible Preference Shares 2875491 (PY: 2875491) of USD 1.0433 each fully paid up in Rigimmune. Inc.	22.99	22.99
Investments in Limited liability partnership-Unquoted		
Valued at Fair value through other comprehensive income		
ABCD Technologies LLP - Pofit/ loss Sharing & Voting Ratio 6.45%	40.62	40.25
Valued at Fair value through Profit and Loss		
Investment in Alternative Investment Equity Fund (Unquoted) units 700,000 (PY: Nil)	7.14	-
	71.20	**63.69**

6 Investment accounted for using Equity Method

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Equity Instruments -Unquoted		
Valued at Cost		
(i) Investment in Associates		
10,00,000 (PY 10,00,000) equity shares of ₹10 each at a premium of ₹20 each fully paid up in Incozen Therapeutics Pvt. Ltd	2.18	1.97
Add: Share in Profit for the period	0.17	0.21
a	**2.35**	**2.18**

6 Investment accounted for using Equity Method

(₹ in Crores)

Particulars		As at 31st March, 2023	As at 31st March, 2022
62,000 (PY: 62,000) equity shares of CHF 1 each fully paid up in Rhizen Pharmaceuticals SA (Including ₹14.18 Crores Good will)		52.06	46.44
Add: Share in Profit / (loss) for the period		-31.08	5.07
Add: Impact of Foreign Currency translations		1.29	0.54
	b	**22.27**	**52.06**
(ii) Investment in Joint Venture			
34,297 (PY 34,297) equity shares of DZD 1000 each fully paid up representing 49% of equity in Alembic Mami SPA, Algeria		36.89	36.89
Add: Provision for Impairment Loss		(36.89)	(36.89)
	c	-	-
4,40,000 (PY 4,40,000) equity share of RMB 1 each fully paid up representing 44% of equity in SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd.	d	0.47	0.46
Add: Impact of Foreign Currency translations		0.04	0.02
		0.51	**0.47**
Aggregate amount of unquoted Investments	(a+b+c+d)	**25.13**	**54.71**

7 Inventories (Basis of Valuation - Refer Note 2.07)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	383.27	445.85
Packing Materials	68.92	61.07
Work-in-Process	75.07	88.68
Finished Goods	796.10	851.60
Stock-in-trade	55.02	67.97
Goods in Transit - Finished Goods	52.60	49.18
Goods in Transit - Raw Materials	6.61	9.69
Stores and Spares	37.67	35.66
	1,475.27	**1,609.70**

Note:

Out of above Inventories of Alembic Pharmaceuticals Limited are hypothecated as security for working capital borrowings.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

8 Trade Receivables

(₹ in Crores)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered good	a	1,046.40	807.13
Trade Receivables which have significant increase in credit Risk		28.42	33.33
Less: Allowance for doubtful debts (expected credit loss allowance)		28.42	33.33
	b	-	-
	(a+b)	**1,046.40**	**807.13**

Note:

Out of above Receivables of Alembic Pharmaceuticals Limited are hypothecated as security for working capital borrowings.

Refer Note 28(8)I for related party receivables.

Trade Receivables Ageing

(₹ in Crores)

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
Undisputed Trade Receivables							
- Consider Good	964.49	73.92	6.06	1.39	0.02	0.53	1,046.40
- which have significant increase in credit risk	-	13.77	13.12	0.63	0.08	0.35	27.95
Disputed Trade Receivables							
- Consider Good	-	-	-	-	-	0.47	0.47
	964.49	**87.69**	**19.18**	**2.02**	**0.10**	**1.35**	**1,074.82**
Less: Expected Credit loss allowance							28.42
As at 31st March, 2023							**1,046.40**

Trade Receivables Ageing (Contd.)

(₹ in Crores)

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Yecars	2 - 3 years	More than 3 Years	
Undisputed Trade Receivables							
- Consider Good	731.86	73.51	0.82	0.52	0.38	0.03	807.13
- which have significant increase in credit risk	-	13.40	11.04	6.95	0.32	1.15	32.86
Disputed Trade Receivables							
- Consider Good	-	-	-	-	-	0.47	0.47
	731.86	**86.91**	**11.86**	**7.48**	**0.70**	**1.66**	**840.46**
Less: Expected Credit loss allowance							33.33
As at 31st March, 2022							**807.13**

9 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks	75.20	60.71
Cash on hand	0.28	0.38
	75.48	**61.09**

10 Bank Balances Other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earmarked Balance with Bank		
Unpaid Dividend	6.39	6.41
Margin Money Deposit	0.40	1.93
	6.79	**8.34**

11 Other Financial Assets (Current)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	9.85	8.94
Fair valuation of Foreign currency derivative contracts	-	14.57
	9.85	**23.51**

Refer Note 28 (8)I for related party deposits.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

12 Other Current Assets (Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to Employees	4.95	4.00
Advance to Suppliers	53.50	52.38
Pre-paid Expense	55.32	37.07
Balances with Government Authorities	99.75	232.47
	213.52	**325.93**

13 Equity Share Capital

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised		
20,25,00,000 (PY 20,25,00,000) - Equity shares of ₹2/- each	40.50	40.50
Shares issued, subscribed and fully paid		
19,65,63,124 (PY 19,65,63,124) - Equity shares of ₹2/- each	39.31	39.31
	39.31	**39.31**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	196,563,124	39.31	196,563,124	39.31
Issued, subscribed and paid up during the year	-	-	-	-
Outstanding at the end of the year	**196,563,124**	**39.31**	**196,563,124**	**39.31**

The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital

The company is having only one class of shares i.e. Equity carrying a nominal value of ₹2/- per share Every holder of the equity share of the Company is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Numbers	% held	Numbers	% held
1 Alembic Limited	56,097,544	28.54%	56,097,544	28.54%
2 Nirayu Limited	70,035,435	35.63%	70,035,435	35.63%

Shareholding of Promoters

Sr. No	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Changes during the year
		No of Shares	% of Total Shares	No of Shares	% of Total Shares	
i	Chirayu Ramanbhai Amin	4,242,529	2.16%	4,542,529	2.31%	-6.60%
ii	Pranav Chirayu Amin	1,009,800	0.51%	1,009,800	0.51%	0.00%
iii	Shaunak Chirayu Amin	1,006,980	0.51%	1,006,980	0.51%	0.00%
iv	Alembic Limited	56,097,544	28.54%	56,097,544	28.54%	0.00%

14 Other Equity

(Refer statement of changes in equity for detailed movement in other equity balance) (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) General Reserve*	0.24	1,844.74
(b) Securities Premium	748.39	748.39
(c) Retained Earnings	3,568.44	2,554.39
(d) Remeasurements of the net defined benefit plan through OCI	(25.66)	(24.95)
(e) Financial Instruments through OCI	0.57	0.21
(f) Debenture Redemption Reserve	-	50.00
(g) Foreign Currency Translation reserve	39.17	25.46
Total Other Equity	**4,331.16**	**5,198.23**

* Refer Note 28(27).

Nature and purpose of each Reserve

General Reserve :- The reserve was created by transfer of a portion of the net profit.

Debenture Redemption Reserve : The company has created debenture redemption reserve out of the profits as prudent practice in accordance with erstwhile provision of Companies Act, 2013.

Securities Premium :- Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

Foreign Currency Translation reserve :- Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation Currency (i.e.INR) are recognised in the other comprehensive income and accumulated in foreign currency translation reserve.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Other Comprehensive Income (OCI) : represents remeasurements of the defined benefits plan and fair value change of certain financial instruments.

15 Provisions (Non-Current)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer Note 28(4))		
Provision for Gratuity	5.72	-
Provision for Leave benefits	50.27	47.54
Provision for Non-Saleable return of goods (Refer Note 28(14))	50.21	48.28
	106.20	**95.82**

16 Deferred Tax Liabilities / (Deferred Tax Assets) (Net)

(₹ in Crores)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities			
Depreciation	**a**	83.14	197.69
Deferred Tax Assets			
Provision for Expected credit loss		0.77	0.87
MAT Credit Entitlement		125.90	114.49
Intangible Asset		0.62	0.83
Expenses claimed for tax purpose on payment basis		29.82	26.63
Others		49.03	60.76
	b	**206.15**	**203.57**
	(a-b)	**(123.01)**	**(5.88)**

17 Borrowings (Current)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans repayable on demand		
From Banks		
Secured		
Working Capital Loan	165.07	-
First charge on Pari-Passu basis by hypothecation of current assets at interest rates below 10% repayable on demand		
Unsecured		
Working Capital Loan, Interest rates below 8.05%	370.79	180.00

17 Borrowings (Current) (Contd.)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
From Other Parties		
Unsecured		
Commercial Paper - Carrying interest rates below 7.4%	100.00	250.00
Current maturities of long-term debt	-	199.99
	635.87	**629.99**

18 Trade Payables

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Due to Micro and Small Enterprises (Refer Note 28(13))	23.14	7.63
Others	656.67	698.76
	679.80	**706.39**

Refer Note 28(8)I for related party payables.

Trade Payable Ageing

(₹ in Crores)

Particulars	Outstanding for following periods from Due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	44.27	0.76	-	-	-	45.03
ii) Others	435.16	141.77	3.97	3.35	0.13	584.38
	479.43	**142.53**	**3.97**	**3.35**	**0.13**	**629.41**
iii) Unbilled Dues						50.39
As at 31st March, 2023						**679.80**
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	12.44	2.67	-	-	-	15.11
ii) Others	547.75	102.27	3.41	5.33	0.05	658.80
	560.19	**104.94**	**3.41**	**5.33**	**0.05**	**673.91**
iii) Unbilled Dues						32.48
As at 31st March, 2022						**706.39**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

19 Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payables on purchase of property, plant and equipment	37.73	50.87
Interest accrued but not due on borrowings	0.27	5.38
Unpaid dividends	6.39	6.41
Trade Deposits	11.27	12.36
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.01	0.05
Payables for Employee benefits	73.84	98.83
Fair valuation of Foreign currency contracts	19.22	-
	148.73	**173.90**

Refer Note 28(8)I for related party payables.

20 Other Current Liabilities

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Statutory payable	45.92	58.42
Advance from Customers	39.62	69.22
	85.54	**127.64**

Refer Note 28(8)I for related party payables.

21 Provisions (Current)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Provision for Employee Benefits (Refer Note 28(4)&(5))		
Provision for Gratuity	15.00	15.87
Provision for Leave benefits	6.78	6.52
Provision for Non-Saleable return of goods (Refer Note 28(14))	48.28	41.26
	70.06	**63.64**

22 Revenue from Operations

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products		
- Domestic	2,302.12	2,120.90
- Exports	3,197.65	3,110.89
	5,499.77	**5,231.79**

22 Revenue from Operations (Contd.)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Other Operating Revenues		
- Export Incentives	35.33	22.94
- Royalty	24.58	15.39
- Government Incentive	21.39	-
- Miscellaneous	71.55	35.66
	5,652.62	**5,305.79**

23 Other Income

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Dividend	0.00	0.00
Insurance Claims	1.38	0.88
Lease Rent Income	0.08	0.08
Profit /(Loss) on Sales of Assets	-	0.54
Profit On Sales Of Investment	0.61	2.87
Net gain arising on financial assets measured at fair value through profit or loss	0.14	-
Interest Income	0.33	1.73
Exchange Difference (net)	-	44.31
Miscellaneous income	0.19	0.05
	2.74	**50.46**

24 Cost of Material Consumed

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials and packing materials		
Inventory at the beginning of the year	516.61	442.96
Add : Purchases	1,192.28	1,202.76
	1,708.88	**1,645.72**
Less : Inventory at the end of the year	458.80	516.61
	1,250.08	**1,129.11**
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress		
Work in Process	75.07	88.68
Finished Goods	848.70	900.78
Stock-in-Trade	55.02	67.97
Inventory at the end of the year a	**978.79**	**1,057.44**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

24 Cost of Material Consumed (Continue)

(₹ in Crores)

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
Work in Process		88.68	66.80
Finished Goods		900.78	933.02
Stock-in-Trade		67.97	14.43
Inventory at the beginning of the year	**b**	1,057.44	1,014.25
	(b-a)	**78.65**	**(43.19)**

25 Employee Benefits Expense

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and Wages	1,072.13	1,045.13
Contribution to Provident and other funds	67.51	60.31
Staff welfare expense	29.49	27.56
	1,169.13	**1,133.00**

26 Other Expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	263.44	257.85
Power and Fuel	151.54	120.84
Manufacturing and Labour Charges	50.90	18.92
Repairs and Maintenance		
Machinery	41.56	37.35
Buildings	6.36	4.49
Others	18.04	9.95
Freight and Forwarding Charges	271.29	256.25
Sales Promotion, Service Fees and Commission	681.01	634.13
Rates and Taxes	16.69	15.13
Insurance	19.12	18.09
Travelling Expense	171.30	125.75
Communication Expenses	73.65	62.01
Legal & Professional Fees	146.75	129.24
Payment to Auditors (Refer Note 28(9))	1.53	1.64
Exchange Difference (net)	0.09	-
Bad Debts written off	6.35	5.24
Less : Bad Debts Provision Utilised	(0.30)	(0.03)
Provision for Doubtful Debts	-	7.30
Expenses on CSR Activities	21.58	22.26

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

26 Other Expenses (Contd.)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Donation	10.39	0.41
Patent Filing & Registration Fees	63.59	62.04
External Research & Development	29.07	50.59
Loss /(Profit) on sale of property, plant and equipment (net)	4.70	-
Miscellaneous Expenses	17.65	12.74
	2,066.33	**1,852.20**

27 Exceptional Items (Net of Tax)*

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a. Identified CWIP		
i) Write-off of Impaired Asset	676.87	-
ii) Provision for Impairment of Asset	473.56	-
Sub-total [i) + ii)]	**1,150.43**	**-**
b. Deferred Tax Asset [due to Identified CWIP]	(124.77)	-
Sub-total [a) + b)]	**1,025.66**	**-**
c. Withdrawal from General Reserve	(1,025.66)	-
	-	**-**

*Refer Note 28 (27)(a)&(b)

28 Other explanatory Notes to the Consolidated Financial Statement

1 Earning Per Share (EPS)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Net Profit attributable to equity shareholders (₹in Crores)	341.99	520.94
b) Weighted Average number of equity shares	196,563,124	196,563,124
c) Basic and Diluted Earnings per share in ₹ - After Exceptional Items	17.40	26.50
d) Basic and Diluted Earnings per share in ₹ - Before Exceptional Items	17.40	26.50
(Face value per share ₹2/- each)		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2 Contingent Liabilities and Commitments (To The Extent Not Provided For)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i Estimated amount of contracts net of advances remaining to be executed on capital accounts	208.73	165.28
ii Contingent liabilities		
(a) Letters of credit and Guarantees	106.72	61.35
(b) Liabilities Disputed in appeals filed with respect to Indirect tax	1.77	0.79
(c) Claims against the company not acknowledged as debt	0.35	0.35
(d) Export obligation against advance license	0.04	0.03
(e) Disputed liability in respect of Ministry of Industry, Department of Chemicals and Petrochemicals in respect of price of Rifampicin allowed in formulations and landed cost of import.	0.35	0.35
(f) Disputed cases under Industrial Dispute Act,1947 and other forums.	Amount not ascertainable	Amount not ascertainable

3 Additional Information

For the year ended and As at 31st March, 2023

(₹ in Crores)

Particulars	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent :								
Alembic Pharmaceuticals Limited	101.00%	4,414.30	101.38%	346.73	(2.59)%	(0.35)	97.47%	346.38
Subsidiaries :								
1. Indian: NA								
2. Foreign :								
- Alembic Global Holding SA	0.53%	23.20	(13.41)%	(45.84)	12.31%	1.64	(12.44)%	(44.20)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
- Alembic Pharmaceuticals, INC	3.95%	172.76	8.63%	29.52	87.86%	11.74	11.61%	41.26
- Alembic Pharmaceuticals Chile SpA	0.01%	0.31	(0.70)%	(2.41)	2.42%	0.32	(0.59)%	(2.09)
(Wholly owned subsidiary of Alembic Pharmaceuticals Limited)								
Associates :								
(Investment as per the equity method)								
1. Indian : Incozen Therapeutics Pvt. Limited	(0.01)%	(0.65)	0.05%	0.17	Nil	Nil	0.05%	0.17
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joint Venture:								
(As per proportionate consolidation/ investment as per equity method)								
1. Indian : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Intercompany Elimination and Consolidation Adjustments	(5.48)%	(239.46)	4%	13.83	0.00%	-	4%	13.83
	100.00%	**4,370.47**	**100.00%**	**341.99**	**100.00%**	**13.37**	**100.00%**	**355.36**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

For the year ended and As at 31st March, 2022

(₹ in Crores)

Particulars	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent :								
Alembic Pharmaceuticals Limited	101.01%	5,290.35	104.34%	543.55	(232.27)%	(3.25)	103.44%	540.30
Subsidiaries :								
1. Indian: NA								
2. Foreign :								
- Alembic Global Holding SA	1.29%	67.40	1.88%	9.81	57%	0.80	2.03%	10.61
- Alembic Pharmaceuticals, INC	2.51%	131.50	8.19%	42.68	275.29%	3.86	8.91%	46.54
(Wholly owned subsidiary of Alembic Pharmaceuticals Limited)								
Associates :								
(Investment as per the equity method)								
1. Indian : Incozen Therapeutics Pvt. Limited	(0.02%)	(0.82)	0.04%	0.21	Nil	Nil	0.04%	0.21
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joint Venture:								
(As per proportionate consolidation / investment as per equity method)								
1. Indian : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Intercompany Elimination and Consolidation Adjustments	(4.79%)	(250.89)	(14.46%)	(75.32)	0.00%	-	(14.42%)	(75.32)
	100.00%	**5,237.55**	**100.00%**	**520.94**	**100.00%**	**1.40**	**100.00%**	**522.34**

4 Defined benefit plans / compensated absences - As per actuarial valuation

a) The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements As at 31st March, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	95.29	85.06
Current service cost	14.35	13.48
Interest Cost	7.05	5.78
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	(3.57)	0.01
- Due to experience adjustments	2.53	0.77
Benefits paid	(10.55)	(9.82)
Present Value of defined benefit obligation at the end of the year	**105.10**	**95.29**
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	79.42	76.34
Expenses deducted from the fund		
Interest Income	5.91	5.23
Actuarial (losses)/gains	(1.75)	(3.43)
Contributions paid by the employer	11.35	10.86
Benefits paid from the fund	(10.55)	(9.58)
Fair Value of plan assets at the end of the year	**84.38**	**79.42**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
iii) Net asset/(liability) recognized in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(105.10)	(95.29)
Fair Value of plan assets at the end of the year	84.38	79.42
Amount recognized in the balance sheet	(20.72)	(15.87)
Net Liability - non current	(5.72)	-
Net Asset/(Liability) recognized - current	**(15.00)**	**(15.87)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
iv) Expense recognized in the statement of profit and loss for the year*		
Current service cost	14.35	13.48
Net interest cost	1.14	0.55
Total expenses included in employee benefit expenses	**15.49**	**14.03**

*₹1.5 Crores (PY ₹1.62 Crores) Included in capital work in progress pending capitalisation and PPE.

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
v) Recognized in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	(3.57)	0.01
Actuarial changes arising from experience assumptions	2.53	0.77
Return on plan assets excluding amounts included in interest income	1.75	3.43
Recognized in other comprehensive income	**0.71**	**4.21**

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
vi) Actuarial Assumptions		
Rate of Discounting	7.40%	6.80%
Rate of Salary Increase	5.50%	in range of 4.75% to 5.25%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
vii) Composition of the plan assets		
Policy of insurance	100%	100%

viii) Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Cash Flow	As at 31st March, 2023
Year 1	20.10
Year 2	5.06
Year 3	5.52
Year 4	7.30
Year 5	6.09
Year 6 to Year 10 Cash flow	50.34

The future accrual is not considered in arriving at the above cash-flows.

	As at 31st March, 2023
Expected Contribution for the Next year (₹ in Crores)	15.00
Average Outstanding Terms of obligation (years)	12.24

ix) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Crores)

Sensitivity Analysis	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Delta Effect of +0.5% Change in Rate of Discounting	100.29	90.73
Delta Effect of -0.5% Change in Rate of Discounting	110.32	100.25
Delta Effect of +0.5% Change in Rate of Salary Increase	110.39	100.30
Delta Effect of -0.5% Change in Rate of Salary Increase	100.18	90.64
Delta Effect of +101% Change in Rate of Employee Turnover	105.95	95.95
Delta Effect of -101% Change in Rate of Employee Turnover	104.19	94.58

b) The following table sets out the non funded status of the Privilege Leave benefits and the amounts recognized in the Company's financial statements as at March 31, 2023

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	50.91	44.93
Current service cost	5.95	5.67
Interest Cost	3.77	3.06
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	(2.16)	0.00
- Due to experience adjustments	5.65	6.05
Benefits paid	(10.35)	(8.79)
Present Value of defined benefit obligation at the end of the year	53.77	50.91
Present Value of defined benefit obligation of sick leave at the end of the year	3.29	3.14
	57.06	**54.06**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
ii) Net asset / (liability) recognized in the Balance Sheet		
Amount recognized in the balance sheet	(57.06)	(54.06)
Net (Liability) - non current	(50.27)	(47.54)
Net (Liability) recognized - current	**(6.78)**	**(6.52)**

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
iii) Expense recognized in the statement of profit and loss for the year*		
Current service cost	5.95	5.67
Past service cost and loss/(gain) on		
Net interest cost	3.77	3.06
Net value of measurements on the obligation	3.49	6.05
Total Charge to profit and loss	**13.21**	**14.78**

*₹0.52 Crores (PY ₹0.94 Crores) Included in capital work in progress pending capitalization and PPE.

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
iv) Actuarial Assumptions		
Rate of Discounting	7.40%	6.80%
Rate of Salary Increase	5.50%	In Range of 4.75% to 5.25%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

v) Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Cash Flow	As at 31st March, 2023
Year 1	6.26
Year 2	2.62
Year 3	2.79
Year 4	3.54
Year 5	3.12
Year 6 to Year 10 Cash flow	7.65

The future accrual is not considered in arriving at the above cash-flows.

vi) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Crores)

Sensitivity Analysis	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Delta Effect of +0.5% Change in Rate of Discounting	50.77	48.09
Delta Effect of -0.5% Change in Rate of Discounting	56.82	54.00
Delta Effect of +0.5% Change in Rate of Salary Increase	56.86	54.03
Delta Effect of -0.5% Change in Rate of Salary Increase	50.71	48.04
Delta Effect of +101% Change in Rate of Employee Turnover	54.22	51.36
Delta Effect of -101% Change in Rate of Employee Turnover	53.07	50.44

A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change, if any.

Major risk to the plan

A. Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

E. Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

5 Provident Fund

The group is liable for any shortfall, in terms of the Provident Fund Trust deed, in the fund assets based on the Government specified rate of return in case of Employee Benefits Plan. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same, no such shortfall during the year and in the previous year. Contribution to Provident fund trust and Employee Provident Fund trust and ESIC ₹31.09 Crores (P.Y. ₹27.73 Crores).

6 Research and Development Expenses (₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Material Consumption	58.77	74.17
Employees Benefit Expenses	200.79	206.83
Utilities	23.10	20.68
Depreciation and Amortization Expense	100.10	165.21
Others	339.07	371.57
Research and Development Expenses (included in Profit and Loss)*	**721.84**	**838.46**

*Included non recurring non cash ₹155 Crores (PY ₹188 Crores).

7 Operating Segment

Based on the management evaluation in accordance with IND AS "Operating Segments", the Group has only one reportable operating segment i.e. Pharmaceuticals.

	(₹ in Crores)
Information about products and services revenues	
a) API	1,165.51
b) Formulations	4,487.10
Information about Geographical Areas	
a) Revenue from External Customers	
In India	2,313.67
Outside India	3,338.95
b) Non-Current Assets	
In India	3,120.93
Outside India	55.55
Information about major customers	
Consolidated Revenue – exceeding 10% from each single external customer.	NIL

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

8 Disclosures in respect of Related Parties transactions

A Controlling Company: Nirayu Limited

B Associates:

1	Incozen Therapeutics Pvt. Ltd.	(Associate of Alembic Pharmaceuticals Limited)
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	(Associate of Alembic Global Holding SA)
3	Dahlia Therapeutics SA	(Subsidiary of Rhizen Pharmaceuticals AG)
4	Rhizen Pharmaceuticals Inc.	(Subsidiary of Rhizen Pharmaceuticals AG)

C Joint Ventures:

1	Alembic Mami SPA	(Joint venture of Alembic Global Holding SA)
2	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd.	(Joint venture of Alembic Global Holding SA)

D Other Related Parties:

1	Alembic Limited	8	Rakshak Services Pvt. Ltd.
2	Shreno Limited	9	Alembic City Limited
3	Paushak Limited	10	Shreno Engineering Ltd
4	Viramya Packlight LLP	11	Alembic Pharmaceuticals Limited Provident Fund
5	Bhailal Amin General Hospital	12	Alembic Pharmaceuticals Limited Superannuation Scheme
6	Alembic CSR Foundation	13	Alembic Pharmaceuticals Limited EGGS
7	Shreno Publications Limited		

E Key Management Personnel:

1	Mr. Chirayu Amin	Chairman & CEO
2	Mr. Pranav Amin	Managing Director
3	Mr. Shaunak Amin	Managing Director
4	Mr. R. K. Baheti	Director - Finance & CFO
5	Mr. K. G. Ramanathan	Non-Executive Director
6	Mr. Pranav Parikh	Non-Executive Director
7	Mr. Paresh Saraiya	Non-Executive Director
8	Ms. Archana Hingorani	Non-Executive Director
9	Mr. Ashok Barat	Non-Executive Director (w.e.f. 10-02-2022)
10	Mr. Charandeep Singh Saluja	Company Secretary (upto 21st March, 2023)

F Close Member of Key Management Personnel:

1	Mrs. Malika Amin	4	Mrs. Jyoti Patel
2	Mr. Udit Amin	5	Mrs. Ninochaka Kothari
3	Ms. Yera Amin	6	Mrs. Shreya Mukharji

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

G Key Managerial Personnel Remuneration

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Short Term Employment Benefits	37.27	76.23
Post Employment Benefits	1.94	1.80
Other	0.93	0.77

H Transactions with Related parties:

During the year, the following transactions were carried out with related parties in the ordinary course of the business:

(₹ In Crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Sale of Goods		
Controlling Company	-	0.05
Associates		
Rhizen Pharmaceutical AG	0.01	72.61
Others		0.10
Other Related Parties	0.27	0.71
(b) Purchase of Goods		
Controlling Company	-	0.00
Other Related Parties		
Alembic Limited	4.71	5.96
Shreno Publications Limited	43.31	32.65
Others	2.40	1.78
(c) Reimbursement of expenses Paid		
Associates		
Other Related Parties		
Alembic Limited	4.27	0.90
Others	-	0.03
(d) Reimbursement of expenses Received		
Associates		
Rhizen Pharmaceuticals AG	0.21	-
Paushak Limited	0.58	0.32
(e) Rent / Lease liability paid		
Other Related Parties		
Alembic Limited	9.91	9.90
Others	0.70	0.68

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ In Crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(f) Receiving of Services		
Controlling Company	-	0.02
Other Related Parties		
Alembic Limited	14.38	18.58
Rakshak Services Pvt. Ltd.	2.54	0.89
Bhailal Amin General Hospital	4.26	4.16
Others	0.05	0.23
(g) Purchase of Property, Plant and Equipment		
Controlling Company	-	1.81
Other Related Parties		
Shreno Engineering Ltd.	17.41	2.81
Others	1.86	0.03
(h) Deposit Given		
Other Related Parties		
Alembic Limited	-	0.13
(i) Deposit Returned		
Other Related Parties		
Alembic Limited	-	0.04
(j) Dividend Paid		
Controlling Company	70.04	98.05
Other Related Parties		
Alembic Limited	56.10	78.17
Others	0.00	0.00
Close Member of Key Management	6.50	9.23
Key Management Personnel	6.56	9.19
(k) CSR Contribution		
Other Related Parties		
Alembic CSR Foundation	21.30	22.26
(l) Post Retirement benefits		
Other Related Parties		
Alembic Pharmaceuticals Limited Provident Fund	84.99	75.36
Alembic Pharmaceuticals Limited EGGS (Gratuity Fund)	11.43	10.50
Others	2.99	2.94
(m) Remuneration		
Key Management Personnel	40.13	78.80
Close Member of Key Management Personnel	8.03	7.45

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

I Balance Outstanding as at the end of the year

(₹ In Crores)

	As at 31st March, 2023	As at 31st March, 2022
Receivables (Unsecured)		
Associates	-	0.00
Other Related Parties	-	0.33
Payables		
Key Management personnel	8.60	36.52
Associates	28.85	26.30
Other Related Parties	19.52	14.48
Deposit Given (Unsecured)		
Other Related Parties	2.78	2.78

9 Auditors Fees and Expenses

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Statutory Auditor:-		
As Auditor	0.98	1.02
In Other Capacity:-		
(i) Other Services		
Limited Review	0.26	0.24
Others	0.06	0.14
(ii) Reimbursement of expenses	0.00	0.00
(b) Tax Auditor:-		
As Auditors	0.11	0.09
In Other Capacity:-		
(i) Other Services	0.01	0.03
(c) Cost Auditor:-		
As Auditors	0.02	0.02
In Other Capacity:-		
(i) Other Services	0.04	0.06
(ii) Reimbursement of expenses	-	-
(d) Secretarial Auditor:-		
Secretarial Audit Fee	0.06	0.03

10 Income Taxes

a. Income tax expense

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax		
Current tax expense	4.20	129.18
Deferred Tax		
Decrease (increase) in deferred tax assets	(1.02)	(32.23)
(Decrease) increase in deferred tax liabilities	10.21	8.77
Total deferred tax expenses (benefit)	9.20	(23.46)
Total Income tax expenses*	**13.39**	**105.72**

*This excludes tax benefit on other comprehensive income is Nil (PY ₹0.70 Crores), reversal of DTA on intangibles against general reserve of ₹0.21 Crores (PY ₹0.28 Crores) and DTA impact on Identified CWIP ₹124.77 Crores.

b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ In Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before Income tax expense	385.50	620.11
Tax at the Indian Tax Rate*	67.36	108.35
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect of Deductible Tax Expense	(60.41)	0.02
Effect on account of overseas tax	4.20	20.83
Deferred tax	9.20	(23.47)
Others	(6.94)	(0.02)
Income Tax Expense	**13.39**	**105.72**

*The company falls under the MAT provision of India Income Tax Act and the applicable Indian statutory tax rate for year ended 31st March, 2023 is 17.472% (PY 17.472%).

c. Current tax (liabilities)/assets

(₹ In Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	25.08	14.45
Income tax paid	60.70	123.43
Current income tax payable for the year	(3.87)	(114.05)
Write back of income tax provision of earlier years	0.79	1.25
Net current income tax asset/ (liability) at the end	**82.71**	**25.08**
Current income tax asset at the end	82.71	25.08
Current income tax liability at the end	-	-

d Unrecognised deferred tax assets

The details of unrecognised deferred tax assets are summarised below:

(₹ In Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deductible temporary differences, net	161.59	168.26

During the year ended 31 March, 2023, the Company did not recognise deferred tax assets of ₹161.59 Crores on account of MAT credit entitlement, as the Company believes that utilization of same is not probable. The above MAT credit expire at various dates ranging from 2032 through 2037.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

11 Financial instruments

Category of Financial Instrument

(₹ In Crores)

Particulars	As at 31st March, 2023			As at 31st March, 2022	
	Fair value through other comprehensive income	Fair value through Profit and loss	Amortised cost	Fair value through other comprehensive income	Amortised cost
Financial assets					
Investment in Preference shares	22.99		0.45	22.99	0.45
Investment in LLP	40.62		-	40.25	-
Investment in Alternative Investment Equity Fund	-	7.14		-	
Trade Receivables	-		1,046.40	-	807.13
Cash and cash equivalents	-		75.48	-	61.09
Bank balances other than cash and cash equivalents	-		6.79	-	8.34
Derivatives not designated as Hedge	-		-	-	14.57
Others	-		9.85	-	8.94
Total	**63.61**	**7.14**	**1,138.98**	**63.24**	**900.52**
Financial liabilities					
Borrowings	-		635.87	-	629.99
Trade Payables	-		679.80	-	706.39
Other Financial liabilities			234.89	-	261.01
Total	**-**		**1,550.56**	**-**	**1,597.38**

Fair value measurement hierarchy

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Investment in Alternative Investment Equity Fund	-	7.14	-	-	-	-
Investments in Preference share & LLP	-	-	63.61	-	-	63.24

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Refer Note No 5,6,8,9,10,11,28(22),17,18,19.

The Fair value of unquoted investment in Limited liability partnerships is arrived by Net Asset Value ('NAV') method under Cost Approach by external valuation agency. The valuation is carried out based on provisional financial statement of ABCD Technologies LLP as at 31st December, 2022. With respect to the fair value of the investment in Rigimmune. Inc., due to insignificant change in fair valuation, transaction price is considered as fair value as at 31st March, 2023.

The following Table represent the changes in the Level 3 items

	(₹ In Crores
As on 1st April 2022	63.24
Gain / (losses) recognised in other comprehensive income	0.36
As on 31st March 2023	**63.61**

12 Direct attributable expenditure for setting up of new facilities included in Capital Work-In-Progress.

(₹ In Crores)

For the year ended on	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	990.82	770.48
Incurred during the current year		
a) Borrowing Cost*	1.13	39.05
b) Others	169.21	181.29
c) Capitalised	(1,161.16)	-
Closing balance	**-**	**990.82**

*Borrowing cost capitalised in F.Y. 2022-23 @ 8.88%. (PY@ 8.93%).

13 Disclosure required under Micro, Small and Medium Enterprise Development Act 2006

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), details are as below.

Total outstanding dues of Micro, Small and Medium Enterprises (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a The principal amount remaining unpaid to any supplier at the end of the year - Micro & Small enterprise	23.14	7.63
The principal amount remaining unpaid to any supplier at the end of the year - Medium enterprise	21.89	7.48
b Interest due remaining unpaid to any supplier at the end of the year	-	-
c The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Total outstanding dues of Micro, Small and Medium Enterprises (Contd.) (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
d The amount of interest due and payable for the period of delay in making payment	-	-
e The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
	45.03	**15.11**

14 Provision for Non-Saleable return of goods (₹ In Crores)

Particulars	As at 31st March, 2023
Opening Blance	89.54
Increase during the year	50.21
Reduction during year	(41.26)
Closing Balance	**98.49**

15 Donation includes political contributions of ₹9.70 Crores through Electoral Bond.

16 Disaggregation of revenue

The Group is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business ₹1165.51 Crores and ₹4487.10 Crores respectively, and considering Geographical business, revenue can be disaggregated as in India ₹2313.67 Crores and outside India ₹3338.95 Crores.

17 Capital - Work - in Progress (CWIP)

a) Ageing schedule (₹ in Crores)

Particular	CWIP For a Period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project In progress As at 31st March, 2023	36.12	59.06	89.28	416.82	601.28
Project In progress As at 31st March, 2022	365.33	458.28	340.75	1,041.44	2,205.79

There is no project whose completion is overdue since project completion is subject to regulatory approvals.
There is neither project which is temporarily suspended nor cost over run.

b) The company has impaired/written off ₹1150.43 Crores from CWIP considering the price erosion witnessed in the US generics market in the recent past and prolonged delay in approvals due to the Covid-19 pandemic by USFDA. The recoverable amount is value in use considering the discount rate of 12.23%. Refer Note 28(27)(a)&(b).

18 Intangible Assets under Development ageing schedule

(₹ in Crores)

Particular	Intangible Asset under Development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project In progress As at 31st March, 2023	-	-	-	-	-
Project In progress As at 31st March, 2022	-	38.73	59.71	-	98.44

There is no project which is temporarily suspended.

19 Financial Risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

i) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group 's receivables from customers, Deposit, Cash and cash equivalents and other receivables.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer, default risk of the industry and country in which the customer operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has used expected credit loss (ECL) model for assessing the impairment loss.

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	1,046.40	807.13
Allowance for doubtful debts	28.42	33.33
Percentage	2.7%	4.1%

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ in Crores)
Loss allowance As at 1st April, 2021	25.10
Changes in loss allowance	8.23
Loss allowance As at 31st March, 2022	33.33
Changes in loss allowance	(4.91)
Loss allowance As at 31st March, 2023	**28.42**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Cash and cash equivalents

As at the year end, the Group held cash and cash equivalents of ₹75.48 Crores (PY ₹61.09 Crores). The cash and cash equivalents, other Bank balances and derivatives are held with banks having good credit rating.

Other financial assets

Other financial assets are neither past over due nor impaired.

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions. The Group has sufficient unutilised fund and non fund based working capital credit limit duly sanctioned by various banks.

The company is rated by leading credit agency CRISIL, the rating "CRISIL A1+" and "AA+/Stable" has been assigned for short term and long term facility respectively, indicating high degree of safety regarding timely payment and servicing of financial obligation. .

Exposure to liquidity risk

The following are the remaining contractual maturities of undiscounted financial liabilities at the reporting date.

(₹ in Crores)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Non derivative						
Borrowings	635.87	-	635.87	629.99	-	629.99
Trade payables	672.35	7.45	679.80	697.60	8.79	706.39
Other financial liabilities	165.65	69.23	234.89	188.87	72.14	261.01

iii) Market risk

Currency Risk

The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues, and expenses. The Group uses foreign exchange option contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its business transactions and recognized assets and liabilities. The Group enters into foreign currency options contracts which are not intended for trading or speculative purposes but for mitigating currency risk.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(₹ in Crores)

As at 31st March, 2023	US Dollars	Euro	Others	Total
Financial assets				
Receivables (net)	833.37	86.43	63.78	983.58
Cash and cash equivalents	0.12	-		0.12
Financial liabilities				
Payables (net)	114.49	15.53	4.22	134.24

As at 31st March, 2022	US Dollars	Euro	Others	Total
Financial assets				
Receivables (net)	759.23	79.27	60.24	898.74
Cash and cash equivalents	0.34	0.00	0.00	0.34
Financial liabilities				
Payables (net)	142.10	8.90	15.38	166.38

Sensitivity analysis

For the year ended 31st March, 2023 every 5% weakening of Indian Rupee as compare to the respective major currencies for the above mentioned financial assets/liabilities would increase Company's profit and equity by approximately ₹39.50 Crores (PY ₹34.39 Crores). A 5% strengthening of the Indian Rupee as compare to the respective major currencies would lead to an equal but opposite effect.

Interest rate risk and Exposure to interest rate risk

The Company has loan facilities on floating interest rate, which exposes the company to risk of changes in interest rates.

For the year ended 31st March, 2023 every 50 basis point decrease in the floating interest rate component applicable to its borrowings would decrease the Group's interest cost by approximately ₹2.68 Crores (PY ₹0.90 Crores) on a yearly basis. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies.

Other Risk

Since Group significantly dealing in regulatory market, continuous compliance of all manufacturing facilities is pre requisite, any adverse action by regulatory authority of the group's target market can adversely affect Group operation.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

20 Capital Management

The Group's capital management objectives are:

* to ensure the Group's ability to continue as a going concern and

* to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

Dividend on equity shares

The Board has recommended dividend on Equity Shares at ₹8/- per share i.e. 400% for the year ended 31st March, 2023, as against Dividend ₹10/- per equity share i.e. 500% for the financial year 2021-22. Dividends for the year 2021-22 have been paid during the year.

21 Key Ratios

Particulars	Notes	2022-23	2021-22	% Change
1 Current Ratio (in times) (Current Asset / Current Liabilities)	7,8,9,10,11,28(10), 12,17,28(22), 18,19,20, 21	1.78	1.67	-7%
2 Debt-Equity Ratio (in times) (Debt / Net Worth [Debt : Total Debt (Short term + Long term) Net worth : Share Capital + Other Equity])	13,14,17	0.15	0.12	21%
3 Debt Service Coverage Ratio (in times)$ (Profit Before Tax + Interest) / (Interest + schedule principal repayments of Long Term Debt)	17	2.23	2.33	4%
4 Return on Equity Ratio#$ (Net Income / Average Shareholders' Equity)	13,14	10.35%	12.92%	20%
5 Inventory Turnover (in times) (Sale of products / Average WIP, FG and Stock in trade Inventory) Annualised	22,24	5.49	5.09	-8%
6 Trade Receivables turnover ratio (in times)* (Value of Sales and Service / Average Trade Receivables)	8,22	6.06	9.14	-34%
7 Trade Payable Turnover Ratio (in times) (All Purchase of Goods & Services / Average Trade Payable)	18,24,26	5.20	4.97	5%
8 Net Capital Turnover Ratio (in times) (Net Annual Sales /Average Working Capital)	22,7,8,9,10,11, 28(10),12,17,28(22), 18,19,20,21	4.68	4.22	11%

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

21 Key Ratios (Contd.)

Particulars	Notes	2022-23	2021-22	% Change
9 Net Profit Ratio#$ (Profit After Tax / Turnover)	22	8.79%	12.54%	30%
10 Return on Capital Employed#$ (Earning Before Interest and Tax / Capital Employed = Total Asset - Current liability)	28(10),3,28(17),4, 28(18),5,6,16,7,8, 9,10,11,12,17, 28(22),18,19,20,21,	12.32%	15.38%	20%
11 Return on Investment#$ (Profit Before Tax/ Total Asset)	3,28(17),4,28(18), 5,6,16,7,8,9,10,11, 28(10),12	8.24%	11.42%	28%
12 Interest Service Coverage Ratio (in times)#$ (Profit before tax+interest)/ Interest		10.91	14.64	25%
13 Operating Margin#$ (EBITDA / Revenue from Operations)	3 & 4,28(10),22	13.77%	19.84%	31%

$Ratios are calculated before non-cash non-recurring expenses as mentioned in Note No.6

Explanation for changes by more than 25% as compared to the preceding year

* Due to temporary delay in realisation of debtors during FY 23.

#Lower profit compare to last year.

22 Lease

A) The following is the movement in lease liabilities

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Balance	87.11	83.82
Additions	15.10	16.39
Derecognise	(1.46)	(1.14)
Finance cost accrued during the period	8.50	8.21
Payment of lease liabilities	(23.10)	(20.17)
Closing Balance	**86.16**	**87.11**

B) Maturity Analysis of Lease Liabilities

(₹ in Crores)

Particulars	For the year ended 31st March, 2023
Maturity Analysis - Contractual undiscounted Cash Flows	
Less than one year	23.86
One to five years	14.53
More than five years	11.50
Total Undiscounted Lease Liabilities	**49.88**
Lease Liabilities included in the Statement of Financial Position	
Non Current	69.23
Current	16.92
Total	**86.16**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

C) Amount Recognized in the Statement of Profit & Loss

(₹ in Crores)

Particulars	For the year ended 31st March, 2023
Interest on Lease Liabilities	7.56
Depreciation on Lease Asset	16.32

D) The Company has obtained certain premises for its business operations under short-term leases or leases of low-value leases. These are generally not non-cancellable and are renewable by mutual consent on mutually agreeable terms. (Refer note no 26).

23 Relationship with Struck off Companies

As per the information available with the Group, following are the transactions with struck off companies:

Nature of transactions & Relationship: Shares held by Struck off Company as Shareholder

Name of Struck off company	Balance outstanding As at 31st March, 2023
Share Holder Name (Amount in ₹)	
1 Unickon Fincap Private Limited	450.00
2 Vaishak Shares Limited	2.00
3 Victor Properties Private Limited	2,290.00
4 Synectic Management Services Pvt Ltd	2.00
5 Canny Securities Private Limited	300.00
Trade Payable (Amount in ₹ in Crores)	
1 Advanced Micro Devices Private Limited	0.10
2 Shubham Pharmachem Private Limited in amount colomn	0.20

24 The Group has working capital borrowing from banks on the basis of security of current asset and quarterly returns filed by the Group with banks are in agreement with the books of accounts.

25 The Group has acquired the entire share holding, in Aleor Dermaceuticals Ltd., a subsidiary, thus making it wholly owned subsidiary in the previous year. Therefore, profit/losses, Other Comprehensive Income (OCI) and Total Comprehensive Income (TCI) attributed to NCI up to the date of acquisition and remaining to the owners.

26 In the previous year, the Board of Directors of the Company had at their meeting held on 29th March, 2022 inter alia approved the Scheme of Arrangement in nature of Amalgamation of Aleor Dermaceuticals Ltd. ('the Transferor Company'/'Aleor') engaged in the business of Pharmaceuticals with Alembic Pharmaceuticals Ltd. ('the Transferee Company') and their respective shareholders ('the Scheme') with effect from the appointed date i.e. 1st April, 2021. The said Scheme had been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 29th August, 2022. The Scheme was effective upon the filing of the certified copy of the said Order with the Registrar of Companies, Gujarat/Ministry of Corporate Affairs. Accordingly, the Board approved the financial statements after giving effect to the Scheme. The transaction did not have any impact on the consolidated financial statement.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

27 The Board of Directors of the Company at their meeting held on 2nd March, 2023, inter alia, considered and approved:

a Impairment review of the capital work-in-progress ("CWIP") in respect of 3 (three) new manufacturing facilities that were under construction viz. Formulation 2 located at Panelav, Gujarat, Formulation 3 located at Karakhadi, Gujarat and Formulation 4 located at Jarod, Gujarat, which indicated an aggregate impairment amount of ₹1,150.43 Crores ("Identified CWIP"), to be charged to the Statement of Profit and Loss of FY 2022-23, as write-off in respect of manufacturing facilities or part thereof, for which the commercial operation has commenced during the FY 2022-23, and as provision for impairment/ diminution in the value of assets in respect of manufacturing facilities or part thereof, for which the commercial operation has not commenced during the FY 2022-23; and

b Draft Scheme of Arrangement between the Company and its shareholders ("Scheme"), which provides for reorganization / utilization of General Reserve of the Company, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder, with the Appointed Date of 1st January, 2023 subject to receipt of requisite regulatory, statutory and contractual approvals. Currently, the Scheme is pending with the Stock Exchanges / SEBI for their No-objection Letter as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view of above, an Identified CWIP amount of ₹676.87 Crores has been written off to the Statement of Profit and Loss for the year ended 31st March, 2023, in respect of manufacturing facilities or part thereof, for which the commercial operation has commenced during the FY 2022-23 and an Identified CWIP amount of ₹473.56 Crores has been provided for in the Statement of Profit and Loss as provision for impairment /diminution in the value of assets in respect of manufacturing facilities or part thereof, for which the commercial operation has not commenced during the FY 2022-23. Further, an amount equivalent to the amount of write-off and impairment of assets (net of deferred tax) has been transferred from General Reserve to the Statement of Profit and Loss for the financial year ended on 31st March, 2023.

Above items a) and b) are disclosed as Exceptional item. Refer Note 27.

c The amount of ₹868.63 crores has been transferred from General Reserve to the Retained Earnings under the head "Other Equity" during the financial year ended on 31st March, 2023, pending requisite approvals as stated above, for which there is no specific accounting treatment specified in Ind AS.

28 Other Statutory information

i The Group does not have any Benami property, where any proceeding has been initiated or pending against The Group for holding any Benami property.

ii The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii The Group have not traded or invested in Crypto currency or Virtual Currency during the period/year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

iv The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vii The Group holds all the title deeds of immovable properties in its name.

viii The Group is not declared as wilful defaulter by any bank or financial Institution or other lender.

29 The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

As per our report of even date
For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

For and on behalf of the Board
Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ In Crores)

Sr. No	Name of the subsidiary	Date of acquisition	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of shareholding
1	Alembic Global Holding SA	14.12.2007	USD	82.18	30.31	3.02	60.99	27.66	38.62	5.93	(14.03)	-	(14.03)	-	100
2	Alnova Pharmaceuticals SA	17.12.2012	USD	82.18	1.63	(0.30)	1.37	0.05	-	-	(0.12)	0.00	(0.12)	-	100
3	Alembic Pharmaceuticals Australia Pty Ltd	18.01.2013	AUD	55.05	4.46	(2.04)	2.46	0.04	-	-	(0.34)	-	(0.34)	-	100
4	Alembic Pharmaceuticals Canada Ltd	23.04.2014	CAD	60.68	0.06	(1.62)	0.37	1.93	-	-	(0.40)	-	(0.40)	-	100
5	Alembic Pharmaceuticals Europe Limited	23.08.2012	EUR	89.46	14.31	(10.69)	3.67	0.05	-	-	0.12	-	0.12	-	100
6	Alembic Pharmaceutical Inc.	18.06.2015	USD	82.18	31.15	235.43	1,306.97	1,040.39	102.71	1,500.15	57.99	9.95	48.05	-	100
7	Okner Realty LLC	31.10.2017	USD	82.18	8.22	(0.92)	7.50	0.21	-	-	(0.17)	-	(0.17)	-	100
8	Alembic Labs LLC(formerly Known as Orit Laboratories LLC)	31.10.2017	USD	82.18	94.50	(92.35)	2.15	-	-	6.97	(18.48)	-	(18.48)	-	100
9	Alembic Pharmaceuticals Chile SpA	13.07.2022	CLP	0.10	2.40	(2.09)	1.40	1.09	2.40	-	(3.33)	(0.92)	(2.41)	-	100

Notes:

1 Names of subsidiaries which are yet to commence operations - Alembic Pharmaceuticals S.A de C.V (Subsidiary w.e.f 31.03.2023)

2 Names of subsidiaries which have been liquidated or sold during the year -
Genius LLC (It is based out in Ukraine & a formal legal process for liquidation is yet to be initiated by the Parent Company).

3 Reporting period for all the above subsidiaries is same as that of Holding company.

Part “B”: Associates and Joint Ventures

(₹ In Crores)

Sr. No.	Name of Associates	Date of acquisition	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year	
				No.	Amount of Investment in Associates	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Incozen Therapeutics Pvt. Ltd.	29.10.2008	31.03.2023	1,000,000	3.00	50%	NA	NA	2.35	0.17	0.17
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	06.11.2008	31.03.2023	62,000	15.38	50%	NA	NA	6.16	5.14	5.14
3	Dahlia Theraputics SA	26.11.2014	31.03.2023	50,000	0.38	50%	NA	NA	(0.58)	(0.07)	(0.07)
4	Alembic Mami SPA	17.10.2014	31.03.2019	34,297	49.95	49%	NA	NA	(14.74)	-	-

Notes:

1 Names of associates or joint ventures which are yet to commence operations. - SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co., Ltd

2 Names of associates or joint ventures which have been liquidated or sold during the year. - Rhizen Pharmaceuticals Inc

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)
London : 5th May, 2023

R. K. Baheti
Director - Finance & CFO
(DIN: 00332079)
Vadodara : 5th May, 2023

Paresh Saraiya
Director
(DIN: 00063971)

Manisha Saraf
Company Secretary

Alembic Pharmaceuticals Limited
CIN: L24230GJ2010PLC061123
Regd. Office: Alembic Road, Vadodara - 390 003
Tel: +91 265 6637300
Website: www.alembicpharmaceuticals.com | E-mail Id: apl.investors@alembic.co.in

Notice

Notice is hereby given that the 13th Annual General Meeting of the Members of **Alembic Pharmaceuticals Limited** will be held on Friday, the 4th August, 2023 at 3:00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. To declare Dividend on equity shares for the financial year 2022-23.

3. To appoint a Director in place of Mr. Pranav Amin (DIN: 00245099), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. **To consider and if thought fit, to pass, the following Resolution as a Special Resolution:**

   Appointment of Mr. Jai Diwanji (DIN: 00910410) as an Independent Director of the Company:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") (including any statutory modification(s) or re-enactment thereof), the Articles of Association of the Company and on the basis of the recommendation and approval of Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company ("Board") respectively, Mr. Jai Diwanji (DIN: 00910410), who was appointed as an Additional Director, designated as Independent Director of the Company w.e.f. 5th May, 2023 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from the date of his appointment as an Additional Director i.e. 5th May, 2023 upto 4th May, 2028.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

5. **To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:**

   Ratification of Remuneration to the Cost Auditors for the financial year 2023-24:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory modification(s) or re-enactment thereof) read with rules framed thereunder, the remuneration payable to M/s. Diwanji & Co., Cost & Management Accountants having Firm Registration No. 000339 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2023-24 amounting to ₹2.30 Lacs plus applicable tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

NOTES:

1. Pursuant to the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May, 2022 and 10/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as the "Circulars"), companies are allowed to hold the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company will be held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Since this AGM is being held through VC/OAVM, pursuant to the Circulars, physical attendance of the members has been dispensed with. **Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**

3. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website at www.alembicpharmaceuticals.com, website of stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com

4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to special business set out under Item no. 4 to 5 of the accompanying Notice are annexed hereto.

6. The details of the Director seeking appointment/re-appointment at the AGM, pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of the Secretarial Standards on General Meetings (SS-2) and other applicable provisions are provided in Annexure – A to this Notice.

7. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send a request from their registered Email Id mentioning their name, DP ID and Client ID / Folio No., PAN and Mobile No. to the Company at apl.investors@alembic.co.in

8. The Company has fixed Friday, 28th July, 2023 as the "record date" for determining the entitlement of Members to final dividend for the financial year ended 31st March, 2023, if approved at the AGM.

9. The dividend when sanctioned will be made payable on or from 8th August, 2023, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be dispatched to the registered addresses. To avoid delay in receiving the dividend, members are requested to update their bank details by following the process mentioned at point no. 10 below.

10. Process for registration/updation, pertaining to the name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc:

    i) In case shares are held in physical mode, members are requested to submit their service requests in the form(s) prescribed under SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37dated 16th March, 2023.

       The form(s) are available on the website of the Company at https://alembicpharmaceuticals.com/investor-related-forms/ and on the website of Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. ("LIIPL") at https://linkintime.co.in/home-KYC.html

    ii) In case shares are held in electronic mode, members are requested to update the details with their respective Depository Participants.

11. In accordance with the prevailing provisions of the Income Tax Act, 1961, the Company is required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Therefore, the members are requested to update their PAN to avoid deduction of tax at higher rate by complying with the process mentioned hereunder.

    Members are requested to visit the website of LIIPL and upload applicable documents such as Form 15G/15H, documents u/s. 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax Certificate at https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html in order to enable the Company to determine the appropriate TDS withholding tax rate applicable.

12. As per the provisions of Section 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF"), a fund constituted by the Government of India under Section 125 of the Act.

    Further, in accordance with the provisions of Section 124(6) of the Act and IEPF Rules, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to IEPF Suspense Account.

    Members who have not claimed dividend for previous year(s) are requested to claim the same by approaching the Company or LIIPL.

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as under:

Date of Declaration of Dividend	Dividend for Financial Year	Proposed Month and Year of Transfer to IEPF
29th July, 2016	2015-16	August, 2023
20th July, 2017	2016-17	August, 2024
27th July, 2018	2017-18	August, 2025
29th July, 2019	2018-19	August, 2026
6th March, 2020	2019-20 (Interim)	April, 2027
27th July, 2021	2020-21	August, 2028
4th August, 2022	2021-22 (Interim)	September, 2029

13. All the work related to share registry in terms of both physical and electronic, are being conducted by LIIPL at B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020; Tel: +91 265 6136000; Email Id: vadodara@linkintime.co.in

    The members are requested to send their communication to the aforesaid address.

14. Additionally, the Company has designated an exclusive Email Id: apl.investors@alembic.co.in for redressal of Shareholders'/Investors' complaints/ grievances. In case you have any queries, complaints or grievances, then please write to us at the above mentioned Email Id.

15. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, the Company shall issue the securities in dematerialized form only while processing the service request(s) in the form(s) prescribed therein. The form(s) are available on the website of the Company at https://alembicpharmaceuticals.com/investor-related-forms/ and on the website of LIIPL at https://linkintime.co.in/home-KYC.html.

    It may be noted that any service request can be processed only after the folio is KYC Compliant.

16. **Voting through Electronic Means and Declaration of Results:**

    Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, 2015 and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-Voting facility provided by Listed Companies, the Company is pleased to provide its members the facility of casting votes electronically viz. "remote e-voting" (e-Voting from a place other than venue of the AGM), through the e-Voting services provided by NSDL on all the resolutions set forth in this Notice.

    Mr. Chirayu Amin, Chairman & CEO of the Company and in his absence, Mr. Pranav Amin, Managing Director or Mr. R. K. Baheti, Director - Finance & CFO will declare the e-voting results based on the Scrutinizer's Report. The e-Voting results along with Scrutinizer's Report will be displayed on the:

    (i) Notice Board of the Company at its Registered Office;

    (ii) Company's website www.alembicpharmaceuticals.com;

    (iii) NSDL' website www.evoting.nsdl.com; and

    (iv) Stock exchanges' website www.nseindia.com and www.bseindia.com

The instructions for casting your vote electronically are as under:

i. The remote e-Voting period begins on Tuesday, the 1st August, 2023 (9:00 a.m. IST) and ends on Thursday, the 3rd August, 2023 (5:00 p.m. IST). During this period, members of the

Company, holding shares either in physical form or in dematerialized form, as at the cut-off date i.e. Friday, the 28th July, 2023 may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL thereafter.

ii. The facility for electronic voting system ("e-voting"), shall also be made available at the AGM. The members attending the AGM, who have not cast their votes through remote e-voting, shall be able to exercise their voting rights at the AGM. The members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

iii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of this Notice and holding shares as of the cut-off date, may obtain the User ID and password by sending a request at evoting@nsdl.co.in. However, if they are already registered with NSDL for remote e-voting then they can use their existing User ID and password for casting the vote.

In case of Individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of this Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode." A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

iv. M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

v. The details of the process and manner for remote e-Voting and e-Voting during the AGM are as under:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** **App Store** **Google Play**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user may use their existing myeasi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual AGM & e-Voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member/Creditor' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned in this Notice.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

   b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name, your registered address and such other documents required by NSDL.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN 124055" of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

i. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to upload their Board Resolution/ Authority Letter by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab on this screen or send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter authorizing person(s) to vote, through their registered Email Id to the Scrutinizer at cssamdani@gmail.com with a copy marked to evoting@nsdl.co.in, atleast 48 hours before the meeting.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries/grievances connected with e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of NSDL at www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-224-430 or send a request to Ms. Pallavi Mhatre: Sr. Manager at evoting@nsdl.co.in

17. Instructions for members for attending the AGM through VC / OAVM:

i. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at https://www.evoting.nsdl.com by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC/OAVM, placed under 'Join General Meeting' menu against company name. You are requested to click on VC/OAVM link placed under 'Join General Meeting' menu.

   Members who do not have the User ID and password for e-Voting or have forgotten the User ID and password may retrieve the same by following the e-Voting instructions mentioned in this Notice.

ii. Facility of joining the AGM through VC/ OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for members on first come first served basis.

iii. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email Id mentioning their name, DP ID and Client ID/ Folio No., PAN, Mobile No. to the Company at apl.investors@alembic.co.in from 24th July, 2023 to 31st July, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Further, Members who would like to have their questions/queries responded to during the AGM, are requested to send such questions/queries in advance within the aforesaid date, by following similar process as mentioned above. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

iv. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL on evoting@nsdl.co.in/1800-1020-990 and 1800-224-430.

18. Recommendation to the Members:

It is recommended to join the AGM through laptop for better experience. Members are requested to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their data network. It is therefore recommended to use stable wi-fi or wired connection to mitigate any kind of aforesaid glitches.

By Order of the Board,

Manisha Saraf
Company Secretary

Date: 5th May, 2023
Place: Vadodara

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 4

The Board had earlier noted that the second term of 3 Directors out of existing Independent Directors will end in March, 2024 and since they cannot be re-appointed pursuant to the provisions of the Act, the Company will be required to appoint new Independent Directors on the Board on or before March, 2024. In order to ensure a smoother transition and continuity, the Board considered it appropriate to induct new Independent Board Members gradually.

The Board, based on the recommendation of the NRC approved the appointment of Mr. Jai Diwanji as an Additional Director, designated as Independent Director of the Company w.e.f. 5th May, 2023, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from the date of his appointment as an Additional Director i.e. 5th May, 2023 upto 4th May, 2028.

Mr. Jai Diwanji has the requisite skills, capabilities and expertise in areas like legal, public relations, liasoning, strategic planning and risk & compliance oversight, through qualification or experience, and in NRC's and Board's opinion, Mr. Jai Diwanji's skill sets, experience and expertise will further strengthen the Board functioning and help the Company in achieving future growth.

In the opinion of the Board, Mr. Jai Diwanji fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI Listing Regulations, 2015 and is independent of the management. He is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director. The Company has also received declaration from him that he meets the criteria for independence as prescribed under Section 149(6) of the Act read with rules framed thereunder and Regulation 16 of the SEBI Listing Regulations, 2015.

The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director of the Company.

Mr. Jai Diwanji shall be paid sitting fee for attending the meetings of the Board and the Committees thereof, reimbursement of expenses for participating in the Board and other meetings and profit related commission, within the limits stipulated under Section 197 of the Act, as may be decided by the Board of Directors, from time to time.

Copy of the draft letter of appointment of Mr. Jai Diwanji setting out the terms and conditions of appointment is available for inspection electronically.

The brief resume of Mr. Jai Diwanji and other details as required under the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of SS-2 and other applicable provisions, if any, are provided in Annexure - A to this Notice.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the SEBI Listing Regulations, 2015, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Jai Diwanji requires the approval of the members of the Company on or before 4th August, 2023.

The Board recommends the special resolution set out in this Notice for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Jai Diwanji, has any concern or interest, financial or otherwise, in the resolution.

Item No. 5

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost records audited from a qualified Cost Accountant. The Board of Directors at its meeting held on 5th May, 2023, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Diwanji & Co., Cost & Management Accountants, to conduct the audit of the cost records of the Company for the financial year 2023-24.

In terms of the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the members of the Company.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors of the Company for the financial year 2023-24 as set out in the resolution for aforesaid services to be rendered by them.

The Board of Directors recommends the resolution set forth at Item No. 5 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution set forth at Item No. 5 of this Notice.

By Order of the Board,

Manisha Saraf
Company Secretary

Date: 5th May, 2023
Place: Vadodara

Annexure – A

Details of the Director seeking appointment/re-appointment at the AGM, pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of SS-2 and other applicable provisions are as under:

Name of the Director	Mr. Pranav Amin	Mr. Jai Diwanji
Age	47 years	50 years
Qualifications	MBA	B.A. in Law B.S.M.
Brief Resume	Mr. Pranav Amin is the Managing Director of Alembic Pharmaceuticals Limited and heads the international business unit of the organisation. After joining the organisation, he took charge as the Managing Director in 2016. He is a graduate in Economics/ Industrial Management from the Carnegie Mellon University in Pittsburgh, USA and MBA in International Management from Thunderbird, USA. He is a great people leader and steers the organisation through involvement, empowerment and autonomy.	Mr. Jai Diwanji is an advocate with over 25 years of experience. He is a partner at Desai & Diwanji, a full – service Indian law firm. His practice includes advising national and international corporates and other multifarious enterprises in the areas of mergers & acquisitions, private equity, joint ventures and general corporate law. Mr. Jai Diwanji completed his education from the University of Cambridge (U.K.) with a B.A. in Law degree in the year 1997. In addition to this he also holds a B.S.M. degree from Tulane University (U.S.A.). Mr. Jai Diwanji is an Independent Director on the board of several other companies and charities.
Experience	Over 22 years	Over 25 years
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	Please refer Corporate Governance Report which is part of this Annual Report	As per the resolution set out in this Notice read with the Explanatory Statement hereto.
Remuneration last drawn during the financial year 2022-23, upto the date of this Notice		Not Applicable, since he was appointed on 5th May, 2023
Nature of expertise in specific functional areas	Management & Leadership	Law, Business Strategy and Management
Date of first appointment on to the Board	31st March, 2011	5th May, 2023
Directorship in unlisted companies as on 5th May, 2023	1. Incozen Therapeutics Private Limited 2. Shreno Engineering Limited	1. Pardi Investments Private Limited 2. Indifoss Analytical Private Limited 3. St. Jude India Childcare Centres
Name of the listed entities from which he resigned in the past three years	Nil	Nil

Name of the Director	Mr. Pranav Amin	Mr. Jai Diwanji
Chairmanship/Membership of Committees of other Board	1. **Elecon Engineering Company Limited** • Member of Management Committee 2. **Max Healthcare Institute Limited** • Member of Nomination and Remuneration Committee • Member of Stakeholders' Relationship Committee	1. **Elecon Engineering Company Limited** • Member of Audit Committee • Chairman of Nomination & Remuneration Committee • Chairman of Stakeholder Relationship Committee • Chairman of Risk Management Committee 2. **Nesco Limited** • Member of Audit Committee • Chairman of Nomination & Remuneration Committee • Member of Stakeholders Relationship Committee • Member of Corporate Social Responsibility Committee • Member of Risk Management Committee 3. **Kaira Can Company Limited** • Member of Audit Committee

For other details such as No. of Shares held in the Company as on the date of this Notice, Relationship with other Directors/Key Managerial Personnel of the Company, No. of Board Meeting(s) attended during the financial year 2022-23, upto the date of this Notice and Directorship in listed Companies as on 5th May, 2023, please refer Corporate Governance Report which is part of this Annual Report.

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