Date: 19th September, 2022

To,
The Manager,
Listing Department
National Stock Exchange of India Ltd.
'Exchange Plaza'
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Sir/Madam,

Sub: Submission of Annual Report of the Company for the financial year ended 31st March, 2022

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Annual Report of the Company for the financial year ended 31st March, 2022.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For Alembic Pharmaceuticals Limited

CHARANDEEP SINGH SALUJA

Digitally signed by CHARANDEEP SINGH SALUJA
DN: c=IN, o=Personal, pseudonym=e608da6662cacaa6dee42435475 2c8af2 17d06e3e0b6cc73c4bb1acdf09b45c5, postalCode=390008, st=GUJARAT, serialNumber=2df2425a9d726770b96178ea7d183d3 b13c8557a9c40e4aaf902366 28ab533e7, cn=CHARANDEEP SINGH SALUJA
Date: 2022.09.19 14:06:21 +05'30'

Charandeep Singh Saluja
Company Secretary

Encl.: A/a.

Alembic Pharmaceuticals Limited
Annual Report 2021-22



PATIENCE & PERSEVERANCE

Contents

The Patience & Perseverance journey 2

About the Company 18

Key Performance Indicators 20

From the Chairman's Desk 22

From the Leadership Team 24

Our Strategic Roadmap 28

Management Discussion & Analysis

- The Economic Environment 32
- Mega Trends in the Pharmaceuticals Space 33
- Business Performance 34
- Value Creation 38
- Risk Management 68

Board of Directors 72

Board's Report 76

Report on Corporate Governance 93

Business Responsibility Report 108

Standalone Financial Statements 115

Consolidated Financial Statements 180

Notice 239





We reside in tomorrow.

Everything we do today, is about arriving at a tomorrow.

This is particularly true for the pharmaceutical space. Because the tomorrow in this business space is not 5 days later or 5 months hence. It is about 5 years into the horizon - whether be it for setting up and commercialising a facility or developing and launching a new product or introducing some new technology or even for entering a new market.

It's an arduous journey that tests patience and perseverance in equal measure. Patience to navigate obstacles while trusting the process. Perseverance in doing what needs to be done for as long as it takes.

At Alembic, ours was no different. Having held on to our vision and trusted our process for more than half a decade, we have inched closer to our envisioned tomorrow.

This Annual Report is a brief narration of this exhilarating journey.

Patience & Perseverance delivers

11.1%
Revenue
(5-yr CAGR)

22.5%
Net worth
(5-yr CAGR)

8.6%
EBITDA
(5-yr CAGR)

5.3%
Net Profit
(5-yr CAGR)



Patience & Perseverance builds

131
ANDA pipeline as on March 31, 2022

149
Filings across the globe (RoW) as on March 31, 2022

9
Manufacturing facilities as on March 31, 2022

12,216
Team size as on March 31, 2022

From some product marketing by partners in 2015 to

...our front-end marketing of a large and diversified basket comprising 100+ products and 300+ different SKUs.





Our journey in the US market exemplifies immeasurable patience and unflinching perseverance because we remained singularly focused on long-term sustainability as opposed to short-term success.

The question is... Why is the US market so important to the pharmaceutical world? A simple answer. It provides opportunities like no other.

The US market is the world's largest pharmaceutical market which continues to grow year-on-year owing to an ageing population, improving healthcare facilities and favourable government policies. Being one of the most stringent in the world, a presence in this market amplifies the reputation of any pharma player.

The US market is considered as the gateway to the global pharmaceutical world. If an enterprise gains a toehold in the US, it definitely will establish a strong foothold in numerous other large and growing pharma markets globally.

But the US market is quite difficult to enter and even more daunting to grow.

1) It mandates niche products.

2) It decrees 24x7x365 monitoring of prospects to cherry-pick opportunities with relatively lesser competition.

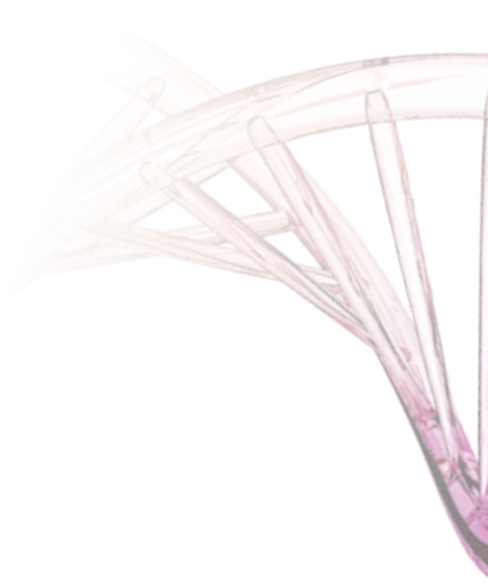
3) It entails making the product cost-effective to be able to withstand immense competitive pressures.

4) It requires operating infrastructure and systems and processes to match their stringent standards.

5) And last but not the least, you need to sustain this each day.

Easier said than done. Because a single slip could push the enterprise back for months, if not years.





At Alembic, we nurtured the dream of establishing a strong presence in the US market in 2015. We pivoted our presence on a single philosophy 'Commitment to Deliver'. This is owing to an important reality that in the US market timely delivery of products to the customer (also known as filling rate) is a critical parameter to securing business and sustaining relations.

This simple approach re-defined the contours of our business. It meant operating in India with a US mindset. It meant realigning our systems and processes. It meant training our people – technically and behaviourally. It meant having a Plan A, Plan B, ... Plan Z... to ensure that deliveries reached on time. Always!

Additionally, we institutionalised practices that were lateral by design because the US market is such.

1) We cherry-picked to work with customers with a long-term intent and purpose.

This helped us service them better. Our planning, manufacturing and supply chain teams became more aligned to customer timelines. Our India and US teams worked closely – following schedules meticulously, by the day. Our filling rates bettered every month. Our customers' reliability on our commitment scaled higher. Steadily our volumes with customers upped.

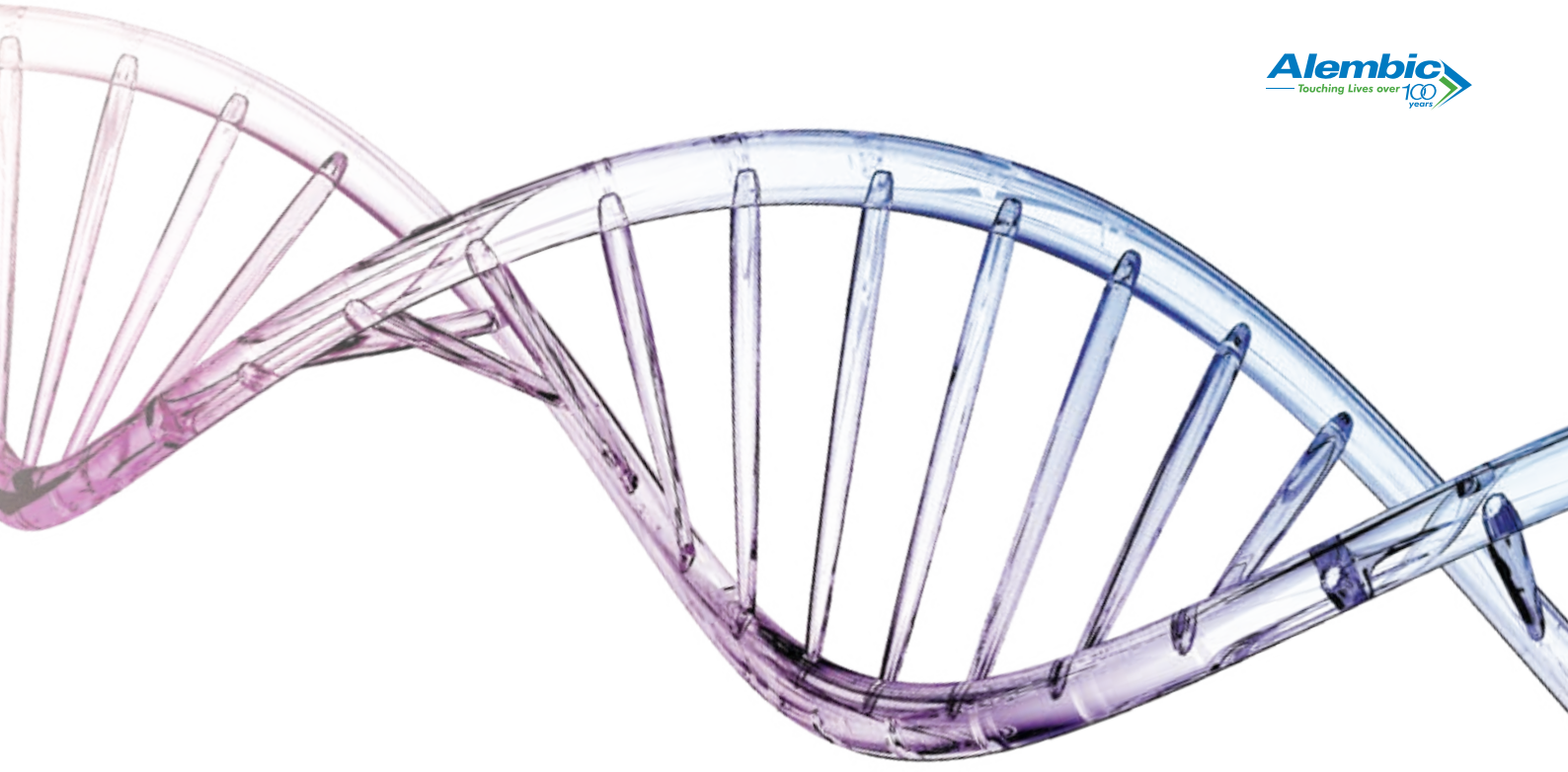
In the last three years, we sustained a filling rate between 97-98%.

2) We told customers 'NO'.

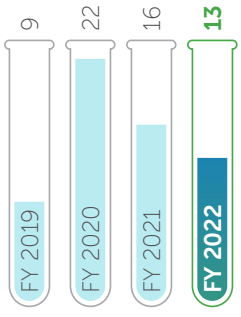
Customers added up fast. We had to tell some customers 'No'. Because our back end (manufacturing & supply chain) was full. And even when they had a small window of 3-6 months, we politely refused prospective customers. This was a painful strategic stand, at a time when growing business was so essential. Interestingly, we realised customers appreciated an Honest No; their trust in Alembic grew. They realised that they were in good hands. They lined up first at the next opportunity.

3) We built our product portfolio and capacity.

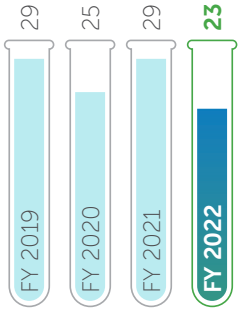
Customers asked for products across more volume and therapies. On the one hand, our R&D teams worked round-the-clock to create the pipeline – product and filing. On the other hand, our projects team burnt the midnight oil to execute our ₹3,000+ crore capex plan over the last five years. The Alembic team remained charged. The brilliantly curated playground created by our front-end team over the initial 2-3 years helped launch products at a steady pace. Our product basket grew. Our volumes increased. Our ANDA pipeline swelled.



Product launches



ANDA filed



Today, we may not be a large company in the US market. Yet, we are high performing mid-tier company with the firm belief that for us... the sky is the limit!

Numbers that matter

98%

Supply and service level during the pandemic

When most others slipped owing to supply-chain disruptions

13%

5-Year Revenue CAGR

It's one thing to swim with the tide...

It's quite the other to go against it.





Our India business was one of dogged resolve as it aimed to unshackle our domestic generics piece from the traditional practices.

What necessitated this change? Simply because we realised that we had whatever it took to be among the top few, but we were not there. We were growing. But not at the pace we would have been happy about.

Legacy practices maybe? They continued to work for our peers. But not for us. We had the option of tweaking somethings. Or, we could change the paradigm.

If we narrowed in on the latter, we could lose people, customers, relationships, business and our peace of mind. And instead of scaling northward, we could slip in the pecking order, when compared with peers. In effect ... the entire exercise could have backfired.

But we went for the latter. Because

It was about infusing the new.

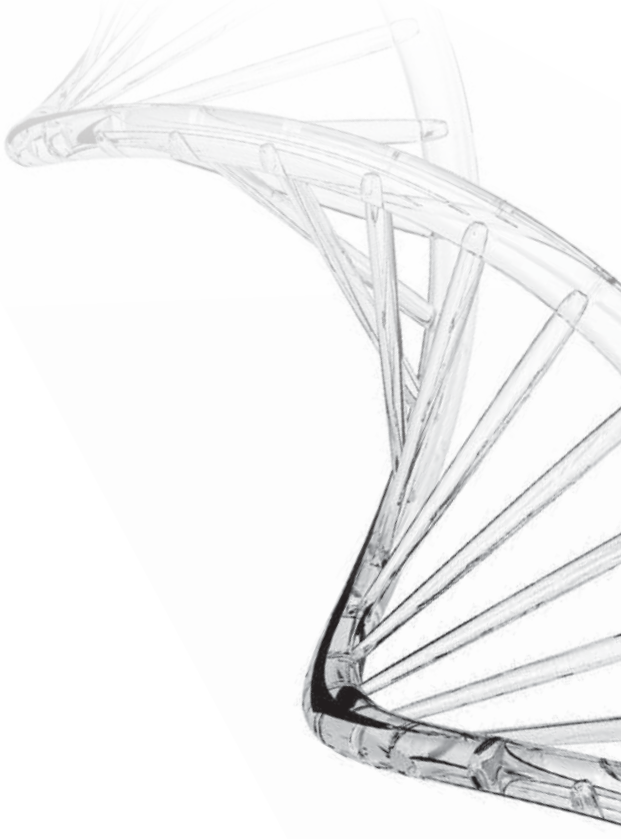
It was about shaking off complacency.

It was a manifest of our belief that we could make it to the top.

It was a gut feel that we were doing what was right.

It was something that could sustain our growth over the medium-term.





At Alembic, we started these exercises over last 5 years. And this is what we did.

1) We prioritised energy over experience.

In the domestic pharmaceutical industry, the field force, better known as Medical Representatives (MRs), create product awareness with the prescribing community. Pharmaceutical companies prefer to onboard MRs with experience as they are to pick up the threads almost instantly. For the Company, it means no revenue loss.

At Alembic, we infused fresh blood into our field force. Graduates out of college. They had no baggage of do's and don'ts. They were aspirational. They were rearing to make a mark. It was tough. We provided extensive training on the sector, the trade and Company's policies and business practices. In the process, we lost some MRs. But we persisted with this change.

Today, 66% of our field force is young (Under 30). They are delivering!

2) We focused on increasing our customer base.

For a pharmaceutical company, the immediate customer is the doctor. Every Company makes a beeline for the better-known doctors. As a result, there is significant clutter at the top end of the medical fraternity. Moreover, as competitive intensity increases with every passing year, prescriptions per product decline. To sustain relations and volumes, the promotional costs continue to move northward.

At Alembic, we drew out a differentiated strategy. We built relationships with a wider gamut of doctors across the pecking order. We put in significantly more efforts to identify and reach out to our customers across a much wider geographic area. We built relations primarily on a knowledge platform. It pained as volumes and relations ebbed in initial years. Today, we are better off on both counts.

We have a connect with ~2.22 lac doctors in FY22 against ~1.55 lac doctors in FY16.

3) We throttled supplies.

Maintaining a large finished goods inventory with stockists leads to operational sluggishness. MRs felt pressured to liquidate stocks which only accelerated their attrition.

At Alembic, we undertook a detailed study of inventory management (finished goods) across our distribution channel. We made considerable improvement in our systems and process at our factories for product dispatches. We created awareness among our stockist on the benefits of maintaining lower inventory. We throttled supplies. Two things happened. For our products, supply-push graduated into a demand-pull. Our MR attrition declined.

The result

The entire sales team has improved tremendously. This complemented with a more evolved approach on how we engage with customer relationships, enabled us to increase the quantity of customers we could engage with a more robust quality of engagement with customers. Every segment has seen a strong growth for us, including the ones that are even very tiny for us.



In FY22, our business grew at 29%, topped the industry growth at 18%.

Numbers that matter

7

Brands worth ₹50 crore in FY22

This number was at 4 in FY16

Making the world your marketplace

... is tough ask in itself.





This is especially true for the pharmaceutical sector. Because every nation has its unique needs, policies, climatic conditions, cultures and lifestyles. Hence ailments and medical requirements are largely distinct.

As such, every nation mandate diverse regulatory compliance, which have become increasingly stringent with each passing year. Some markets have become even more stringent than the US.

Add to this, every nation has different marketing models.

The bigger challenge lies in presence. Because each nation individually, is a relatively small market; the Return on Resource does not justify focusing on one nation alone. You have to be present in a few of them to make the effort viable and visible.

What makes the global market increasingly tricky is the accurate and timely mapping of every nation's requirement, with the Company's product basket and prevailing regulatory environment. Because after the right fit is identified, regulatory filings have to be done with speed to ride the opportunity wave. This gets you in the market.

Sustaining supplies and growing the presence is quite a different ball game. Because, in every nation, everything can and does change. And you are supposed to know, plan and prepare before the change transpires.



At Alembic, like most others, the Rest of the World (RoW) market was largely 'a good to be in' space as it provided additional revenue. But then it was not consistent.

And we needed something consistent – it was a prudent de-risking strategy against aggressive price erosion, fall in demand, regulatory challenges, policy changes et all.

We decided to course correct. We graduated this business segment into an essential flanking vertical that accelerated growth in good times and emerged as a cushion to the organisation in the unfortunate trend reversal.

This meant making a very concerted effort to establish a footprint in important growth markets in the world. This is what we did.

1) We made our presence in Europe stable

In Europe, pharmaceutical companies generally target the bigger nations. For obvious reasons. But the operating model is – tenders. If you get the tender, you make it big, and visa-versa. The other smaller nations had their own operational challenges – deterring big pharma players from entering the space.

At Alembic, we went the same way initially. But our altered outlook forced us to tread a path that promised stable and predictable revenue. Over the last four years, we made inroads into the smaller marketplace. Built relations with the distributors in those geographies. Invested in associations and infrastructure which was necessary from a regulatory perspective. Worked persistently on building the Alembic reputation.

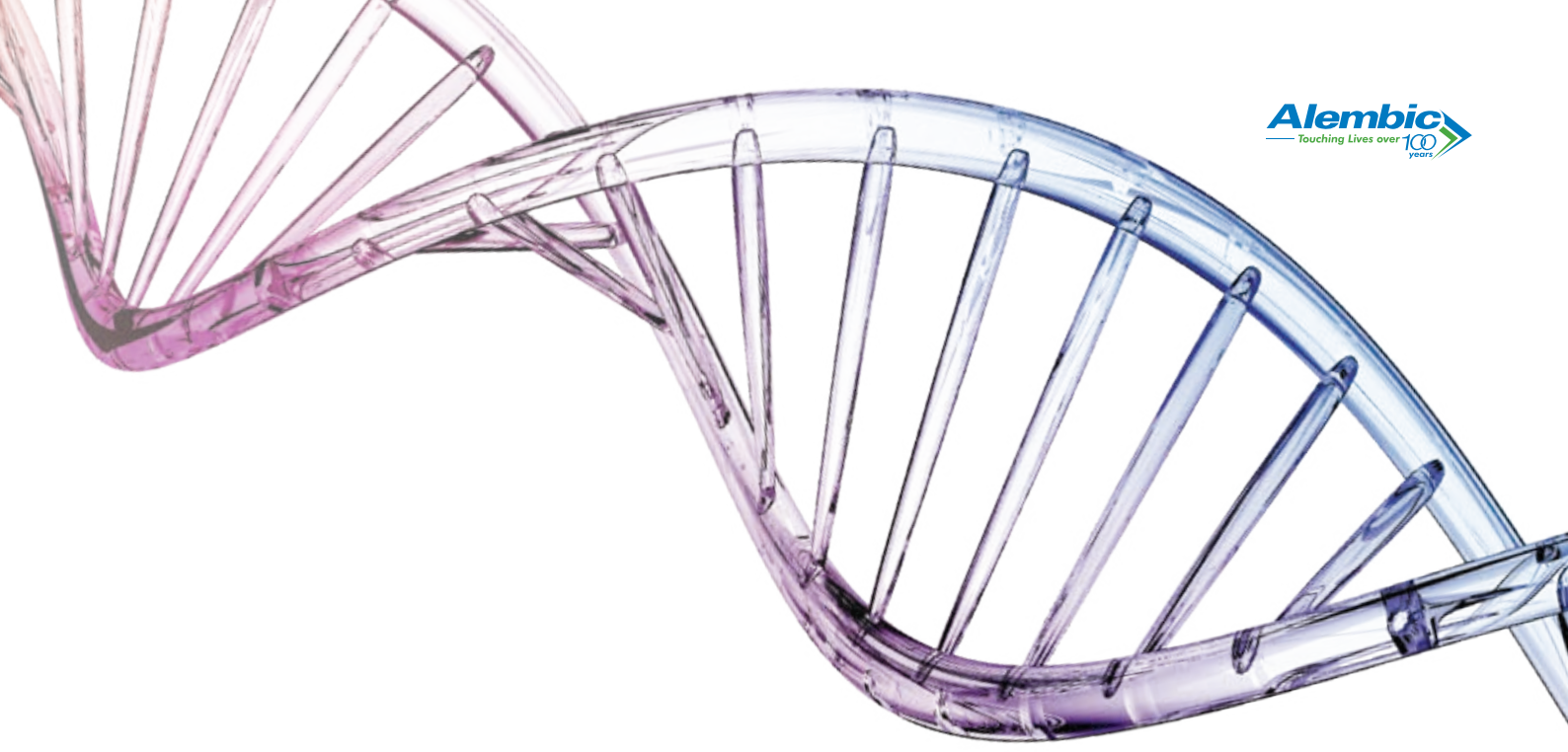
Currently, we are present in 20+ nations in Europe.

2) We established a strong presence in Australia

From multiple product distributors, this market consolidated to a few, who control almost the entire market. This required a complete change in the way of working. New relations needed to be nurtured. Systems and processes had to be tweaked. Supply chain needed to be altered.

At Alembic, we worked on all counts simultaneously. We established relations with all the leading product distributors. For some products, we enjoy tie-ups with all of them. With most others we have tie-up that allows us to enjoy substantial share in that market. We expanded our product offering in each of the last three years. This persistent effort enabled us to be present in the entire generic market in this continent-nation.

We currently have 23 product dossiers (commercialised/under review) in this nation.



3) We saw the first rays of the sun in South Africa.

At Alembic, our initial success spurred us to expand our footprint further into the large and demanding South African market.

We initiated our efforts in South Africa before 2014. Over the last few years, we continued product filings despite not making much headway. In this year, the environment changed for the better. Sales volumes jumped. We expect this trend to continue over the next few years.

Currently, we have 23 product dossiers (commercialized/under review) in this territory.

4) We set our eyes on other markets too.

Having created a robust platform, we are now working on making the big leap. We are working on establishing a strong foothold among Latin American nations. We have and are actively filing product dossiers for regulatory approval. In addition, we are working actively in South-East Asia, where we are aggressively filing for product registration; for some products we have received the stamp of approval. Others should follow suit shortly.

We have already reached a critical mass. As our efforts see fruition, we should witness this vertical to emerge as an essential and sustainable growth driver for the Company.

Numbers that matter

19%
5-Year Revenue CAGR

140+
Product Dossiers in geographies of our presence as on March 31, 2022

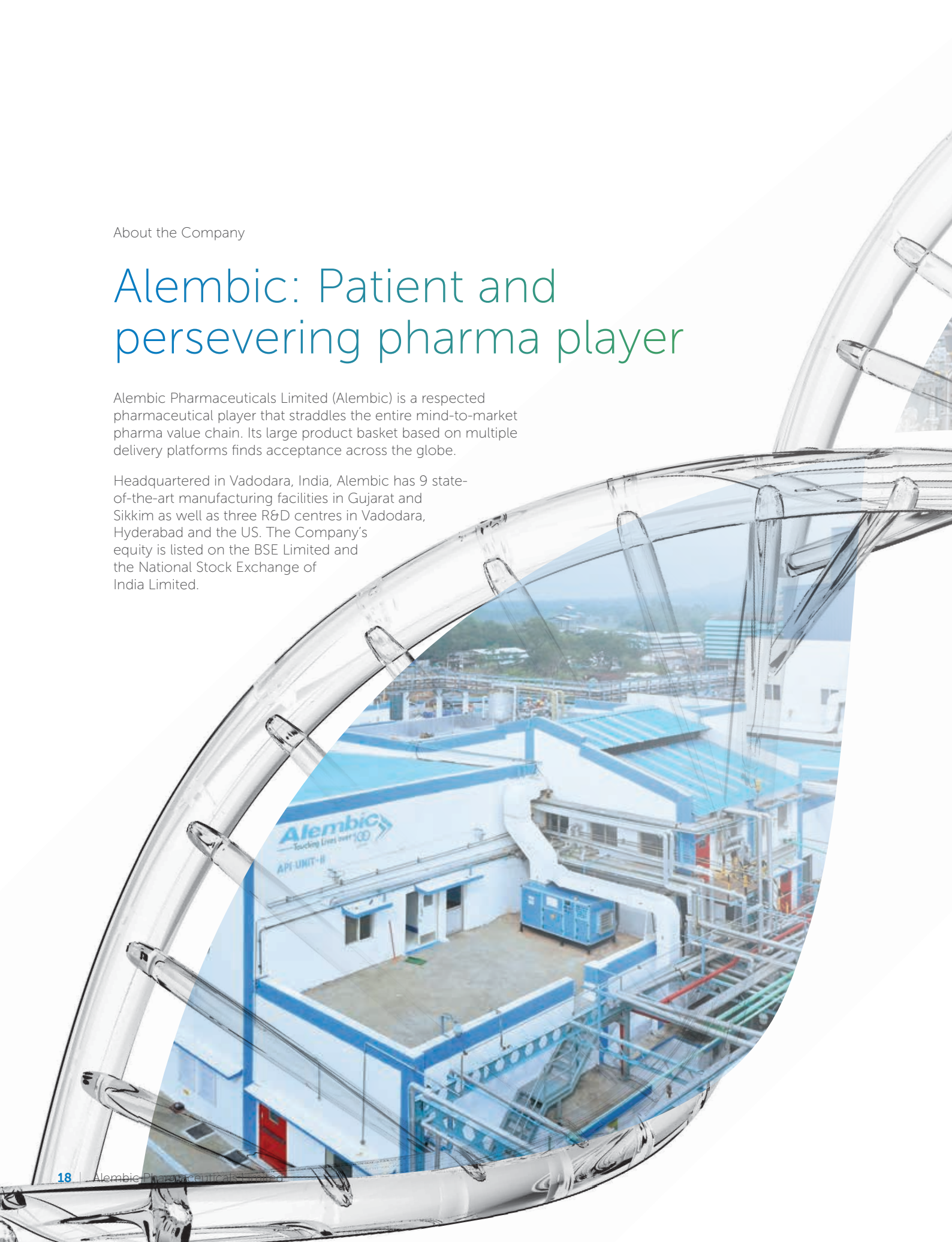



Alembic
Touching Lives over 100 years

Alembic: Patient and persevering pharma player

Alembic Pharmaceuticals Limited (Alembic) is a respected pharmaceutical player that straddles the entire mind-to-market pharma value chain. Its large product basket based on multiple delivery platforms finds acceptance across the globe.

Headquartered in Vadodara, India, Alembic has 9 state-of-the-art manufacturing facilities in Gujarat and Sikkim as well as three R&D centres in Vadodara, Hyderabad and the US. The Company's equity is listed on the BSE Limited and the National Stock Exchange of India Limited.



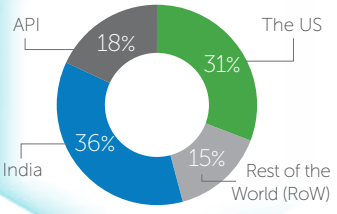


Revenue

5,306

(₹ crore)

Revenue split



Our wealth creation

521	26.50	266.46	AA+	14,577
Net Profit (₹ crore)	**Earnings per share** (₹)	**Book value per share** (₹)	**Credit rating by CRISL**	**Market capitalisation** (₹ crore)

Our strength

9	3	12,216
Manufacturing facilities	**R&D units**	**Team size** (March 31, 2022)

Our competitive edge

- State-of-the-art manufacturing facilities that comply with global regulatory standards
- Diverse product basket addressing multiple niche therapies with global acceptance
- Skilled R&D team developing a robust product pipeline
- Young and agile leadership team driving, contouring the strategic roadmap
- Strong liquidity position that allows the Company to embark on strategic initiatives

Our Mission

Improve healthcare with innovation, commitment and trust

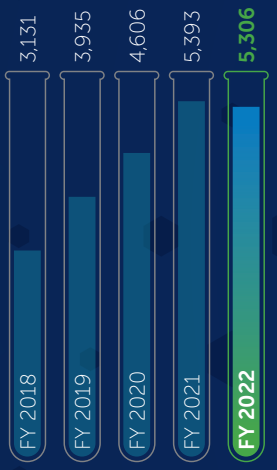
Our near-term aim

- Strengthen our presence in the US markets
- Solidify our position in other key markets of our presence
- Commence operations at our newly set up operating facilities
- Widen our product basket based on diverse delivery platforms
- Build organisational liquidity

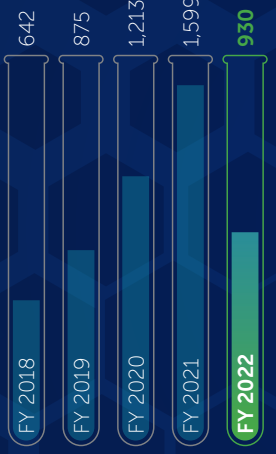
Key Performance Indicators

Performance

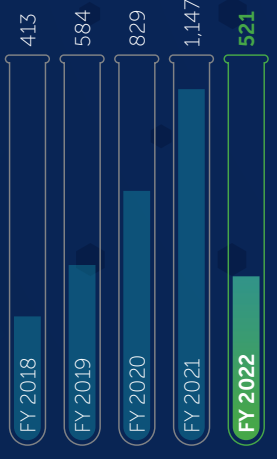
Revenue
(₹ crore)



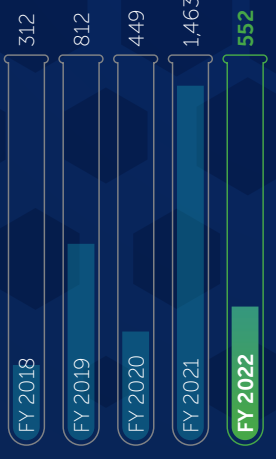
EBITDA
(₹ crore)



Profit after Tax
(₹ crore)

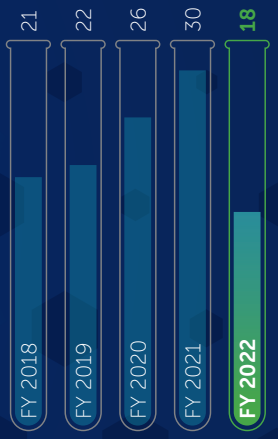


Net Cash from Operations
(₹ crore)

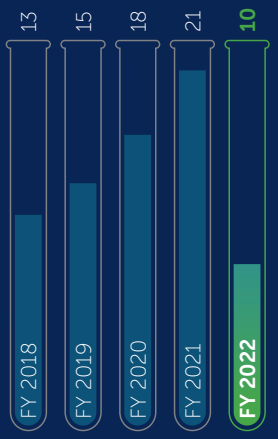


Profitability

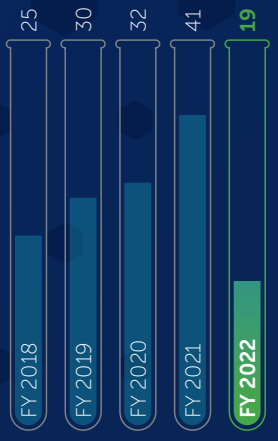
EBITDA margin
(%)



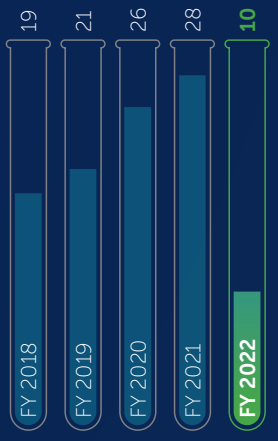
Net Profit margin
(%)



Return on Capital Employed*
(%)



Return on Equity
(%)



*Excluding new projects

Statement from the Chairman's desk

"Our journey has been heartening so far. I am looking forward to an even more exciting time in the years to come."



Chirayu Amin
Chairman & CEO

Dear Shareholders

I consider myself extremely fortunate to be part of a business space that plays a pivotal role in improving health across the globe through its affordable and high-quality generic medicines, no matter what. The multiple waves of the pandemic that swept across the world, further enhanced the capability and credibility of our business space.

The Indian pharmaceutical sector displayed commendable grit and determination in working overtime to overcome the significantly lethal second wave that caused a debilitating impact on lives and livelihood of Indians. Moreover, India helped millions across the globe by sending its medicines to more than 100 nations.



This happened because the Indian pharmaceutical sector braved all odds to ensure that medication was always close at hand. Alembic was a part of this coveted group. Our teams pulled out all stops to ensure that our medicines reached, where they were required, on time. For this daunting effort, I express my whole-hearted gratitude to the entire Alembic team. It is owing to their patient perseverance and unwavering dedication that the Company's respect among global and India peers has scaled a few notches higher.

Going forward

The world is looking up to India to take its rightful position as the 'Medicine Box of the World'. But for that to happen, India would need to make the conscientious climb up the value chain and build capabilities in new-age opportunities.

If the Indian pharmaceutical sector aims to rank among the Top 5 nations in global pecking order and attain the podium position in volume terms, it will need to grow from about US$44 billion currently to US$120-130 billion by 2030 and US$500 billion by 2047.

The Government is doing its part in creating an enabling ecosystem for the pharmaceutical sector. It recently introduced two PLI schemes which has generated considerable interest. More recently, in the Union Budget 2022, the Government has announced important confidence-enhancing measures and allocations which promise to provide significant impetus to the Indian Pharmaceutical sector.

But a lot more needs to be done with speed. For India to climb the global pecking order, some important areas have come under its radar:

1) India will need to generate adequate skilled human capital by upgrading the curriculum of pharmaceutical studies to meet industry prerequisites.

2) India will need to nurture and drive innovative capabilities into commercial success. And this can happen when it is able to integrate all stakeholders of the pharmaceutical and healthcare industry to push the industry to greater heights.

3) The Indian pharmaceutical sector will need to absorb and deploy prevalent and relevant technologies such as AI, Big Data, Machine Learning, IoT and analytics. This, I believe, will help accelerate the pharma industry's vision of 'Make and Discover in India'.

At Alembic, we are firmly focused on making our operations digital. For this, we have drawn the contours of a digital blueprint which will be implemented in a phased manner. We have reworked some bits of our R&D strategy to ensure that every rupee is judiciously invested in the right areas. This will allow us to maximise the bang from every buck. Moreover, with most of our capacity build-up in place, we hope to maximise returns from our investment in the years to come. This liquidity will then be deployed to fuel our strategic initiatives which are aligned to sectoral demands.

Our journey has been heartening so far. I am looking forward to an even more exciting time in coming years. My aspiration is to build a robust institution that generates pride in the minds of our stakeholders. I would love to come back and report to you about our growth story in a year's time.

Warm regards,

Chirayu Amin
Chairman & CEO



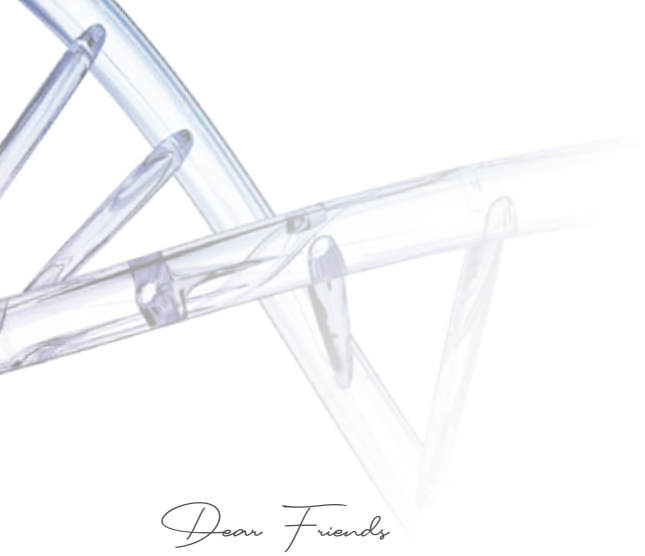
Pranav Amin
Managing Director



Shaunak Amin
Managing Director

From the Leadership team

"We assure our shareholders that we will work singularly to ensure that Alembic remains always relevant and current to the people we serve and to the changes taking place in our environment."



Dear Friends

We look forward to this time of the year when we get to comprehensively communicate with our shareholders about our business, its performance and prospects.

Our business: performance and prospects

Our consolidated financial numbers for FY22 dropped compared with the previous year. The reality though is that they are incomparable because the previous year was exceptionally good on all counts. We were also mindful that these tailwinds which allowed us to soar in FY21 would not continue, and had adequately and accurately communicated this to our shareholders.

A deeper analysis reveals that if we exclude the positive exceptions of the previous year, our business verticals registered a healthy uptick. This is particularly satisfying because it showcases that outcome of our patience and perseverance is strengthening our growth levers. And these very engines, we are confident, will continue to drive our performance northward.

Now, allow us to take you through the performance, prospects and strategies of our business verticals, which will provide an insight into where the Company is and where it is heading.

The US business: Our US business, over the last three years (upto FY21), was particularly phenomenal in terms of the pricing and the opportunities we enjoyed in this market. Our robust and agile supply chain allowed us to effectively capitalise upon numerous high price opportunities due to disruptions in the market. The correction had to happen, and it did in FY22. The steep price erosion since the start of FY22 impacted the business adversely. Business performance got further dented owing to the fact that with effect from September 1 2020, the Government partially withdrew export incentives for the pharma sector. The combination of these factors hit our performance. While this was expected, the good times lasted longer than expected. So, we are happy about that.

The performance in FY22, we believe, is the new base. We will grow on this by launching new product and capturing new opportunities. We will continue to file about 25 ANDAs annually, even as we launch about 15 new products (which will include injectables, ophthalmic, and other products) into this market every year. This will cushion us against the normal price erosion in the US market and help us accelerate business momentum as we move forward.

Coming to our new facilities. Our F2 oral solids unit is already approved. Products which we have cherrypicked for this unit are under patent currently – their expiries are some years later. We wish to lock in the Para-IV advantage that will help to improve our returns from products and respect in the market. Our F2 injectable unit has filed 15 ANDA (4 injectable and 11 Oral Solids) which should also trigger an inspection by the USFDA.

For our F3 injectable unit we experienced a setback. After receiving the EIR, the USFDA came for a physical re-inspection. They concluded the inspection with 10 observations, none of which were related to data integrity. It will push us back by some months hopefully as we implement comprehensive remediation measures. It's a new area for us, it's a learning curve and we are very confident that we will get through this in the next fiscal. Moreover, we will also gain insights into implementing this learning in our other plants to make our systems and process more resilient.

While the team is leaving no stone unturned to undertake the necessary remediation measures, our R&D team has utilised the time well. We filed 15 ANDAs for injectable products from this unit. Moreover, we utilised the facility for taking exhibit batches for many interesting products for which we expect to file ANDAs in FY23. This will create large and diverse, ready for launch product pipeline once we receive the stamp of approval from the USFDA authorities.

Additionally, we aggressively pursued cost optimisation initiatives, supply chain volume growth, picking up business,

bidding for new businesses, rationalising some R&D spend and other expenses. This will be an ongoing journey moving forward.

We focused on strengthening our presence in the dermatology segment in the US market. With this objective we acquired the 40% stake of Aleor Dermaceuticals Limited (Aleor) held by Orbicular Pharmaceutical Technologies Private Limited (Orbicular). Consequent to this strategic investment. Aleor became a wholly owned subsidiary of the Company. Now we have complete control of strategy, operations and marketing of entire dermaceutical portfolio resulting in much needed efficiencies and improvement in overall business outlook. We undertook a threadbare review of Aleor's intangible assets and expensed out an additional ₹188 crore in the current year. This initiative will go a long way, in growing our US business vertical in the medium-term.

We believe, that despite the ups and downs, the US market continues to be a very interesting market. We remain bullish on our prospects in this market. We look forward to launching new products as well as picking up share in existing products. And if there are disruptions, which I think will always come up from time to time, we will strengthen our preparedness to ride the wave.

The Rest of the World (RoW) piece: Over the years, we have developed this vertical into a very solid contributor to business growth. More importantly, it cushions any drop in the performance of our US business, which became very evident in FY22.

During the year under review, we managed to match the FY21 topline, which we believe was a very good achievement considering the reality that the previous year base was already very high (57% higher over the FY20 topline). We were able to achieve this owing to increased volumes from existing geographies and an expanded footprint in new geographies.

The domestic branded business: This business grew pretty much in line with our expectations with robust contributions from all our key therapy areas, along with all the key product segments. This has been the hallmark of our FY22 performance.

In the women's healthcare segment, we have taken a position to look at developing this market. Our patience and perseverance over the years in growing our presence in this space has yielded healthy returns. In FY22, we registered tremendous growth in the women healthcare portfolio. We expect to sustain the momentum over the medium-term.

In addition, we are looking at diabetes as a long-term focus for the organization. Considering the sheer product markets and our new product-launch availability, we are trying to pivot ourselves for aggressive growth in this space.

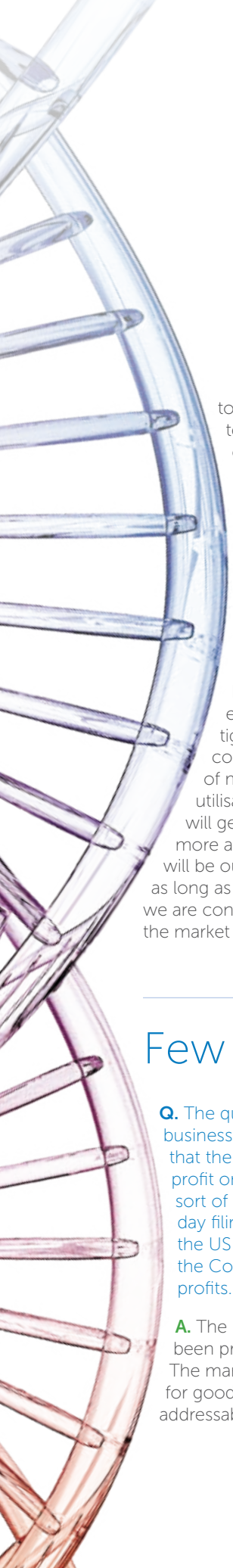
We received decent traction in the first year, and we hope to consolidate on this platform going forward.

Also, in the rest of our specialty businesses, we experienced significant movement in the portfolio to migrate towards high growth parts of these specialty portfolios. This is an ongoing task over the last few years. We have made significant progress in FY22 towards our goal. We expect these business spaces to give us a far more robust topline growth in the coming years.

Additionally, in the domestic business, we see abundant pockets of growth across our portfolios in acute, veterinary spaces. As a result, we are quite positive about this business going forward. Along with this, the continued optimism about the overall IPM growth, which we have been experiencing for a few quarters now, hopefully should add further momentum to our growth.

To capitalise on these attractive opportunities, we are working on multiple operational levers. Also, along with that there is significant scope to resource this business adequately. Additionally, we plan





to deploy cutting-edge technology to improve our operational efficiency, technology in and around data analytics to speed things up, technology to gamify our sales and everything around with the objective of motivating them to move up the performance barometer. We will endeavour to further tighten system and control with the objective of maximising resource utilisation. In a nutshell, we will get leaner to become more agile – our team's energy will be our key driving force. And, as long as the market performs, we are confident of outperforming the market on a sustainable basis.

The API business: The business reported a degrowth but we are not perturbed. Because it was pitted against the high base of FY21 (owing to Azithromycin used for COVID treatment). If you take that part out, then the rest of the portfolio grew at a healthy pace. We have made important investments in this business during the year under review, which promises to improve product quality and man-machine efficiency and hence our growth prospects.

In closing, we assure our shareholders that we will work singularly to ensure that Alembic remains always relevant and current to the people we serve and to the changes taking place in our environment. To that end, we continually shape the Company, strategically choosing the businesses in which we compete, the areas of research in which we invest, and the geographies in which we build, to achieve the optimal configuration for success.

We look forward to a great FY23, where we will take Alembic a few notches higher.

Best regards,

Pranav Amin and Shaunak Amin
Managing Directors

Few questions... answered

Q. The question is around the US business model itself. It appears that the Company makes good profit only when there is some sort of a structural issue or first day filing. So in a normal way, the US market doesn't allow the Company to make good profits.

A. The US market for us, has been profitable since inception. The market is attractive and for good reasons: 1) The addressable market size is very good, 2) It is relatively easier to establish and grow your own front-end in the market
3) There are structural opportunities that continue to surface which boost business profitability, and 4) It opens the doors to other markets across the world. These factors push us to sustain our investments for this market.

Q. About the Aleor JV. It has not scaled up. What is your thought on the same?

A. The competitive pressure in the derma space has increased significantly as in all other businesses. Our edge lies in the reality that Aleor is a low cost operation. Having said that, we have also done some cost rationalisation at Aleor as well. It's just a matter of getting more products into the facility and sweating the assets more. This should happen in the due course as our filings in the derma space are increasingly at a healthy pace.

Our strategic roadmap

Alembic has drawn a strategic blueprint, which promises to sustain profitable growth while strengthening the organisational edifice. The Company continues to work on this blueprint each year with the aim of strengthening its position in its business space and creating value for its stakeholders.



1) The US Business

Focus: Increase the product offering and product pipeline

Initiatives
2021-22

- Launched 13 products
- Received approval for 23 products
- Filed 23 ANDAs

Blueprint
2022-23

- Complete remediation of injectable unit (F3) with the aim of securing FDA approval
- File ~25 ANDAs

2) The RoW Business

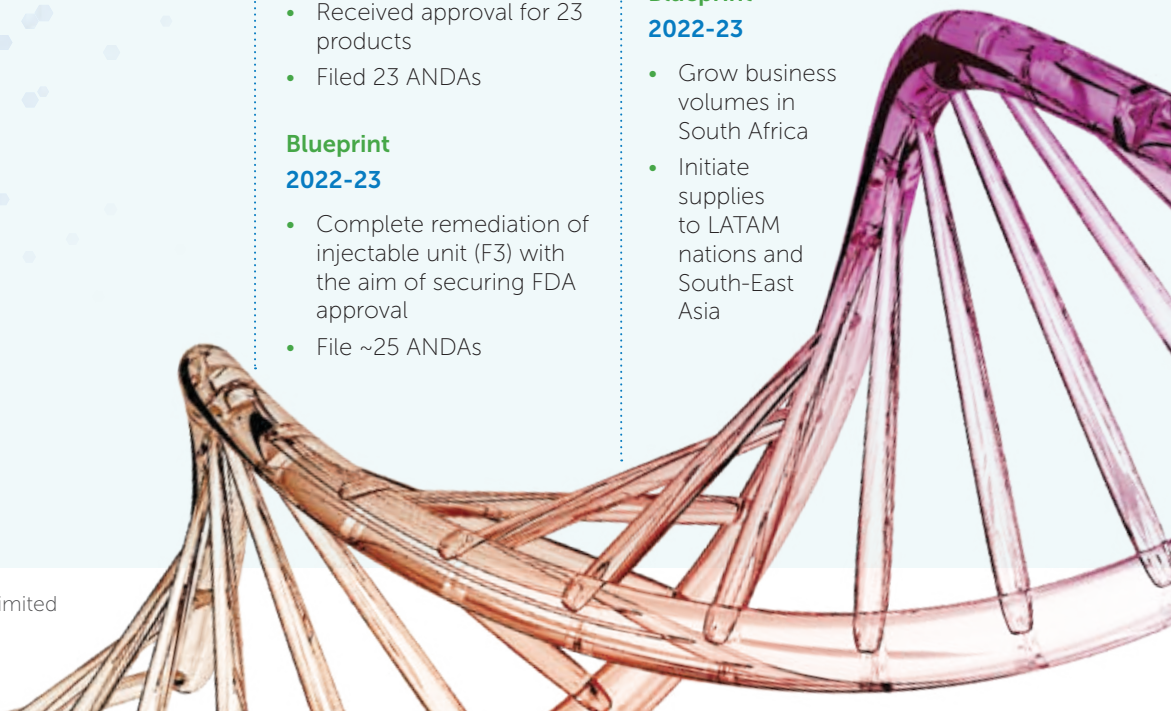
Focus: Establish a meaningful footprint across key pharma markets

Initiatives
2021-22

- Established a strong presence in South Africa
- Filed dossiers in LATAM nations
- File dossiers in South-East Asian geographies

Blueprint
2022-23

- Grow business volumes in South Africa
- Initiate supplies to LATAM nations and South-East Asia



3) The Domestic Branded Generic Vertical

Focus: Sustain the industry outperformance

Initiatives

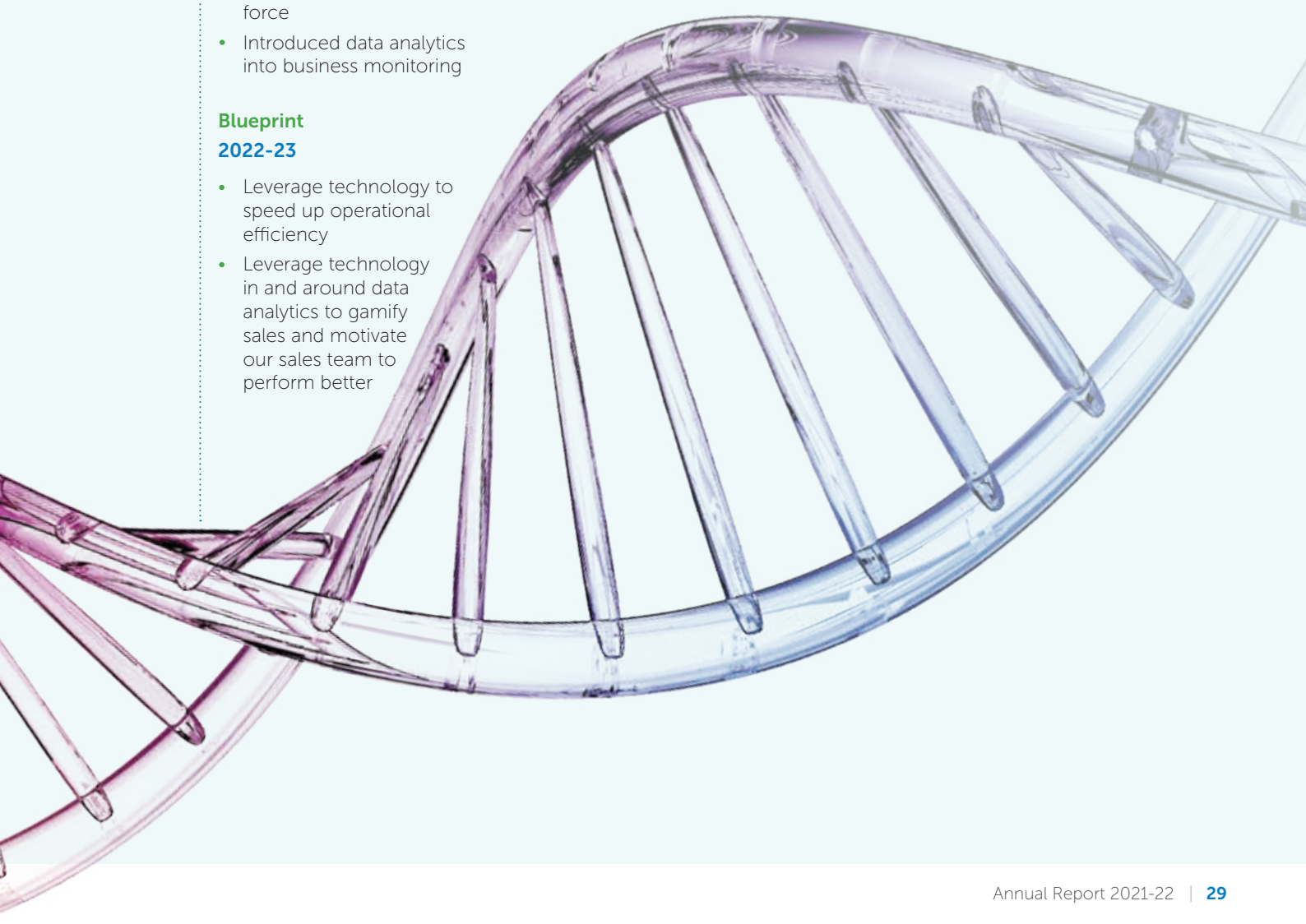
2021-22

- Operational changes at the plant and field
- Infused energy in the field force
- Introduced data analytics into business monitoring

Blueprint

2022-23

- Leverage technology to speed up operational efficiency
- Leverage technology in and around data analytics to gamify sales and motivate our sales team to perform better







Management Discussion & Analysis



1) The economic environment

Global economy: The world continued to tread the recovery path, but the momentum of recovery remained constrained owing to the pandemic and uncertainties surrounding this global health scare.

Fuelled by the highly transmissible and increasingly lethal Delta variant, the death toll across the globe touched the 5-mn mark owing to the pandemic. Moreover, the accompanying fear, lockdowns and supply chain disruptions held back a full return to normalcy. Overall, risks to economic prospects increased, and policy trade-offs became more complex. As a result, the global growth projection for 2021 is pegged at 5.9%; estimates for 2022 are set at 4.9%.

There appears to be considerable economic divergences between advanced and developing economies. Aggregate output for the advanced economy group is expected to regain its pre-pandemic trend path in 2022 and exceed it in 2024. In contrast, aggregate output for the emerging market and developing economy group (excluding China) is expected to remain below the pre-pandemic forecast till 2024, resulting in a larger setback to improvements in their living standards.

But these estimates could change significantly owing to the geopolitical tensions prevailing in the world and the crippling sanctions which will have a considerable impact on commodity prices; the fragilities of the global supply chain will get even more exposed.

5.9%

Global GDP growth

Indian economy: A resilient India bounced back with considerable vigour. Coming out from severe second wave which was extremely intense, the Indian economy demonstrated remarkable progress.

The first advance estimate of gross domestic product (GDP) for the financial year 2021-22 (FY22) came at 8.9% as compared to the contraction of 6.6% in 2020-21. As per the initial estimates India's GDP in actual terms in 2021-22 will surpass the pre-Covid level of ₹145.69 lakh crore in 2019-20.

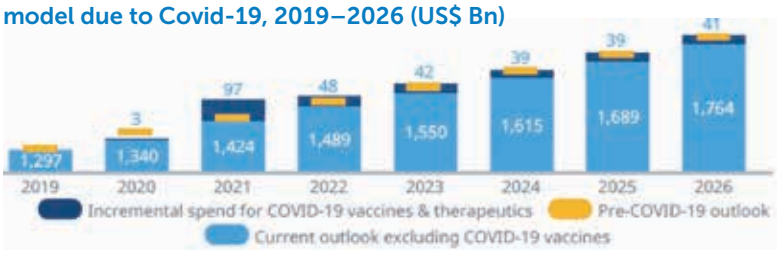
Several high frequency indicators have reached pre-Covid levels. Even the contact intensive and mobility dependent sectors like hospitality, aviation and tourism bounced back sharply from the second wave

India better than the best

Consumer price inflation in the US is at 8.5%, a 40-year high. In the Euro area, it is 7.5%. These are economies that are used to inflation averaging less than 2%. India's consumer price inflation is moderate at fractionally under 7%.

The rupee has been one of the more stable currencies, dropping against the dollar by just 1.4% in the last 12 months. Other than the yuan, the only currencies to have gained against the dollar belong to oil exporters: Brazil, Indonesia, and Mexico.

Changes in the historical and projected global medicine spending model due to Covid-19, 2019–2026 (US$ Bn)



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021

2) Mega trends in the pharmaceutical space

Global pharmaceutical space

The global medicine market — using invoice price levels — is expected to grow at 3–6% CAGR through 2026, reaching about US$1.8 trillion in total market size.

The largest driver of medicine spending through the next five years is expected to be global COVID-19 vaccinations. Growth in global medicine spending will be slowed by losses of exclusivity, resulting in brand losses of $188 billion, mostly offset by spending on newly launched products.

In developed markets, the use of medicines has remained consistent over the past decade, with most of the medicine use continuing to be in older and traditional therapies. Newer specialty therapies in oncology are driving a growth of 13.8% CAGR in onco-supportive drugs and 4.6% CAGR in oncology in recent years.

Medicine use in pharmerging markets has grown in all major therapy areas over the past decade. Older therapies in cardiovascular disease and dermatology account for 20% of current medicine use, with share of usage in dermatology growing 34% over the last 10 years.

The US market, on a net price basis, is forecast to grow 0-3% CAGR over the next five years, down from 3.5% CAGR for the past five years. Spending in Europe is expected to increase by $51 billion through 2026, with a focus on generics and biosimilars.

Indian pharmaceutical space

The pharma industry has seen a sharp rise in the past three years with rapid digitisation. Moreover, advanced research in the field has created newer avenues of treatment for mankind. The pharmaceutical industry is expected to grow to US$ 1.5 trillion by 2023. The technological trends expected to play out are:

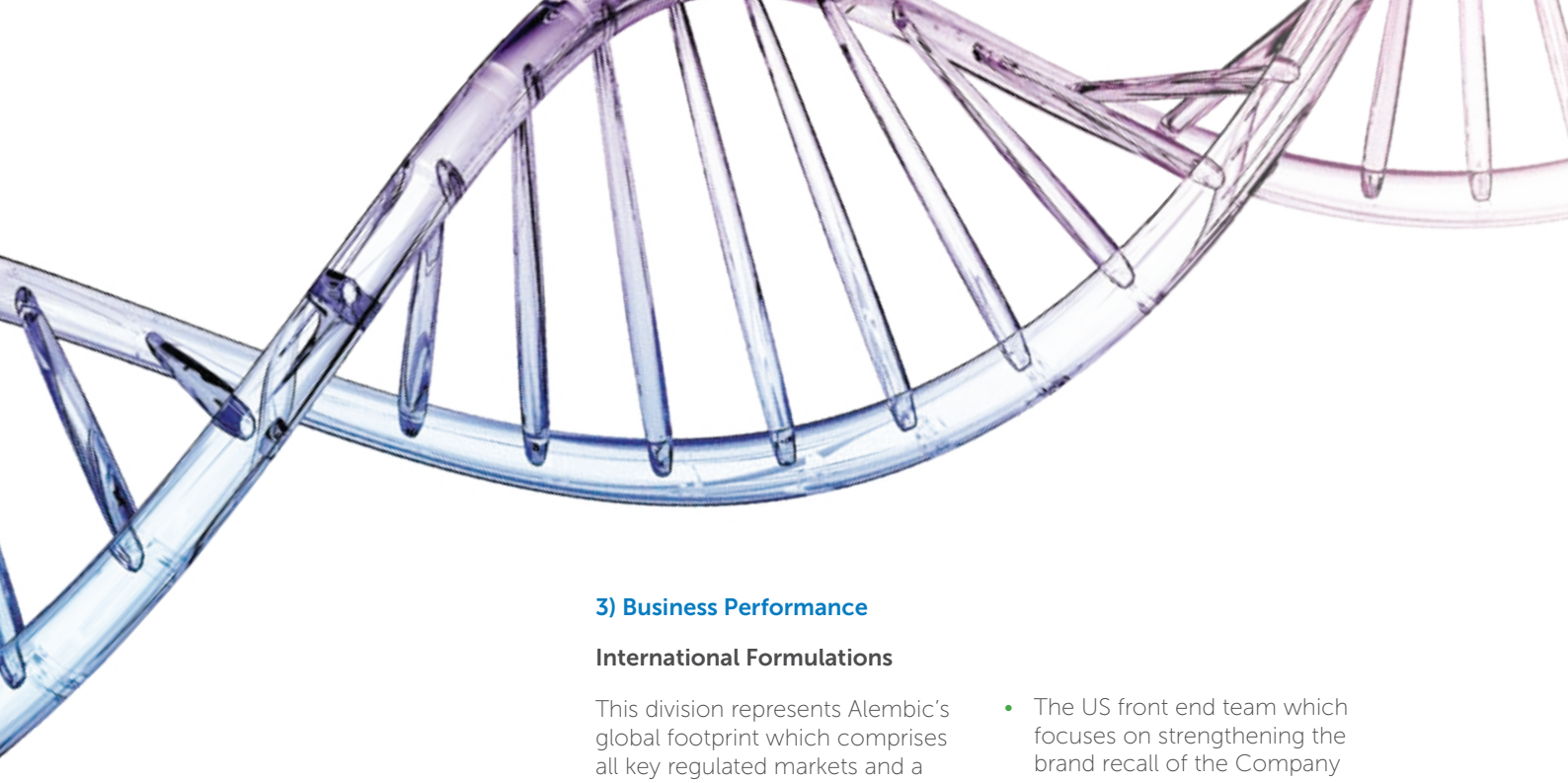
Rise in E-pharmacies: The Covid-19 pandemic has forced people to buying medicines online from the earlier brick-and-mortar pharmacies. With the rise in popularity, it is expected that the growth of e-pharmacies will continue strongly, and the overall number of households served is set to cross the 70 million mark by 2025.

Clinical trials: Digitisation is expected to change the future of clinical trials in the years to come. From matching trials to patients by analysing their health records to improving medication adherence, trials will become more global and remotely-led. In the near future, new technologies like digital pills will increase the accuracy of monitoring and reporting.

Artificial Intelligence: AI can present a myriad of opportunities for the pharmaceutical industry bringing about a radical shift in the innovation paradigm of the pharma sector. Pharmaceutical companies are leveraging advanced ML algorithms and AI-powered tools to streamline the drug discovery process, create more affordable drugs and therapies, and reduce operational costs. Pharma companies can also implement AI in the manufacturing process for higher productivity, improved efficiency.

Precision medicine: The production of precision medication requires facilities that are specialised and smaller than most factories. Even though it has posed problems for pharmaceutical manufacturers, this is a trend that's anticipated to continue as methods used are refined.

In FY22, the pharmaceutical industry recorded a growth of 9-11% which was mainly driven by a push from emerging and domestic markets.



3) Business Performance

International Formulations

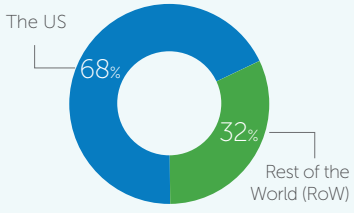
This division represents Alembic's global footprint which comprises all key regulated markets and a host of pharmerging markets, both of which are essential for the Company's sustained success in the pharmaceuticals space.

To maximise business growth from the international business, the Company has created two teams

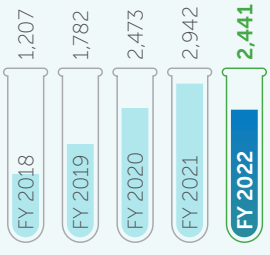
- The US front end team which focuses on strengthening the brand recall of the Company as a committed and reliable pharmaceutical player with an unblemished USFDA track record.
- The Rest of the World (RoW), which concentrates its energies on widening the Alembic footprint in other regulated and pharmerging markets.

Patient perseverance over the last decade, has allowed Alembic to establish a strong presence in these high potential markets. During the last five years, the Company invested considerable resources in new therapies and delivery platforms namely Dermatology, Ophthalmology, Oncology, and Injectable Formulations. The resultant expansion in product portfolio holds promise of accelerating the Company's growth momentum from these verticals over the coming years.

Revenue mix



Revenue
(₹ crore)



2,441
Revenue
(₹ crore)

46%
Contribution to topline in FY22

a) The US piece

A journey that commenced in 2015, is currently an important business driver for Alembic and contributed about 31% to its topline in FY22. The Company's front-end office in New Jersey, US forges and nurtures relationships with leading distribution and marketing companies.

This business posted decent numbers considering that it came from high base of previous year (on account of high price realisations on Sartans Business). This was possible on account of new product launches and consolidating market share in existing products.

The Company's ranking in the US market improved considerably – in FY 21 the Company featured among the Top 5 players for 47 products; in FY 22, the Alembic brand upped into the Top 5 for 62 products. The R&D team sustained its efforts in filling the product pipeline which will expand the Company's product portfolio over the coming years.

FY22: Key highlights

- Launched 13 new products in the US
- Filed 23 ANDAs in the US
- Received approval for 23 ANDAs (Including Tentative Approvals)

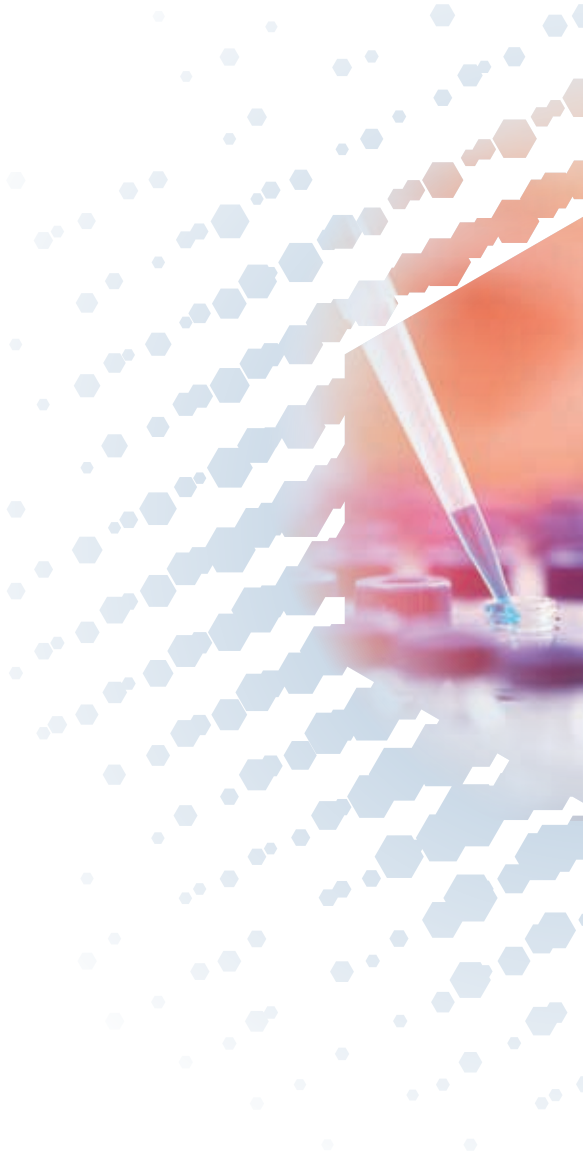
b) Rest of the World (RoW)

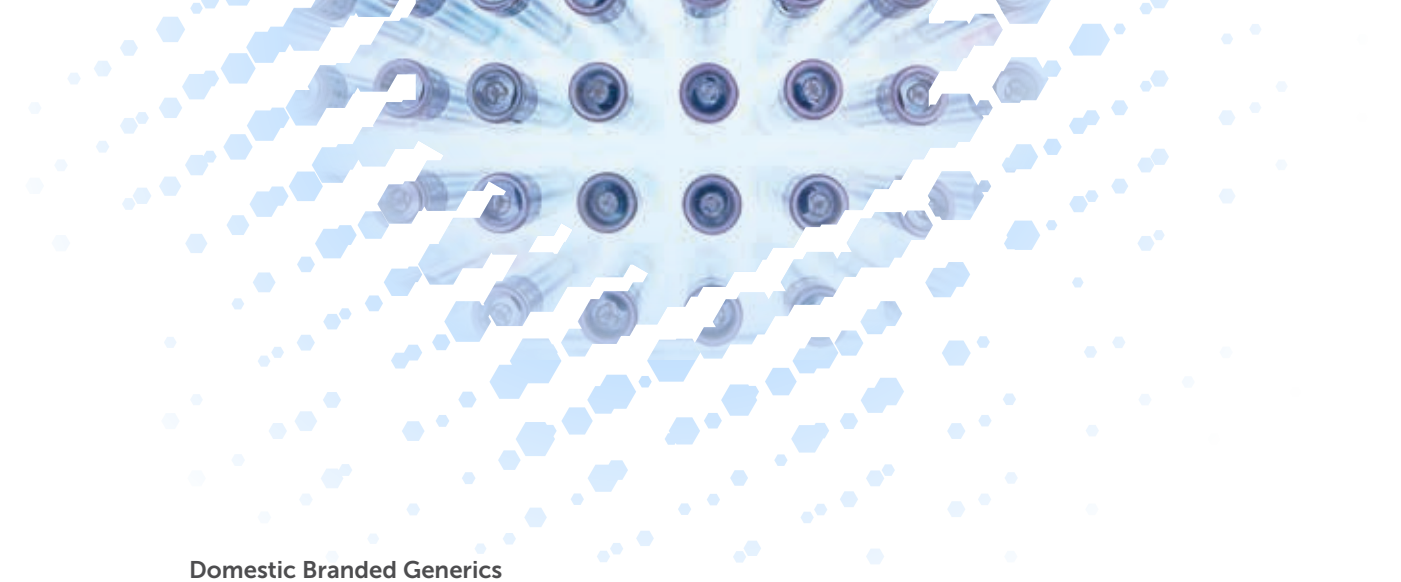
From being a fledgeling a few years ago, Alembic has put in considerable effort in graduating this vertical as an important flanking business that ably supports overall business growth. Over the years, the Company has achieved an active presence in 6+ geographies, which includes regulated and pharmerging destinations.

Despite the supply-chain challenges across the globe owing to the pandemic, the team successfully matched its FY21 performance. This was a very heartening achievement considering the extraordinary jump in topline registered by the team in FY21.

The highlight of the fiscal was the registrations it received in South Africa and in some Latin American countries. The team also made good headway in the South-East Asian countries – it made quite some filings, which should transform into commercial volumes in the next 18-24 months.

The team continued to consolidate its presence in existing markets with considerable success as it forged new alliances for its existing products.





Domestic Branded Generics

This is an important business vertical as this single geography contributes significant share to the Company's topline and bottomline. Alembic manufactures specialty formulations which cater to diverse chronic and acute therapies. The 5,500+ Field Force caters to around 2,25,000 doctors in India. The Company enjoys a 1.51% market share in India. (Source: IQVIA MAT MAR 22)

The Company gained significant traction during the multiple waves of the pandemic owing to its product Azithral, which featured in every Covid-19 remedying prescription. Also, its Amphotericin product against Black Fungus (a probable aftereffect of Covid-19 medication) generated healthy business volumes.

The team continued to move forward with its business-tweaking initiatives initiated about 3-4 years ago. It continued to infuse energy in its field force and altered its trade practices. These efforts yielded healthy returns: 1) An industry beating performance and 2) Optimised product inventory.

The team also continued to widen its product basket, which were well accepted in the domestic market. As a result, the Company now possesses 7 brands, each of which generate more than ₹50 crore revenue.

In keeping with the recent trend of patients preferring to visit hospital OPDs as opposed to individual clinics, the team strengthened its connect with the OPD division of leading corporate hospitals in metros and tier 1 & 2 cities. This helped in growing prescription volumes.

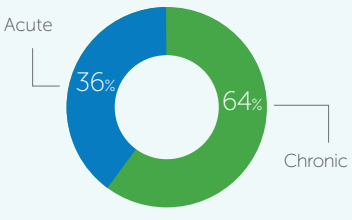
FY22: Key highlights

- Grew business by 29% against a 18% industry growth
- Introduced 5 new products in the domestic market
- Added 500 members to the field forces, majority of them were fresh graduates

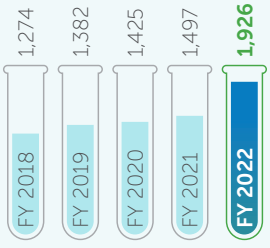
1,926
Revenue
(₹ crore)

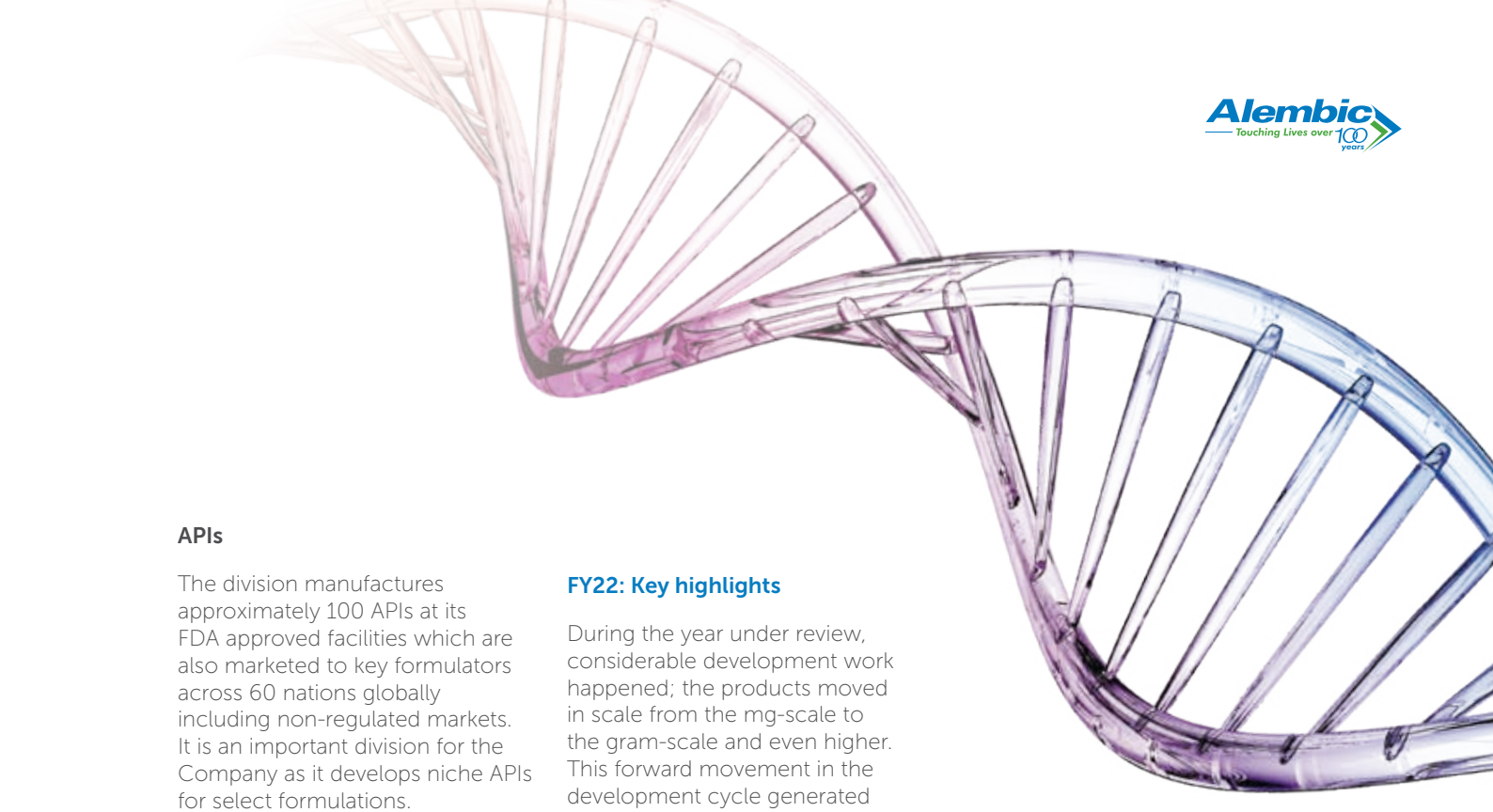
36%
Contribution to topline in FY22

Therapy-wise Mix



Revenue (₹ crore)





APIs

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. It is an important division for the Company as it develops niche APIs for select formulations.

While the numbers represent a flattish performance, the reality is that FY21 was unusual owing to a sudden spike in volumes of Azithromycin owing to Covid requirements . Excluding this exception, FY22 showcased healthy growth in volumes and value.

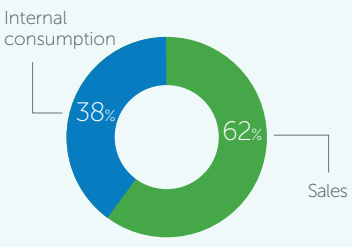
FY22: Key highlights

During the year under review, considerable development work happened; the products moved in scale from the mg-scale to the gram-scale and even higher. This forward movement in the development cycle generated good revenue. This was heartening as it was a sweet success for the patience and perseverance in developing these products –the development work for some products started in 2016-17 or even earlier.

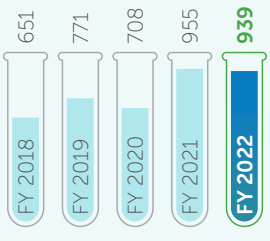
939
Revenue
(₹ crore)

18%
Contribution to topline in FY22

Consumption Mix
(in volume terms)



Revenue (₹ crore)



4) Value creation

Business Model

Our value-creation engine

Alembic's business model is the foundation upon which it seeks 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	₹**2,601.83** 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	₹**569** crore
	Capital Employed (April 1, 2022)	₹**5,237** 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.	No of Scientists	**1,200**+
	R&D investment	₹**838** crore
	DMF Filed	**8**
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	**12,216**
	People benefits	₹**1,133** 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	₹**22** crore
	Shareholders	**108,622**
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 (Direct & Indirect)	**216** GJ/tonne pf product



OUTCOME ›

Manufactured Capital	Products launched	**13** for US market & **5** for the Domestic Branded Generics business
	Return on Assets	**9**%
Financial Capital	Revenue	₹**5,306** crore
	EBITDA	₹**930** crore
	EBITDA margin	**18**%
	Net Profit	₹**521** crore
	Capital Employed (March 31, 2022)	₹**5,237** crore
Intellectual Capital	ANDA under development	**131**
	ANDA filings	**23**
	DMF Filings	**8**
Human Capital	Accident trend reduced by	**43**%
	Avg. Revenue per employee	₹**44** lakh
Social & Relationship Capital	Dividend declared	**500**% i.e ₹**10** per share
	CSR spend	₹**22** crore
Natural Capital	Rainwater harvested	**179,160** KL
	Total waste reduction	**29**%
	Reduction in energy consumption	**12**%



Inputs

Manufactured Capital

Alembic's state-of-the art manufacturing facilities make quality products that improve healthcare in India and across the world.


Alembic
Touching Lives over 100 years

Manufacturing facilities

The Company has 9 manufacturing facilities of which 3 facilities are awaiting regulatory clearance to commence operations. The manufacturing units which cater to the international business are in Gujarat, India, while the unit that develops and delivers formulations for the domestic market is in Sikkim. APIs are manufactured at the Panelav and Karkhadi units in Gujarat



Panelav, Gujarat

This is the flagship manufacturing facility for Alembic, where the Company manufactures oral solids and APIs. This FDA approved facility delivers products to all regulated and pharmerging markets across the globe. Alembic has invested in separate blocks for developing Oncology injectables and Oncology Oral Solid Dosages (F2). These blocks have been set up and are awaiting regulatory clearance.



Karkhadi, Gujarat

At this location, the Company manufactures dermatology products and certain APIs. The Company has set up blocks for developing general injectables and Ophthalmic products (F3), which are awaiting regulatory clearance.



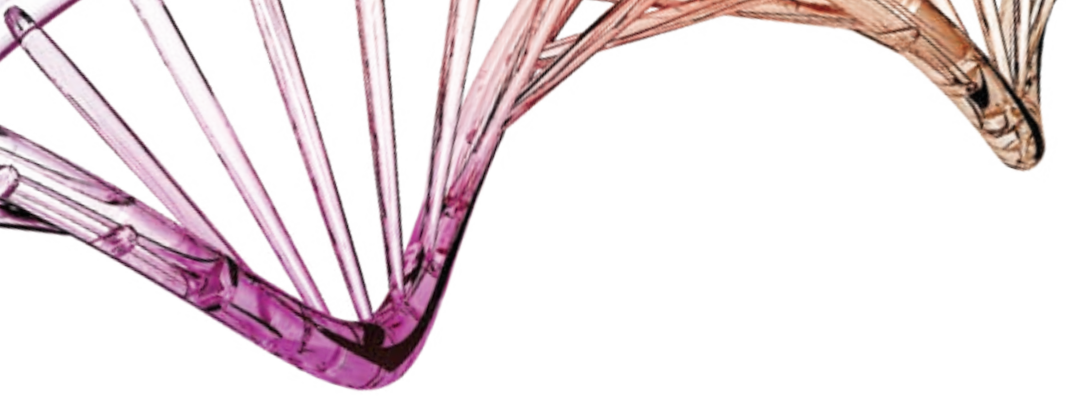
Jarod, Gujarat

The Company has created a greenfield facility at this location for manufacturing oral solid dosages (F4). The unit is ready for commercial production but is awaiting regulatory clearance.



Sikkim

The Company manufactures formulations specifically for the domestic market.



Sustainable Development goals impacted



FY22: in retrospect

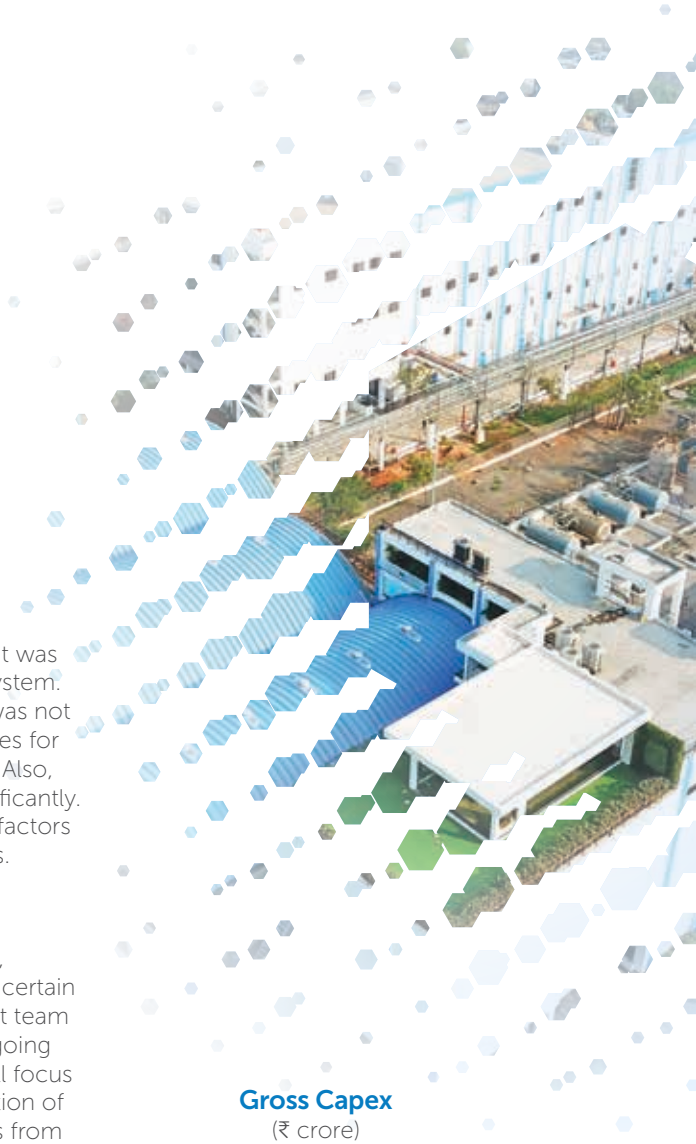
Over the last two years, which marred normal operations, the operations team focused their efforts on enhancing capabilities. The team worked upon commissioning new technologies for its APIs (at the Panelav unit) which promises to improve yields among other benefits. The team, along with its R&D colleagues will initiate filings leveraging this technology. Once approved, these technologies would be put to commercial use.

The pandemic also brought to the fore an important realisation about the shopfloor workforce. A large proportion of the workforce came from other states, which made it difficult for them to come to work during lockdowns. As a mitigation strategy, the Company focused nurturing local talent. It cherry-picked skilled people at the junior levels from within local communities to fill in vacancies. This strategy, the Company believes, will enhance employee loyalty at the junior levels.

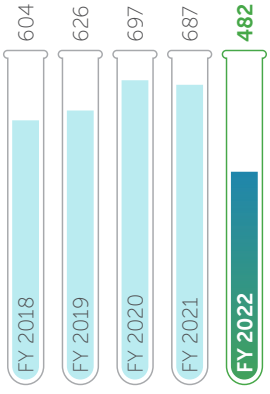
On the raw material front, it was an extremely volatile ecosystem. While material availability was not a major challenge, the prices for raw materials skyrocketed. Also, logistics cost climbed significantly. The combination of these factors dented profitability margins.

FY23: the strategy

Alembic's F3 unit (Karkhadi, injectables block) received certain observations from the audit team of the USFDA while undergoing audit in FY22. The team will focus all its energies for remediation of the block along with teams from other departments. These changes will also be implemented in all other facilities, which are awaiting inspection by regulatory authorities – it will facilitate faster approval of the facilities.



Gross Capex
(₹ crore)







Inputs

Financial Capital

Alembic manages its financial capital in an astute, optimum and diligent manner. Maintaining a prudent balance between investing in long-term strategies and deleveraging the financial statements allows the Company to harness opportunities for long-term value creation.



0.12

Gross Debt-Equity ratio as on March 31, 2022

61

Cash and Cash Equivalent as on March 31, 2022
(₹ crore)

FY22: in retrospect

FY22 was a fulfilling year for Alembic performed as good as most other Indian pharma players of its size. But when the performance of FY22 is placed alongside the financials of FY21, there appears to be a drop. This is primarily because FY21 was an exceptional year on many counts. Hence, rather than reflecting it as a drop in performance, the numbers achieved in FY22 reflect a return to normalisation.

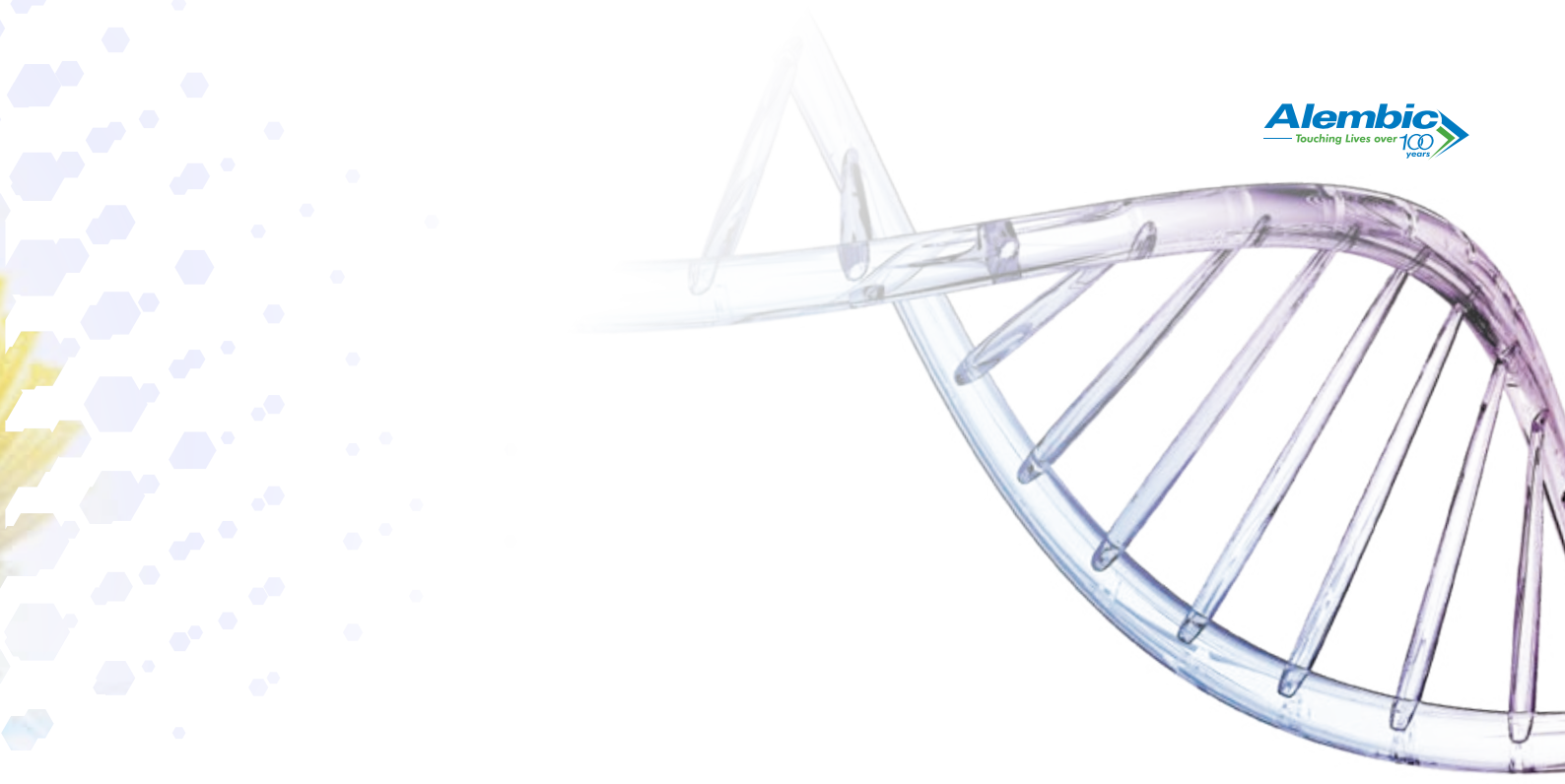
The journey through FY22 was a mixed bag of ups and downs in performance. While, the domestic branded vertical registered healthy positive growth, the US piece and the RoW segment were lower than the previous year (FY21 was exceptional for the US vertical).

The US market has its peculiar headwinds and tailwinds. As a result, financial numbers from this market will undergo crests and troughs – a reality which shareholders need to consider while drawing their estimates.

The Company invested ₹482 crore in augmenting capacities and strengthening capabilities – it marks the end to our long capex journey it embarked upon in 2016-17. Having invested ₹2100+ crs in new projects over the last few years in a phased manner, Alembic has been able to maintain a low-debt equity (Gross) of 0.12 as on March 31, 2022. The Company has successfully serviced its enhanced debt (owing to our capex plans) by sweating its existing assets efficiently. Despite being a challenging year, the Net Cash Flow from Business Operations stood at ₹552 crore.

The Finance team deployed operating liquidity prudently between investing in (capex) and strengthening (deleveraging) our financial position – thereby creating a platform that promises to catapult Alembic into a higher orbit.

On the working capital side, the team has been very agile to ensure that receivables translate into cash at the earliest. Multiple teams persevered to maintain a stringent control inventory of finished goods, especially in the domestic market, which helped in maintaining a comfortable working capital position.



Sustainable Development goals impacted



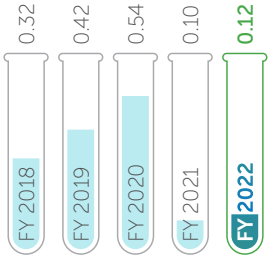
FY23: the strategy

Alembic's primary focus would be to sweat its assets better, entrench itself deeper in the markets of its choice to maximise revenue from the available opportunities.

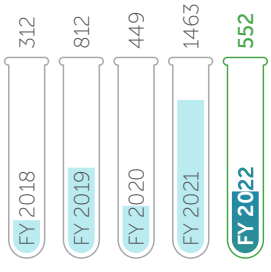
- In the domestic market, Alembic is confident of outperforming the industry average.
- The US market could experience a more mature growth owing to prevailing headwinds – the medium-term prospects appear particularly promising banking on at least 15+ new launches.
- The RoW piece should maintain the legacy growth driven by a widening geographic footprint and an expanding product basket.

These estimates are subject to unforeseen events owing to the prevailing geopolitical issues and the possibility of the fourth wave of the pandemic.

Gross Debt-equity (X)



Net cash flow from operations (₹ crore)



Q. Why has the ROCE declined?

A. We enjoyed a spirited run in the US market in FY21 for our Sartans portfolio. This was because regulatory issues chocked supplies from competitors. We secured volumes at a good price - it shored our topline and profitability. In FY22, we, like many of our peers, faced consistent pricing pressure on our US generics portfolio. This impacted profitability – ROCE dropped from previous year levels.

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



Inputs

Intellectual Capital

Alembic continues to strengthen its Intellectual Capital with a focus on innovation, developing a portfolio of high-quality and affordable medicines. Over the years, the Company has persevered patiently to building a differentiated product pipeline which delivers value to the customer and the Company.


Alembic



230

ANDAs filed up to March 31, 2022

125

DMF Filings up to March 31, 2022

140+

Filings in other markets up to March 31, 2022

Alembic is a research-led company that leverages its R&D expertise to develop niche products that allows the Company to establish an entrenched presence in geographies and markets of its choice. The strong focus on R&D is reflected in the fact that the Company has three R&D segments – formulations, API and peptides – that cumulatively employ 1,200+ R&D experts possessing skills in cutting-edge technologies and chemistry platforms. The R&D teams stay well-informed about newer product development tools and technologies to gain competitive market advantage. The Company has also created a dedicated technology transfer team to facilitate seamless DMF/ ANDA filings. Alembic's R&D activities are also supported by dedicated teams focused on analytics, documentation and IPR.



Formulation R&D

The Company has three R&D units for developing its formulation pipeline – at Vadodara, Hyderabad and the US.

The Vadodara unit is the mainstay innovation centre, which develops non-oncology molecules. The Hyderabad unit, a more recent addition to the Company's innovation infrastructure develops both oncology and non-oncology molecules. The US unit is focused on developing and filing oral solids and liquid products. It adds complimentary skill sets in soft gelatin based oral solids and oral liquids.

Sustainable Development goals impacted





In the recent past, the Company has invested significantly to augment our R&D capabilities across several high-growth and high-value therapies. These include cardiovascular, oncology, peptides, central nervous system, dermaceuticals and injectables (general and oncology). The robust product pipeline and higher number of filings facilitate the Company to accelerate future growth in represented markets, particularly, in the US (90% of our R&D spends are directed towards the high growth US market).

We have about 50+ products at an advanced stage of development for the US markets. In the product selection, we have adopted a prudent strategy of created a basket of low-risk products and high-risk Para IV filings. The team aims to file about 20+ new filings every year.

For the Rest of the World, the team is developing about 70+ products which are at an advance stage in the development cycle – most are them are tweaks of the US products which are in high demand in these markets – the tweaks will align them to the regulatory compliances in specific markets.

The team continues to monitors it R&D grid to realign its product portfolio against numerous filters to ensure that its efforts generate the desired returns. Products that don't fit the criteria are dropped from the grid. This stringent monitoring ensure that the R&D efforts remain streamlined and relevant.

In the last two years, we have been developing capabilities for incorporating process analytical tools in our molecule manufacturing process to make the process more stable – this ensures that consistent product quality and greater reliability on Alembic. While this is a long journey, we have made good progress since we started. In addition, we have also invested in predictive tool which help in understanding the accuracy of our development path, it provides a basis for course correction, if required. Moreover, it helps in providing a data-backed reply to regulatory queries during audits.

Also, over the last two years, the team has been consciously working on reducing the development cost by various initiatives and resource optimisation.

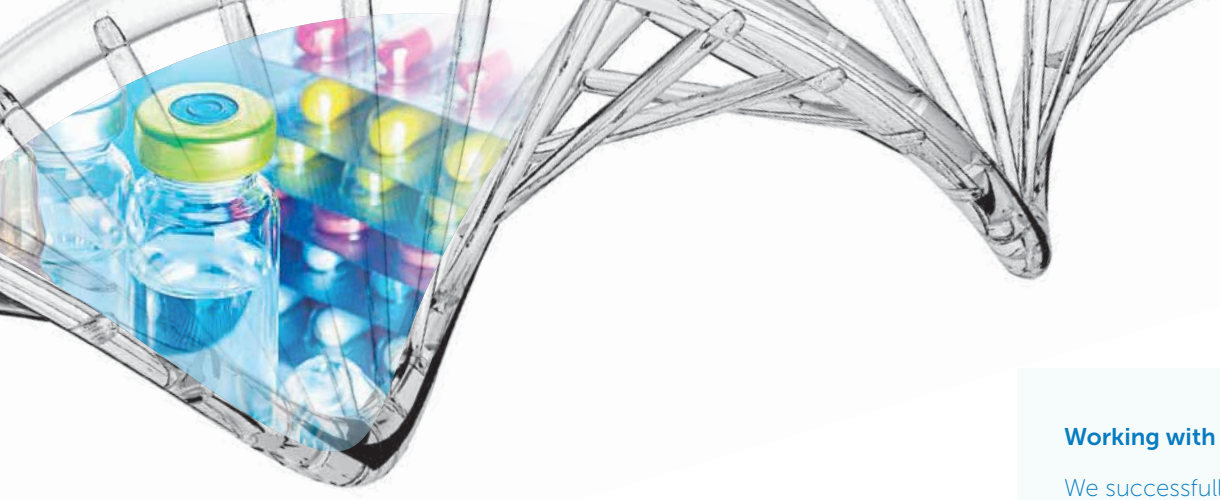
FY22 – our progress

- Filed 23 ANDAs of which 1 is FTF and 7 are Para IV in nature
- Received approval for 23 ANDAs from the US regulatory authorities
- Filed 15+ dossiers in other global markets
- Received approvals for 10+ dossiers from other markets

Injectable R&D

We set up a dedicated injectable R&D centre few years back. This unit epitomises 'patience and perseverance'. The team has worked diligently for more than half a decade to create a robust pipeline of 40+ molecules, majority of which have been developed or are in the final stages of development. We should see commercialisation of this efforts in a few years.

The team has developed critical in-house technologies that are used in developing injectable products. This has helped in considerable saving of time and development costs. While working peptide-based injectables, peptide characterization is critical and mandatory. Here again the team has built 100% in-house capability in doing the characterisation.



Working with speed

We successfully developed Lipozome in about 3-4 years. The Alembic team is ready for exhibit batches of this complex product.

Alembic is amongst the few companies in the Indian pharma space with these in-house capabilities.

FY22 – our progress

- Completed the scale up of quite a few complex injectables, which includes products that are a drug-device combination – exhibit batches for these products is planned in the current year.
- Received FDA clearance for auto injector medication, a complex and difficult to develop formulation.

API R&D

Alembic has a dedicated API development team focused on developing and filing our DMFs with the USFDA. The API team develops novel polymorphs having advantages in terms of product intellectual property and cost, thereby providing the Company an edge over peers.

FY22 – our progress

Operationalised the kilo lab facility at Panchdevla and received approval from CDSO for the same – this will allow us to transfer technology from the R&D to the plant.

Received CDSO approval for the Tinib facility in R&D; niche oncology APIs can be manufactured here.

Completed 8 USFDA filings and 2 dossier in the other geographies – of these five APIs will cater to FTF formulations being developed at our facilities.

Peptide APIs – R&D

Alembic has created this unit a few years ago to develop peptide APIs to be used in developing complex injectables for high-value, high-growth therapies. Over the years, discipline, determination and immense perseverance enabled the team in building expertise in understanding with process, establish alignment with plant operations and with the injectables formulation team. This has helped the team build a robust pipeline of molecules to be used to developing formulations. Alembic in future will be one of the very few companies to be a vertically integrated peptide players.

FY22 – our progress

- Filed with the regulatory authorities for 1 product and elevated 2 more products are in plant validation stage.
- Filed a patent (non-infringing process) which will give us a good yield for the key product. We worked on establishing and stabilising this process for the last 3 years.
- Onboarded team members from an international destination and from recognised institutes in India – this intellectual capital brings in rich expertise and a powerhouse of understanding in our space of operations.
- Invested in analytical ultracentrifugation which is a critical process before filing any product.
- Created a robust pipeline of about 9-10 products which enables us to achieve two filings every year for the medium term.

30

Product pipeline with the R&D team

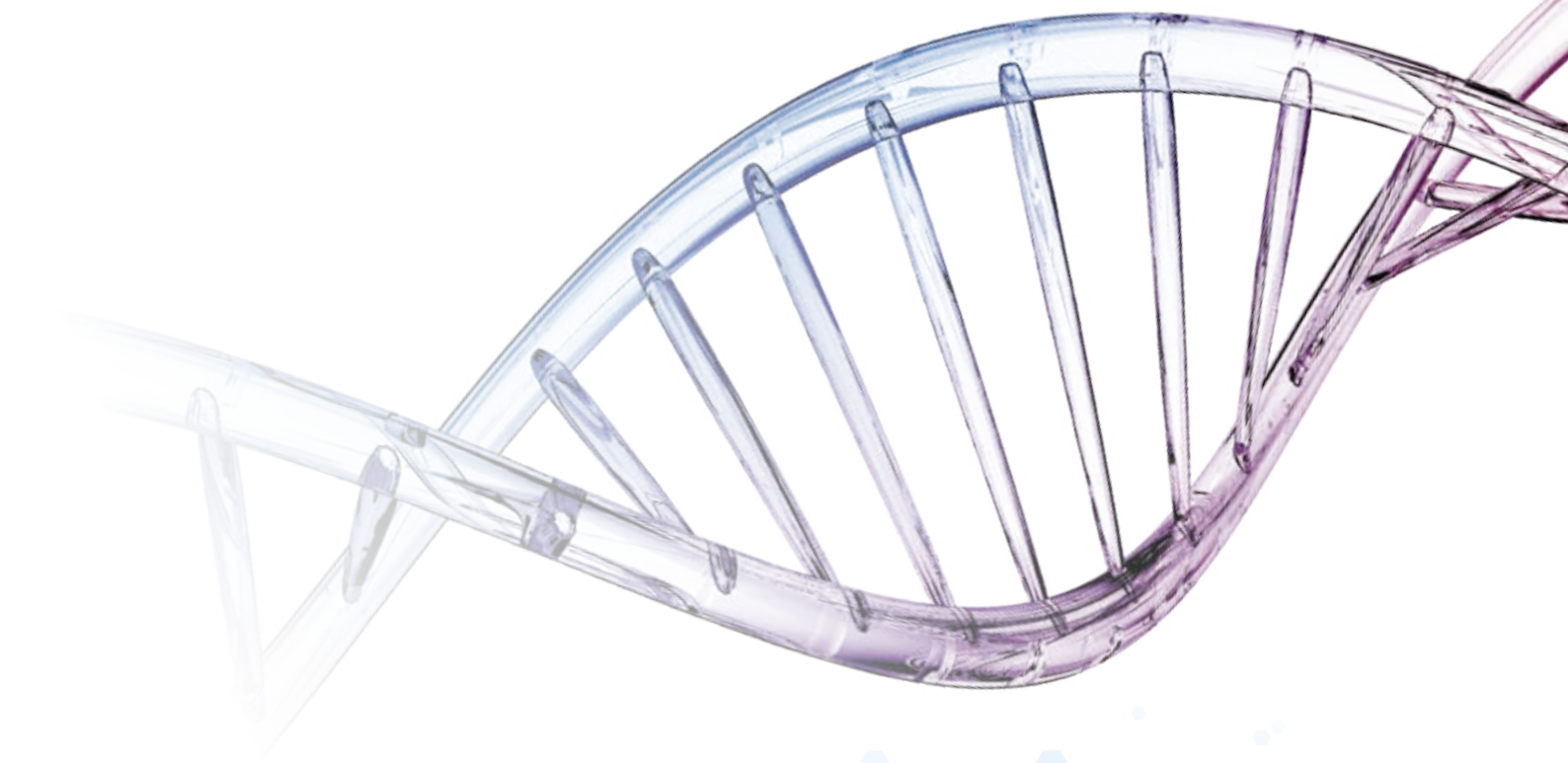


Inputs

Human Capital

Alembic's diverse team of skilled, accountable and engaged employees play a critical role for the sustainable growth of our organisation. The Company has pivoted its human resource focus to provide an enabling, supportive and safe environment for its employees in this period of significant change, uncertainty and stress. Also, the Company prioritised keeping its people engaged, connected and well-informed.


Alembic
Touching Lives over 100 years



12,216

Team size
(March 31, 2022)

1,133

Investment in people
(₹ crore)



Sustainable Development goals impacted



FY22: in retrospect

Just when things were getting back on track towards the close of the previous financial year, the year started with the Delta variant of the pandemic which put considerable roadblocks to logistics and instilled fear in the minds of people which thwarted business operations.

The Company set in place similar motley of measures that were instituted during the initial wave of pandemic but were made more stringent. Additionally, transport facilities were made available to people to come to the plant site and back.

The key difference in this hour of anxiety was that the HR team along with other volunteers set multiple vaccinations camps to ensure that the entire team was provided this protection shield. These efforts helped sustain plant operations. The HR also facilitated the flexibility to people to Work from Home in cases where travel became a concern.

The HR team continued to maintain a connect with every Alembic employee who tested positive with this health scare to keep track of their progress and to render all help to the person and the family.

The Management created a welfare fund which provided the financial succor to families of employees deceased owing to Covid-19.

As the impact of the pandemic waned, plant operations resumed with speed.

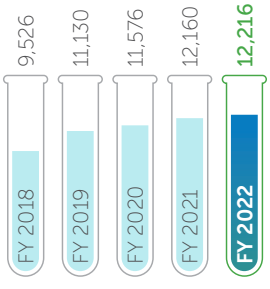
Key initiatives during the year

- Right-sized the organisation in keeping with current and future people requirement.
- Initiated the Gallup Survey at its flagship operating unit (F1); the survey numbers showcase that the team is very engaged; this was particularly heartening.

FY23: the strategy

The single most important agenda is to continue to supply talent to facilities that are about to commence commercial operations. Other priorities include 1) The team wants to formalise employee welfare measures through a trust or fund, and 2) Continue to impart training to its team members as and when required.

Team size



Patience & Perseverance

In 2013, Alembic created the Alembic Talent Pool. This is an initiative to create a talent pipeline to be deployed as and when the Company requires people resources. Under this initiative, fresh graduates are recruited and trained by experienced members from within the Alembic team. The training includes a mix of classroom and shopfloor sessions. The HR team continues to add members to the talent pool every year. This approach highlights the Company's perseverance towards its vision. Before embarking on its brick-and-mortar capex plan, the Company created this pool which would be ready to take on the operations of the additional facilities when commissioned.

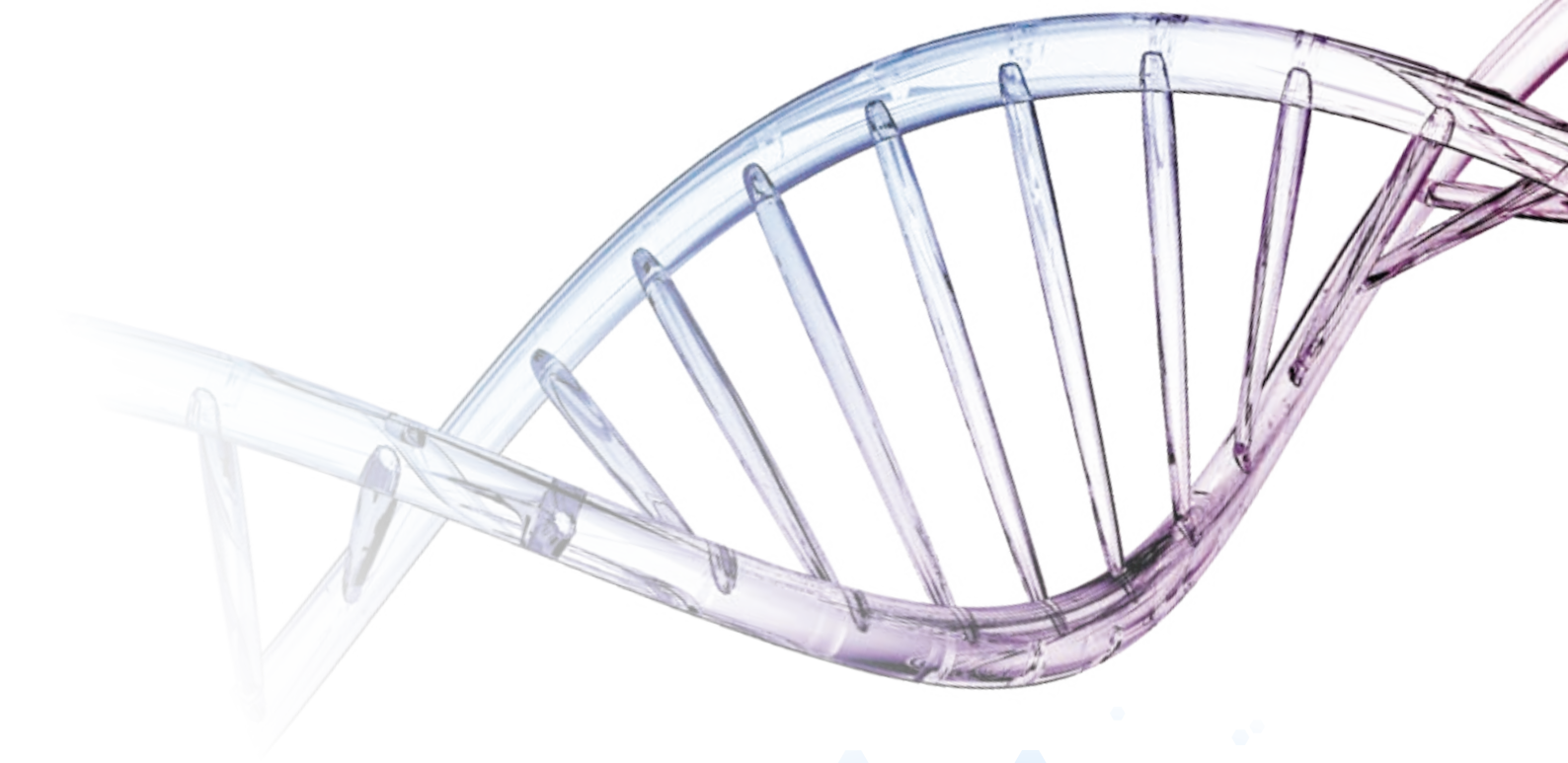
Inputs

Social Capital

Community well-being is deeply ingrained in Alembic's culture which integrates it with the wider world. The Company has institutionalised the stakeholder engagement model to understand the core requirements and concerns of communities around its operating facilities and undertake concrete steps for their overall development.




Alembic
CSR FOUNDATION
STOP
GO



22

Funds deployed for Community Development in FY22
(₹ crore)

Sustainable Development goals impacted



For uplifting the underprivileged, consistency is far more critical than intensity. What is needed is continuous effort, not explosive effort. This is because, explosive efforts are more about leaving a good story; persistent efforts keep you progressing. At Alembic, patience and perseverance drive us to better what we have done in the past.

Our interventions

1) Health

Swasthya Setu: A 360⁰ health programme, wherein a mobile health van with medical practitioners visits 25 villages and attends 45,000 villagers in a month. For further treatment or surgeries patients are referred to a super-specialty hospital and are provided with free diagnostics, consultation, medicines, stay, meals and pick-up drop facilities.

Suposhan: The project is aligned with 'Poshan Abhiyan' under the government's Integrated Child Development Scheme to eliminate malnutrition through Behaviour Change Communication activities covering 1700 children, adolescent girls, pregnant and lactating mothers in 15 villages of Panelav region.

Blood Transfusion Centre: The growing occurrence of thalassemia in nearby towns and districts made it necessary to have this facility at Bhailal Amin General Hospital which provides free blood transfusion, blood tests and consultation. This has benefitted 55 needy patients suffering from this ailment.

2. Education

Alembic is dedicated towards the education of our community children as we believe that laying a strong foundation directs them towards a brighter future.

Vikas: Set up in 2002, is a school providing quality education to rural children from villages surrounding our Panelav operating facility. With a curriculum for Classes 9-12, the school imparts education to about 360 students annually. It also has an adjoining hostel which provides accommodation to about 200 students.

Shiksha Setu: The CSR team reached out to neighbouring primary schools (Classes 5 to 8) to build the foundation of students. The team partnered with K.R. Shroff foundation to impart education to about 700 students which has significantly improved their academic performance.

Special Adoption Agency: The CSR team has partnered with the Gujarat government for facilitating the adoption of abandoned children who are provided with overall health and education support till they are adopted. The CSR team has facilitated the adoption of about 20 children.

Foster Care: The Alembic Group has set up a foster care home in Vadodara, where eight children are provided with comprehensive support – the key focus areas being mental and physical health, education, sports facilitation and personality development.

Child Care institutions: The CSR team also supports two other child care institutions for girls and boys and provides tutorial support, sports facilitation, dance and music, personality development and healthcare support.

3. Livelihood

Sneh Sakhi Stitching Unit: A micro-enterprise on industrial stitching was set up and hundred women from within the community were identified and trained. Parallelly, a production center has been set up where thirty women are regularly stitching and earning livelihood.



Farmer Empowerment Programme: Under the project capacity building of 200+ farmers was undertaken to ensure sustainable agriculture through soil health improvement, crop diversification, climate resilient farming, market linkages, quality seeds, labour saving tools, water and pest management.

4. Water and Sanitation

Water ATMs: Alembic has set up 7 Water ATMs in surrounding villages benefitting 10,000+ community people. The proceeds collected at the ATM are used for its maintenance and upkeep.

Infrastructure: The team has constructed a check dam near Panelav with a storage capacity of four crore liters of water which will be used for irrigation, ground water recharge and meet household requirements.

Groundwater Recharge Wells: Two such wells were constructed around Jarod for capturing rainwater during the monsoon which will be effective in raising the ground water levels in the area.

Toilets: Around 70 toilets were constructed in Jarod region as part of the sanitation drive under which 2,300+ toilets have been constructed in the last five years around our manufacturing facilities.

5. Community Infrastructure

Alembic constructed five anganwadis – two in Panelav, one in Jarod and two in Karakhadi which provides nutrition and pre-school education to community children of these villages.

Assistance in managing the pandemic

Meaningful and timely initiatives were undertaken to help overcome the lethal wave of Covid. They included

- 280 Community women earned livelihood by making 1,00,000+ PPE kits, 36,000+ face masks, 2,000 blood pressure cuffs, 2,000 stethoscope covers and 1,000 face shields which were given to the Corona warriors.
- Distributed 28 oxygen concentrators to strengthen the health system.
- Operated a Vaccination Centre for public with pick-up and drop facility for senior citizens.
- Created a Covid ward to accommodate 50+ patients during the spike in the number of cases.
- More than 250 plasma donations were facilitated.
- Psychosocial counselling of Covid patients in isolation at the hospital
- 43,000+ meals provided to stranded labourers at Govt. night shelters
- Donation of ₹1.25 crore to state government of Gujarat and Sikkim
- 740 household provided with ration kits

Our Social Interventions





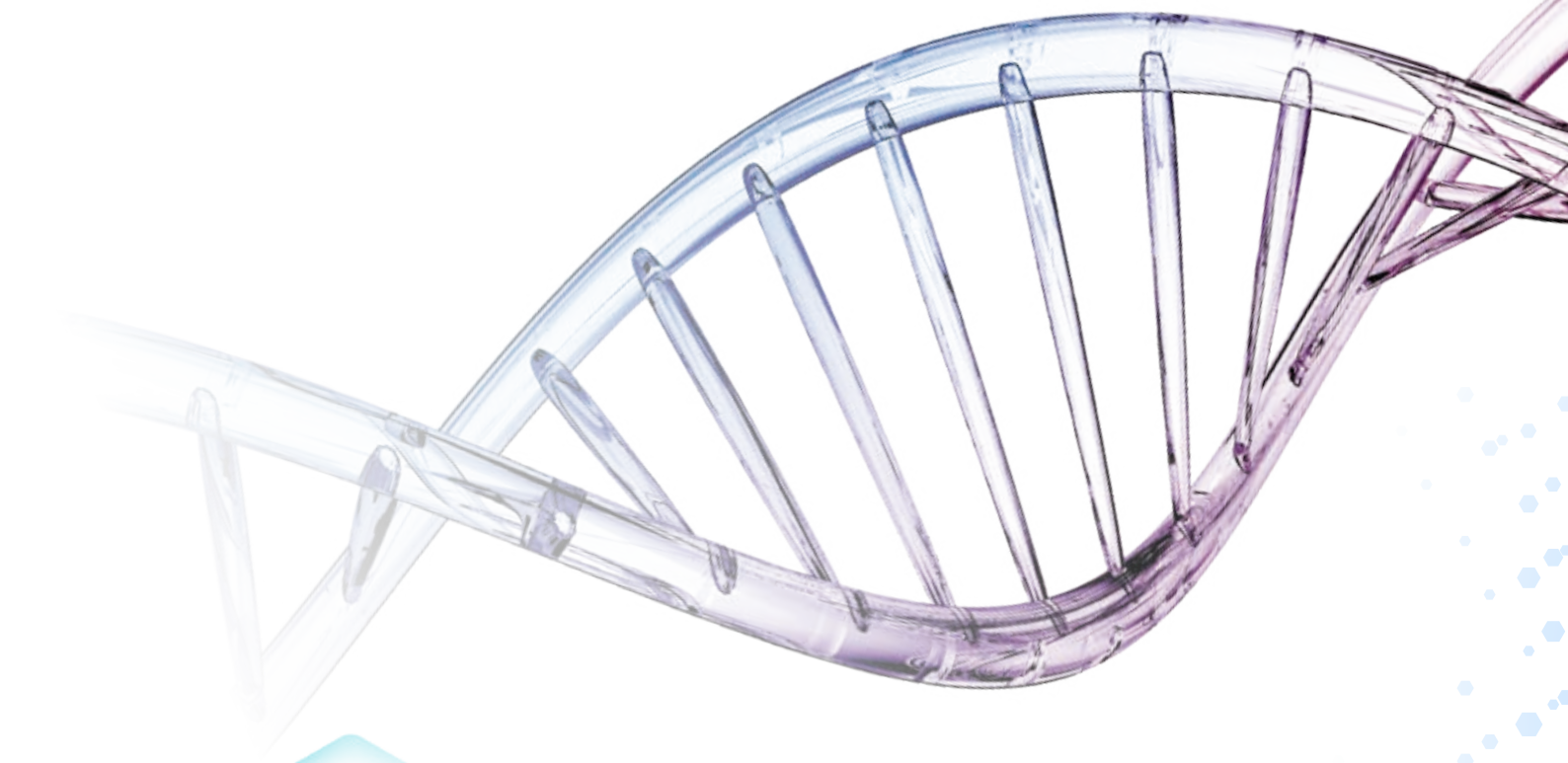
Inputs

Natural Capital

Alembic firmly believes that environmental impacts are synonymous to climate change and have long-term implications on the business. The Company endeavours to play its part in tackling climate change and minimising the depletion of natural resources by reducing its operational load on the Earth.

Making an effort to leave the Earth, at least in the way, we inherited it.





12%

Total Energy Reduction Achieved

5%

Total CO2 Emission Reduction Achieved

+ve

Groundwater Positive

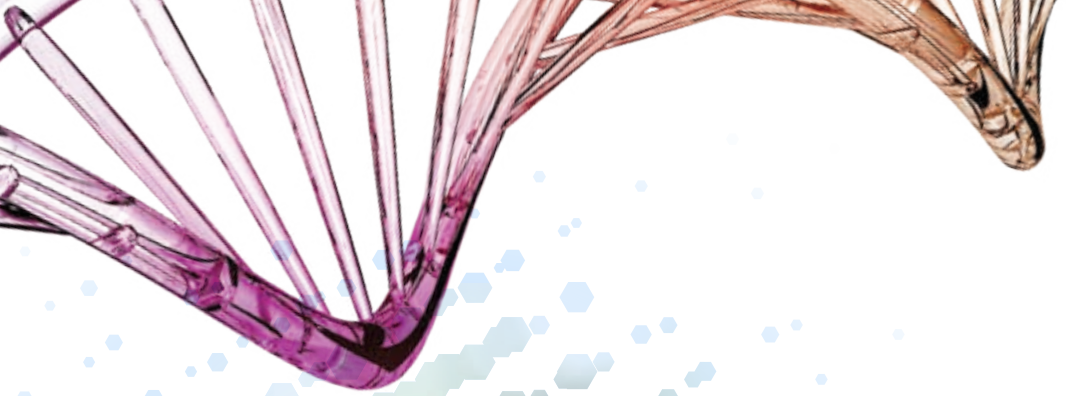
Solvent recovery: The Company intensified its efforts to maximise solvent recovery, which reduced the consumption of fresh solvent in the manufacturing process. Also, the residue generated in the solvent recovery process, which used to be incinerated earlier, is now sent to the cement factories in the vicinity for use in their manufacturing operations.

Sustainable Development goals impacted



Energy conservation: At Alembic, energy management and optimisation are a continuous journey. This journey starts with disciplined monitoring of energy consumption at the Company's sites. This forms the platform for undertaking measures for minimising wastages and optimising consumption. Every year, the operations team identifies areas for reducing energy and implements initiatives towards this end. In FY22, the team continued with this efforts and achieved considerable success in its endeavours.

Water management: Alembic uses groundwater at its operating units for it manufacturing processes. The Company processes all liquid waste and recycles treated water for use in gardening and in toilets. Moreover, the Company has made sizeable investments towards recharging the ground water table. Currently, the Company recharges more water into the underground water table than what it consumes – positioning it as one of the very few companies in the pharma space to become a groundwater positive company.

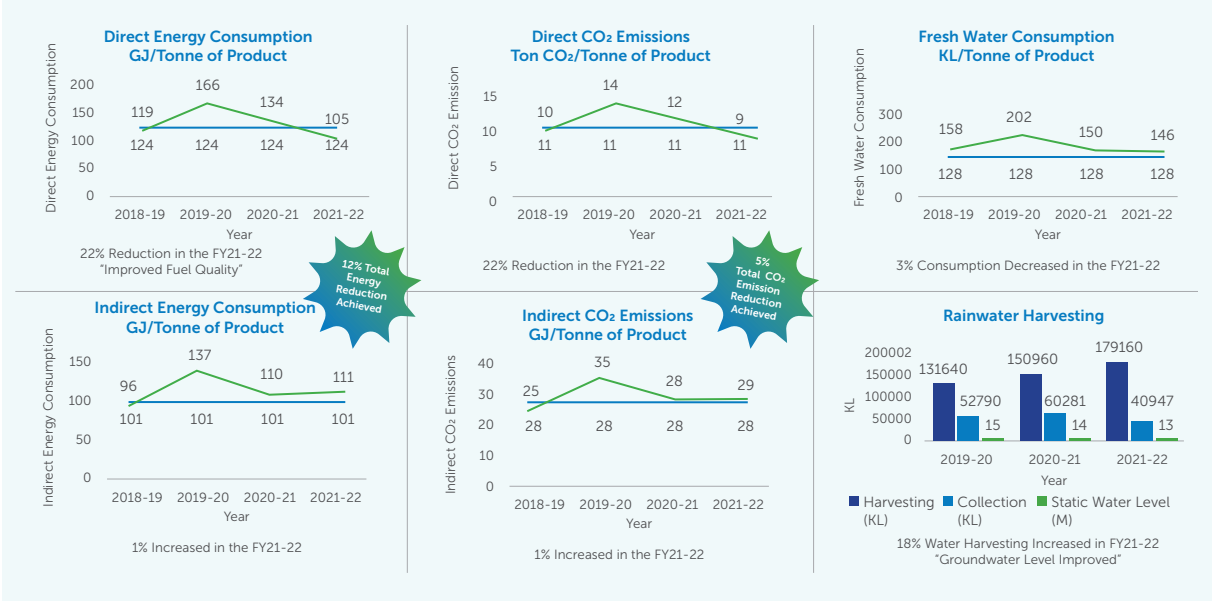




Plastic waste management:
Alembic realises that it is putting plastic in the marketplace through its products (packaging). As an Earth-respecting organisation, the Company has appointed an agency to collect an equivalent amount of plastic from the marketplace and dispose it responsibly. It needs to certify the same.

In addition, the Company undertook a '100 Day Campaign' against plastic. It appointed an agency to collect plastic from the dumps in nearby villages for 100 days and dispose it responsibly with the objective of making the villages plastic free.

Our patience and perseverance are giving heartening returns



Patience & Perseverance have built a robust platform that has been able to withstand multiple headwinds.





In a rapidly changing business environment with dynamic customer requirements, business risks are constantly evolving. As a result, there is significant variation in the emerging risks landscape across businesses. We, at Alembic, continuously monitor the internal and external environment to identify potential, emerging risks and their impact on our business.

Pipeline risk

Lack of a robust pipeline of relevant products could impact the Company's growth momentum going forward.

Mitigation measure

Alembic's R&D team continues to work on the development of 125+ products. These are periodically analysed for their relevance in terms of the evolving ecosystem and the growing competitive intensity. This ensures that the development of relevant products sustains a healthy pace.

Asset risk

A significant part of the asset base remains under-utilized. This could impact profitability.

Mitigation measure

The new facilities/blocks are awaiting approvals from global regulatory authorities. This could happen in the next 9-12 months. Till then, the Company is prudently utilising these assets for developing exhibit batches for initiating filings in global markets.

Quality risk

Quality issues in the product or packaging could impact product supplies to its customers.

Mitigation measure

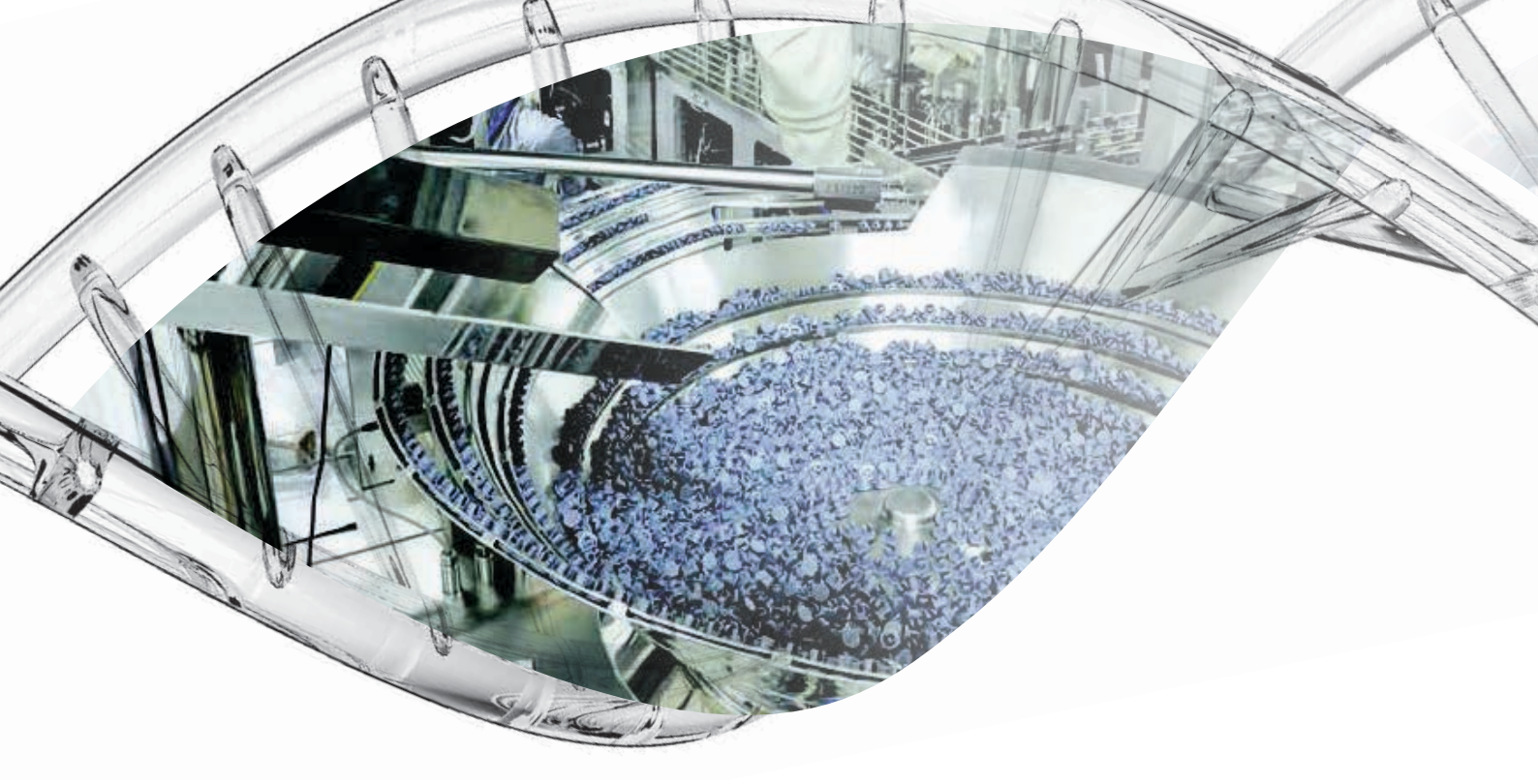
Alembic's has sustained its investments in quality enhancements across plants to comply with international standards. This is reflected in the Company's ability to capitalise on the Sartans opportunity in the US market (owing to superior product quality). The Company sustains its quality commitment through continuous training of its people on emerging technologies and improved processes.

Compliance risk

Operating facilities will manufacture products only if they continue to remain compliant with regulatory standards.

Mitigation measure

Alembic has established a strong team of experts with domain expertise in all related areas. This expertise is nurtured through periodic and effective training that continues to be tested with frequent mock audits. This has resulted in 24x7 audit preparedness of the team. Moreover, the Company has institutionalised a robust quality control system across the organisation to ensure complete compliance. This system is checked periodically for ensuring that it remains relevant to the evolving regulatory ecosystem.



Data security risk

Loss of data owing to security breach could impact business operations and the Company's reputation.

Mitigation measure

Alembic has made and continues to commit considerable investment to maintain a robust and relevant IT framework and solutions. It has a strong IT team that proactively monitors and analyses risks and threats to its IT systems and protects it against any possible breach.

People risk

Expanding operations need skilled people to manage the operations seamlessly.

Mitigation measure

The Alembic Talent Pool comprising freshers, who are trained in the Company's systems and processes, are ready to fill in vacancies as and when they appear. Also, the Company prefers internal promotions to fill in middle and senior levels gaps in the system – it creates a sense of motivation for other team members to up their performance.

Competitive intensity

Growing competition in the global and domestic pharma space would impede progress.

Mitigation measure

Alembic has, over the years, persevered to establish a strong presence in key markets of its preference. In addition to enjoying a strong presence in India and the US, the Company continues to expand its global presence by entering new geographies – adding new levers to its growth engine.

Currency risk

The Company's revenue accrues in multiple global currencies. Negative fluctuations could impact profitability adversely.

Mitigation measure

We have established robust currency hedging strategy and execution capabilities to safeguard ourselves. We ideally like to hedge 35-40% of our net exposure and will continue to sell more dollar at every fall.



Environment, Health , Safety & Sustainability

Taking care of people and the environment in essence is taking care of the business - for the long-term.

Mitigation measure

Alembic continues to remain agile and alive to sustain good health of its people and the environment.

From an environment perspective, Alembic endeavours to reduce the load of its operations on the Earth through multiple small yet meaningful initiatives. In FY22, the Company reduced its overall energy consumption by 12%, its CO_2 emission by about 5%, water consumption by about 21% and achieved waste reduction of about 29%.

From a people standpoint, Alembic continues to train its people on safety periodically every year. This training comprises classroom sessions and mock drills. It also uses earlier incidents/accidents as a tool to train people to avoid their recurrence. This has helped in reducing the accidents and incident trends over the earlier years.

Intellectual property

Infringing patents, product or process, could have serious implications on the Company's business and reputation.

Mitigation measure

The Company has created a vigilance mechanism via an IPR department to check for possible infringement of intellectual property rights of patent holders/ innovators for every product being developed by the R&D team. Their continued monitoring of every product development project from an infringement prism ensures that the Company does not face any legal tussle owing to regulatory issues.

Internal control systems and their adequacy

At Alembic, we maintain a system of well-established policies and procedures for internal control of operations and activities. We 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.

We 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, we have institutionalised a document management system for core and strategic operations. Additionally, we obtained ISO 9001 and ISO 14001 certifications and adhere to the standard operating procedures applicable to our manufacturing and operating activities.

Board of Directors



Standing left to right *Mr. Shaunak Amin, Mr. Pranav Amin, Dr. Archana Hingorani, Mr. Paresh Saraiya, Mr. Raj Kumar Baheti, Mr. Ashok Barat.*

Sitting left to right *Mr. K. G. Ramanathan, Mr. Chirayu Amin, Mr. Pranav Parikh*

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 our 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.

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.



Statutory Reports

Board's Report

Dear Members,

Your Directors have pleasure in presenting their 12th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2022.

1. Operations and State of Affairs of the Company:

(₹ in Crores)

Particulars	Standalone Basis		Consolidated Basis	
	2022	2021#	2022	2021#
For the year ended 31st March				
Revenue from Operations	5,035.41	5,066.89	5,305.79	5,393.13
Other Income	51.14	83.90	50.46	87.29
Profit for the year before Interest, Depreciation and Tax	959.95	1,533.25	924.62	1,567.58
Less:				
Interest (net)	17.02	12.98	17.73	16.02
Depreciation	284.92	182.53	286.78	183.47
Provision for Taxation	114.45	241.20	104.46	253.32
Share of (Profit)/Loss of Associates and Joint Venture	-	-	(5.28)	(31.74)
Net Profit for the year	**543.55**	**1,096.54**	**520.94**	**1,146.50**
Retained Earnings – Balance brought forward	2,440.83	1,709.19	2,384.94	1,559.00
Less:				
Effect of Amalgamation under "Common Control"	-	73.23	-	28.89
Conversion of Subsidary into Wholly Owned Subsidiary	76.30		76.30	
Provision for Debenture Redemption	-	41.67	-	41.67
Dividend paid on Equity Shares during the year	275.19	-	275.19	-
Transfer to General Reserve	-	250.00	-	250.00
Balance carried forward	**2,632.89**	**2,440.83**	**2,554.39**	**2,384.94**

#Figures of previous year have been restated to give effect to the Scheme of Arrangement in the nature of Amalgamation of Aleor Dermaceuticals Limited with the Company.

The break-up of consolidated sales including export incentives is as under: (₹ In Crores)

Particulars		2022	2021
Formulations	India Branded Business	1,926.45	1,496.65
	International Business	2,440.82	2,941.78
API	India Business	192.57	182.18
	International Business	745.95	772.51
Total		**5,305.79**	**5,393.13**

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. Transfer to Reserves:

During the year under review, no amount was transferred to any of the reserves by the Company.

3. Dividend:

The Company paid an Interim Dividend of ₹10/- (500%) per equity share having face value of ₹2/- each for the financial year 2021-22 as against the Dividend of ₹14/- (700%) per equity share having face value of ₹2/- each for the financial year 2020-21. The aforesaid payment of Interim Dividend may be treated as Final Dividend.

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 Facility (F-3) at Karkhadi was inspected by USFDA with 10 observations. As on date, the Establishment Inspection Report (EIR) is in place for all our USFDA facilities. The EIR for F-3 has also come with a post application action letter.

6. Financing:

As on 31st March, 2022, the outstanding amount of unsecured rated listed redeemable non-convertible debentures issued by the Company was ₹200 Crores. The same were fully redeemed on 25th April, 2022.

During the year under review, the Company had issued commercial papers (CPs) to meet working capital requirements. As on 31st March, 2022, there are outstanding CPs of ₹250 Crores.

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

7. Subsidiaries, Associates and Joint Venture:

During the year under review, the Company acquired the balance 40% stake held by the joint venture partner in Aleor Dermaceuticals Limited ("Aleor"). Pursuant to said acquisition, Aleor became a wholly owned subsidiary of the Company.

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. Scheme of Arrangement:

The Board of Directors at their meeting held on 29th March, 2022, approved the Scheme of

Arrangement in the nature of Amalgamation of Aleor Dermaceuticals Limited, wholly owned subsidiary with the Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 read with rules framed thereunder ("Scheme") with the Appointed Date of 1st April, 2021. The said Scheme was approved by the equity shareholders, secured creditors and unsecured creditors at their respective meetings held on 14th June, 2022.

The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 29th August, 2022. The Scheme is now effective upon filing of the certified copy of the said Order with Registrar of Companies, Gujarat/Ministry of Corporate Affairs.

9. Directors:

During the year under review, the Company appointed Mr. Ashok Kumar Barat (DIN: 00492930) as an Additional Director designated as Independent Director of the Company w.e.f. 10th February, 2022. Further, the members approved his appointment as an Independent Director for a term of five (5) consecutive years from the date of his appointment as an Additional Director i.e. 10th February, 2022 to 9th February, 2027, by passing the Special Resolution through Postal Ballot on 17th March, 2022.

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. Shaunak Amin (DIN: 00245523), Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors at its meeting held on 2nd May, 2022 has re-appointed Mr. Shaunak Amin (DIN: 00245523) as Managing Director of the Company for a period of five (5) years, effective from 2nd May, 2023, subject to approval of the members at the ensuing Annual General Meeting.

10. 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 Mr. Charandeep Singh Saluja, Company Secretary are Key Managerial Personnel of the Company.

11. Meetings of the Board:

Five (5) Board Meetings were held during the financial year ended 31st March, 2022. 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.

12. 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.

13. 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.

14. 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 statements before they are placed before the Board.

15. 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, employees and other stakeholders 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

16. 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 of the Board of Directors.

17. 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, 2022 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure A.

18. 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

19. 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/2022/04/Dividend-Distribution-Policy.pdf

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

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and 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.

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

21. 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 requisite certificate from M/s. Samdani Shah & Kabra, Practising Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V is attached to the Report on Corporate Governance.

22. Business Responsibility Report:

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

23. Listing of securities:

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with security ID/symbol of APLLTD. The ISIN for equity shares is INE901L01018.

As on 31st March, 2022, the unsecured rated listed redeemable non-convertible debentures of the Company were listed on NSE under security ID APL22.

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2022-23 have been paid.

24. 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. 7 of Notes to Standalone Financial Statements of the Company.

25. Auditors:

a) Statutory Auditors:

In compliance with the provisions of the Companies (Audit and Auditors) Rules, 2014, M/s. K C Mehta & Co LLP, Chartered Accountants having Firm Registration No. 106237W 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 Auditor's Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

b) Secretarial Auditors:

The Board of Directors appointed M/s. Samdani Shah & Kabra, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practicing Company Secretaries for the financial year 2021-22, is annexed herewith as Annexure B.

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 2022-23.

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 2022-23.

26. 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.

27. 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, 2022. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

28. Annual Return:

A copy of the Annual Return as required under Section 92(3) and Section 134(3)(a) of the Act has been on the Company's website. The web-link as required under the Act is as under:

https://alembicpharmaceuticals.com/notices-correspondences-disclosures/

29. 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 C.

30. 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 D.

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.

31. 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) In the opinion of the Board, the Independent Director appointed during the year is a person of integrity and possess expertise, experience and proficiency.

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

e) 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.

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

g) 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.

h) No application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

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

32. 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: 13th September, 2022
Place: Vadodara

Alembic Pharmaceuticals Limited
CIN: L24230GJ2010PLC061123
Regd. Office: Alembic Road, Vadodara - 390 003
Tel: +91 265 2280550
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, 2022

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

3DM Dataworks, an independent agency has undertaken impact assessment study of the following major projects/activities:

a) Covid-19 Response (Healthcare including preventive healthcare)

b) Construction of toilets across various villages (Sanitation)

c) Running of Vikas School (Education)

d) Construction of Social Infrastructure (Rural Development)

The Impact Assessment Report can be accessed at:
https://alembicpharmaceuticals.com/corporate-social-responsibility/

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per section 135(5): ₹1,113.23 Crores

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹22.26 Crores

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

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

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹22.26 Crores

8. (a) 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
22.26	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration No.
1	Covid Relief/Prevention activities (Masks and medicinal support)	Healthcare including Preventive Healthcare	No	N.A.[1]	N.A.[1]	13.82	No	Alembic CSR Foundation	CSR00002984
2.	Medical assistance & treatment to socially & economically backward persons	"	Yes	Gujarat	Panchmahal & Vadodara	0.90	"	"	"
3.	Promoting equality for socially and economically backward groups	"	"	Gujarat	Vadodara	0.48	"	"	"
4.	Contribution towards medical assistance & treatment to socially & economically backward persons	"	"	Gujarat & Maharashtra	Vadodara & Mumbai	0.35	"	"	"
5.	Malnutrition	"	"	Gujarat	Panchmahal	0.30	"	"	"
6.	Blood Transfusion Centre & Organ Donation	"	"	Gujarat	Vadodara	0.22	"	"	"
7.	Contribution towards medical infrastructure facilities	"	"	Gujarat & Sikkim	Vadodara & Namthang, South Sikkim	0.13	"	"	"

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration No.
8.	Construction of rural infrastructure facilities	Rural Development Projects	Yes	Gujarat	Panchmahal & Vadodara	0.88	No	Alembic CSR Foundation	CSR00002984
9.		"	"	Sikkim	Namthang, South Sikkim	0.25	"	"	"
10.	Construction of Anganwadi Centres	Education	"	Gujarat	Panchmahal & Vadodara	0.98	"	"	"
11.	School education development for students of school run by Rural Development Society	"	"	Gujarat	Panchmahal & Vadodara	0.39	"	"	"
12.	Contribution towards education facilities	"	"	Gujarat	Vadodara	0.11	"	"	"
13.		"	No	New Delhi	New Delhi	0.10	"	"	"
14.	Adoption of School in tribal/ backward areas	"	Yes	Gujarat	Panchmahal	0.06	"	"	"
15.	Educational support for orphan, destitute & physically challenged childrens	"	"	Gujarat & Maharashtra	Vadodara & Mumbai	0.05	"	"	"
16.	Building toilets & water ATMs	Sanitation & hygiene	"	Gujarat	Panchmahal & Vadodara	1.18	"	"	"
17.	Stitching Factory and other means of self-employment	Livelihood enhancement	"	Gujarat	Panchmahal & Vadodara	0.54	"	"	"
18.	Promotion and development of Arts, Culture and Handicrafts	Promotion and Development of Arts, Culture and Handicrafts	No	New Delhi	New Delhi	0.30	"	"	"
19.			Yes	Gujarat	Panchmahal & Vadodara	0.29	"	"	"
20.	Disaster Management	Landslide Relief	"	Sikkim	Namthang, South Sikkim	0.05	"	"	"
21.	Covid - 19 (Ex-gratia to casual workers)	Healthcare including Preventive Healthcare	"	Sikkim	Namthang, South Sikkim	0.29	Yes	-	-
22.	Vaccination drive	"	"	Gujarat	Vadodara	0.21	"	"	"
Total						**21.88**			

[1]Across India.

(d) **Amount spent in Administrative Overheads (including capital assets for administrative purpose):** ₹0.32 Crore

(e) **Amount spent on Impact Assessment, if applicable:** ₹0.06 Crore

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹22.26 Crores

(g) **Excess amount for set off, if any:** (₹ in Crores)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	22.26
(ii)	Total amount spent for the Financial Year	22.26
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(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)]	0.00

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable, since no amount is unspent.

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

    (a) **Date of creation or acquisition of the capital asset(s):** During the financial year 2021-22.

    (b) **Amount of CSR spent for creation or acquisition of capital asset:** ₹0.03 Crore

    (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Alembic CSR Foundation, 1st Floor, Administrative Building, Near Railway Station, Whitefield, Bangalore - 560 066.

    (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Laptop and other office equipments at Alembic CSR Foundation Vadodara Office at FF/55, Avishkar Complex, Old Padra Road, Vadodara – 390 020.

11. **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

Secretarial Audit Report
For the Financial Year ended 31st March, 2022

[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 Disclosures 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, 2022 ("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) Regulations, 2014; However, there were no actions / events pursuant to these regulations, hence not applicable.
    e. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.
    f. SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
    g. SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; However, there were no actions / events pursuant to these regulations, hence not applicable.
    h. SEBI (Prohibition of Insider Trading) Regulations, 2015;
    i. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
    j. SEBI (Delisting of Equity Shares) Regulations, 2009/2021; However, there were no actions/ events pursuant to these regulations, hence not applicable.
    k. SEBI (Depositories and Participants) Regulations, 2018;

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

m. 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. The changes in the composition of the Board of Directors that took place during the review period were carried out in compliance with the provisions of the Act;

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, the Board of Directors of the Company;

i. At its meeting held on March 28, 2022 has entered into Share Purchase Agreement with Orbicular Pharmaceutical Technologies Private Limited ("Orbicular"), joint venture partner in Aleor Dermaceuticals Limited ("Aleor") to acquire the 40% stake held by Orbicular in Aleor and thereby Aleor became a wholly-owned subsidiary of the Company and;

ii. At its meeting held on March 29, 2022 has approved 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 subject to approval of National Company Law Tribunal, Ahmedabad Bench.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
ICSI Peer Review # 1079/2021
UDIN: F003677D000955221

Place: Vadodara
Date: September 13, 2022

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 affairs of the Company.

S. Samdani
Partner

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

UDIN: F003677D000955221

Place: Vadodara
Date: September 13, 2022

Annexure C

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

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

(a) Water supply from State bodies:

- Achieved significant reduction in dependency on ground water by migrating to water supply from State bodies. Use of water with better quality parameters also resulted in significant reduction in energy consumption for heat exchangers.
- Improved the efficiency of water and waste water treatment plant, resulting in increased recycle and reuse of water which eventually led to reduction of overall plant water consumption.
- Effluent treatment plant optimized by effluent load reduction & segregation.

(b) Centralized the solid fuel fired boiler and stopped the usage of multiple furnace oil / light diesel oil fired boilers to optimize overall fuel consumption and cost.

(c) Steam condensate recovery improvement from 65% to 75% by innovative trap management and effective control.

(d) Installed intelligent flow controller (IFC) technology to optimize compressed air power consumption.

(e) Installed energy management system for instantaneous & effective measurement and control of plant electric energy.

(f) Installed rain water harvesting systems and reduced the ground water extraction.

(g) Installed high efficient cooling tower with variable frequency drive (VFD) control & temperature controller in utility to achieve desire cooling water temperature at chiller condenser inlet.

(h) Utilization of steam condensate as a hot water, resulting in reduction of steam consumption.

(i) Utilization of heat pump for hot water generation instead of steam, resulting in reduction of steam consumption.

(j) Installation of agitator for salt solution preparation instead of compressed air.

(k) Utilization of second pass Reverse Osmosis and Electronic De-ionization reject water in cooling tower to reduce water consumption.

(l) Installation of VFD in ETP blower (aeration tank) to optimize power consumption in ETP.

(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. The Company has been keen on investing for energy conservation projects.

(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 doses.

Our new kilo lab facility in Panchdevla will greatly help in the tech transfer of the new products since the equipment configuration of the new kilo lab facility matches with the commercial scale equipment. The new kilo lab facility will reduce the failures during the product validations in the plant for the new regulatory filings which will save both time and cost. These value additions by the product tech transfer team will be increasing the success rate during validations.

Formulation development teams works on different dosage form and deal with different challenges during the development of new product. Three new technologies such as spray drying, hot melt extrusion and wet milling using Dyno-mill 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 23 ANDAs and 8 DMFs with USFDA in this fiscal year. The cumulative ANDA filings stood at 230 and 160 approvals (including 22 tentative approval) have been received till 31st March, 2022 including 1 NDA and the cumulative DMFs stood at 125. 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 1,300 across three development centers.

(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 726 patents for Active Pharmaceutical Ingredients (APIs) and Intermediates as well as 306 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	2022	2021
(a) Capital	53.55	63.41
(b) Recurring	816.26	655.85
(c) Total	869.82	719.27
(d) Total R&D expenditure as a percentage of total turnover	17%	14%

(C) Foreign Exchange Earnings and Outgo:

Foreign exchange earned in terms of actual inflows during the financial year 2021-22 was ₹2,325.09 Crores.

Foreign exchange outgo in terms of actual outflows during the financial year 2021-22 was ₹672.76 Crores.

On behalf of the Board of Directors,

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

Annexure D

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	1:0.37521	Nil
Mr. Pranav Parikh	1:0.37521	Nil
Mr. Paresh Saraiya	1:0.37521	Nil
Dr. Archana Hingorani	1:0.37521	Nil
Mr. Ashok Barat (Appointed w.e.f. 10th February, 2022)	1:1.12562	N.A.
Executive Directors, CEO & CFO		
Mr. Chirayu Amin, Chairman & CEO	1:0.00161	(11.11)
Mr. Pranav Amin, Managing Director	1:0.00214	(4.55)
Mr. Shaunak Amin, Managing Director	1:0.00214	(4.55)
Mr. R. K. Baheti, Director-Finance & CFO	1:0.00576	57.42
Company Secretary		
Mr. Charandeep Singh Saluja	-	14.48

Percentage increase in the median remuneration of employees in the financial year	12.56%
Number of permanent employees on the rolls of company	12,216
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	11.62% (Non-Managerial Personnel) 9.30% (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 5 Independent Non-Executive Directors. The Chairman of the Board is an Executive Director. As on 31st March, 2022 and on the date of this Report, the Board meets the requirement of having at least one women director and not less than 50% of the Board strength comprising of Non-Executive Directors as 5 out of 9 Directors are Non-Executive Independent Directors including 1 Woman Director.

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

  Five (5) Board Meetings were held during the financial year ended 31st March, 2022 on 4th May, 2021, 26th July, 2021, 10th November, 2021, 10th February, 2022 and 28th March, 2022. 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	Attendance at the last AGM	No. of Equity shares held in the Company#
Mr. Chirayu Amin, Chairman & CEO	Promoter Executive	5 out of 5	Yes	45,42,529$&
Mr. Pranav Amin, Managing Director	Promoter Executive	5 out of 5	Yes	10,09,800&
Mr. Shaunak Amin, Managing Director	Promoter Executive	5 out of 5	Yes	10,06,980&

Name of the Director	Category	No. of Board Meetings held & attended during the financial year	Attendance at the last AGM	No. of Equity shares held in the Company#
Mr. R. K. Baheti, Director - Finance & CFO	Professional Executive	5 out of 5	Yes	Nil
Mr. K. G. Ramanathan	NED (I)*	5 out of 5	Yes	Nil
Mr. Pranav Parikh	NED (I)*	5 out of 5	Yes	22,210^
Mr. Paresh Saraiya	NED (I)*	5 out of 5	Yes	4,824^
Dr. Archana Hingorani	NED (I)*	5 out of 5	Yes	Nil
Mr. Ashok Kumar Barat@	NED (I)*	2 out of 2	N.A.	Nil

*NED (I) means Non-Executive Director (Independent).

@Appointed as Director w.e.f. 10th February, 2022.

#The Company has not issued any convertible instruments.

$10,73,250 Equity Shares are held in the name of Chirayu Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF.

&Shares held as First holder.

^Jointly with immediate relatives.

- **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	6	1	3	1
Mr. Pranav Amin	2	-	-	-	-
Mr. Shaunak Amin	1	-	-	-	-
Mr. R. K. Baheti	1	-	-	-	-
Mr. K. G. Ramanathan	-	-	-	-	-
Mr. Pranav Parikh	-	-	-	-	-
Mr. Paresh Saraiya	2	2	1	1	1
Dr. Archana Hingorani	5	16	7	4	2
Mr. Ashok Kumar Barat	6	17	6	8	5

[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
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. Cholamandalam Investment & Finance Company Limited, Non-Executive Independent Director 2. DCB Bank Limited, Non-Executive Independent Director 3. Bata India Limited, Non-Executive Independent Director 4. Birlasoft Limited, Non-Executive Independent Director 5. Huhtamaki India Limited, Non-Executive Independent Director

Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 (the "Act") and 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, 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 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
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 Director 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 27th July, 2021.

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

  Seven (7) meetings of the Audit Committee were held during the financial year ended 31st March, 2022 on 6th April, 2021, 4th May, 2021, 29th June, 2021, 26th July, 2021, 10th November, 2021, 10th February, 2022 and 29th March, 2022.

  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	7	7
Mr. K. G. Ramanathan	7	7
Mr. Pranav Parikh	7	7
Dr. Archana Hingorani	7	7
Mr. Ashok Kumar Barat*	1	1

*Appointed as member w.e.f. 11th February, 2022.

4. Nomination and Remuneration Committee

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

  The Nomination and Remuneration Committee comprises of 4 Directors with Mr. K. G. Ramanathan as Chairman, Mr. Chirayu Amin, Mr. Pranav Parikh and Mr. Paresh Saraiya 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 27th July, 2021.

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

  Four (4) meetings of the Nomination and Remuneration Committee were held during the financial year ended 31st March, 2022 on 4th May, 2021, 26th July, 2021, 10th November, 2021 and 10th February, 2022.

  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	4	4
Mr. Chirayu Amin	4	4
Mr. Pranav Parikh	4	4
Mr. Paresh Saraiya	4	4

- **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 27th July, 2021.

  Mr. Charandeep Singh Saluja, Company Secretary is the Compliance Officer of the Company.

No. of shareholders' complaints received during the financial year: 15

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, 2022 on 4th May, 2021, 26th July, 2021, 10th November, 2021 and 10th February, 2022.

  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**

  Three (3) meetings of the Risk Management Committee were held during the financial year ended 31st March, 2022 on 29th June, 2021, 10th November, 2021 and 10th February, 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	3	3
Mr. Pranav Amin	3	3
Mr. R. K. Baheti	3	3
Mr. Vinod Kamath	3	3
Mr. Shreekumar Nair	3	3

7. Details of Remuneration paid to Directors

- **Executive Directors**

  The details of remuneration paid to the Executive Directors for the financial year 2021-22 are given below:

(₹ in Crores)

Name & Designation of the Executive Directors	Tenure	Fixed Salary & Perquisites	Variable Performance Pay	Commission	Total
Mr. Chirayu Amin Chairman & CEO	5 years w.e.f. 1st April, 2021	8.00	-	20.00	28.00
Mr. Pranav Amin Managing Director	5 years w.e.f. 1st April, 2021	8.00	5.00	8.00	21.00
Mr. Shaunak Amin Managing Director	5 years w.e.f. 2nd May, 2018	8.00	5.00	8.00	21.00
Mr. R. K. Baheti Director-Finance & CFO	5 years w.e.f. 1st April, 2021	4.20	3.61	-	7.81
Total		**28.20**	**13.61**	**36.00**	**77.81**

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 2021-22 are as under:

(₹ in Lakhs)

Name of Director	Sitting Fees	Commission	Total
Mr. K. G. Ramanathan	6.00	12.00	18.00
Mr. Pranav Parikh	5.60	12.00	17.60
Mr. Paresh Saraiya	6.40	12.00	18.40
Dr. Archana Hingorani	5.20	12.00	17.20
Mr. Ashok Kumar Barat	1.50	4.00	5.50

The Board has approved the payment of commission to Non-Executive Independent Directors for the financial year 2021-22 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
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
2018-19	"Sanskruti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003.	29th July, 2019	3.00 p.m.	4

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

- **Details of special resolution passed through postal ballot during the financial year 2021-22, person who conducted the postal ballot, details of the voting pattern and procedure of postal ballot:**

  The Company had sought approval of the members by way of a Special Resolution for appointment of Mr. Ashok Kumar Barat (DIN: 00492930) as an Independent Director of the Company through postal ballot vide notice dated 10th February, 2022. The same was approved by the members with requisite majority and the voting results were announced on 17th March, 2022. M/s. Samdani Shah & Kabra, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner. The details of voting pattern are as under:

Voting Description	No. of Members	No. of valid votes cast by them	% of total number of valid votes cast
Voted in Favour	837	16,57,82,117	98.71
Voted Against	85	21,72,384	1.29
Total	**922**	**16,79,54,501**	**100.00**
Invalid Votes	0	0	0

  Procedure for postal ballot: The postal ballot was conducted through electronic means ("remote e-voting") as per the provisions of Section 110 and other applicable provisions, if any of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021 and 20/2021 dated 8th December, 2021 issued by the Ministry of Corporate Affairs, Regulation 44 of the SEBI Listing Regulations, 2015, Secretarial Standard on General Meetings and other applicable laws, rules and regulations.

- **Details of special resolution proposed to be conducted through postal ballot: No**

9. Means of Communication

Quarterly Results	The results will be published in the newspapers having wide coverage
Newspapers wherein results normally published	Will be published normally in - The Economic Times (English), 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, 11th November, 2022 at 3:00 p.m. IST. The meeting will be held through VC / OAVM.
b)	Financial Year	2021-22
c)	Dividend Payment Date	Not Applicable

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 - 400 051. The Company confirms that the annual listing fees to both the stock exchanges for the F.Y. 2022-23 have been paid.
e)	Stock Code	Please refer point no. 23 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, 2022	Please see Annexure C
l)	Dematerialization of Shares and Liquidity	As on 31st March, 2022, 19,49,72,198 shares (99.19%) 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 & 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 2280550 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 and Term Loans
Long Term Debentures	800.00	CRISIL Limited	CRISIL AA+ /Stable	Reaffirmed - Issue of Non-Convertible Debentures
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 are provided at point no. 20 of the Board's Report.

b) Compliance:

There was no non-compliance by the Company, 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. 15 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: Not Applicable as there is no modified opinion in Audit Report

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 2nd May, 2022 to carry out the evaluation for the financial year 2021-22 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 2021-22, the Independent Directors meeting was held on 4th May, 2021.

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. 30(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. 31(g) 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 are given by the Company and its subsidiaries.

o) 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

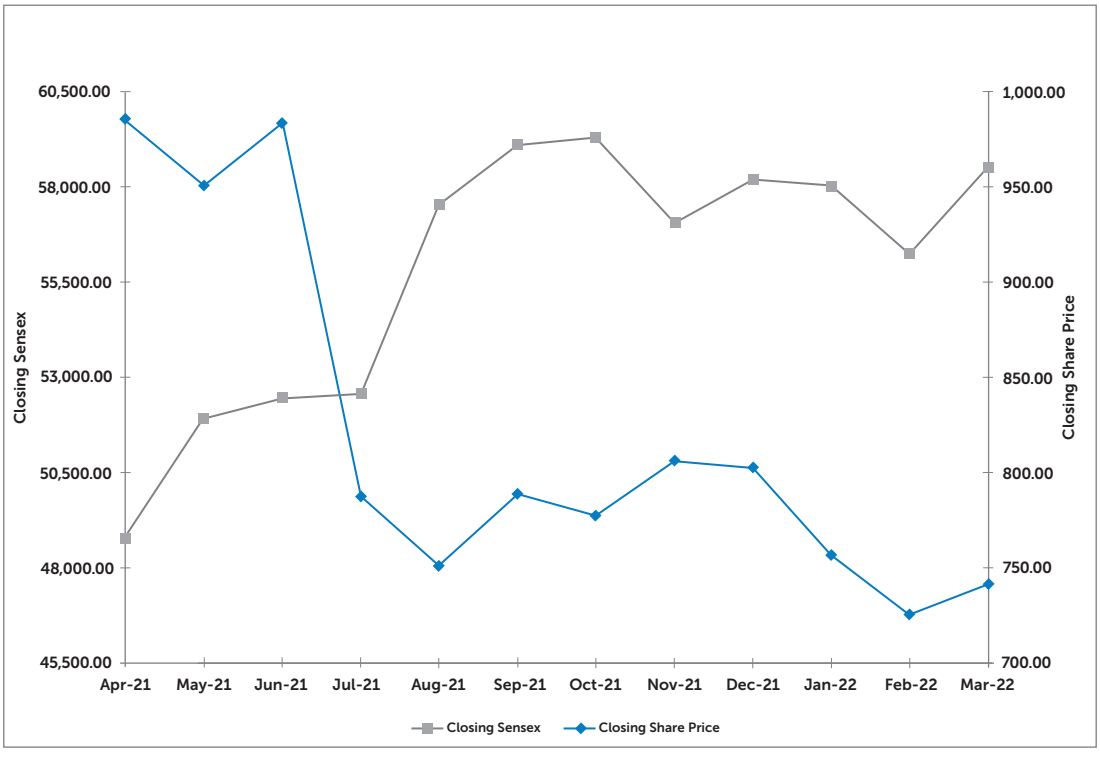
Market price data of the Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the financial year 2021-22: (in ₹)

Month – Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April - 2021	1090.00	925.10	1038.00	945.50
May – 2021	1034.00	924.60	1035.00	924.00
June - 2021	1025.00	931.45	1025.95	931.10
July – 2021	1015.85	774.00	1016.70	773.80
August - 2021	795.10	720.80	794.80	720.35
September - 2021	839.00	747.40	839.55	747.10
October - 2021	863.10	736.65	864.05	736.80
November - 2021	814.15	724.40	814.35	724.35
December - 2021	824.50	727.95	825.00	727.15
January - 2022	847.95	715.00	848.55	714.00
February - 2022	778.00	672.00	775.00	678.30
March - 2022	773.25	696.05	775.15	695.40

On 31st March, 2022, the closing price of the shares of the Company on BSE was ₹741.35 and on NSE was ₹741.60.

Annexure B

Share Performance of the Company in comparison to BSE Sensex:



Annexure C

The distribution of shareholding as on 31st March, 2022 is as under:

Number of Shares	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
001-500	1,02,644	94.50	67,02,289	3.41
501-1000	3,126	2.88	23,84,283	1.21
1001-2000	1,434	1.32	21,09,166	1.07
2001-3000	465	0.43	11,75,651	0.60
3001-4000	234	0.21	8,30,281	0.42
4001-5000	160	0.15	7,43,913	0.38
5001-10000	279	0.25	19,99,275	1.02
10001 and above	280	0.26	18,06,18,266	91.89
Total	**1,08,622**	**100.00**	**19,65,63,124**	**100.00**

Shareholding pattern as on 31st March, 2022 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	3,49,06,103	17.76
(2)	Non-institutions	2,48,28,768	12.63
	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	278	1,34,728
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	2	350
Number of shareholders to whom shares were transferred from suspense account during the year	2	350
Number of shareholders whose shares were transferred to the Investor Education and Protection Fund	26	20,280
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	250	1,14,098

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, 2022 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, 2022
[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, 2022 ("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.

S. Samdani
Partner

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

UDIN: F003677D000955419

Place: Vadodara
Date: September 13, 2022

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L24230GJ2010PLC061123
2. Name of the Company: Alembic Pharmaceuticals Limited
3. Registered Address: Alembic Road, Vadodara – 390 003
4. Website: www.alembicpharmaceuticals.com
5. Email Id: apl.investors@alembic.co.in
6. Financial Year reported: 1st April, 2021 to 31st March, 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Industrial Group	Description
210*	Manufacture of Pharmaceuticals

*As per National Industrial Classification (NIC) 2008.

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
   1. Azithromycin
   2. Venlafaxine
   3. Telmisartan
9. Total number of locations where business activity is undertaken by the Company:
   (a) Number of International Locations: The Company has 2 foreign subsidiaries at Switzerland and USA. Details of step down subsidiaries, associates and joint ventures are provided in Form No. AOC-1 in this Annual Report. The Company also has representative offices in various countries.
   (b) Number of National Locations: The Company has manufacturing facilities situated at Panelav, District Panchmahal, Gujarat; Karakhadi, District Vadodara, Gujarat; Jarod, District Vadodara, Gujarat and Samardung Busty, Namthang, South Sikkim and R & D Centers situated at Vadodara and Hyderabad.
10. Markets served by the Company: In addition to serving the Indian market, the Company exports to around 82 countries worldwide.

Section B: Financial Details of the Company

1. Paid up Capital (INR): ₹39.31 Crores
2. Total Turnover (INR): ₹5,035.41 Crores
3. Total profit after taxes (INR): ₹543.55 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The total CSR spend for the year was ₹22.26 Crores which is 2% of the average net profits of the Company made during the immediately three preceding financial years.
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Covid Relief / Prevention activities
   (b) Healthcare including preventive healthcare
   (c) Education
   (d) Sanitation
   (e) Promotion and development of traditional arts and handicrafts
   (f) Adoption of Schools in tribal/backward areas

(g) Rural development projects

(h) Livelihood Enhancement

(i) Disaster relief

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
   Yes.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
   No.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate on the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%-60%, More than 60%]:
   No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

   (a) Details of the Director/Director responsible for implementation of the BR policy/policies

      1. DIN Number: 00245099

      2. Name: Mr. Pranav Amin

      3. Designation: Managing Director

   (b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	00245099
2.	Name	Mr. Pranav Amin
3.	Designation	Managing Director
4.	Telephone number	+91 265 2280550
5.	Email id	apl.investors@alembic.co.in

2. Principle-wise (as per NVGs^) BR policy/policies

   (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on the National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies were signed by Mr. Pranav Amin, Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	*	*	*	*	*	*	*	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

^National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs in July 2011.

*https://alembicpharmaceuticals.com/wp-content/uploads/2022/02/Policies-on-Business-Responsibility.pdf

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, BR is published annually in the Annual Report and available at https://alembicpharmaceuticals.com/annual-reports/

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   No. The policy relating to ethics, bribery and corruption covers the entire Alembic Group.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.:

   During the year under review, the Company did not receive any such complaint.

Principle 2: Product Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Active Pharmaceutical Ingredients

   (b) Finished Dosage Formulations

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of production (optional):

   (a) Reduction during sourcing/production/ distribution achieved since previous year throughout the value chain?

   The Company manufactures at its world class manufacturing facilities, a wide range of Branded & Generics Formulations and APIs. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several measures to reduce the consumption of energy and water.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has longstanding business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from its vendors.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company procures goods and avail services from local and small vendors, particularly those located around its manufacturing locations. The Company provides technical support and guidance to vendors in developing products wherever possible.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. The Company has mechanism for recycling of product as well as waste. >90% of total effluent generation (only API's) is recycled, recovered and reused in boilers, cooling towers and in some cases used in the feed water, thereby reducing fresh water consumption. Domestic effluent is treated in STPs and its outlet is 100% used for gardening in Company campus to reduce fresh water intake.

90% of incinerable waste, generated from production plants, is sent for co-processing at cement manufacturing company as a fuel for their kiln. Spent solvents generated from the production plants are redistilled and reused in the plants.

Boiler fly ash used for brick manufacturing & cement manufacturing instead of land filing.

Principle 3: Employees' Well-Being

1. Total number of employees: 12,216
2. Total number of employees hired on temporary/ contractual/casual basis: 3,268
3. Number of permanent women employees: 639
4. Number of permanent employees with disabilities: 10
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Number of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	
2.	Sexual harassment		
3.	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees: 96%
   (b) Permanent Women Employees: 95%
   (c) Casual/Temporary/Contractual Employees: 95%
   (d) Employees with disabilities: 95%

Principle 4: Stakeholders Engagement

1. Has the Company mapped its internal and external stakeholders?

   Yes.

2. Out of above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders:

   Yes.

3. Are there are any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company through its Non-Profit Organisations viz. Alembic CSR Foundation, Rural Development Society, Bhailal Amin General Hospital, Uday Education Society and others are taking various initiatives in the area of Education, Healthcare including Preventive Healthcare, Community outreach programs, Sanitation, Employment enhancing vocational skills, etc. to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company's policy on human rights covers the entire Alembic Group.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the year under review, the Company did not receive any such complaint.

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company has defined environment, health and safety (EHS) policy and this is applicable to the entire Alembic Group. 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. For the critical suppliers, the Company has implemented supplier sustainability program for sustainability improvement across value chain.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   The Company is proactively minimizing greenhouse gas emissions by using green energy and fuel switch over to cleaner fuels. The Company has installed 2.1MW wind turbine generator at Kutch and solar panel installation at many manufacturing sites to use renewable energy. The Company continue to invest in energy-efficient equipment to increase the efficiency & product quality and modify existing processes to optimize consumption of utilities (air, water and energy), thereby minimizing carbon footprint. Please refer environment initiative mentioned in Annexure C to the Board's Report and accessible at:

   https://alembicpharmaceuticals.com/annual-reports/

3. Does the Company identify and assess potential environmental risks?

   Yes, the Company identify and assess potential environmental risks and eliminating such risks through necessary mitigation measures. No projects are initiated unless all the legal and other requirements are fulfilled. The Company has adopted various methods of inspection, audit, PHA, PSSR and Risk Assessment to identify potential environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   At present, we do not have any project related to Clean Development Mechanism. However, we have adopted green energy (wind & solar) as an alternate source of energy and installed solar panels in most of the manufacturing facilities.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.

   The Company has implemented energy efficient and renewable energy projects across manufacturing facilities. The Company is quick in identifying improvement opportunities in the area of energy efficiency, use of technology for energy minimization and increasing the use of renewable energy. This has led to continuous reduction in total energy consumed year on year. The details

of various initiatives taken in this regard are mentioned in Annexure C to the Board's Report.

https://alembicpharmaceuticals.com/annual-reports/

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, all the emissions / waste generated by the Company are within the permissible limits given by CPCB/SPCB and the Company has made all the mandatory submissions as per applicable CPCB/SPCB norms. In API manufacturing facilities, online continuous emission/discharge monitoring systems are used, wherever possible, for real time monitoring of emission parameters.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   The Company has no pending show cause/ legal notices from CPCB/SPCB as on end of financial year.

Principle 7: Advocacy

1. Is your Company a member of any trade and chamber of association? If Yes, Name only those major ones that your business deals with:

   The Company is a member of various trade bodies and chamber of associations inter alia:-

   (a) Federation of Gujarat Industries.
   (b) Federation of Indian Chambers of Commerce & Industry.
   (c) International Chamber of Commerce.
   (d) Indian Drug Manufacturers' Association.
   (e) Federation of Indian Export Organisations.
   (f) Pharmaceutical Export Promotion Council of India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

   Yes. The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to pharmaceutical industry through the associations, from time to time.

Principle 8: Community Development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Alembic Group has been proactively carrying out various community development activities since over fifty years. Alembic Group has established, nurtured and promoted various Non-Profit Organisations focusing on three major areas – Education, Healthcare and Rural Development. The details are mentioned in Annexure A to the Board's Report.

   Alembic has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

   The Company undertakes programmes/projects directly/through various Non-Profit Organisations viz. Alembic CSR Foundation, Rural Development Society, Bhailal Amin General Hospital, Uday Education Society and others.

3. Have you done any impact assessment of your initiative?

   Yes, for major initiatives.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken:

   The details are mentioned in Annexure A to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken as well as through independent third parties. Various projects are undertaken with Government and Semi-Government agencies that have their monitoring mechanisms and impact assessment systems. We believe that our initiatives has genuinely covered and benefitted large number of beneficiaries.

Principle 9: Customer Value

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

   Nil.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):

   No. The Company follows all legal statues with respect to product labeling and displaying of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

   No.

On behalf of the Board of Directors,

Pranav Amin
Managing Director and BR Head
(DIN: 00245099)

Standalone Financial Statements

Independent Auditors' Report

To the Members of Alembic Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements post approval of the Scheme of Arrangement

Opinion

We have audited the accompanying standalone financial statements of Alembic Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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"). These standalone financial statements are prepared and presented after incorporating the effect of the Scheme of Arrangement approved by National Company Law Tribunal (NCLT).

In our opinion and to the best of our information and according to the explanations given to us, 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, 2022, 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 Opinion

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 audit opinion.

Emphasis of Matter

We refer to note 28.27 of these standalone financial statements, detailing the Scheme of Arrangement and it's effect in these financial statements. The Standalone financial statements for the year ended on March 31, 2022, subject to approval of the scheme of arrangement were earlier approved by Board of Directors on May 2, 2022. We had issued our audit report with modified opinion on May 2, 2022. 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') with Alembic Pharmaceuticals Ltd. ('the Transferee Company') and their respective shareholders ('the Scheme') with effect from the appointed date i.e. 1st April, 2021 has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT') vide its order dated August 29, 2022. The Scheme has become effective upon filing of the certified copy of order of the NCLT, sanctioning the Scheme with Registrar of Companies, Gujarat at Ahmedabad by way of filing required e-forms with Ministry of Corporate Affairs' portal on September 5, 2022. Basis the Order of NCLT approving the Scheme, these standalone financial statements for the year ended March 31, 2022 are prepared and presented after giving effect to the Scheme.

Our opinion is not modified in respect of this 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. 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:** 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 found that the calculation and estimates used to assess the assumptions and judgements made by the company are appropriate.

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 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. 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. 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;

   f. 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";

   g. 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

   h. 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 28.2 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 28.9 to the standalone financial statements

(a) The final dividend proposed for the Financial Year 2020-2021, was 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 have approved interim dividend for Financial Year 2021-2022, is in accordance with section 123 of the Act, as applicable.

For **K C Mehta & Co LLP**
Chartered Accountants
Firm's Registration No. 106237W/W100829

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 22101533ARZOIU9171

Place: Vadodara
Date: 13th September, 2022

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 has maintained proper records showing full particulars of intangible assets.

(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 of land that have been taken on lease and disclosed as property, plant and equipments 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, 2022 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 accounts of the Company.

iii. The Company has made investments in Companies and Limited Liability Partnership during the year, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood

guarantee or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, 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 service 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 service tax, cess and other statutory dues were in arrears as at March 31, 2022 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 service 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, 2022 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	0.08	2006-07	Joint Commissioner Appeals
	Sales Tax	0.08	2009-10	Maharashtra Tribunal
	Sales Tax	0.02	1st April 2006 to 30th November 2008	Additional Commissioner
	Sales Tax	0.16	2015-16	Revisional Authority

Name of the statute	Nature of disputed dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending
Central Sales Tax	Central Sales Tax	0.02	1st April 2006 to 30th November 2008	Additional Commissioner Sales tax
	Central Sales Tax	0.01	2006-07	Joint Commissioner Appeals
	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	0.05	2014-15	Joint Commissioner
Central Excise Act 1944	Excise duty	0.24	2013-14	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 joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year 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.

(d) 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. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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: 22101533ARZOIU9171

Place: Vadodara
Date: 13th September, 2022

Annexure B to the Independent Auditors' Report

(referred to in paragraph 2(f) 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, 2022)

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, 2022 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 respect, an adequate internal financial control system with reference to standalone financial statements and such internal financial control with reference to standalone financial statements were operating effectively as at March 31, 2022, 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: 22101533ARZOIU9171

Place: Vadodara
Date: 13th September, 2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	1,714.72	1,688.26
(b) Capital work-in-progress	28(16)	2,205.79	1,944.28
(c) Other Intangible assets	4	56.38	85.56
(d) Intangible assets under development	28(17)	98.44	238.25
(e) Financial Assets :-			
(i) Investments	5	219.36	156.12
(f) Other Non-Current Assets- Capital Advance		34.88	36.40
Total non-current assets		**4,329.58**	**4,148.86**
(2) Current Assets			
(a) Inventories	6	1,396.83	1,341.96
(b) Financial Assets			
(i) Investments	7	-	186.97
(ii) Trade receivables	8	988.33	421.86
(iii) Cash and cash equivalents	9	13.56	53.66
(iv) Bank balances other than cash and cash equivalents	10	8.34	7.78
(v) Other financial assets	11	23.13	51.38
(c) Current Tax Assets (Net)	28(9)	22.12	8.78
(d) Other current assets	12	292.16	422.21
Total current assets		**2,744.46**	**2,494.61**
TOTAL ASSETS		**7,074.04**	**6,643.47**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	39.31	39.31
(b) Other Equity	14	5,251.03	5,062.50
Total equity		**5,290.35**	**5,101.81**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	-	199.89
(ia) Lease liabilities	28(23)	62.03	71.54
(b) Provisions	16	95.82	85.52
(c) Deferred tax liabilities (Net)	17	46.40	46.12
Total non-current liabilities		**204.25**	**403.08**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	629.99	299.90
(ia) Lease liabilities	28(23)	14.10	12.28
(ii) Trade payables	19		
A) Total outstanding dues of Micro and Small enterprises		7.63	15.64
B) Total outstanding dues of others		562.58	511.36
(iii) Other financial liabilities	20	173.90	168.56
(b) Other current liabilities	21	127.61	77.14
(c) Provisions	22	63.64	51.99
(d) Current Tax Liabilities (Net)	28(9)	-	1.72
Total current liabilities		**1,579.44**	**1,138.58**
TOTAL EQUITY AND LIABILITIES		**7,074.04**	**6,643.47**
The accompanying notes form an integral part of these Standalone 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

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

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

K. G. Ramanathan
Director
(DIN: 00243928)

Charandeep Singh Saluja
Company Secretary

Standalone Statement of Profit & Loss

for the year ended 31st March, 2022

(₹ in Crores)

	Particulars	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	**Revenue from Operations**	23	5,035.41	5,066.89
II	Other Income	24	51.14	83.90
III	**Total Income**		**5,086.55**	**5,150.79**
IV	**Expenses**			
	Cost of Materials Consumed	25	1,129.11	1,185.35
	Purchase of Stock-in-Trade		353.25	279.32
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	25	19.85	(160.65)
	Employee Benefits Expense	26	1,062.30	976.13
	Finance Costs	28(20)	17.02	12.98
	Depreciation and Amortization Expense	3	284.92	182.53
	Other Expenses	27	1,562.08	1,337.37
	Total Expense (IV)		**4,428.54**	**3,813.04**
V	**Profit Before Tax (III-IV)**		**658.01**	**1,337.74**
VI	**Tax Expense**	28(9)		
	(i) Current Tax		115.70	241.20
	(ii) Short/(Excess) Tax Provision		(1.25)	-
VII	**Profit for the year (V-VI)**		**543.55**	**1,096.54**
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit / (Loss)		(3.96)	(1.25)
	(ii) Income tax relating to items that will not be reclassified to Profit / (Loss)		0.70	0.19
	Total Other Comprehensive Income (VIII)		**(3.25)**	**(1.06)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**540.30**	**1,095.47**
X	Earnings per equity share (FV ₹2/- per share) :			
	Basic & Diluted (in ₹)	28(1)	27.65	56.60
	The accompanying notes form an integral part of these Standalone 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

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

K. G. Ramanathan
Director
(DIN: 00243928)

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

Charandeep Singh Saluja
Company Secretary

Standalone Statement of Changes in Equity

as at 31st March, 2022

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, 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 current year	Balance As at 31st March, 2022
39.31	-	39.31	-	39.31

(2) Previous reporting period

(₹ in Crores)

Balance As at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1st April, 2020	Changes in equity share capital during the previous year	Balance As at 31st March, 2021
37.70	-	37.70	1.61	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	Remeasure-ments 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 current year	-	-	-	543.55	0.21	(3.46)	540.30
Acquisition of Non-Controlling Interest				(76.30)			(76.30)
Dividends	-	-	-	(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**

Standalone Statement of Changes in Equity

as at 31st March, 2022

(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	Remeasure-ments of the net Defined Benefit Plan	
Balance As at 1st April, 2020	**-**	**1,536.06**	**83.33**	**1,709.19**	**-**	**(20.27)**	**3,308.32**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance As at 1st April, 2020	**-**	**1,536.06**	**83.33**	**1,709.19**	**-**	**(20.27)**	**3,308.32**
Effect of Amalgamation under "Common control"#	-	-	-	(73.23)	-	(0.16)	(73.39)
Total Comprehensive Income for the previous year	-	-	-	1,096.54	-	(1.06)	1,095.47
Issue of share capital	748.39						748.39
Utilised for QIP expenses	-	(15.92)	-	-	-	-	(15.92)
Reversal of Deferred Tax Asset	-	(0.37)	-	-	-	-	(0.37)
Provision for debenture redemption	-	-	41.67	(41.67)	-	-	-
Profit transferred to General Reserve	-	250.00	-	(250.00)	-	-	-
Balance As at 31st March, 2021	**748.39**	**1,769.77**	**125.00**	**2,440.83**	**-**	**(21.49)**	**5,062.50**

Please refer note 28(27).

The accompanying notes form an integral part of these Standalone 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

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

K. G. Ramanathan
Director
(DIN: 00243928)

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

Charandeep Singh Saluja
Company Secretary

Standalone Statement of Cash Flow

for the year ended 31st March, 2022

(₹ in Crores)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Net Profit before tax	658.01	1,337.74
	Adjustments for:		
	Depreciation and amortisation	284.92	182.53
	Interest charged	17.02	12.98
	Interest Income	(1.69)	(1.68)
	Dividend Income / Gain on Sale of Investments	(2.88)	(4.96)
	Unrealised foreign exchange gain / (loss) (net)	36.45	(93.88)
	Fair value (gain)/ loss on financial instruments at fair value through profit or loss	-	(1.33)
	Provision / write off for doubtful trade receivables	0.15	0.32
	Sundry balances written off / written-back (net)	(0.21)	0.01
	Loss/(Profit) on sale of Asset	(0.54)	(1.39)
	Product development expenses	80.13	-
	Operating Profit before change in working capital	1,071.35	1,430.35
	Working capital changes:		
	(Increase) In Inventories	(54.87)	(263.49)
	(Increase)/Decrease In Trade Receivables	(573.74)	367.79
	(Increase)/Decrease In Other Assets	128.08	(160.52)
	Increase In Trade Payables	42.26	127.91
	Increase In Other Liabilities	43.24	102.07
	Increase In Provisions	17.75	24.80
	Cash generated from operations	674.06	1,628.92
	Direct taxes paid (Net of refunds)	(128.80)	(240.44)
	Net Cash inflow from Operating Activities (A)	**545.26**	**1,388.48**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Proceeds from Sale of Asset	1.39	0.27
	Interest received	1.69	1.68
	Dividend / Gain on Sale of Investments received	2.88	4.96
	Purchase of property, plant & equipment and Capital Advance	(422.36)	(656.99)
	Investment in LLP & Others	(139.29)	-
	(Purchase) / sale of current investments (net)	186.97	(185.64)
	Net Cash inflow from Investing Activities (B)	**(368.72)**	**(835.72)**

Standalone Statement of Cash Flow

for the year ended 31st March, 2022

(₹ in Crores)

Particulars			For the year ended 31st March, 2022	For the year ended 31st March, 2021
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**			
	Proceeds from issue of QIP (net of expenses)		-	734.08
	Repayment of borrowings		(300.00)	(379.27)
	Net increase / (decrease) in working capital demand loans		429.98	(800.02)
	Payment of lease liabilities		(20.17)	(18.72)
	Increase in Restricted Bank Balances other than Cash & Cash Equivalents		(0.05)	(0.09)
	Dividends paid		(275.19)	-
	Interest and other finance costs (including borrowing cost capitalised)		(51.21)	(69.73)
	Net Cash inflow from Financing Activities (C)		**(216.64)**	**(533.75)**
I	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**		**(40.10)**	**19.00**
II.	a)	Cash and cash equivalents at the beginning of the Year	53.66	35.59
	b)	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.00)	(0.93)
III.	**Cash and cash equivalents at the end of the period (I+II)**		**13.56**	**53.66**
IV.	**Cash and cash equivalents at the end of the period**			
	Balances with Banks		13.17	53.40
	Cash on hand		0.38	0.26
	Cash and cash equivalents		**13.56**	**53.66**

Note :

Change in liability arising from financing activities

(₹ In Crores)

Borrowings	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Balance	499.8	1687.03
Changes from financing cash flow	129.98	(1,179.29)
The effect of changes in foreign exchange rates	-	(9.66)
Other changes	0.21	1.72
Closing Balance	**629.99**	**499.80**

The accompanying notes form an integral part of these Standalone 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

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

K. G. Ramanathan
Director
(DIN: 00243928)

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

Charandeep Singh Saluja
Company Secretary

Notes to the Financial Statements

for the year ended 31st March, 2022

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 13th September, 2022.

2. Significant Accounting Policies

2.01 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, 2022 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2021.

2.02 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended 31st March, 2022 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.

2.03 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 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

Notes to the Financial Statements

for the year ended 31st March, 2022

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.

2.04 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.

2.05 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.

2.06 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.

2.07 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.

2.08 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.

2.09 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 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.

2.10 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.

2.11 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

Notes to the Financial Statements

for the year ended 31st March, 2022

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.

2.12 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.

- 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.

2.13 Revenue Recognition

Revenue from contracts with customers is recognised on satisfaction of performance obligation, when control of the goods is passed to customer, at an amount that reflect the consideration the company expects to receive. The point at which control passes is determined

Notes to the Financial Statements

for the year ended 31st March, 2022

based on terms of agreement with 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 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.

2.14 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.

2.15 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, and other compensated absences.

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.

2.16 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.

2.17 Leases:

As lessee

Initial measurement

Lease Liability: At the commencement date, a 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-of-use assets: initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made

Notes to the Financial Statements

for the year ended 31st March, 2022

at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability: 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-of-use assets: subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-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 of 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. If the company elected to apply short term 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.

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.

2.18 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.

2.19 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.

2.20 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.

2.21 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

Notes to the Financial Statements

for the year ended 31st March, 2022

and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.22 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.

2.23 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.

2.24 Recent Accounting Pronouncements:

The following standards/amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date.

Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.

- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

3. Property, Plant and Equipment (PPE):

(₹ In Crores)

Property, Plant and Equipment	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equip-ments	Right to Use Building#	Right to Use Land#	Total
Gross carrying amount											
Carrying Amount As at 1st April, 2020	81.03	20.35	345.49	878.64	288.17	22.46	15.98	8.77	92.43	-	1,753.32
Additions through business combination* ^	8.35		94.78	139.73		5.80	0.08	1.96	-		250.69
Additions/Adjustment	2.25	0.34	60.00	201.83	63.41	2.22	0.61	2.97	11.50	-	345.15
Disposals	-	-	-	(0.87)	(0.45)	-	-	-	(0.27)	-	(1.58)
Closing Gross Carrying Amount	**91.63**	**20.70**	**500.27**	**1,219.33**	**351.13**	**30.48**	**16.67**	**13.70**	**103.67**	**-**	**2,347.58**
Accumulated Depreciation	-	11.15	58.14	301.10	82.95	6.09	8.51	3.91	13.37	-	485.21
Additions through business combination*	-	-	1.38	5.47	-	0.26	0.00	0.18	-		7.29
Depreciation charge during the year	-	0.24	17.73	98.26	30.98	2.80	1.55	2.16	14.00	-	167.72
Disposals	-	-	-	(0.58)	(0.26)	-	-	-	(0.06)	-	(0.90)
Closing Accumulated Depreciation	**-**	**11.38**	**77.25**	**404.25**	**113.67**	**9.14**	**10.07**	**6.25**	**27.31**	**-**	**659.32**
Net Carrying Amount As at 1st April, 2020	81.03	9.21	287.35	577.54	205.22	16.37	7.47	4.86	79.06	-	1,268.11
Net Carrying Amount As at 31st March, 2021	**91.63**	**9.31**	**423.02**	**815.08**	**237.47**	**21.35**	**6.60**	**7.45**	**76.36**	**-**	**1,688.26**
Gross carrying amount											
Carrying Amount As at 1st April, 2021	91.63	20.70	500.27	1,219.33	351.13	30.48	16.67	13.70	103.67	-	2,347.58
Additions/Adjustment	-	10.50	18.97	126.04	53.55	1.51	4.49	2.91	1.88	3.51	223.37
Disposals	-	-	-	(0.50)	(0.17)	(0.00)	(0.74)	-	(0.85)	-	(2.26)
Closing Gross Carrying Amount	**91.63**	**31.19**	**519.24**	**1,344.87**	**404.52**	**32.00**	**20.42**	**16.61**	**104.69**	**3.51**	**2,568.69**
Accumulated Depreciation	-	11.38	77.25	404.25	113.67	9.14	10.07	6.25	27.31	-	659.32
Depreciation charge during the year	-	0.24	19.44	115.58	38.30	2.98	2.01	2.60	14.52	0.39	196.06
Disposals	-	-	-	(0.36)	(0.12)	-	(0.68)	-	(0.25)	-	(1.41)
Closing Accumulated Depreciation	**-**	**11.63**	**96.69**	**519.47**	**151.84**	**12.12**	**11.40**	**8.85**	**41.58**	**0.39**	**853.98**
Net Carrying Amount As at 1st April, 2021	91.63	9.31	423.02	815.08	237.47	21.35	6.60	7.45	76.36	-	1,688.26
Net Carrying Amount As at 31st March, 2022	**91.63**	**19.57**	**422.55**	**825.40**	**252.67**	**19.88**	**9.02**	**7.76**	**63.12**	**3.12**	**1,714.72**

Note:

1 The Company does not have any restrictions on the title of its property, plant and equipment.
2 # Please Refer Note 2 (2.17).
3 * Please Refer Note 28(27).
4 ^ Please Refer Note 28(13).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

4 Other Intangible Assets

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Intangible Assets		
Carrying Amount	104.73	-
Additions through business combination*	-	31.30
Addition	59.68	73.43
Closing Gross Carrying Amount	**164.41**	**104.73**
Accumulated Amortisation	(19.17)	
Additions through business combination*	-	(4.36)
Amortisation	(88.86)	(14.81)
Closing Accumulated Amortisation	**(108.03)**	**(19.17)**
Net Carrying Amount	**56.38**	**85.56**

* Please refer note 28(27).

5 Non-Current Financial Investment

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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
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 2,25,000 (PY: 2,25,000) 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	22.99	-
5% Optionally Convertible Preference Shares 2875491 (PY: Nil) of USD 1.0433 each fully paid up in Rigimmune. Inc.		
Investments in LLP		
Valued at Fair value through other comprehensive income		
Investment in ABCD Technologies LLP - share 6.45%	40.25	-
Aggregate amount of unquoted Investments	**219.36**	**156.12**

* Please refer Note No. 28(27).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

6 Inventories (Basis of Valuation - Refer Note 2.11)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	438.06	379.92
Packing Materials	61.07	58.70
Work-in-Process	88.68	66.80
Finished Goods	646.51	711.50
Stock-in-trade	67.97	44.74
Goods in Transit - Finished Goods	49.18	49.15
- Raw Materials	9.69	2.21
Stores and Spares	35.66	28.93
	1,396.83	**1,341.96**

Note:

(i) Inventories are hypothecated as security for working capital borrowings.

(ii) During the year ended 31.03.2022 the Company recorded inventory write-downs of ₹8.17 Crores (PY ₹7.38 Crores).

7 Investments

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment in Mutual Funds at Fair Value through Profit and Loss		
Mutual Funds (Unquoted)		
Debt Fund*	-	186.97
	-	**186.97**

*Investments in mutual funds have been fair valued at closing net asset value (NAV).

8 Trade Receivables

(₹ In Crores)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered good	a	988.33	421.86
Trade Receivables which have significant increase in credit Risk		2.48	2.36
Less: Allowance for doubtful debts (expected credit loss allowance)		2.48	2.36
	b	-	-
	(a+b)	**988.33**	**421.86**

Receivables are hypothecated as security for working capital borrowings.
Refer Note 28 (7)J for related party receivables.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Trade Receivables Ageing (₹ In Crores)

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Monhts	6 Months - 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
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**
Undisputed Trade Receivables							
- Consider Good	200.11	148.45	71.01	1.82	0.11	0.36	421.86
- which have significant increase in credit risk	-	0.53	0.06	0.26	0.38	0.66	1.89
Disputed Trade Receivables							
- Consider Good	-	-	-	-	-	0.47	0.47
	200.11	**148.99**	**71.07**	**2.08**	**0.48**	**1.49**	**424.21**
Less: Expected Credit loss allowance							2.36
As at 31st March, 2021							**421.86**

9 Cash and Cash Equivalents*

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks	13.17	53.40
Cash on hand	0.38	0.26
	13.56	**53.66**

* Includes Banks Balance of ₹2.46 Crores and Cash ₹0.12 Lacs of Aleor, please refer 28(27).

10 Bank Balances Other than Cash and Cash Equivalents

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked Balance with Bank		
Unpaid Dividend	6.41	5.90
Margin Money Deposit	1.93	1.88
	8.34	**7.78**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

11 Other Financial Assets (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	8.55	8.44
Fair valuation of Foreign currency derivative contracts	14.57	42.94
	23.13	**51.38**

Refer Note 28 (7)J for related party deposits.

12 Other Current Assets (Unsecured, considered good)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to Employees	3.66	4.88
Advance to Suppliers	25.94	37.34
Pre-paid Expense	30.14	28.61
Balances with Government Authorities	232.42	351.39
	292.16	**422.21**

13 Equity Share Capital

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
20,25,00,000 (PY 20,00,00,000) - Equity shares of ₹2/- each	**40.50**	**40.00**
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, 2022		As at 31st March, 2021	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	19,65,63,124	39.31	18,85,15,914	37.70
Issued, subscribed and paid up during the year	-	-	80,47,210	1.61
Outstanding at the end of the year	19,65,63,124	39.31	19,65,63,124	39.31

In the previous year the Company through Qualified Institutional Placement (QIP) allotted 80,47,210 equity shares to the eligible Qualified Institutional Buyers (QIBs) at a issue price of ₹932/- per equity share (including a premium of ₹930 per equity share) aggregating to ₹750 Crores on 7th August, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

made thereunder (the "Issue"). Funds received pursuant to QIP are being utilised towards the object stated in the placement document.

Expenses incurred by the company aggregating to ₹15.92 Crores, in connection with QIP have been utilised out of general reserve in March 2021.

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, 2022		As at 31st March, 2021	
	Numbers	% held	Numbers	% held
1 Alembic Limited	56,097,544	28.54%	55,836,503	28.41%
2 Nirayu Limited	70,035,435	35.63%	70,035,435	35.63%

Shareholding of Promoters

Sr. No	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Changes during the year
		No of Shares	% of Total Shares	No of Shares	% of Total Shares	
i	Chirayu Ramanbhai Amin	4,542,529	2.31%	4,542,529	2.31%	0.00%
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%	55,836,503	28.41%	0.47%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

14 Other Equity

(Refer statement of changes in equity for detailed movement in other equity balance) (₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) General Reserve	1,844.50	1,769.77
(b) Securities Premium	748.39	748.39
(c) Retained Earnings*	2,632.89	2,440.83
(d) Remeasurements of the net defined benefit plan through OCI*	(24.95)	(21.49)
(e) Financial Instruments through OCI	0.21	-
(f) Debenture Redemption Reserve	50.00	125.00
Total Other Equity	**5,251.03**	**5,062.50**

* Please refer Note No. 28(27).

Nature and purpose of each Reserve

General Reserve:- The reserve is 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 and continue to create 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.

15 Borrowings (Non-Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Non-Convertible debentures	-	199.89
	-	**199.89**

Effective interest Rate 9.05% and current maturity of ₹200 Crores (Amortisation Adjustment ₹0.01 Crores) maturing during 2022-23.

16 Provisions (Non-Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note 28(5))		
Provision for Leave benefits	47.54	44.26
Provision for Non-Saleable return of goods (Refer Note 28(12))	48.28	41.26
	95.82	**85.52**

Refer Note 28 (7) J for related party payables.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

17 Deferred Tax Liabilities (Net)

(₹ In Crores)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities			
Depreciation		197.69	188.46
Fair valuation of Investment in mutual funds		-	0.46
	a	**197.69**	**188.92**
Deferred Tax Assets			
Provision for Expected credit loss		0.87	0.82
MAT Credit Entitlement		114.49	112.14
Intangible Asset		0.83	1.10
Expenses claimed for tax purpose on payment basis		26.63	21.76
Others		8.48	6.97
	b	**151.30**	**142.80**
	(a-b)	**46.40**	**46.12**

18 Borrowings (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans repayable on demand		
From Banks		
Secured		
Working Capital Loan First charge on Pari-Passu basis by hypothecation of current assets at interest rate below 10% repayable on demand	-	0.02
Unsecured		
Working Capital Loan, Interest rate below 4.25%	180.00	-
From Other Parties		
Unsecured		
Commercial Paper - Carrying interest rate below 4.25%	250.00	-
Current maturities of long-term debt (Refer Note 15)	199.99	299.88
	629.99	**299.90**

19 Trade Payables

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due to Micro and Small Enterprises (Refer Note (28(3))	7.63	15.64
Others	562.58	511.36
	570.21	**527.00**

Refer Note 28 (7) J for related party payables.

Trade Payable Ageing

(₹ In Crores)

Particualrs	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	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**	**537.74**
iii) Unbilled Dues						32.48
As at 31st March, 2022						**570.21**
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	24.21	0.61	-	-	-	24.82
ii) Others	354.90	103.34	7.89	1.02	0.01	467.16
	379.11	**103.96**	**7.89**	**1.02**	**0.01**	**491.98**
iii) Unbilled Dues						35.02
As at 31st March, 2021						**527.00**

20 Other Financial Liabilities

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Payables on purchase of property, plant and equipment	50.87	33.68
Interest accrued but not due on borrowings	5.38	10.29
Unpaid dividends	6.41	5.90
Trade Deposits	12.36	11.86
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.05	0.05
Payables for Employee benefits	98.83	106.77
	173.90	**168.56**

Refer Note 28 (7) J for related party payables.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

21 Other Current Liabilities

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory payable	58.39	53.61
Advance from Customers	69.22	23.52
	127.61	**77.14**

Refer Note 28 (7) J for related party payables.

22 Provisions (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note 28(5)&(6))		
Provision for Gratuity	15.87	8.72
Provision for Leave benefits	6.52	3.71
Provision for Non-Saleable return of goods (Refer Note 28(12))	41.26	39.56
	63.64	**51.99**

23 Revenue from Operations

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of products		
- Domestic	2,120.90	1,674.22
- Exports	2,866.59	3,275.78
	4,987.49	**4,950.00**
Other Operating Revenues		
- Export Incentives	22.94	91.98
- Royalty	15.39	17.85
- Miscellaneous	9.58	7.05
	5,035.41	**5,066.89**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

24 Other Income

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Dividend	0.00	0.00
Insurance Claims	0.88	0.56
Lease Rent Income (Refer Note 28(23)(E))	0.08	0.02
Profit on Sales of Assets (net)	0.54	1.39
Profit on Sales of Investment	2.87	4.95
Net gain arising on financial assets measured at fair value through profit or loss	-	1.33
Interest Income	1.69	1.68
Net gain on foreign currency transactions	45.02	73.78
Miscellaneous income	0.05	0.18
	51.14	**83.90**

25 Cost of Material Consumed

(₹ In Crores)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw materials and packing materials			
Inventory at the beginning of the year		440.83	345.99
Add : Purchases		1,197.11	1,280.18
		1,637.94	**1,626.18**
Less : Inventory at the end of the year		508.82	440.83
		1,129.11	**1,185.35**
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress			
Work in Process		88.68	66.80
Finished Goods		695.69	760.65
Stock-in-Trade		67.97	44.74
Inventory at the end of the year	**a**	**852.34**	**872.20**
Work in Process		66.80	55.43
Finished Goods		760.65	608.41
Stock-in-Trade		44.74	47.71
Inventory at the beginning of the year	**b**	**872.20**	**711.55**
	(b-a)	**19.85**	**(160.65)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

26 Employee Benefits Expense

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and Wages	974.44	891.13
Contribution to Provident and Other funds	60.31	53.58
Staff welfare expense	27.55	31.42
	1,062.30	**976.13**

27 Other Expenses

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	256.12	242.67
Power and Fuel	120.50	118.31
Manufacturing and Labour Charges	16.86	20.80
Repairs and Maintenance		
Machinery	37.24	35.28
Buildings	4.49	10.93
Others	9.39	34.76
Freight and Forwarding Charges	140.87	115.03
Sales Promotion, Service Fees and Commission	507.06	330.84
Rates and Taxes	14.51	12.99
Insurance	14.20	9.51
Travelling Expense	121.76	107.05
Communication Expenses	51.33	48.02
Legal & Professional Fees	125.69	142.71
Payment to Auditors (Refer Note 28(8))	0.83	0.84
Bad Debts written off	0.03	0.19
Less : Bad Debts Provision Utilised	(0.03)	(0.19)
Provision for Doubtful Debts	0.15	0.32
Expenses on CSR Activities (Refer Note 28(14))	22.26	17.60
Donation	-	2.14
Patent Filing & Registration Fees	61.84	56.17
External Research & Development	50.59	25.38
Miscellaneous Expenses	6.41	6.01
	1,562.08	**1,337.37**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

28 Other explanatory Notes to the Standalone Financial Statement

1 Earning Per Share (EPS)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a) Profit after Tax available for equity shareholders (₹ in Crores)	543.55	1,096.54
b) Weighted Average number of equity shares	196,563,124	193,741,089
c) Basic and Diluted Earnings per share in ₹ (Face value per share ₹2/- each)	27.65	56.60

2 Contingent Liabilities, Contingent Asset and Commitments (To The Extent Not Provided For)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
i Estimated amount of contracts net of advances remaining to be executed on capital accounts	165.28	249.73
ii Contingent liabilities		
(a) Letters of credit and Guarantees	61.35	96.04
(b) Liabilities Disputed in appeals		
Excise duty	0.24	0.24
Sales Tax	0.55	2.52
(c) Claims against the company not acknowledged as debt	0.35	0.35
(d) Export obligation against advance license	0.03	0.96
(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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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)

		As at 31st March, 2022	As at 31st March, 2021
a	The principal amount remaining unpaid to any supplier at the end of the year - Micro & Small enterprise	7.63	15.64
	The principal amount remaining unpaid to any supplier at the end of the year - Medium enterprise	7.48	9.18
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	-	-
		15.11	**24.82**

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.

5 Defined benefit plans / compensated absences - As per actuarial valuation

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, 2022 (₹ In Crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
i)	**Change in present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of the year	85.06	68.07
	Current service cost	13.48	12.89
	Interest Cost	5.78	4.26
	Components of actuarial gain/losses on obligations:	-	-
	- Due to experience adjustments	0.77	4.55
	Benefits paid	(9.82)	(4.71)
	Present Value of defined benefit obligation at the end of the year	**95.29**	**85.06**

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	76.34	56.91
Expenses deducted from the fund		
Interest Income	5.23	3.92
Actuarial (losses) / gains	(3.43)	3.30
Contributions paid by the employer	10.86	16.73
Benefits paid from the fund	(9.58)	(4.51)
Fair Value of plan assets at the end of the year	**79.42**	**76.34**

(₹ In Crores)

	As at 31st March, 2022	As at 31st March, 2021
iii) Net asset / (liability) recognized in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(95.29)	(85.06)
Fair Value of plan assets at the end of the year	79.42	76.34
Amount recognized in the balance sheet	**(15.87)**	(8.72)
Net Asset / (Liability) recognized - current	(15.87)	(8.72)

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
iv) Expense recognized in the statement of profit and loss for the year*		
Current service cost#	13.48	12.89
Net interest cost#	0.55	0.35
Total expenses included in employee benefit expenses	**14.03**	**13.23**

*₹1.50 Crores (PY ₹1.62 Crores) Included in capital work in progress pending capitalisation.

#₹0.31 Crores (PY ₹0.36 Crores) included in Current service cost and ₹0.01 Crores (PY ₹0.03 Crores) in net interest cost of Aleor, Please refer Note No. 28(27).

v) Recognized in Other Comprehensive Income for the year		
Actuarial changes arising from experience adjustment	0.77	4.55
Return on plan assets excluding amounts included in interest income	3.43	(3.30)
Recognized in other comprehensive income	**4.21**	**1.25**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

vi) Actuarial Assumptions		
Rate of Discounting	6.80%	6.85%
Rate of Salary Increase	5.25%	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)
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, 2022
Year 1	17.61
Year 2	4.62
Year 3	4.41
Year 4	4.75
Year 5	6.05
Year 6 to Year 10 Cash flow	49.99

The future accrual is not considered in arriving at the above cash-flows.

ix) The Expected contribution for the next year is ₹11.35 Crores and the average outstanding term of the obligations (years) as at valuation date is 13.42 years.

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
x) Sensitivity Analysis		
Delta Effect of +0.5% Change in Rate of Discounting	90.73	80.84
Delta Effect of -0.5% Change in Rate of Discounting	100.25	89.67
Delta Effect of +0.5% Change in Rate of Salary Increase	100.30	89.70
Delta Effect of -0.5% Change in Rate of Salary Increase	90.64	80.77
Delta Effect of +0.5% Change in Rate of Employee Turnover	95.95	85.08
Delta Effect of -0.5% Change in Rate of Employee Turnover	94.58	85.04

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, 2022

(₹ In Crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
i)	**Change in present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of the year	44.93	34.10
	Current service cost	5.67	5.06
	Interest Cost	3.06	2.25
	Components of actuarial gain/losses on obligations:	-	-
	- Due to experience adjustments	6.05	7.08
	Benefits paid	(8.79)	(3.56)
	Present Value of defined benefit obligation at the end of the year	50.91	44.93
	Present Value of defined benefit obligation of sick leave at the end of the year	3.14	3.04
	Total	**54.06**	**47.97**

(₹ In Crores)

		As at 31st March, 2022	As at 31st March, 2021
ii)	**Net asset / (liability) recognized in the Balance Sheet**		
	Amount recognized in the balance sheet	(54.06)	(47.97)
	Net (Liability) - non current	(47.54)	(44.26)
	Net (Liability) recognized - current	(6.52)	(3.71)

(₹ In Crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
iii)	**Expense recognized in the statement of profit and loss for the year***		
	Current service cost#	5.67	5.06
	Past service cost and loss/(gain) on		
	Net interest cost#	3.06	2.25
	Net value of measurements on the obligation	6.05	7.08
	Total Charge to statement of profit and loss	**14.78**	**14.39**

* ₹0.94 Crores (PY ₹0.42 Crores) Included in capital work in progress pending capitalization
# ₹0.21 Crores (PY ₹0.23 Crores) Included in Current service cost and ₹0.06 Crores (PY ₹0.04 Crores) in net interest cost of Aleor, Please refer note 28(27).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
iv) Actuarial Assumptions		
Rate of Discounting	6.80%	6.85%
Rate of Salary Increase	5.25%	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)

Cash Flow	As at 31st March, 2022
v) Maturity profile of Defined Benefit Obligation	
Year 1	6.12
Year 2	2.64
Year 3	2.39
Year 4	2.46
Year 5	3.00
Year 6 to Year 10 Cash flow	6.95

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 12.68 years.

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
vi) Sensitivity Analysis		
Delta Effect of +0.5% Change in Rate of Discounting	48.09	42.35
Delta Effect of -0.5% Change in Rate of Discounting	54.00	47.76
Delta Effect of +0.5% Change in Rate of Salary Increase	54.03	47.79
Delta Effect of -0.5% Change in Rate of Salary Increase	48.04	42.30
Delta Effect of +0.5% Change in Rate of Employee Turnover	51.36	44.95
Delta Effect of -0.5% Change in Rate of Employee Turnover	50.44	44.91

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 Employee Provident Fund Organization ₹26.77 Crores (PY ₹22.26 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 Australia Pty Ltd.	(Subsidiary of Alembic Global Holding SA)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

	4	Alembic Pharmaceuticals Europe Ltd.	(Subsidiary of Alembic Global Holding SA)
	5	Alnova Pharmaceuticals SA	(Subsidiary of Alembic Global Holding SA)
	6	Alembic Pharmaceuticals Canada Ltd.	(Subsidiary of Alembic Global Holding SA)
	7	Genius LLC	(Subsidiary of Alembic Global Holding SA)
	8	Alembic Labs LLC (Formerly Known as Orit Laboratories LLC)	(Subsidiary of Alembic Pharmaceuticals Inc.)
	9	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)
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	8	Rakshak Services Pvt. Ltd.
2	Shreno Limited	9	Alembic City Limited
3	Paushak Limited	10	Shreno Engineering Ltd (w.e.f. 01.09.2021)
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		
7	Shreno Publications Limited	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

G 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 Mukherjee

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
H Key Managerial Personnel Remuneration		
Short Term Employment Benefits	76.23	78.28
Post Employment Benefits	1.80	2.36
Other	0.77	0.71

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, 2022	For the year ended 31st March, 2021
(a) Sale of Goods (Net)		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	1,288.96	1,725.56
Others	0.34	80.78
Associates	72.71	22.41
Controlling Company	0.05	-
Other Related Parties	0.71	0.62
(b) Purchase of Goods		
Controlling Company	0.00	0.04
Other Related Parties		
Alembic Limited	5.96	5.78
Shreno Publications Limited	32.65	26.78
Others	1.78	1.64
(c) Withdrawal of Corporate Guarantee		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	73.11	-
Alembic Pharmaceuticals Inc.	58.48	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(d)	**Reimbursement of expenses Paid**		
	Subsidiaries including step down subsidiaries		
	Alembic Pharmaceuticals Inc.	28.23	22.77
	Alembic Global Holding SA	0.83	7.46
	Others	2.46	6.63
	Other Related Parties		
	Others	0.93	3.36
(e)	**Reimbursement of expenses Received**		
	Subsidiaries including step down subsidiaries		
	Alembic Pharmaceuticals Inc.	0.37	-
	Associates		
	Rhizen Pharmaceuticals AG	-	1.20
	Other Related Parties		
	Paushak Limited	0.32	-
(f)	**Rent / Lease liability paid**		
	Other Related Parties		
	Alembic Limited	9.90	9.06
	Others	0.68	0.65
(g)	**Guarantee Commission Received**		
	Subsidiaries including step down subsidiaries		
	Alembic Global Holding SA	-	0.18
	Alembic Pharmaceuticals Inc.	0.19	0.33
(h)	**Receiving of Services**		
	Controlling Company	0.02	0.11
	Other Related Parties		
	Alembic Limited	18.58	17.59
	Rakshak Services Pvt. Ltd.	0.89	2.18
	Bhailal Amin General Hospital	4.16	2.38
	Others	0.23	0.24
(i)	**Purchase of Property, Plant and Equipment**		
	Controlling Company	1.81	10.13
	Other Related Parties		
	Shreno Engineering Ltd.	2.81	-
	Others	0.03	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(j)	**Deposit Given**		
	Other Related Parties		
	Alembic Limited	0.13	0.20
	Alembic City Limited	-	0.03
(k)	**Deposit Returned**		
	Other Related Parties		
	Alembic Limited	0.04	-
	Shreno Limited	-	0.02
(l)	**Dividend Paid**		
	Controlling Company	98.05	-
	Other Related Parties		
	Alembic Limited	78.17	-
	Others	0.00	-
	Close Member of Key Management Personnel	9.23	-
	Key Management Personnel	9.19	-
(m)	**CSR Contribution**		
	Other Related Parties		
	Alembic CSR Foundation	22.26	16.24
(n)	**Post Retirement benefits**		
	Other Related Parties		
	Alembic Pharmaceuticals Limited Provident Fund	75.36	64.57
	Alembic Pharmaceuticals Limited EGGS	10.50	15.50
	Others	2.94	2.09
(o)	**Remuneration**		
	Key Management Personnel	78.80	81.35
(p)	**Loan Given to**		
	Subsidiaries including step down subsidiaries		
	Alembic Global Holding SA	-	37.78
(q)	**Loan repaid by**		
	Subsidiaries including step down subsidiaries		
	Alembic Global Holding SA	-	36.85
(r)	**Interest Income**		
	Subsidiaries including step down subsidiaries		
	Alembic Global Holding SA	-	0.51

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

J Balance Outstanding as at the end of the year

(₹ In Crores)

	As at 31st March, 2022	As at 31st March, 2021
Receivables (Unsecured)		
Subsidiaries including step down subsidiaries	953.68	323.93
Associates	0.00	8.14
Other Related Parties	0.33	0.01
Payables		
Key Management personnel	36.52	45.48
Associates	26.30	18.47
Other Related Parties	14.48	10.48
Subsidiaries including step down subsidiaries	2.51	2.80
Controlling Company	-	0.02
Investments (Unsecured)		
Subsidiaries including step down subsidiaries	152.67	152.67
Associates	3.00	3.00
Corporate Guarantee		
Subsidiaries including step down subsidiaries	75.79	204.69
Deposit Given (Unsecured)		
Other Related Parties	2.78	2.70

8 Auditors Fees and Expenses :

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Statutory Auditor:-		
As Auditor	0.33	0.25
In Other Capacity:-		
(i) Other Services		
Limited Review	0.24	0.25
Others*	0.14	0.27
(ii) Reimbursement of expenses	0.00	-
(b) Cost Auditor:-		
As Auditors	0.02	0.02
In Other Capacity:-		
(i) Other Services	0.06	0.03
(ii) Reimbursement of expenses	-	0.00
(c) Secretarial Auditor:-		
Secretarial Audit Fee	0.03	0.03

*in previous year in addition to above ₹0.33 crore paid related to Qualified Institutional Placement (QIP).

9 Income Taxes

a. Income tax expense

(₹ In Crores)

Particulars	31st March, 2022	31st March, 2021
Current Tax		
Current tax expense	115.70	241.20
Deferred Tax		
Decrease (increase) in deferred tax assets	(8.77)	(28.67)
(Decrease) increase in deferred tax liabilities	8.77	28.67
Total deferred tax expenses (benefit)	**-**	**-**
Total Income tax expenses *	**115.70**	**241.20**

*This excludes tax benefit on other comprehensive income of ₹0.60 Crores (PY ₹0.19 Crores) and reversal of DTA on intangibles against general reserve of ₹0.28 Crores (PY ₹0.37 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, 2022	For the year ended 31st March, 2021
Profit before Income tax expense	658.01	1,337.74
Tax at the Indian Tax Rate*	114.97	495.02
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect of Deductible Tax Expense	0.02	0.31
Net effect of expenses not deductible u/s 32 of Income Tax Act, 1961	-	(1.72)
Unused Tax credit/Tax Loss	-	(128.24)
Net effect of deduction under Chapter VIA and Section 35	-	(122.02)
Effect of income which is not taxable	-	(2.14)
Others (including deferred tax)	0.71	0.00
Income Tax Expense	**115.70**	**241.20**

*The applicable Indian tax rate for year ended 31st March, 2022 is 17.472% (PY 34.944%).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

c. Current tax (liabilities)/assets

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	7.07	8.12
Income tax paid	128.80	240.44
Current income tax payable for the year	(115.00)	(241.49)
Write back of income tax provision of earlier years	1.25	-
Net current income tax asset/ (liability) at the end	**22.12**	**7.07**
Current income tax asset at the end	22.12	8.78
Current income tax liability at the end	-	(1.72)

d Unrecognised deferred tax assets

The details of unrecognised deferred tax assets are summarised below: (₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deductible temporary differences, net	169.44	134.27

During the year ended 31 March, 2022, the Company did not recognise deferred tax assets of ₹169.44 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 2035.

10 Expenses pending capitalisation included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants yet to commence commercial operation, the detail of expenses are: (₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	770.48	528.19
Incurred during the current year		
a) Borrowing Cost *	39.05	66.67
b) Others	181.29	175.63
Closing balance	**990.82**	**770.48**

*Borrowing cost capitalised in FY 2021-22 @ 8.93 %. (PY @ 6%).

11 Research and Development Expenses

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Material Consumption	74.17	111.80
Employees Benefit Expenses	190.36	173.86
Utilities	20.68	21.04
Depreciation and Amortization Expense	164.28	42.94
Others	366.77	306.20
Research and Development Expenses (included in Profit and Loss)	**816.26**	**655.85**

12 Provision for Non-Saleable return of goods

(₹ In Crores)

	As at 31st March, 2022
Balance As at 31st March, 2021	80.82
Increase during the year	48.28
Reduction during year	(39.56)
Balance As at 31st March, 2022	**89.54**

13 Investment Property

(₹ In Crores)

Particular	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Free Hold Land		
Carrying Amount	-	8.35
Derecognition through business combination *	-	(8.35)
Closing Gross Carrying Amount	-	-

* Please refer Note 28(27).

(i)	- Amount Recognised in statement of Profit or loss of Rental Income for investment properties	-	-
	- Direct operating expenses from property that generated rental income	-	-

14 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, 2022	For the year ended 31st March, 2021
a)	Gross amount required to be spent by the Company	22.26	17.60
b)	Amount spent during the year on		
	(i) Construction/acquisition of any asset	0.03	0.01
	(ii) On purposes other than (i) above	22.23	17.59
		22.26	**17.60**
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 to the Standalone Financial Statements

for the year ended 31st March, 2022

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 Covid Relief/Prevention activities, Vaccination drive and Ex-gratia to casual workers, 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 and Disaster relief.

ii Refer Note 28 (7) for related party transactions.

15 Financial instruments

Category of Financial Instrument

(₹ In Crores)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Fair value through other comprehensive income	Amortised cost	Fair value through profit and loss	Amortised cost
Financial assets				
Investment in Preference shares	22.99	0.45	-	0.45
Investment in LLP	40.25	-	-	-
Investments in mutual funds	-	-	186.97	-
Trade Receivables	-	988.33	-	421.86
Cash and cash equivalents	-	13.56	-	53.66
Bank balances other than cash and cash equivalents	-	8.34	-	7.78
Derivatives not designated as Hedge	-	14.57	0.91	42.03
Others	-	8.55	-	8.44
Total	**63.24**	**1,033.80**	**187.88**	**534.22**
Financial liabilities				
Borrowings	-	629.99	-	499.80
Lease liabilities	-	76.12	-	83.82
Trade Payables	-	570.21	-	527.00
Other Financial liabilities	-	173.90	-	168.56
Total	**-**	**1,450.22**	**-**	**1,279.17**

Fair value measurement hierarchy:

(₹ In Crores)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Investments in mutual funds	-	-	-	-	186.97	-
Investments in Preference share & LLP	-	-	63.24	-	-	-
Derivatives not designated as Hedge	-	-	-	-	0.91	-

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 5, 7, 8, 9, 10, 11, 15, 28(23), 18, 19, 20.

The Fair values 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 March, 2022. With respect of fair value of investment in preference shares of 5% optionally convertible preference shares, transaction price is considered as fair value as at 31st March, 2022.

The following Table representa the chagnges in the Level 3 items

Particulars	(₹ In Crores)
As on 1st April 2021	-
Purchase	62.99
Gain / (losses) recognised in other comprehensive income	0.25
As on 31st March 2022	**63.24**

There is no completion overdue as projects completion is subject to regulatory approvals.

16 Capital - Work - in Progress (CWIP) 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, 2022	365.33	458.28	340.75	1,041.44	**2,205.79**
Project In progress As at 31st March, 2021	492.36	406.74	393.61	651.56	**1,944.27**

There is no project whose completion is overdue since project completion is subject to regulatory approvals. There is neither project which are temporarily suspended nor cost over run.

17 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, 2022	-	38.73	59.71	-	**98.44**
Project In progress As at 31st March, 2021	38.73	101.69	97.83	-	**238.25**

There is no project which are temporarily suspended.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

18 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, 2022	As at 31st March, 2021
Trade Receivables	988.33	421.86
Allowance for doubtful debts (expected credit loss allowance)	2.48	2.36
Percentage	0.25%	0.56%

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ In Crores)
Loss allowance As at 1st April, 2020	2.12
Changes in loss allowance	0.24
Loss allowance As at 31st March, 2021	2.36
Changes in loss allowance	0.12
Loss allowance As at 31st March, 2022	**2.48**

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹13.56 Crores (PY ₹53.66 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, 2022			As at 31st March, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Non derivative						
Borrowings	629.99	-	629.99	299.90	199.89	499.80
Trade payables	561.42	8.79	570.21	518.08	8.92	527.00
Other financial liabilities	187.99	62.03	250.02	180.83	71.54	252.38

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, 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

As at 31st March, 2021	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables (net)	203.03	71.62	58.85	333.50
Cash and cash equivalents	43.27	-	-	43.27
Financial liabilities				
Trade payables	140.15	13.42	4.79	158.35

Sensitivity analysis

For the year ended 31st March, 2022 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 ₹34.39 Crores (PY ₹8.22 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 no any loan facilities carrying floating interest rate, which exposes the company to risk of changes in interest rates.

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.

19 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.

Dividend on equity shares

The Board has approved re-classification of the dividend for the financial year 2021-22 (₹10/- per equity share i.e. 500%) recommended at its meeting held on 2nd May, 2022 into interim dividend for the financial year 2021-22 and have paid the same subsequently till the date of this report. No further final dividend for the financial year 2021-22 shall be declared.

20 In the financial year 2020-21 ₹0.49 Crores interest on income tax included in finance cost charged to statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

21 Key Ratios

		Notes	2021-22	2020-21	% Change
1	**Current Ratio** (in times) (Current Asset/Current Liabilities)	6,7,8,9,10,11, 28(9),12,18,28 (23),19,20,21,22	1.74	2.19	21%
2	**Debt-Equity Ratio** (in times) (Debt / Net Worth [Debt : Total Debt (Short term + Long term) Net worth : Share Capital + Other Equity])	15,18,13,14	0.12	0.10	22%
3	**Debt Service Coverage Ratio** (in times)* (Profit before tax+interest) / (Interest + schedule principal repayments of Long term debt)	15,18,28(20)	1.90	16.96	89%
4	**Return on Equity Ratio**# (Net Income / Average Shareholders' Equity)	13,14	10.46%	25.96%	60%
5	**Inventory Turnover** (in times) (Sale of products / Average Inventory)	23,25	5.80	6.26	7%
6	**Trade Receivables turnover ratio** (in times) (Value of Sales and Service / Average Trade Receivables)	23,8	7.11	8.23	14%
7	**Trade Payable Turnover Ratio** (in times) (All Purchase of Goods & Services / Average Trade Payable)	19,25,27	5.67	6.24	9%
8	**Net Capital Turnover Ratio** (in times) (Net Annual Sales /Average Working Capital)	23,6,7,8,9,10,11, 28(9),12,18,28(23), 19,20,21,22	3.99	4.92	19%
9	**Net Profit Ratio**# (Profit After Tax / Turnover)	23	10.79%	21.64%	50%
10	**Return on Capital Employed**# (Earning Before Interest and Tax/Capital Employed Capital Employed = Total Asset - Current liability)	3,4,5,6,7,8,9,10,11, 28(9),12,28(16), 28(17),18,28(23),19, 20,21,22,28(20)	12.29%	24.54%	50%
11	**Return on Investment**# (Profit Before Tax/ Total Asset)	3,4,5,6,7,8,9,10,11, 28(9),12,28(16),28(17)	9.30%	20.14%	54%
12	**Interest Service Coverage Ratio (in times)**# (Profit before tax+interest)/ Interest	28(20)	12.04	16.96	29%
13	**Operating Margin**# (EBITDA / Revenue from Operations)	28(20),3,28(9),23	19.06%	30.26%	37%

Explanation for changes by more than 25% as compared to the preceding year
*Repayment of NCD worth ₹300 Crores in current financial year.
#Lower profit compare to last year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

22 Disaggregation of revenue

The Company is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business ₹938.02 Crores and ₹4097.39 Crores respectively, and considering Geographical business, revenue can be disaggregated as in India ₹2098.29 Crores and out side India ₹2937.12 Crores.

23 Lease

A) The following is the movement in lease liabilities

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at 1st April, 2021	83.82	83.20
Additions	5.40	11.55
Derecognise	(0.62)	0.37
Finance cost accrued during the period	7.70	7.43
Payment of lease liabilities	(20.17)	(18.72)
Balance as at 31st March, 2022	**76.12**	**83.82**

B) Maturity Analysis of Lease Liabilities

(₹ In Crores)

	As at 31st March, 2022
Maturity Analysis - Contractual undiscounted Cash Flows	
Less than one year	20.39
One to five years	68.72
More than five years	7.78
Total Undiscounted Lease Liabilities	**96.88**
Lease Liabilities included in the Statement of Financial Position	
Non Current	62.03
Current	14.10
Total	**76.12**

C) Amount Recognized in the Statement of Profit & Loss

(₹ In Crores)

	For the year ended 31st March, 2022
Interest on Lease Liabilities	6.97
Depreciation on Lease Asset	14.13

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 27).

E) As Lessor Operating Lease income on land are recognised in the statement of profit and loss under "Lease Rent Income" in Note 24.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	(₹ In Crores)
Less than one year	0.39
One to five years	2.05
More than five years	9.03

Refer Note 28 (7)J for related party balances.

24 Details of Investment, Loans and Guarantee given to Subsidiaries for business purpose (₹ In Crores)

Name of Company	Nature	As at 31st March, 2022	Maximum balance during the year	As at 31st March, 2021	Maximum balance during the year
Alembic Global Holding SA	Loan	-	-	-	37.78
Alembic Global Holding SA	Guarantee	-	73.11	73.11	73.11
Alembic Pharmaceutical Inc.	Guarantee	75.79	75.79	131.59	131.59

For Investment made kindly refer Note (5).

25 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 (value of equity shares) In ₹
(1) Vaishak Shares Limited	2.0
(2) Synectic Management Services Pvt Ltd	2.0
(3) Cobra India (Mauritius) Limited	196,416.0
(4) Canny Securities Private Limited	300.0
(5) Demuric Holdings Private Limited	1,680.0

26 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 accounts.

27 Business Combination

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') engage in 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 has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 29th August, 2022. The Scheme is now effective upon filing of the certified copy of the said Order with Registrar of Companies, Gujarat/Ministry of Corporate Affairs. Accordingly, the Board has approved the financial statements after giving effect to the Scheme.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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, Accordingly 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 Board of Director on 2nd May, 2022 on pre-Amalgamation basis. Pursunt to the approval of the Scheme by Hon'ble NCLT, this Standalone Financcial Statement for the year ended 31st March, 2022 have been revised as per 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 shall stand cancelled. The financial statements of Aleor for the year ended on March 31, 2022 and March 31, 2021 were audited by statutory auditor of Aleor.

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.

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 willful 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

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

K. G. Ramanathan
Director
(DIN: 00243928)

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

Charandeep Singh Saluja
Company Secretary

Consolidated Financial Statements

Independent Auditors' Report

To the Members of Alembic Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements post approval of the Scheme of Arrangement

1. 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, 2022, 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"). These consolidated financial statements are prepared and presented after incorporating the effect of the Scheme of Arrangement approved by National Company Law Tribunal (NCLT).

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, 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, 2022, 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 Opinion

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 audit opinion on the consolidated financial statements.

Emphasis of Matter

We refer to note 32.26 of these consolidated financial statements, detailing the Scheme of Arrangement and it's effect in these financial statements. The Consolidated financial statements for the year ended on March 31, 2022 were earlier approved by Board of Directors on May 2, 2022. We had issued our audit report with modified opinion on May 2, 2022. The Board of Directors of the Holding 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') with Alembic Pharmaceuticals Ltd. ('the Transferee Company') and their respective shareholders ('the Scheme') with effect from the appointed date i.e. 1st April, 2021 has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT') vide its order dated August 29, 2022. The Scheme has become effective upon filing of the certified copy of order of the NCLT, sanctioning the Scheme with Registrar of Companies, Gujarat at Ahmedabad by way of filing required e-forms with Ministry of Corporate Affairs' portal on September 5,

2022. Basis the Order of NCLT, the Board of Directors of Holding Company has approved the aforesaid consolidated financial statements for the year ended on March 31, 2022 after giving effect to the Scheme.

Our opinion is not modified in respect of this matter.

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. 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:** 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 found that the calculation and estimates used to assess the assumptions and judgements made by the company are appropriate.

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 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.

2. 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.

3. 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. 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.

4. Other Matters

(i) (a) We did not audit the financial statement of 1 subsidiary included in the consolidated financial statement, whose financial statements year ended March 31, 2022 reflect as follows:

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2022
Total Assets	1,231.86
Total Revenues	1,814.45
TotalNetprofit/(loss)aftertax	42.68
Total Comprehensive Income	46.54
Total Cash Inflow/ (Outflow) (net)	8.93

These financial statements have been audited by other auditor whose report have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor and procedure performed by us as stated in paragraph 3 above.

(b) We did not audit the financial statements of 1 subsidiary included in the consolidated financial statements, whose financial statements for the year ended March 31, 2022 reflect as follows:

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2022
Total Assets	68.08
Total Revenues	25.52
Total Net profit/(loss) after tax	9.83
Total Comprehensive Income	10.63
Total Cash Inflow/ (Outflow) (net)	(5.77)

These financial statements have been reviewed by other auditors whose review report have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the review report of the other auditors and procedure performed by us as stated in paragraph 3 above.

(c) We did not audit the financial statements of 1 step-down subsidiary included in the consolidated financial statements, whose financial statements for the year ended March 31, 2022 reflect as follows:

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2022
Total Assets	0.18
Total Revenues	-
TotalNetprofit/(loss)aftertax	(0.02)
Total Comprehensive Income	(0.02)
Total Cash Inflow/ (Outflow) (net)	(0.02)

This financial statements have not been audited/reviewed by other auditors. The financial statement is provided to us by the Management of the Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this step-down subsidiary is based solely on the financial statement provided by the Management. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial statement is not material to the Group.

(d) 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 country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in its respective country 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 statement also include the Group's share of net profit / (loss) after tax, and total comprehensive income for the year ended March 31, 2022 as mentioned below, in respect of 1 associate based on their financial statements which has not been audited by us. This financial statement has 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 reports of the other auditor and the procedures performed by us as stated in paragraph 3 above:

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2022
Total Net profit/(loss) after tax	0.21
Total Comprehensive Income	0.21

Our opinion on the consolidated financial statement 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 the annual consolidated financial statements.

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/the other auditors 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. 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. 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, 2022 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.;

f. 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". .

g. 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

h. 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 matter" 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 32.2 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 Holding Company and its associate incorporated in India.

iv. (a) the respective managements of the Holding Company and 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 associate 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 associate ("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 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 associate from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or associate 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 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 No 32.20 to the consolidated financial statements

(a) The final dividend proposed in the previous year, 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 have approved interim dividend for Financial Year 2021-2022, is in accordance with Section 123 of the Act, as applicable.

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 respective auditors for the Holding Company and 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: 22101533ARZPCQ1284

Place: Vadodara
Date: 13th September, 2022

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	Reviewed
	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.	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 reviewed financials statement 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. The financial information of Genius LLC is prepared by the management of the company and it is not reviewed/audited due to current prevailing situations in Ukraine.

*** The consolidated audited financial statement 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 audited financial statement 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 Rs.0.46 Crores during the earlier year to acquire 44% share and the operations have not started till March 31, 2022 and therefore, there are no transactions for the year.

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Alembic Pharmaceuticals Limited 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, 2022 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 of Holding Company and its associate, which are companies incorporated in India 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, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, 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 over financial reporting in so far as it relates to one associate company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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: 22101533ARZPCQ1284

Place: Vadodara
Date: 13th September, 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	6	1,741.47	1,702.87
(b) Capital work-in-progress	32(17)	2,205.79	1,944.28
(c) Other Intangible assets	7	56.38	85.55
(d) Intangible assets under development	32(18)	98.44	238.25
(e) Financial Assets :-			
(i) Investments	8	63.69	0.45
(ii) Investment accounted for using Equity Method	9	54.71	48.86
(f) Deferred tax assets (net)	21	5.88	-
(g) Other Non-Current Assets- Capital Advance		34.88	36.70
Total non-current assets		**4,261.24**	**4,056.97**
(2) Current Assets			
(a) Inventories	10	1,609.70	1,486.15
(b) Financial Assets			
(i) Investments	11	-	186.97
(ii) Trade receivables	12	807.13	348.58
(iii) Cash and cash equivalents	13	61.09	98.06
(iv) Bank balances other than cash and cash equivalents	14	8.34	7.78
(v) Other financial assets	15	23.51	51.85
(c) Current Tax Assets (Net)	32(10)	25.08	16.60
(d) Other current assets	16	325.93	456.01
Total current assets		**2,860.79**	**2,652.00**
TOTAL ASSETS		**7,122.03**	**6,708.98**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	17	39.31	39.31
(b) Other Equity	18	5,198.23	5,027.66
Total Equity		**5,237.55**	**5,066.97**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	199.89
(ia) Lease liabilities	32(22)	72.14	71.54
(b) Provisions	20	95.82	85.52
(c) Deferred tax liabilities (Net)	21	-	4.21
Total non-current liabilities		**167.96**	**361.16**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	629.99	299.90
(ia) Lease liabilities	32(22)	14.98	12.28
(ii) Trade payables	23		
A) Total outstanding dues of Micro and Small enterprises		7.63	15.64
B) Total outstanding dues of others		698.76	653.13
(iii) Other financial liabilities	24	173.90	168.56
(b) Other current liabilities	25	127.64	77.19
(c) Provisions	26	63.64	51.99
(d) Current Tax Liabilities (Net)	32(10)	-	2.15
Total current liabilities		**1,716.53**	**1,280.84**
TOTAL EQUITY AND LIABILITIES		**7,122.03**	**6,708.98**
The accompanying notes form an integral part of these Consolidated financial statements.	1-32		

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

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

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

K. G. Ramanathan
Director
(DIN: 00243928)

Charandeep Singh Saluja
Company Secretary

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2022

(₹ in Crores)

	Particulars	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	**Revenue from Operations**	27	5,305.79	5,393.13
II	Other Income	28	50.46	87.29
III	**Total Income**		**5,356.25**	**5,480.42**
IV	**Expenses**			
	Cost of Materials Consumed	29	1,129.11	1,185.35
	Purchase of Stock-in-Trade		360.50	265.92
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(43.19)	(193.93)
	Employee Benefits Expense	30	1,133.00	1,051.17
	Finance Costs	32(15)	17.73	16.02
	Depreciation and Amortization Expense	6 & 7	286.78	183.47
	Other Expenses	31	1,852.20	1,604.33
	Total Expense (IV)		**4,736.14**	**4,112.34**
V	**Profit Before Tax (III-IV)**		**620.11**	**1,368.08**
VI	**Tax Expense**	32(10)		
	(i) Current Tax		129.18	255.47
	(ii) Deferred Tax		(23.47)	(9.56)
	(iii) Short/Excess Tax Provision		(1.25)	7.41
VII	Profit after Tax Before Share of Profit of Associate and Joint Ventures (V-VI)		515.65	1,114.76
VIII	Share of Profit/(Loss) of an associate and a joint venture		5.28	31.74
IX	**Profit for the year (VII+VIII)**		520.94	1,146.50
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit and Loss		(3.96)	(1.25)
	(ii) Income tax relating to items that will not be reclassified to profit/(loss)		0.70	0.19
			(3.25)	**(1.06)**
	B Items that will be reclassified to Profit or Loss		4.65	(2.62)
			4.65	**(2.62)**
	Total Other Comprehensive Income (A+B)		**1.40**	**(3.69)**
XI	**Total Comprehensive Income for the year (IX+X)**		**522.34**	**1,142.81**
XII	**Earnings per equity share (FV ₹2/- per share) :**			
	Basic & Diluted (in ₹)	**32(1)**	**26.50**	**59.18**
	The accompanying notes form an integral part of these consolidated financial statements.	1-32		

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

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

K. G. Ramanathan
Director
(DIN: 00243928)

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

Charandeep Singh Saluja
Company Secretary

Consolidated Statement of Changes in Equity

as at 31st March, 2022

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, 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 current year	Balance As at 31st March, 2022
39.31	-	39.31	-	39.31

(2) Previous reporting period

(₹ in Crores)

Balance As at 1st April, 2020	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, 2021
37.70	-	37.70	1.61	39.31

B. Other Equity - Attributable to owners

(1) Current reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income (OCI)			Total	Non-controlling interests	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, 2021	**748.39**	**1,770.01**	**125.00**	**2,384.94**	**-**	**20.80**	**(21.49)**	**5,027.66**	**-**	**5,027.66**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance As at 31st March, 2021	**748.39**	**1,770.01**	**125.00**	**2,384.94**	**-**	**20.80**	**(21.49)**	**5,027.66**	**-**	**5,027.66**
Total Comprehensive Income for the current year	-	-	-	520.94	0.21	4.65	(3.46)	522.34	-	522.34
Dividends	-	-	-	(275.19)	-	-	-	(275.19)	-	(275.19)
Reversal of Deferred Tax Asset	-	(0.27)	-		-	-	-	(0.27)	-	(0.27)
Acquisition of Non-Controlling Interest	-		-	(76.30)	-	-	-	(76.30)	-	(76.30)
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**	**-**	**5,198.23**

Consolidated Statement of Changes in Equity (Contd.)

as at 31st March, 2022

(2) Previous reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income			Attributable to owners of Parent Company	Non-controlling interests	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, 2020	**-**	**1,536.30**	**83.33**	**1,559.00**	**-**	**23.43**	**(20.36)**	**3,181.71**	**(28.96)**	**3,152.75**
Changes in accounting policy or prior period errors										
Restated balance at the beginning of the previous reporting period	**-**	**1,536.30**	**83.33**	**1,559.00**	**-**	**23.43**	**(20.36)**	**3,181.71**	**(28.96)**	**3,152.75**
Effect of Amalgamation under "Common control"#	-	-	-	(28.89)	-	-	(0.06)	(28.96)	28.96	-
Total Comprehensive Income for the previous year	-	-	-	1,146.50	-	(2.62)	(1.06)	1,142.81	-	1,142.81
Issue of share capital	748.39	-	-	-	-	-	-	748.39	-	748.39
Utilised for QIP expenses	-	(15.92)	-	-	-	-	-	(15.92)	-	(15.92)
Reversal of Deferred Tax Asset	-	(0.37)	-	-	-	-	-	(0.37)	-	(0.37)
Provision for debenture redemption	-	-	41.67	(41.67)	-	-	-	-	-	-
Profit transferred to General Reserve	-	250.00		(250.00)	-	-	-	-	-	-
Balance As at 31st March, 2021	**748.39**	**1,770.01**	**125.00**	**2,384.94**	**-**	**20.80**	**(21.49)**	**5,027.66**	**-**	**5,027.66**

Please refer Note 32(26).

The accompanying notes form an integral part of the Consolidated financial statements (Note 1-32).

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

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

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

K. G. Ramanathan
Director
(DIN: 00243928)

Charandeep Singh Saluja
Company Secretary

Consolidated Statement of Cash Flow

for the year ended 31st March, 2022

(₹ in Crores)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Net Profit before tax	620.11	1,368.08
	Adjustments for:		
	Depreciation and amortisation	286.78	183.47
	Interest charged	17.73	16.02
	Interest Income	(1.73)	(1.58)
	Dividend Income / Gain on Sale of Investments	(2.88)	(4.96)
	Unrealised foreign exchange gain / (loss) (net)	36.45	(93.88)
	Fair value (gain)/ loss on financial instruments at fair value through profit or loss	-	(1.33)
	Provision / write off for doubtful trade receivables	7.30	6.06
	Sundry balances written off / written-back (net)	(0.21)	0.01
	Loss/(Profit) on sale of Asset	(0.54)	(1.39)
	Product development expenses	80.13	-
	Operating Profit before change in working capital	1,043.14	1,470.52
	Working capital changes:		
	(Increase) In Inventories	(123.55)	(298.62)
	(Increase)/Decrease In Trade Receivables	(469.62)	510.93
	(Increase)/Decrease In Other Assets	128.19	(146.19)
	Increase In Trade Payables	36.67	45.27
	Increase In Other Liabilities	43.22	103.35
	Increase In Provisions	17.75	23.56
	Cash generated from operations	675.79	1,708.82
	Direct taxes paid (Net of refunds)	(123.43)	(245.44)
	Net Cash inflow from Operating Activities (A)	**552.35**	**1,463.38**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Proceeds from Sale of Asset	1.39	0.27
	Interest received	1.73	1.58
	Dividend / Gain on Sale of Investments received	2.88	4.96
	Purchase of Property, Plant & Equipments, intangible assets and Capital Advance	(425.64)	(659.51)
	Investment in LLP & Others	(139.29)	(0.46)
	(Purchase) / sale of current investments (net)	186.97	(185.64)
	Net Cash inflow from Investing Activities (B)	**(371.97)**	**(838.81)**

Consolidated Statement of Cash Flow

for the year ended 31st March, 2022

(₹ in Crores)

Particulars			For the year ended 31st March, 2022	For the year ended 31st March, 2021
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**			
	Proceeds from issue of QIP (net of expenses)		-	734.08
	Repayment of borrowings		(300.00)	(379.27)
	Net increase / (decrease) in short term borrowings		429.98	(860.48)
	Payment of lease liabilities		(20.17)	(18.72)
	Increase in Restricted Bank Balances other than Cash & Cash Equivalents		(0.05)	(0.09)
	Dividends paid		(275.19)	-
	Interest and other finance costs (including borrowing cost capitalised)		(51.92)	(72.94)
	Net Cash inflow from Financing Activities (C)		**(217.35)**	**(597.43)**
	I.	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**	(36.97)	27.15
	II.	a) Cash and cash equivalents at the beginning of the Year	98.06	71.84
		b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.00)	(0.93)
	III.	**Cash and cash equivalents at the end of the period (I+II)**	61.09	98.06
	IV.	**Cash and cash equivalents at the end of the period**		
	Balances with Banks		60.71	97.80
	Cash on hand		0.38	0.26
	Cash and cash equivalents		**61.09**	**98.06**

Note :

Change in liability arising from financing activities

(₹ in Crores)

Borrowings	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Balance	499.80	1,747.49
Changes from financing cash flow	129.98	(1,239.75)
The effect of changes in foreign exchange rates	-	(9.66)
Other changes	0.21	1.72
Closing Balance	**629.99**	**499.80**

The accompanying notes form an integral part of the Consolidated financial statements (Note 1-32).

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

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

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

K. G. Ramanathan
Director
(DIN: 00243928)

Charandeep Singh Saluja
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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 13th September, 2022.

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, 2022.

2 Significant accounting policies

Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2022 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2021.

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.

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.

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 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

3 Companies Included in Consolidation:

Name	Country of Incorporation	Nature	Proportion of Ownership Interest As On 31st March, 2022
Alembic Global Holding SA (AGH SA)	Switzerland	Subsidiary	100% subsidiary of Alembic Pharmaceuticals Limited India. (APL)
Alembic Pharmaceutical Inc.(AP Inc)	U.S.A	Subsidiary	100% Subsidiary of APL
Incozen Therapeutics Pvt. Ltd.	India	Associate	50% shareholding of APL
Alembic Pharmaceuticals Australia Pty Ltd	Australia	Subsidiary	100% subsidiary of AGH SA
Alembic Pharmaceuticals Europe Limited	Malta	Subsidiary	
Alnova Pharmaceuticals SA	Switzerland	Subsidiary	
Alembic Pharmaceuticals Canada Ltd	Canada	Subsidiary	
Genius LLC	Ukraine	Subsidiary	
Alembic Labs LLC (Formerly Known as Orit Laboratories LLC)	USA	Subsidiary	100% subsidiary of AP Inc.
Okner Realty LLC	USA		
Alembic Mami SPA	Algeria	Joint Venture	49% shareholding of AGH SA
SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co Ltd	Shanghai	Joint Venture	44% shareholding of AGH SA
Rhizen Pharmaceuticals AG (RP AG) (Formerly Known as Rhizen Pharmaceuticals SA)	Switzerland	Associate	50% shareholding of AGH SA
Dahlia Theraputics SA	Switzerland	Subsidiary of Associate	100% subsidiary of RP AG
Rhizen Pharmaceuticals Inc	USA		

4 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. 134.

5 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

6. Property, Plant and Equipment (PPE):

(₹ In Crores)

Property, Plant and Equipment	Free Hold Land	Lease Hold Land	Buildings	Plant & Equip-ment	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, 2020	90.89	20.35	448.65	1,023.93	288.17	28.75	16.06	10.83	-	92.43	-	2,020.06
Additions	2.25	0.34	60.00	202.90	63.41	2.23	0.61	2.97	-	11.50	-	346.22
Disposals	-	-	-	(0.87)	(0.45)	-	-	-	-	(0.27)	-	(1.58)
Foreign Exchange Adjustments	(0.05)	-	(0.28)	1.33	-	0.01	-	0.00	-	-	-	1.01
Closing Gross Carrying Amount	**93.09**	**20.70**	**508.37**	**1,227.29**	**351.13**	**30.99**	**16.67**	**13.81**	**-**	**103.67**	**-**	**2,365.71**
Accumulated Depreciation	-	11.15	60.22	308.13	82.95	6.66	8.51	4.16	-	13.37	-	495.16
Depreciation charge during the year	-	0.24	18.02	98.83	30.98	2.85	1.55	2.19	-	14.00	-	168.66
Disposals	-	-	-	(0.58)	(0.26)	-	-	-	-	(0.06)	-	(0.90)
Foreign Exchange Adjustments	-	-	(0.03)	(0.03)	-	(0.01)	-	(0.01)	-	-	-	(0.08)
Closing Accumulated Depreciation	**-**	**11.38**	**78.21**	**406.36**	**113.67**	**9.50**	**10.07**	**6.34**	**-**	**27.31**	**-**	**662.84**
Net Carrying Amount As at 1st April, 2020	90.89	9.21	388.43	715.80	205.22	22.09	7.55	6.67	-	79.06	-	1,524.90
Net Carrying Amount As at 31st March, 2021	**93.09**	**9.31**	**430.16**	**820.92**	**237.47**	**21.49**	**6.60**	**7.46**	**-**	**76.36**	**-**	**1,702.87**
Gross Carrying amount												
Carrying Amount As at 1st April, 2021	93.09	20.70	508.37	1,227.29	351.13	30.99	16.67	13.81	-	103.67	-	2,365.71
Additions	-	10.50	18.97	126.77	53.55	2.54	4.49	2.92	0.73	12.87	3.51	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**	**31.19**	**527.65**	**1,353.83**	**404.52**	**33.57**	**20.42**	**16.72**	**0.73**	**115.68**	**3.51**	**2,600.96**
Accumulated Depreciation	-	11.38	78.21	406.36	113.67	9.50	10.07	6.34	-	27.31	-	662.84
Depreciation charge during the year	-	0.24	19.72	116.36	38.30	3.09	2.01	2.64	0.04	15.12	0.39	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	-	0.14
Closing Accumulated Depreciation	**-**	**11.63**	**97.97**	**522.43**	**151.84**	**12.64**	**11.40**	**8.96**	**0.04**	**42.19**	**0.39**	**859.49**
Net Carrying Amount As at 1st April, 2021	93.09	9.31	430.16	820.92	237.47	21.49	6.60	7.46	-	76.36	-	1,702.87
Net Carrying Amount As at 31st March, 2022	**93.14**	**19.57**	**429.67**	**831.40**	**252.67**	**20.93**	**9.02**	**7.76**	**0.69**	**73.49**	**3.12**	**1,741.47**

Note:-

1 The Company does not have any restrictions on the title of its property, plant and equipment.

2 #Please Refer Note 2 (2.17).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

7 Other Intangible Assets

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying Amount	179.69	106.26
Addition	59.68	73.43
Closing Gross Carrying Amount	**239.37**	**179.69**
Accumulated Amortisation	(94.13)	(79.32)
Amortisation expense	(88.86)	(14.81)
Closing Accumulated Amortisation	**(182.99)**	**(94.13)**
Net Carrying Amount	**56.38**	**85.55**

8 Non-Current Financial Investment

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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% Optionally Convertible Preference Shares 2875491 (PY: Nil) of USD 1.0433 each fully paid up in Rigimmune. Inc.	22.99	-
Investments in LLP		
Valued at Fair value through other comprehensive income		
Investment in ABCD Technologies LLP - Profit/loss Sharing & Voting Ratio 6.45%	40.25	-
	63.69	**0.45**

9 Investment accounted for using Equity Method

(₹ In Crores)

Particulars		As at 31st March, 2022	As at 31st March, 2021
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		1.97	1.61
Add: Share in Profit / (loss) for the period		0.21	0.36
	a	**2.18**	**1.97**

(₹ in Crores)

Particulars		As at 31st March, 2022	As at 31st March, 2021
62,000 (PY: 62,000) equity shares of CHF 1 each fully paid up in Rhizen Pharmaceuticals SA (Including ₹14.18 Crores Good will)		46.44	15.56
Add: Share in Profit / (loss) for the period		5.07	31.38
Add: Impact of Foreign Currency translations		0.54	(0.50)
	b	**52.06**	**46.44**
(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/(Less):Provision for Impairment Loss		(36.89)	(36.89)
	c	**-**	**-**
4,40,000 (PY Nil) equity share of RMB 1 each fully paid up representing 44% of equity in SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd.	**d**	**0.46**	**0.46**
Add: Impact of Foreign Currency translations		**0.02**	**-**
Aggregate amount of unquoted Investments	**(a+b+c+d)**	**54.71**	**48.86**

10 Inventories

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	445.85	382.05
Packing Materials	61.07	58.70
Work-in-Progress	88.68	66.80
Finished Goods	851.60	883.88
Stock-in-trade	67.97	14.43
Goods in Transit - Finished Goods	49.18	49.15
- Raw Materials	9.69	2.21
Stores and Spares	35.66	28.93
	1,609.70	**1,486.15**

Note:
Out of above Inventories of Alembic Pharmaceuticals Limited are hypothecated as security for working capital borrowings.

11 Investments

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment in Mutual Funds at Fair Value through Profit and Loss		
Mutual Funds (Unquoted)	-	186.97
Debt Fund*	**-**	**186.97**

*Investments in mutual funds have been fair valued at closing net asset value (NAV).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

12 Trade Receivables

(₹ In Crores)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered good	a	807.13	348.58
Trade Receivables which have significant increase in credit Risk		33.33	25.10
Less: Allowance for doubtful debts (expected credit loss allowance)		33.33	25.10
	b	-	-
	(a+b)	**807.13**	**348.58**

Note:
Out of above Receivables of Alembic Pharmaceuticals Limited are hypothecated as security for working capital borrowings.
Refer Note 32(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 Monhts	6 Months - 1 Year	1 - 2 Years	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**
Undisputed Trade Receivables							
- Consider Good	121.23	148.45	71.01	1.82	5.72	0.36	348.58
- Which have significant increase in credit risk	-	5.75	17.59	0.26	0.38	0.66	24.63
Disputed Trade Receivables							
- Consider Good	-	-	-	-	-	0.47	0.47
	121.23	**154.20**	**88.59**	**2.08**	**6.09**	**1.49**	**373.68**
Less: Expected credit loss allowance							25.10
As at 31st March, 2021							**348.58**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

13 Cash and Cash Equivalents

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks	60.71	97.80
Cash on hand	0.38	0.26
	61.09	**98.06**

14 Bank Balances Other than Cash and Cash Equivalents

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked Balance with Bank		
Unpaid Dividend	6.41	5.90
Margin Money Deposit	1.93	1.88
	8.34	**7.78**

15 Other Financial Assets (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	8.94	8.91
Fair valuation of Foreign currency derivative contracts	14.57	42.94
	23.51	**51.85**

Refer Note 32(8)I for related party deposits.

16 Other Current Assets (Unsecured, considered good)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to Employees	4.00	5.38
Advance to Suppliers	52.38	63.49
Pre-paid Expense	37.07	35.73
Balances with Government Authorities	232.47	351.42
	325.93	**456.01**

17 Equity Share Capital

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorized		
20,25,00,000 (PY 20,00,00,000) - Equity shares of ₹2/- each	40.50	40.00
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**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(₹ In Crores)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	196,563,124	39.31	188,515,914	37.70
Issued, subscribed and paid up during the year			8,047,210	1.61
Outstanding at the end of the year	196,563,124	39.31	196,563,124	39.31

In the previous year the Company through Qualified Institutional Placement (QIP) allotted 80,47,210 equity shares to the eligible Qualified Institutional Buyers (QIBs) at a issue price of ₹932/- per equity share (including a premium of ₹930 per equity share) aggregating to Rs 750 Crores on 7th August, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the "Issue"). Funds received pursuant to QIP are being utilised towards the object stated in the placement document.

Expenses incurred by the company aggregating to ₹15.92 Crores, in connection with QIP have been utilised out of general reserve in March 2021.

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, 2022		As at 31st March, 2021	
	Numbers	% held	Numbers	% held
1 Alembic Limited	56,097,544	28.54%	55,836,503	28.41%
2 Nirayu Limited	70,035,435	35.63%	70,035,435	35.63%

Shareholding of Promoters

Sr. No	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Changes during the year
		No of Shares	% of Total Shares	No of Shares	% of Total Shares	
i	Chirayu Ramanbhai Amin	4,542,529	2.31%	4,542,529	2.31%	0.00%
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%	55,836,503	28.41%	0.47%

18 Other Equity

(Refer statement of changes in equity for detailed movement in other equity balance) (₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) General Reserve	1,844.74	1,770.01
(b) Securities Premium	748.39	748.39
(c) Retained Earnings	2,554.39	2,384.94
(d) Remeasurements of the net defined benefit plan through OCI	(24.95)	(21.49)
(e) Financial Instruments through OCI	0.21	-
(f) Debenture Redemption Reserve	50.00	125.00
(g) Foreign Currency Translation reserve	25.46	20.80
Total Other Equity	**5,198.23**	**5,027.66**

Nature and purpose of each Reserve

General Reserve:- The reserve is created by transfer of a portion of the net profit.

Debenture redemption reserve: The company has created and continue to create 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. ₹) are recognised in the other comprehensive income and accumulated in foreign currency translation reserve.

Other Comprehensive Income (OCI): represents remeasurements of the defined benefits plan and fair value change of certain financial instruments.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

19 Borrowings (Non-Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Non-Convertible debentures	-	199.89
	-	**199.89**

Effective interest Rate 9.05% and current maturity of ₹200 Crores (Amortisation Adjustment ₹0.01 Crores) maturing during 2022-23.

20 Provisions (Non-Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note 32(4))		
Provision for Leave benefits	47.54	44.26
Provision for Non-Saleable return of goods (Refer Note 32(14))	48.28	41.26
	95.82	**85.52**

21 Deferred Tax Liabilities / (Assets) (Net)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Depreciation	197.69	188.46
Fair valuation of Investment in mutual funds	-	0.46
a	**197.69**	**188.92**
Deferred Tax Assets		
Provision for Expected credit loss	0.87	0.82
MAT Credit Entitlement	114.49	112.14
Intangible Asset	0.83	1.10
Expenses claimed for tax purpose on payment bassis	26.63	21.76
Others	60.76	48.89
b	**203.57**	**184.71**
(a-b)	**(5.88)**	**4.21**

22 Borrowings (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans repayable on demand		
From Banks		
Secured		
Working Capital Loan	-	0.02
First charge on Pari-Passu basis by hypothecation of current assets at interest rate below 10% repayable on demand		
Unsecured		
Working Capital Loan, Interest rate below 4.25%	180.00	-
From Other Parties		
Unsecured		
Commercial Paper - Carrying interest rate below 4.25%	250.00	-
Current maturities of long-term debt (Refer Note 19)	199.99	299.88
	629.99	**299.90**

23 Trade Payables

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due to Micro and Small Enterprises (Refer Note (32(13))	7.63	15.64
Others	698.76	653.13
	706.39	**668.77**

Refer Note 32(8)I for related party payables.

Trade Payable Ageing

(₹ In Crores)

Particualrs	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	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**
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	24.21	0.61	-	-	-	24.82
ii) Others	496.68	103.34	7.89	1.02	0.01	608.94
	520.88	**103.96**	**7.89**	**1.02**	**0.01**	**633.76**
iii) Unbilled Dues						35.02
As at 31st March, 2021						**668.77**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

24 Other Financial Liabilities

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Payables on purchase of property, plant and equipment	50.87	33.68
Interest accrued but not due on borrowings	5.38	10.29
Unpaid dividends	6.41	5.90
Trade Deposits	12.36	11.86
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.05	0.05
Payables for Employee benefits	98.83	106.77
	173.90	**168.56**

Refer Note No32(8)I for related party payables.

25 Other Current Liabilities

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory payable	58.42	53.66
Advance from Customers	69.22	23.52
	127.64	**77.19**

Refer Note No32(8)I for related party payables.

26 Provisions (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note (32(4)&(5))		
Provision for Gratuity	15.87	8.72
Provision for Leave benefits	6.52	3.71
Provision for Non-Saleable return of goods (Refer Note (32(14))	41.26	39.56
	63.64	**51.99**

27 Revenue from Operations

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of products		
- Domestic	2,120.90	1,674.22
- Exports	3,110.89	3,602.00
	5,231.79	**5,276.22**

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Other Operating Revenues		
- Export Incentives	22.94	91.98
- Royalty	15.39	17.87
- Miscellaneous	35.66	7.07
	5,305.79	**5,393.13**

28 Other Income

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Dividend	0.00	0.00
Insurance Claims	0.88	0.56
Lease Rent Income	0.08	0.02
Profit /(Loss) on Sales of Assets	0.54	1.39
Profit On Sales Of Investment	2.87	4.95
Net gain arising on financial assets measured at fair value through profit or loss	-	1.33
Interest Income	1.73	1.58
Net gain on foreign currency transactions	44.31	77.28
Miscellaneous income	0.05	0.18
	50.46	**87.29**

29 Cost of Material Consumed

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw materials and packing materials		
Inventory at the beginning of the year	442.96	346.28
Add : Purchases	1,202.76	1,282.03
	1,645.72	**1,628.31**
Less : Inventory at the end of the year	516.61	442.96
	1,129.11	**1,185.35**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ in Crores)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress			
Work in Process		88.68	66.80
Finished Goods		900.78	933.02
Stock-in-Trade		67.97	14.43
Inventory at the end of the year	**a**	**1,057.44**	**1,014.25**
Work in Process		66.80	55.43
Finished Goods		933.02	692.48
Stock-in-Trade		14.43	72.42
Inventory at the beginning of the year	**b**	**1,014.25**	**820.32**
	(b-a)	**(43.19)**	**(193.93)**

30 Employee Benefits Expense

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and Wages	1,045.13	966.16
Contribution to Provident and other funds	60.31	53.58
Staff welfare expense	27.56	31.43
	1,133.00	**1,051.17**

31 Other Expenses

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	257.85	241.54
Power and Fuel	120.84	118.72
Manufacturing and Labour Charges	18.92	22.39
Repairs and Maintenance		
Machinery	37.35	35.42
Buildings	4.49	10.93
Others	9.95	36.52
Freight and Forwarding Charges	256.25	185.71

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sales Promotion, Service Fees and Commission	634.13	501.70
Rates and Taxes	15.13	13.97
Insurance	18.09	12.77
Travelling Expense	125.75	107.63
Communication Expenses	62.01	57.84
Legal & Professional Fees	129.36	145.49
Payment to Auditors	1.52	1.40
Bad Debts written off	5.24	0.19
Less : Bad Debts Provision Utilised	(0.03)	(0.19)
Provision for Doubtful Debts	7.30	6.06
Expenses on CSR Activities	22.26	17.60
Donation	0.41	2.69
Patent Filing & Registration Fees	62.04	52.14
External Research & Development	50.59	25.38
Miscellaneous Expenses	12.74	8.42
	1,852.20	**1,604.33**

32 Other explanatory Notes to the Consolidated Financial Statement

1 Earning Per Share (EPS)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a) Net Profit attributable to equity shareholders (₹ in Crores)	520.94	1,146.50
b) Weighted Average number of equity shares	196,563,124	193,741,089
c) Basic and Diluted Earnings per share (Face value per share ₹2/- each)	26.50	59.18

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

2 Contingent Liabilities, and Commitments (To The Extent Not Provided For)

(₹ In Crores)

Particulars		As at 31st March, 2022	As at 31st March, 2021
i	**Estimated amount of contracts net of advances remaining to be executed on capital accounts**	165.28	249.73
ii	**Contingent liabilities**		
	(a) Letters of credit and Guarantees	61.35	96.04
	(b) Liabilities Disputed in appeals		
	Excise duty	0.24	0.24
	Sales Tax	0.55	2.52
	(c) Claims against the company not acknowledged as debt	0.35	0.35
	(d) Export obligation against advance license	0.03	0.96
	(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

As at and for the year ended 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	56.98%	0.80	2.03%	10.61
- Alembic Pharmaceuticals, INC (Wholly owned subsidiary of Alembic Pharmaceuticals Limited)	2.51%	131.50	8.19%	42.68	275.29%	3.86	8.91%	46.54

Notes to the Consolidated Financial Statements

for the year ended 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
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)	Nil	Nil	(14.42%)	(75.32)
	100.00%	**5,237.55**	**100.00%**	**520.94**	**100.00%**	**1.40**	**100.00%**	**522.34**

Notes to the Consolidated Financial Statements

for the year ended 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
As for the year ended and as at 31st March, 2021								
Parent :								
Alembic Pharmaceuticals Limited	100.69%	5,101.81	95.64%	1,096.54	28.86%	(1.06)	95.86%	1,095.47
Subsidiaries :								
1. Indian : NA								
2. Foreign :								
-Alembic Global Holding SA	1.12%	56.79	3.38%	38.79	(81.75%)	3.01	3.66%	41.80
- Alembic Pharmaceuticals, INC (wholly owned subsidiary of Alembic Pharmaceuticals Limited)	1.68%	84.96	2.74%	31.37	61.97%	(2.29)	2.54%	29.08
Associates :								
(Investment as per the equity method)								
1. Indian : Incozen Therapeutics Pvt Limited	(0.02%)	(1.03)	0.03%	0.36	Nil	Nil	0.03%	0.36
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	(3.46%)	(175.56)	(1.79%)	(20.55)	90.93%	(3.35)	(2.09%)	(23.90)
	100.00%	**5,066.97**	**100.00%**	**1,146.50**	**100.00%**	**(3.69)**	**100.00%**	**1,142.81**

4 Defined benefit plans / compensated absences - As per actuarial valuation

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2022

(₹ In Crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
i)	**Change in present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of the year	85.06	68.07
	Current service cost	13.48	12.89
	Interest Cost	5.78	4.26
	Components of actuarial gain/losses on obligations:		
	Due to Change in financial assumptions	0.01	-
	Due to experience adjustments	0.77	4.55
	Benefits paid	(9.82)	(4.71)
	Present Value of defined benefit obligation at the end of the year	**95.29**	**85.06**
ii)	**Change in fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	76.34	56.91
	Expenses deducted from the fund		
	Interest Income	5.23	3.92
	Actuarial (losses) / gains	(3.43)	3.30
	Contributions paid by the employer	10.86	16.73
	Benefits paid from the fund	(9.58)	(4.51)
	Fair Value of plan assets at the end of the year	**79.42**	**76.34**

(₹ In Crores)

		As at 31st March, 2022	As at 31st March, 2021
iii)	**Net asset / (liability) recognized in the Balance Sheet**		
	Present Value of defined benefit obligation at the end of the year	(95.29)	(85.06)
	Fair Value of plan assets at the end of the year	79.42	76.34
	Amount recognized in the balance sheet	(15.87)	(8.72)
	Net Asset / (Liability) recognized - current	**(15.87)**	**(8.72)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
iv) Expense recognized in the statement of profit and loss for the year*		
Current service cost	13.48	12.89
Net interest cost	0.55	0.35
Total expenses included in employee benefit expenses	**14.03**	**13.23**
*₹1.5 Crores (PY ₹1.62 Crores) Included in capital work in progress pending capitalisation.		
v) Recognized in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	0.01	-
Actuarial changes arising from experience assumptions	0.77	4.55
Return on plan assets excluding amounts included in interest income	3.43	(3.30)
Recognized in other comprehensive income	**4.21**	**1.25**
vi) Actuarial Assumptions		
Rate of Discounting	6.80%	6.85%
Rate of Salary Increase	in range of 4.75% to 5.25%	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)
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, 2022
Year 1	17.61
Year 2	4.62
Year 3	4.41
Year 4	4.75
Year 5	6.05
Year 6 to Year 10 Cash flow	49.99
The future accrual is not considered in arriving at the above cash-flows.	
Expected Contribution for the Next year (₹ in Crores)	11.35
Average Outstanding Terms of obligation (years)	13.42

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
ix) Sensitivity Analysis		
Delta Effect of +0.5% Change in Rate of Discounting	90.73	80.84
Delta Effect of -0.5% Change in Rate of Discounting	100.25	89.67
Delta Effect of +0.5% Change in Rate of Salary Increase	100.30	89.70
Delta Effect of -0.5% Change in Rate of Salary Increase	90.64	80.77
Delta Effect of +101% Change in Rate of Employee Turnover	95.95	85.08
Delta Effect of -101% Change in Rate of Employee Turnover	94.58	85.04

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 31st March, 2022

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	44.93	34.10
Current service cost	5.67	5.06
Interest Cost	3.06	2.25
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	0.00	-
- Due to experience adjustments	6.05	7.08
Benefits paid	(8.79)	(3.56)
Present Value of defined benefit obligation at the end of the year	50.91	44.93
Present Value of defined benefit obligation of sick leave at the end of the year	3.14	3.04
	54.06	**47.97**

(₹ In Crores)

	As at 31st March, 2022	As at 31st March, 2021
ii) Net asset / (liability) recognized in the Balance Sheet		
Amount recognized in the balance sheet	(54.06)	(47.97)
Net (Liability) - non current	(47.54)	(44.26)
Net (Liability) recognized - current	(6.52)	(3.71)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ In Crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
iii)	**Expense recognized in the statement of profit and loss for the year**		
	Current service cost	5.67	5.06
	Past service cost and loss/(gain) on		
	Net interest cost	3.06	2.25
	Net value of measurements on the obligation	6.05	7.08
	Total Charge to profit and loss	**14.78**	**14.39**
iv)	**Actuarial Assumptions**		
	Rate of Discounting	6.80%	6.85%
	Rate of Salary Increase	In Range of 4.75% to 5.25%	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)

Cash Flow		As at 31st March, 2022
v)	**Maturity profile of Defined Benefit Obligation**	
	Year 1	6.12
	Year 2	2.64
	Year 3	2.39
	Year 4	2.46
	Year 5	3.00
	Year 6 to Year 10 Cash flow	6.95

The future accrual is not considered in arriving at the above cash-flows.

(₹ In Crores)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
vi)	**Sensitivity Analysis**		
	Delta Effect of +0.5% Change in Rate of Discounting	48.09	42.35
	Delta Effect of -0.5% Change in Rate of Discounting	54.00	47.76
	Delta Effect of +0.5% Change in Rate of Salary Increase	54.03	47.79
	Delta Effect of -0.5% Change in Rate of Salary Increase	48.04	42.30
	Delta Effect of +101% Change in Rate of Employee Turnover	51.36	44.95
	Delta Effect of -101% Change in Rate of Employee Turnover	50.44	44.91

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.

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 previous year. Contribution to Provident fund trust and Employee Provident Fund Organization ₹26.77 Crores (P.Y. ₹22.26 Crores).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

6 Research and Development Expenses

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Material Consumption	74.17	111.80
Employees Benefit Expenses	206.83	189.75
Utilities	20.68	21.33
Depreciation and Amortization Expense	165.21	43.67
Others	371.57	303.44
Total	**838.46**	**670.00**

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	938.52
b) Formulations	4,367.27
Information about Geographical Areas	
a) Revenue from External Customers	
In India	2,119.02
Outside India	3,186.77
b) Non-Current Assets	
In India	4,110.21
Outside India	26.75
Information about major customers	
Consolidated Revenue – exceeding 10% from each single external customer.	NIL

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 (w.e.f. 01.09.2021)
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		
7	Shreno Publications Limited	13	Alembic Pharmaceuticals Limited EGGS

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

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 Mukherjee

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
G Key Managerial Personnel Remuneration		
Short Term Employment Benefits	76.23	78.28
Post Employment Benefits	1.80	2.36
Others	0.77	0.71

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, 2022	For the year ended 31st March, 2021
(a) Sale of Goods		
Controlling Company	0.05	-
Associates		
Rhizen Pharmaceutical AG	72.61	21.74
Others	0.10	0.67
Other Related Parties	0.71	0.62
(b) Purchase of Goods		
Controlling Company	0.00	0.04
Other Related Parties		
Alembic Limited	5.96	5.78
Shreno Publications Limited	32.65	26.78
Others	1.78	1.64
(c) Reimbursement of expenses Paid		
Other Related Parties		
Alembic Limited	0.90	3.35
Others	0.03	0.01
(d) Reimbursement of expenses Received		
Associates		
Rhizen Pharmaceuticals AG	-	1.20
Paushak Limited	0.32	-
(e) Rent / Lease liability paid		
Other Related Parties		
Alembic Limited	9.90	9.06
Others	0.68	0.65

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ in Crores)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(f)	**Receiving of Services**		
	Controlling Companies	0.02	0.11
	Other Related Parties		
	Alembic Limited	18.58	17.59
	Rakshak Services Pvt Ltd	0.89	2.18
	Bhailal Amin General Hospital	4.16	2.38
	Others	0.23	0.24
(g)	**Purchase of Property, Plant and Equipment**		
	Controlling Company	1.81	10.13
	Other Related Parties		
	Shreno Engineering Ltd	2.81	-
	Others	0.03	-
(h)	**Deposit Given**		
	Other Related Parties		
	Alembic Limited	0.13	0.20
	Others	-	0.03
(i)	**Deposit Returned**		
	Other Related Parties		
	Alembic Limited	0.04	-
	Shreno Limited	-	0.02
(j)	**Dividend Paid**		
	Controlling Company	98.05	-
	Other Related Parties		
	Alembic Limited	78.17	-
	Others	0.00	-
	Close Member of Key Management Personnel	9.23	-
	Key Management Personnel	9.19	-
(k)	**CSR Contribution**		
	Other Related Parties		
	Alembic CSR Foundation	22.26	16.24
(l)	**Post Retirement benefits**		
	Other Related Parties		
	Alembic Pharmaceuticals Limited Provident Fund	75.36	64.57
	Alembic Pharmaceuticals Limited EGGS (Gratuity Fund)	10.50	15.50
	Others	2.94	2.09
(m)	**Remuneration**		
	Key Management Personnel	78.80	81.35
	Close Member of Key Management Personnel	7.45	7.42

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

I Balance Outstanding as at the end of the year

(₹ In Crores)

	As at 31st March, 2022	As at 31st March, 2021
Receivables (Unsecured)		
Associates	0.00	8.14
Other Related Parties	0.33	0.01
Payables		
Key Management personnel	36.52	45.48
Associates	26.30	40.40
Other Related Parties	14.48	10.48
Controlling Company	-	0.02
Deposit Given (Unsecured)		
Other Related Parties	2.78	2.70

9 Auditors Fees and Expenses :

(₹ In Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Statutory Auditor:-		
As Auditor	1.02	0.81
In Other Capacity:-		
(i) Other Services		
Limited Review	0.24	0.25
Others*	0.14	0.27
(ii) Reimbursement of expenses	0.00	-
(b) Cost Auditor:-		
As Auditors	0.02	0.02
In Other Capacity:-		
(i) Other Services	0.06	0.03
(ii) Reimbursement of expenses	-	0.00
(c) Secretarial Auditor:-		
Secretarial Audit Fee	0.03	0.03

*in previous year in addition to above ₹0.33 crore paid related to Qualified Institutional Placement (QIP).

10 Income Taxes

a. Income tax expense

(₹ In Crores)

Particulars	31st March, 2022	31st March, 2021
Current Tax		
Current tax expense	129.18	255.47
Deferred Tax		
Decrease (increase) in deferred tax assets	(32.23)	(38.23)
(Decrease) increase in deferred tax liabilities	8.77	28.67
Total deferred tax expenses (benefit)	(23.46)	(9.56)
Total Income tax expenses *	**105.72**	**245.91**

*This excludes tax benefit on other comprehensive income of ₹0.70 Crores (PY ₹0.19 Crores) and reversal of DTA on intangibles against general reserve of ₹0.28 Crores (PY ₹0.37 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, 2022	For the year ended 31st March, 2021
Profit before Income tax expense	620.11	1,368.08
Tax at the Indian Tax Rate*	108.35	478.06
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect on account of overseas tax	20.83	22.53
Deferred tax	(23.47)	-
Effect of Deductible Tax Expense	0.02	0.31
Net effect of expenses not deductible u/s 32 of Income Tax Act, 1961	-	(1.72)
Unused Tax credit/Tax Loss	-	(128.24)
Net effect of deduction under Chapter VIA and Section 35	-	(122.03)
Effect of income which is not taxable	-	(2.14)
Others	(0.02)	(0.86)
Income Tax Expense	**105.72**	**245.91**

* The applicable Indian tax rate for year ended 31st March, 2022 is 17.472% (PY 34.944%)

c. Current tax (liabilities)/assets

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	14.45	30.98
Income tax paid	123.43	245.44
Current income tax payable for the year	(114.05)	(254.55)
Write back of income tax provision of earlier years	1.25	(7.41)
Net current income tax asset/ (liability) at the end	**25.08**	**14.45**
Current income tax asset at the end	25.08	16.60
Current income tax liability at the end	-	(2.15)

d Unrecognised deferred tax assets

The details of unrecognised deferred tax assets are summarised below:

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deductible temporary differences, net	168.26	134.27

During the year ended 31 March, 2022, the Company did not recognise deferred tax assets of ₹168.26 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 2038.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

11 Financial instruments

Category of Financial Instrument

(₹ In Crores)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Fair value throughother comprehensive income	Amortised cost	Fair value through profit and loss	Amortised cost
Financial assets				
Investment in Preference shares	22.99	0.45	-	0.45
Investment in LLP	40.25	-	-	-
Investments in mutual funds	-		186.97	
Trade Receivables	-	807.13	-	348.58
Cash and cash equivalents	-	61.09	-	98.06
Bank balances other than cash and cash equivalents	-	8.34	-	7.78
Derivatives not designated as Hedge	-	14.57	0.91	42.03
Others	-	8.94	-	8.91
Total	**63.24**	**900.52**	**187.88**	**505.81**
Financial liabilities				
Borrowings	-	629.99	-	499.80
Trade Payables	-	706.39	-	668.77
Other Financial liabilities		261.01	-	252.38
Total	**-**	**1,597.38**	**-**	**1,420.95**

Fair value measurement hierarchy:

(₹ In Crores)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Investments in mutual funds	-	-	-	-	186.97	-
Investments in Preference share & LLP	-	-	63.24	-	-	-
Derivatives not designated as Hedge	-	-	-	-	0.91	-

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 8,9,11,12,13,14,15,19,32(22),22,23,24.

The Fair values 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 March, 2022. With respect of fair value of investment in preference shares of 5% optionally convertible preference shares, transaction price is considered as fair value as at 31st March, 2022.

The following Table represent the chagnges in the Level 3 items

Particulars	(₹ In Crores)
As on 1st April 2021	-
Purchase	62.99
Gain/(losses) recognised in other comprehensive income	0.25
As on 31st March 2022	**63.24**

12 Expenses pending capitalisation included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants yet to commence commercial operation, the detail of expenses are: (₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	770.48	528.19
Incurred during the current year		
a) Borrowing Cost*	39.05	66.67
b) Others	181.29	175.63
Closing balance	**990.82**	**770.48**

*Borrowing cost capitalised in F.Y. 2021-22 @ 8.93 %. (PY@ 6%).

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)

		As at 31st March, 2022	As at 31st March, 2021
a	The principal amount remaining unpaid to any supplier at the end of the year - Micro & Small enterprise	7.63	15.64
	The principal amount remaining unpaid to any supplier at the end of the year - Medium enterprise	7.48	9.18
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, 2022

(₹ in Crores)

		As at 31st March, 2022	As at 31st March, 2021
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	-	-
		15.11	**24.82**

14 Provision for Non-Saleable return of goods

(₹ In Crores)

	As at 31st March, 2022
Balance as at 1st April, 2021	80.82
Increase during the year	48.28
Reduction during year	(39.56)
Balance as at 31st March, 2022	**89.54**

15 In the financial year 2020-21 ₹0.49 Crores interest on income tax included in finance cost charged to statement of profit and loss.

16 Revenue Recognition

The Group is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business ₹938.52 Crores and ₹4367.27 Crores respectively, and considering Geographical business, revenue can be disaggregated as in India ₹2119.02 Crores and outside India ₹3186.77 Crores.

17 Capital - Work - in Progress (CWIP) 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, 2022	365.33	458.28	340.75	1,041.44	**2,205.79**
Project In progress &"As at 31st March, 2021	492.36	406.74	393.61	651.56	**1,944.27**

There is no project whose completion is overdue since project completion is subject to regulatory approvals.

There is neither project which are temporarily suspended nor cost over run.

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, 2022	-	38.73	59.71	-	98.44
Project In progress As at 31st March, 2021	38.73	101.69	97.83	-	238.25

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, 2022	As at 31st March, 2021
Trade Receivables	807.13	348.58
Allowance for doubtful debts	33.33	25.10
Percentage	4.1%	7.2%

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ In Crores)
Loss allowance As at 1st April, 2020	10.44
Changes in loss allowance	14.65
Loss allowance As at 31st March, 2021	**25.10**
Changes in loss allowance	8.23
Loss allowance As at 31st March, 2022	**33.33**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Cash & Cash Equivalents and Other Bank Balances.

As at the year end, the Group held cash and cash equivalents of ₹61.09 Crores (PY ₹98.06 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, 2022			As at 31st March, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Non derivative						
Borrowings	629.99	-	629.99	299.90	199.89	499.80
Trade payables	697.60	8.79	706.39	659.86	8.92	668.77
Other financial liabilities	188.87	72.14	261.01	180.83	71.54	252.38

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:

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
As at 31st March, 2021	**US Dollars**	**Euro**	**Others**	**Total**
Financial assets				
Receivables (net)	203.03	71.62	58.85	333.50
Cash and cash equivalents	43.27	0.00	0.00	43.27
Financial liabilities				
Payables (net)	140.15	13.42	4.79	158.35

Sensitivity analysis

For the year ended For the year ended 31st March, 2022 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 ₹34.39 Crores (PY ₹8.22 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 Group has loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates.

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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Dividend on equity shares

The Board has approved re-classification of the dividend for the financial year 2021-22 (Rs. 10/- per equity share i.e. 500%) recommended at its meeting held on 2nd May, 2022 into interim dividend for the financial year 2021-22 and have paid the same subsequently till the date of this report. No further final dividend for the financial year 2021-22 shall be declared.

21 Key Ratios

	Notes	2021-22	2020-21	% Change
1. Current Ratio (in times) (Current Asset/Current Liabilities)	10,11,12,13,14,15, 32(10),16,22,32(22), 23,24,25,26,32(10)	1.67	2.07	20%
2. Debt-Equity Ratio (in times) (Debt / Net Worth [Debt : Total Debt (Short term + Long term) Net worth : Share Capital + Other Equity])	17,18,19,22	0.12	0.10	22%
3. Debt Service Coverage Ratio (in times)* (Profit Before Tax + Interest) / (Interest + schedule principal repayments of Long Term Debt)	19,22,32(15)	1.80	16.74	89%
4. Return on Equity Ratio# (Net Income / Average Shareholders' Equity)	17,18	10.11%	27.77%	64%
5. Inventory Turnover (in times) (Sale of products / Average Inventory)	27,29	5.09	5.76	12%
6. Trade Receivables turnover ratio (in times) (Value of Sales and Service / Average Trade Receivables)	12,27	9.14	8.74	5%
7. Trade Payable Turnover Ratio (in times) All Purchase of Goods & Services / Average Trade Payable	23,29,31	4.97	4.87	2%
8. Net Capital Turnover Ratio (in times) (Net Annual Sales /Average Working capital)	27,10,11,12,13,14,15, 32(10),16,22,32(22), 23,24,25,26,32(10)	4.22	5.03	16%
9. Net Profit Ratio# (Profit After Tax/ Turnover)	27	9.82%	21.26%	54%
10. Return on Capital Employed# (Earning Before Interest and Tax /Capital Employed Capital Employed = Total Asset - Current liability)	32(10),6,32(17),7, 32(18),8,9,21,10,11, 12,13,14,15,16,22, 32(22),23,24,25, 26,32(15)	11.90%	25.50%	53%
11 Return on Investment# (Profit Before Tax/ Total Asset)	6,32(17),7,32(18),8, 9,21,10,11,12,13,14, 15,32(10),16	8.78%	20.39%	57%

	Notes	2021-22	2020-21	% Change
12 Interest Service Coverage Ratio (in times)# (Profit before tax+interest)/ Interest	32(15)	11.33	16.74	32%
13 Operating Margin# (EBITDA / Revenue from Operations)	6 & 7,32(15), 32(10),27	17.53%	29.65%	41%

Explanation for changes by more than 25% as compared to the preceding year.

*Repayment of NCD worth ₹300 Crores in current financial year.

#Lower profit compare to last year.

22 Lease

A) The following is the movement in lease liabilities

(₹ In Crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance as at 1st April, 2021	83.82	83.20
Additions	16.39	11.53
Derecognise	(1.14)	(0.20)
Finance cost accrued during the period	8.21	7.64
Payment of lease liabilities	(20.17)	(18.34)
Balance as at 31st March, 2022	**87.11**	**83.82**

B) Maturity Analysis of Lease Liabilities

(₹ In Crores)

	As at 31st March, 2022
Maturity Analysis - Contractual undiscounted Cash Flows	
Less than one year	20.95
One to five years	73.24
More than five years	13.67
Total Undiscounted Lease Liabilities	**107.87**
Lease Liabilities included in the Statement of Financial Position	
Non Current	72.14
Current	14.98
Total	**87.11**

C) Amount Recognized in the Statement of Profit & Loss

(₹ In Crores)

	For the year ended 31st March, 2022
Interest on Lease Liabilities	7.83
Depreciation on Lease Asset	15.12

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 31).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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 (value of equity shares) In ₹
1. Vaishak Shares Limited	2.00
2. Synectic Management Services Pvt Ltd	2.00
3. Cobra India (Mauritius) Limited	196,416.00
4. Canny Securities Private Limited	300.00
5. Demuric Holdings Private Limited	1,680.00

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. 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 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') engage in 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 has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 29th August, 2022. The Scheme is now effective upon filing of the certified copy of the said Order with Registrar of Companies, Gujarat/Ministry of Corporate Affairs. Accordingly, the Board has approved the financial statements after giving effect to the Scheme. The transaction does not have any impact on the consolidated financial statement.

27 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.

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. .

28 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

Place : Vadodara
Date : 13th September, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

K. G. Ramanathan
Director
(DIN: 00243928)

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

Charandeep Singh Saluja
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	75.80	30.31	13.67	47.44	3.45	35.62	26.36	(10.71)	-	(10.71)	-	100
2	Alnova Pharmaceuticals SA	17.12.2012	USD	75.80	1.50	(0.16)	1.37	0.03	-	-	16.12	0.00	16.11	-	100
3	Alembic Pharmaceuticals Australia Pty Ltd	18.01.2013	AUD	55.72	4.60	(1.75)	2.85	-	-	-	(0.25)	-	(0.25)	-	100
4	Alembic Pharmaceuticals Canada Ltd	23.04.2014	CAD	60.48	0.06	(1.22)	0.33	1.49	-	-	(0.42)	-	(0.42)	-	100
5	Alembic Pharmaceuticals Europe Limited	23.08.2012	EUR	84.24	13.48	(10.18)	3.30	-	-	-	0.03	-	0.03	-	100
6	Alembic Pharmaceutical Inc.	18.06.2015	USD	75.80	30.12	274.59	1,421.03	1,116.31	94.74	1,815.75	76.39	13.59	62.80	-	100
7	Genius LLC	26.10.2014	UAH	2.69	0.68	(0.48)	0.21	-	-	-	(0.01)	-	(0.01)	-	100
8	Okner Realty LLC	31.10.2017	USD	75.80	7.58	(0.69)	7.07	0.19	-	-	(0.16)	-	(0.16)	-	100
9	Alembic Labs LLC (formerly Known as Orit Laboratories LLC)	31.10.2017	USD	75.80	87.16	(171.91)	7.74	92.48	-	1.70	(22.16)	-	(22.16)	-	100

Notes:

1 Names of subsidiaries which are yet to commence operations - NA
2 Names of subsidiaries which have been liquidated or sold during the year - NA
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	31.03.2022	1,000,000	3.00	50%	NA	NA	2.18	0.21	0.21
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	06.11.2008	31.03.2022	62,000	15.38	50%	NA	NA	37.99	5.14	5.14
3	Dahlia Theraputics SA	26.11.2014	31.03.2022	50,000	0.38	50%	NA	NA	(0.48)	(0.07)	(0.07)
4	Rhizen Pharmaceuticals Inc	30.09.2016	31.03.2022	5,000	0.04	50%	NA	NA	0.00	-	-
5	Alembic Mami SPA	17.10.2014	31.03.2019	34,297	49.95	49%	NA	NA	(14.74)	-	-
6	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd	19.06.2020	Not Available	440,000	0.47	44%	NA	NA	NA	NA	NA

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. - NA

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

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

K. G. Ramanathan
Director
(DIN: 00243928)

Charandeep Singh Saluja
Company Secretary

Alembic Pharmaceuticals Limited

CIN: L24230GJ2010PLC061123
Regd. Office: Alembic Road, Vadodara - 390 003
Tel: +91 265 2280550
Website: www.alembicpharmaceuticals.com | E-mail Id: apl.investors@alembic.co.in

Notice

Notice is hereby given that the 12th Annual General Meeting of the Members of **Alembic Pharmaceuticals Limited** will be held on Friday, the 11th November, 2022 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, 2022 and the Reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of Interim Dividend on equity shares for the financial year 2021-22.

3. To appoint a Director in place of Mr. Shaunak Amin (DIN: 00245523), 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:**

   Re-appointment of Mr. Shaunak Amin (DIN: 00245523) as Managing Director of the Company:

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof) read with Schedule V to the Act and the rules framed thereunder and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company, be and is hereby accorded for the re-appointment of Mr. Shaunak Amin (DIN: 00245523) as Managing Director of the Company, liable to retire by rotation, for a period of 5 years w.e.f. 2nd May, 2023, on such terms and conditions including remuneration as mentioned in the explanatory statement annexed to this Notice.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the remuneration and terms and conditions of said appointment to the extent recommended by the Nomination and Remuneration Committee, from time to time, as may be considered appropriate, subject to the overall limits specified in the Act and as may be agreed to between the Board of Directors and Mr. Shaunak Amin.

   RESOLVED FURTHER THAT the Board of Directors of the Company 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 2022-23:

   "**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 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 2022-23 amounting to ₹2.10 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, 21/2021 dated 14th December, 2021 and 02/2022 dated 5th May, 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 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 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 and the resolution for the agenda item at sr. no. 4 shall also be treated as compliance with the requirements of Section 190 of the Act.

6. The details of the Director seeking 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 to the Company at apl.investors@alembic.co.in from their registered Email Id mentioning their name, DP ID and Client ID / Folio No., PAN and Mobile No.

8. 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

9. All the work related to share registry in terms of both physical and electronic, are being conducted

Notice (Contd.)

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.

10. 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.

11. Process for registration/updation, pertaining to the name, postal address, e-mail address, telephone/ mobile number, Permanent Account Number (PAN), nomination, power of attorney, bank details such as name of the bank, branch name, bank account number, MICR code, IFSC code, etc.:

    i. In case shares are held in physical mode, members are requested to submit their service request(s) in the form(s) prescribed under SEBI Circular Nos. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021. 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

    ii. In case shares are held in demat mode, members are requested to update with their Depository Participant(s).

12. 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.

13. The Company has obtained extension of time from the Registrar of Companies, Gujarat to hold the AGM for the financial year 2021-22, on or before 30th December, 2022, in view of the then pending approval to the Scheme of Arrangement in the nature of Amalgamation of Aleor Dermaceuticals Limited with the Company. This AGM is being convened within such approved timelines.

14. **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. 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 8th November, 2022 (9:00 a.m. IST) and ends on Thursday, the 10th November, 2022 (5:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, the 4th November, 2022 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."

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:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 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 account(s) 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. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual AGM & e-Voting during the meeting.

Notice (Contd.)

Type of shareholders	Login Method
	2. If the user is 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/Creditor' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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 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. 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
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
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 respective websites.

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 1800-224-430
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 022-23058738 or 022-23058542-43

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 EVEN is 101456 and folio number is 001*** then user ID is 101456001***

Notice (Contd.)

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 122565" 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. Soni Singh at evoting@nsdl.co.in

15. **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 remote e-Voting instructions mentioned in this Notice.

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 their Board Resolution/Authority letter authorizing person(s) to attend the AGM through VC/OAVM, 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. 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 7th November, 2022 to 9th November, 2022. 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. Soni Singh, Assistant Manager, NSDL on evoting@nsdl.co.in/ 1800-1020-990 and 1800-224-430.

16. **Recommendation to the Members:**

It is recommended to join the AGM through laptop for better experience. Members will be required to allow camera and 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,

Charandeep Singh Saluja
Company Secretary

Date: 13th September, 2022
Place: Vadodara

Notice (Contd.)

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 4

Mr. Shaunak Amin was appointed as Managing Director of the Company for a period of 5 years w.e.f. 2nd May, 2018. Accordingly, the present term of his office will come to an end on 1st May, 2023.

Mr. Shaunak Amin is heading India Branded Business of the Company. The Company has made rapid progress and shown healthy growth in terms of revenues as well as in terms of profits under his leadership. Hence, his continued services would immensely benefit the Company.

The Board of Directors at its meeting held on 2nd May, 2022, based on the recommendation of Nomination and Remuneration Committee and subject to member's approval, approved the re-appointment of Mr. Shaunak Amin as Managing Director of the Company for a period of five years w.e.f. 2nd May, 2023.

Mr. Shaunak Amin has been a Director in the Company since 2013 and was appointed as Joint Managing Director in April, 2015 and thereafter Managing Director in April, 2016. He also serves as a director on the board of Shreno Limited and Incozen Therapeutics Private Limited.

The remuneration payable to Mr. Shaunak Amin may exceed the ceilings prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations, 2015 and hence requires approval of the members by way of a Special Resolution.

Terms and Conditions of Appointment:

Term: Period of 5 years w.e.f. 2nd May, 2023

Remuneration:

Basic Salary, Perquisites and other allowance/benefits (as per the rules of the Company) up to maximum CTC of ₹25 Crores per annum, as may be determined by the Board of Directors of the Company from time to time within the above referred limit.

Commission:

In addition to the salary, perquisites and other allowances/benefits as mentioned above, Mr. Shaunak Amin shall also be paid commission upto a maximum of 1% of the net profits, as may be determined by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee for each financial year, subject to overall ceilings stipulated in Section 197 of the Act.

The Board of Directors recommends the resolution set forth at Item No. 4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Chirayu Amin, Mr. Pranav Amin and Mr. Shaunak Amin and their relatives, has any concern or interest, financial or otherwise, in the resolution set forth at Item No. 4 of this Notice.

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 2nd May, 2022, 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 2022-23.

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 2022-23 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,

Charandeep Singh Saluja
Company Secretary

13th September, 2022
Place: Vadodara

Annexure – A

Details of the Director seeking 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. Shaunak Amin
Age	44 years
Qualifications	B.A.
Experience	18 years
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	The details are provided in the resolution at Item No. 4 of this Notice
Nature of expertise in specific functional areas	Management & Leadership
Date of first appointment on to the Board	2nd May, 2013
Directorship in other companies as on 31st March, 2022	1. Shreno Limited 2. Incozen Therapeutics Private Limited
Name of the listed entities from which he resigned in the past three years	Nil
Chairmanship/Membership of Committees of other Board	Nil

For other details such as number of meetings of the board attended during the year, remuneration drawn, no. of shares held in the Company as on 31st March, 2022 and relationship with other directors and key managerial personnel in respect of above Director, please refer Corporate Governance Report which is part of this Annual Report.


Alembic
Touching Lives over 100 years