Alembic
Touching Lives over 100 years

Alembic Pharmaceuticals Limited
Business Update on Financial Year 2021-22

PATIENCE & PERSEVERANCE

Contents

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)

9.2%
EBITDA
(5-yr CAGR)

6.3%
Net Profit
(5-yr CAGR)

Patience & Perseverance
builds

131
ANDA pipeline as on March 31, 2022
Against 102 as on March 31, 2016

149
Filings across the globe (RoW) as on March 31, 2022
Against 78 as on March 31, 2016

9
Manufacturing facilities as on March 31, 2022
Against 5 as on March 31, 2016

11,974
Team size as on March 31, 2022
Against 8,007 as on March 31, 2016

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 -in the US market, timely filling is a critical parameter to securing business and sustaining business 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 – technicaly and behaviouraly. 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%.

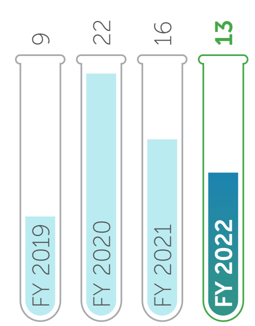
2) We told customers 'NO'.

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.

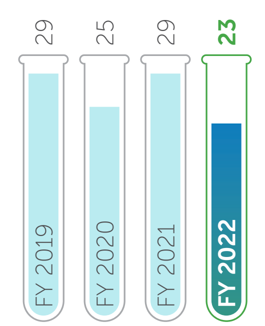
3) We built our product portfolio and capacity.

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 (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.

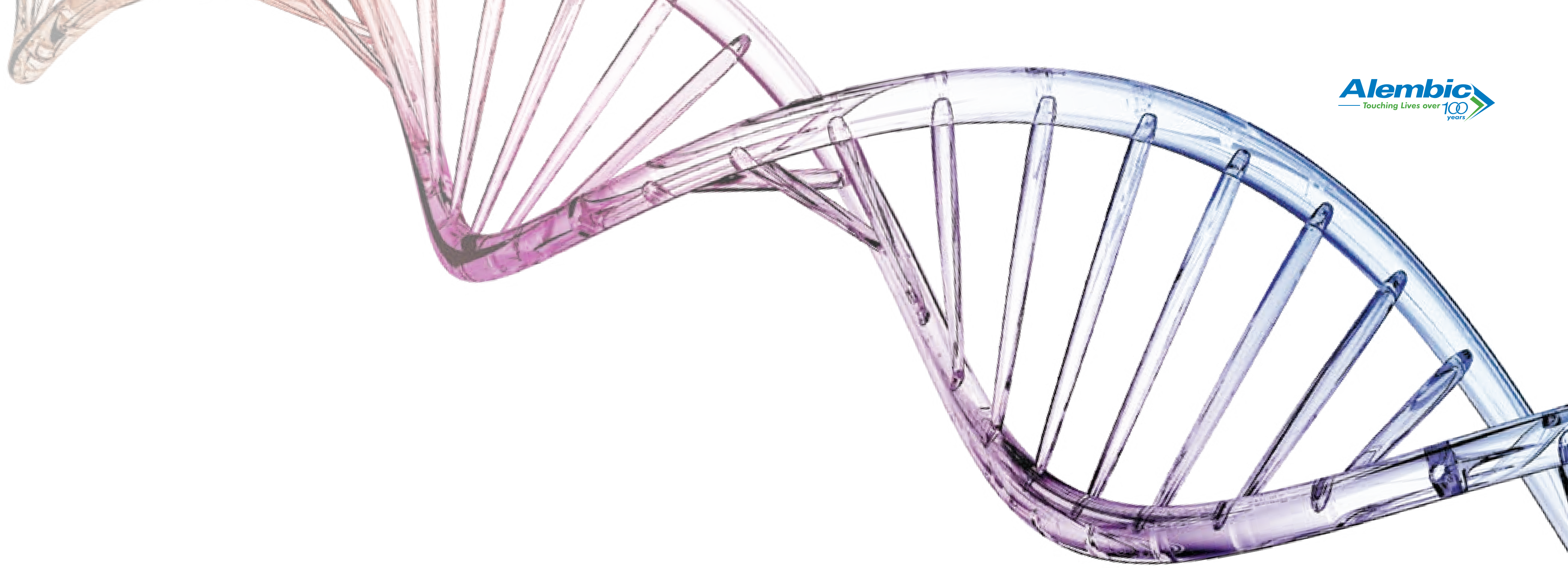
As such, every nation mandate diverse regulatory compliance, which have become increasingly stringent with each passing year. Some markets have become even more stringent than the US.

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+

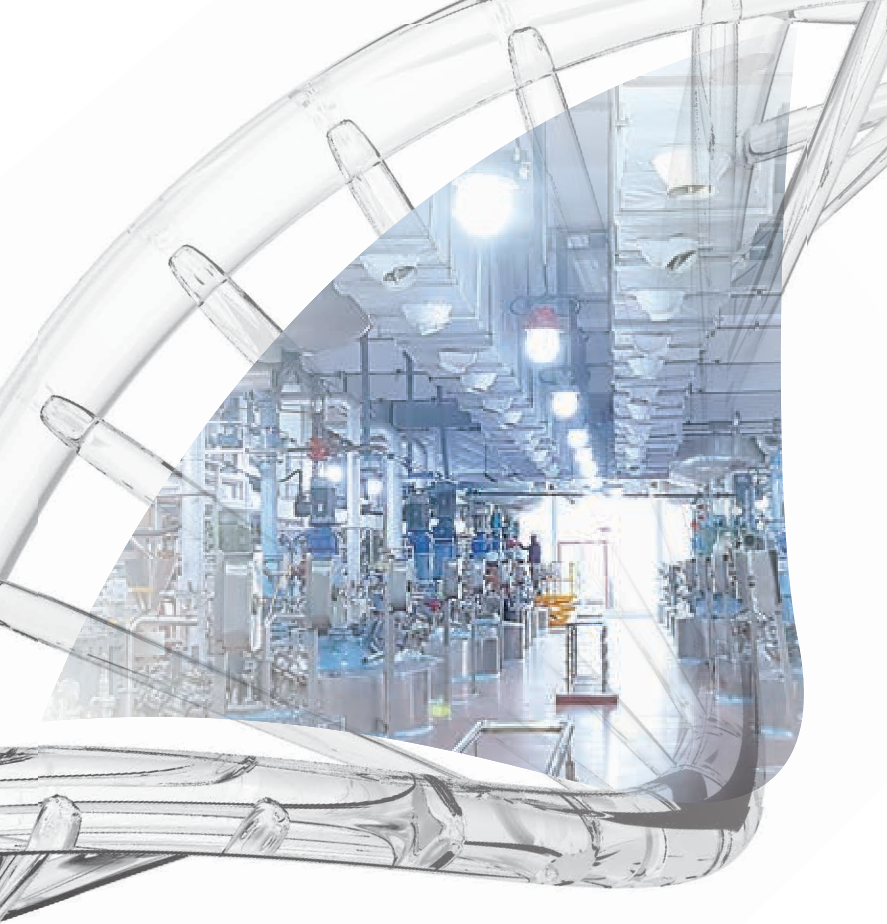
Product Dossiers in geographies of our presence as on March 31, 2022

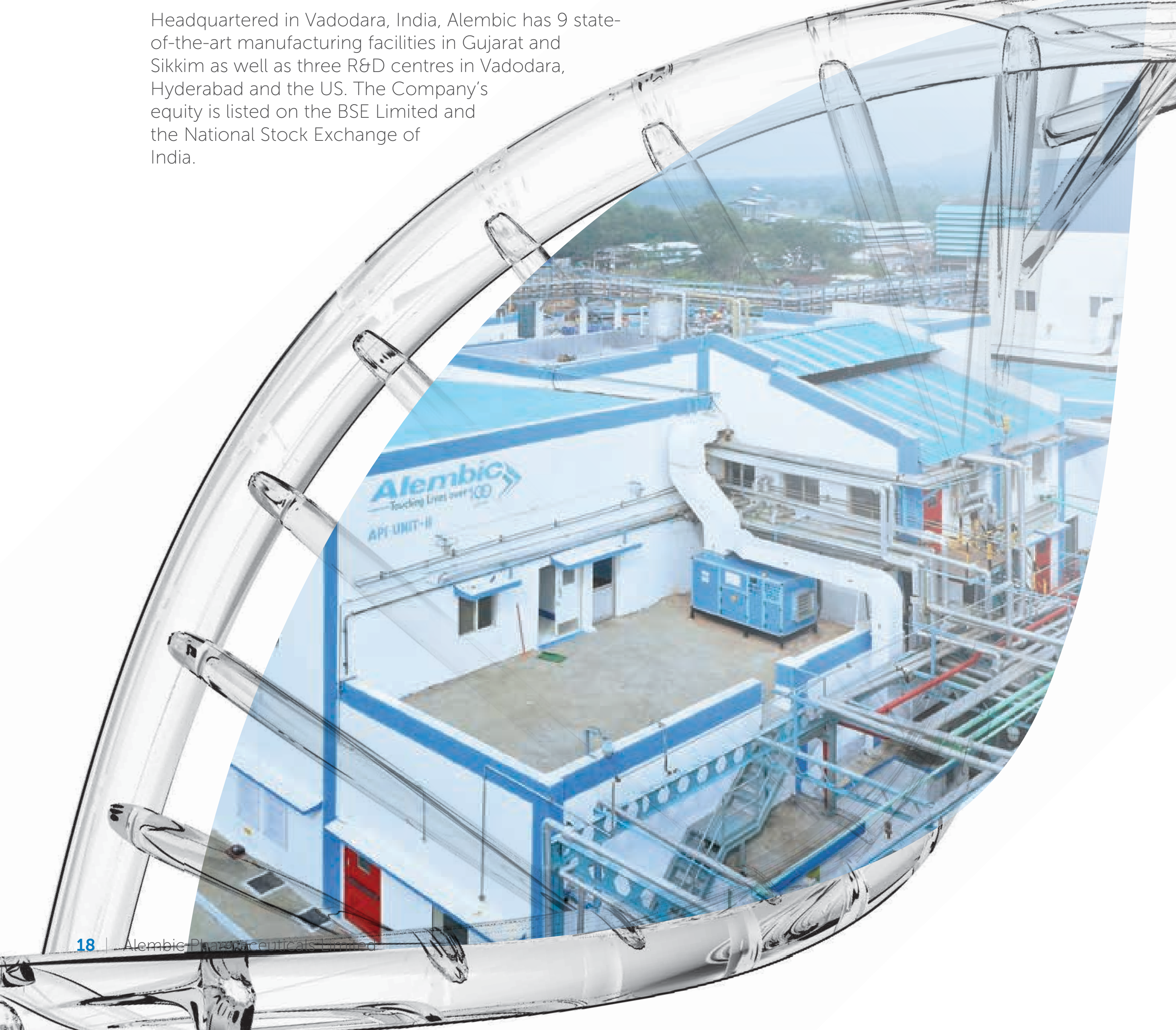
About the Company

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.

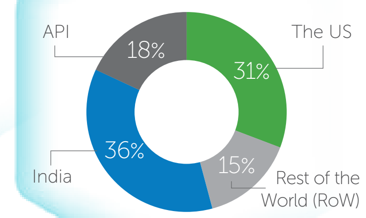




Revenue

5,306
(₹ crore)

Revenue split



Our wealth creation

546	27.76	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	11,974
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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue (₹ crore)	3,131	3,935	4,606	5,393	5,306
EBITDA (₹ crore)	642	875	1,213	1,631	955
Profit after Tax (₹ crore)	413	584	829	1,178	546
Net Cash from Operations (₹ crore)	312	812	449	1,463	552

Profitability

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
EBITDA margin (%)	21	22	26	30	18
Net Profit margin (%)	13	15	18	22	10
Return on Capital Employed (%)	25	30	32	41	19*
Return on Equity (%)	19	21	26	29	11

*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 deliberately 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.

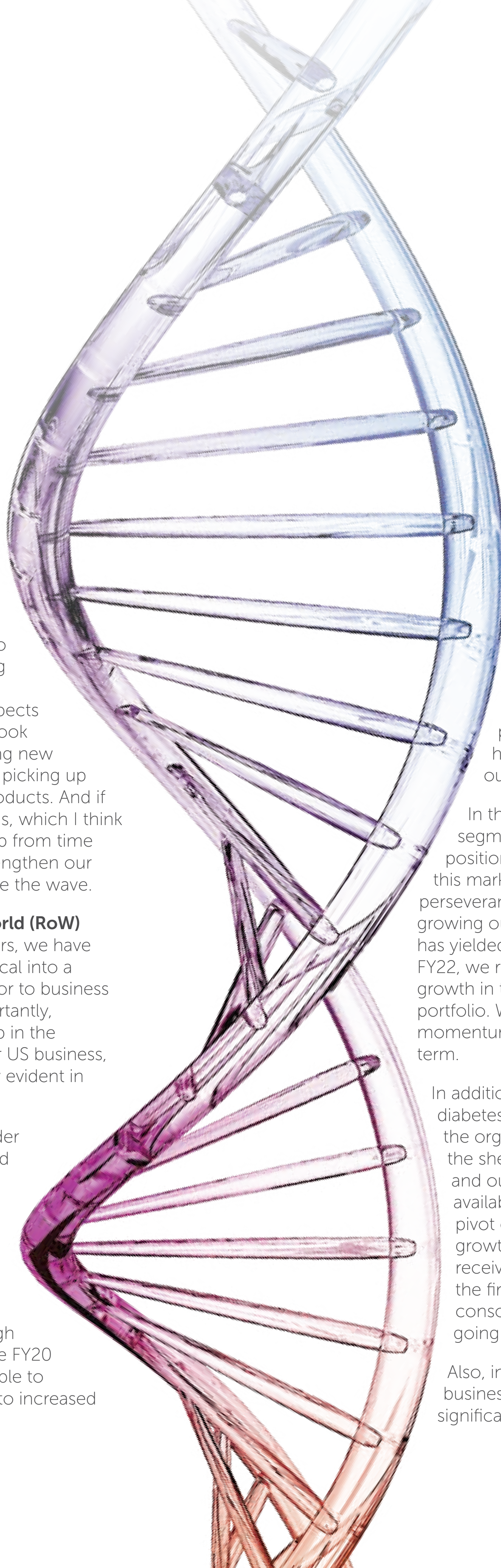
Additionally, we aggressively pursued cost optimisation initiatives, supply chain volume growth, picking up business, bidding for new businesses, rationalising some R&D spend and other expenses. This will be an ongoing journey moving forward.

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 subject to various regulatory approvals. 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 deliberately 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.

Rhizen, making solid progress

Rhizen Pharmaceuticals AG, based out of Basel, Switzerland of which Alembic owns 50% equity has done remarkable progress on variety of new molecules under development. Rhizen's R&D engine is now a proven model. Alembic's added CMC capability can support Rhizen pipeline across all development stages and also through validation and commercialization to help NDA approvals.

Umbralisib was commercialized in the US by our partner TG Therapeutics for r/r MZL & FL. (Brand Name: UKONIQ), while we a wait approval for CLL. We believe that there is sizable upside potential for U2 (Combination product with CD20 antibody of TG) given CLL market size and combination opportunity with approved standard of care viz Venetoclax & BTKi.

Interestingly, Tenalisib, our differentiated PI3K δ/γ & SIK3 inhibitor is now in Ph1/2 solid tumour trials. A differentiated PARP inhibitor RP12146 is expected to enter Phase 2 trials in various Platinum resistant and sensitive cancers soon. Rhizen also has first to best in class discovery programmes in precision oncology space. All in all, Rhizen's commitment to discover and develop novel treatment regimens in Oncology has been deeply strengthened in this financial year.

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 at 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.

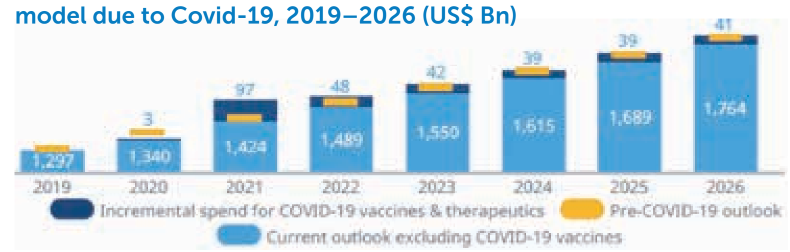
Several high frequency indicators have reached pre-Covid levels. Even the contact intensive and mobility dependent sectors like hospitality, aviation and tourism bounced back sharply from the second wave

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

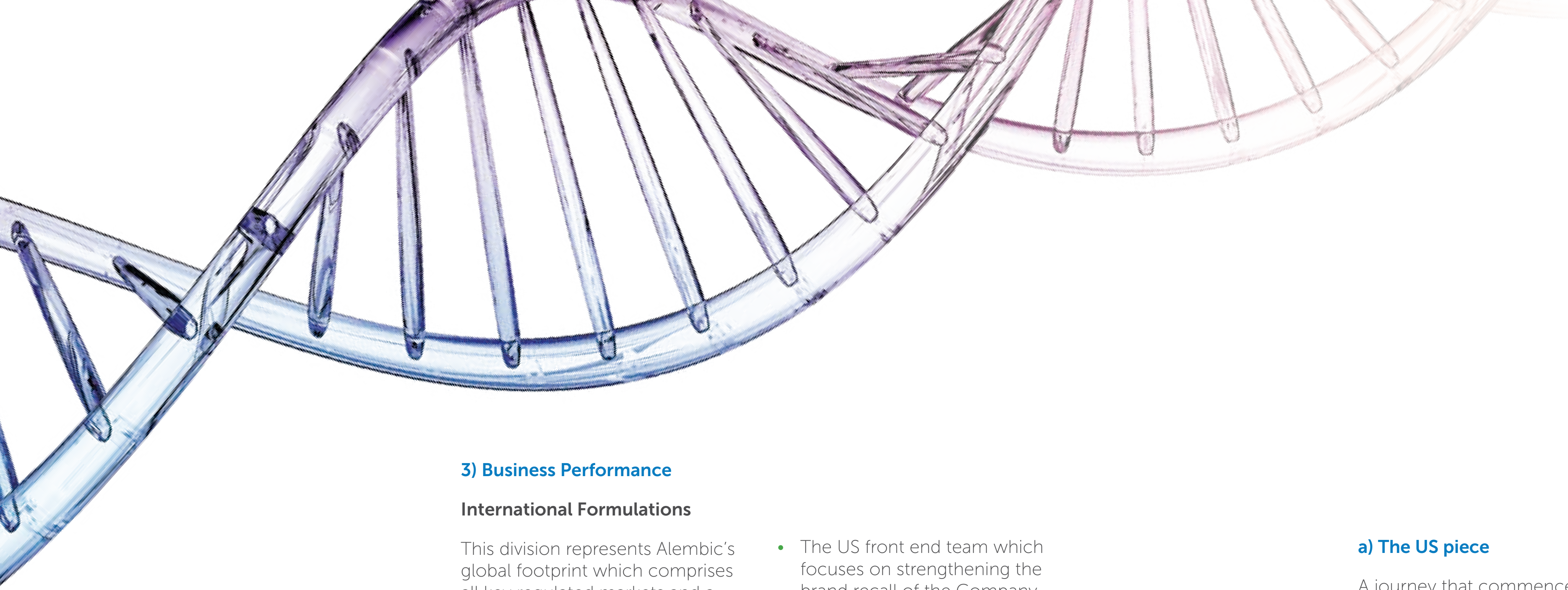
Rise in E-pharmacies: The Covid-19 pandemic has forced people to buying medicines online from the earlier brick-and-mortar pharmacies. With the rise in popularity, it is expected that the growth of e-pharmacies will continue strongly, and the overall number of households served is set to cross the 70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

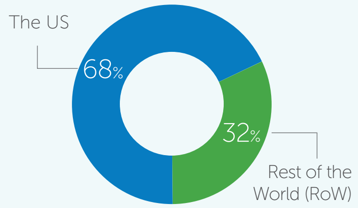
This division represents Alembic's global footprint which comprises all key regulated markets and a host of pharmerging markets, both of which are essential for the Company's sustained success in the pharmaceuticals space.

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.

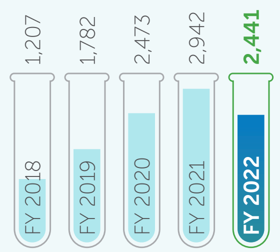
Patient perseverance over the last decade, has allowed Alembic to establish a strong presence in these high potential markets. During the last five years, the Company invested considerable resources in new therapies and delivery platforms namely Dermatology, Ophthalmology, Oncology, and Injectable Formulations.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

Revenue mix



2,441
Revenue
(₹ crore)

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)

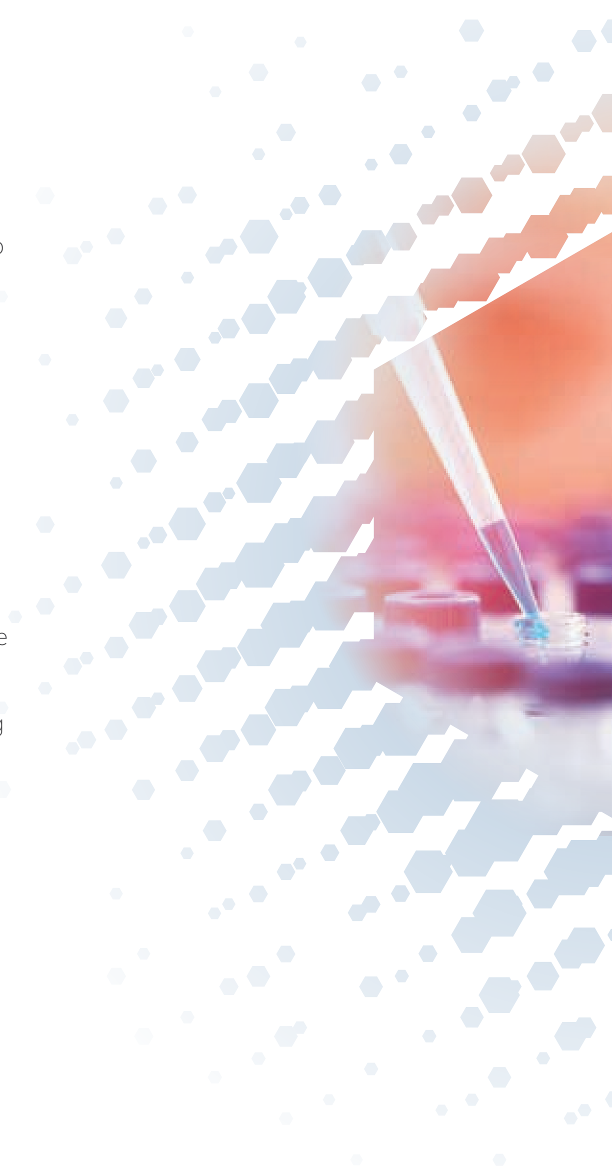
b) Rest of the World (RoW)

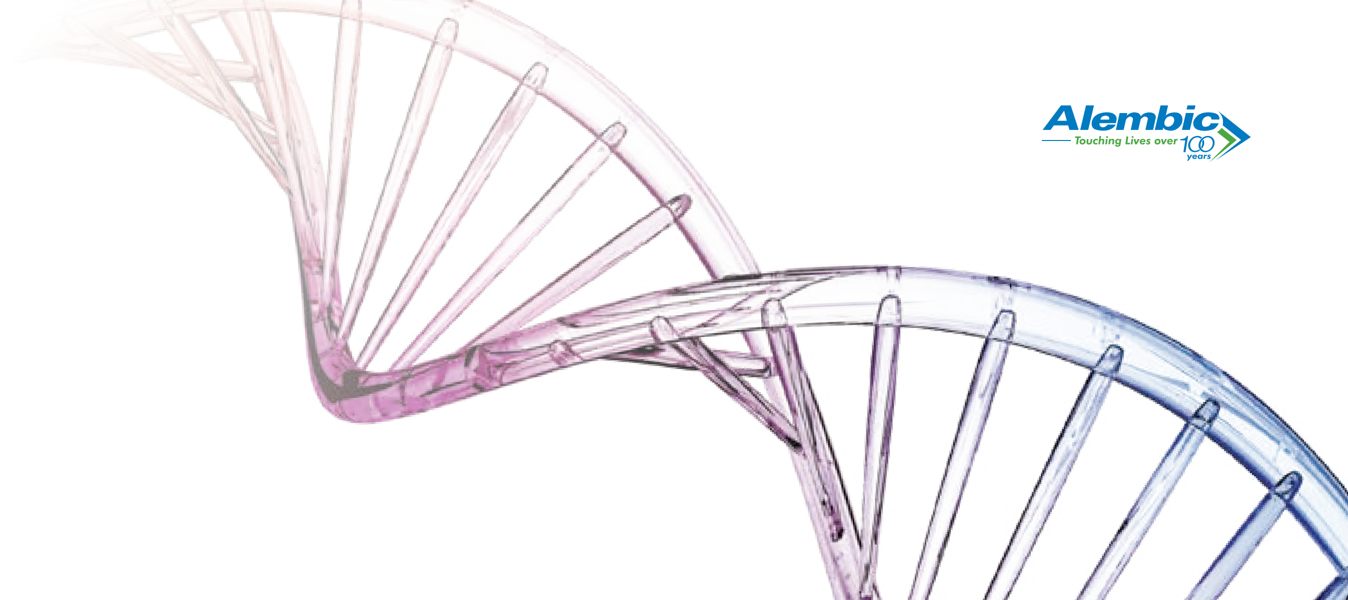
From being a fledgeling a few years ago, Alembic has put in considerable effort in graduating this vertical as an important flanking business that ably supports overall business growth. Over the years, the Company has achieved an active presence in 6+ geographies, which includes regulated and pharmerging 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 about 9-10 strong 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.

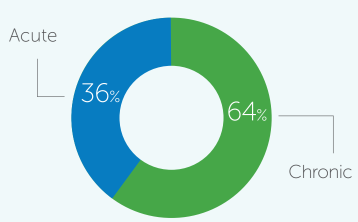
FY22: Key highlights

- 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

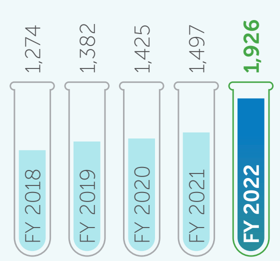
1,926
Revenue
(₹ crore)

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.

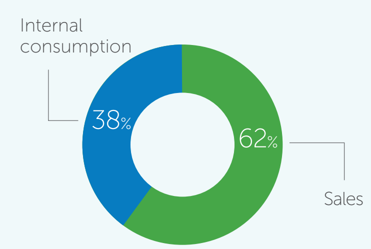
FY22: Key highlights

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.

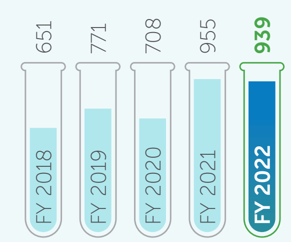
939
Revenue
(₹ crore)

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)	₹**5,238** 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	**11,974**
	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

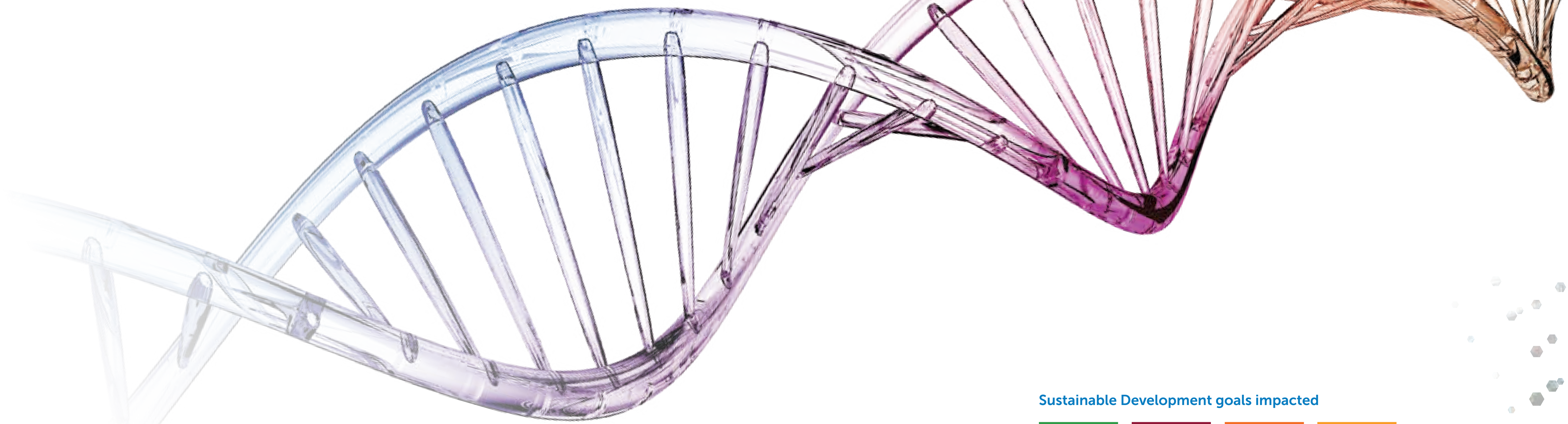
OUTCOME

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	₹**955** crore
	EBITDA margin	**18**%
	Net Profit	₹**546** crore
	Capital Employed (March 31, 2022)	₹**5,238** 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 beneficiaries	₹**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.



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 (Aleor JV) 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

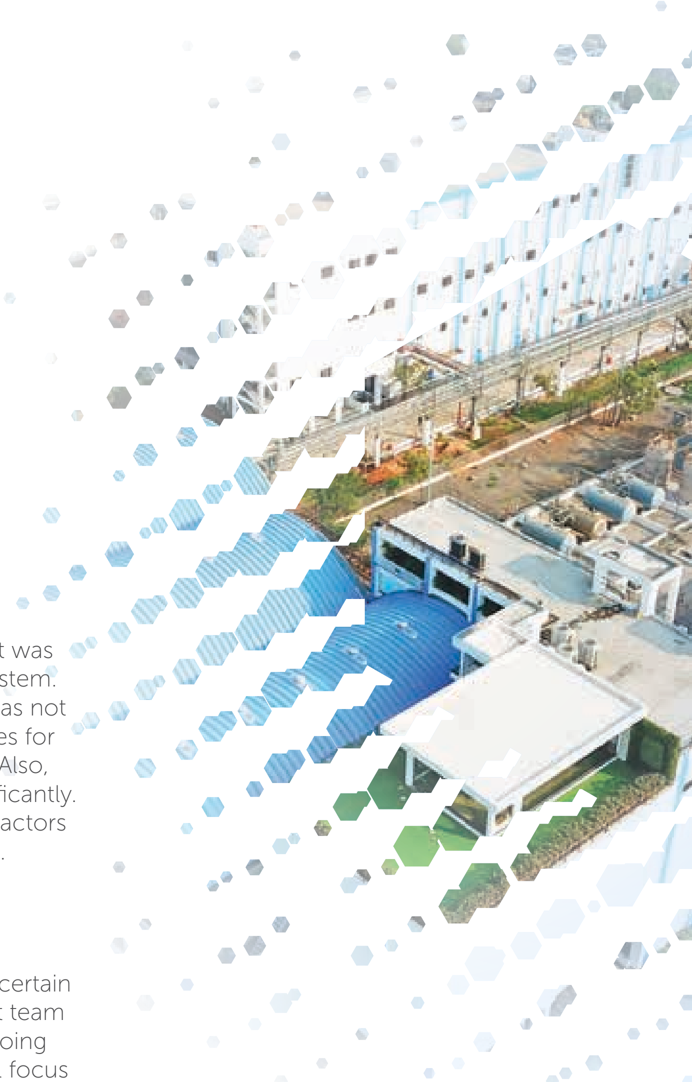
Over the last two years, which marred normal operations, the operations team focused their efforts on enhancing capabilities. The team worked upon commissioning new technologies for its APIs (at the Panelav unit) which promises to improve yields among other benefits. The team, along with its R&D colleagues 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.

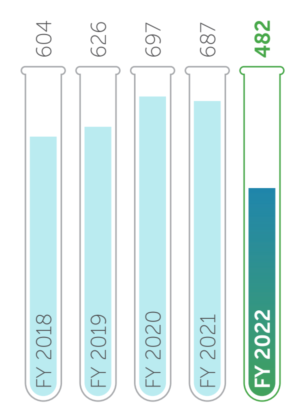
FY23: the strategy

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.

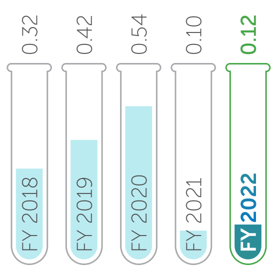
The Company invested ₹482 crore in augmenting capacities and strengthening capabilities – it marks the end to our long capex journey it embarked upon in 2016-17. Having invested ₹2100+ crs in new projects over the last few years in a phased manner, Alembic has been able to maintain a low-debt equity (Net)of 0.11 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.

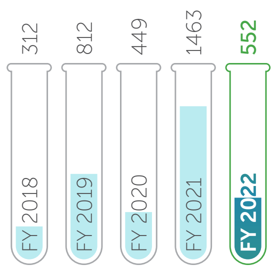
On the working capital side, the team has been very agile to ensure that receivables translate into cash at the earliest. Multiple teams persevered to maintain a stringent control inventory of finished goods, especially in the domestic market, which helped in maintaining a comfortable working capital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

Sustainable Development goals impacted

Gross Debt-equity (X)



Net cash flow from operations (₹ crore)



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.

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.

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.

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

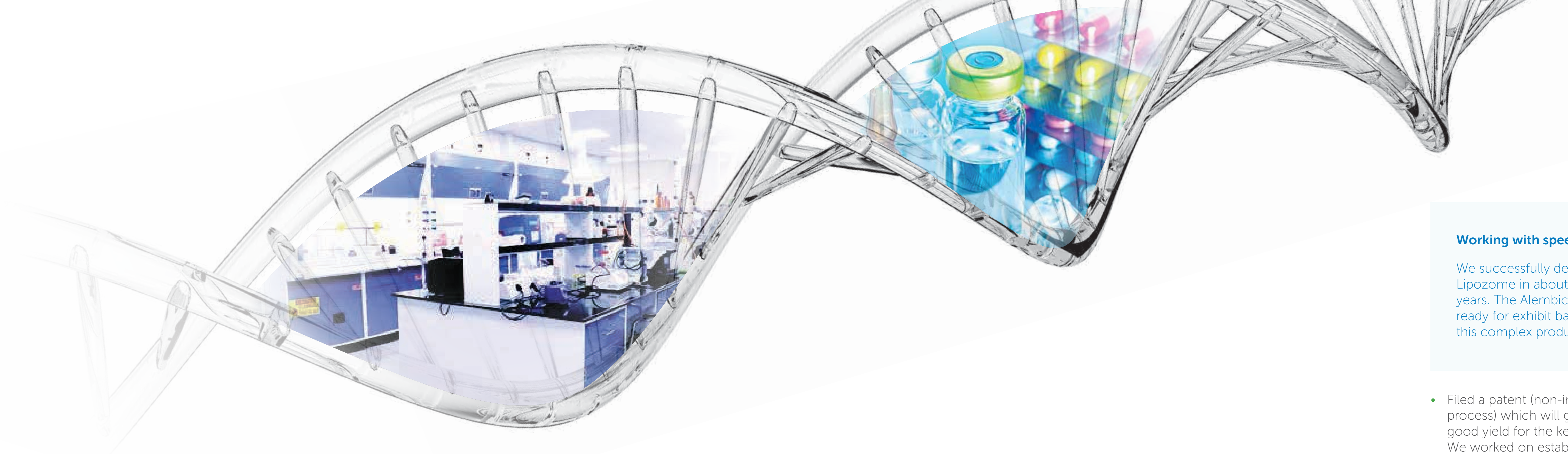
Alembic is a research-led company that leverages its R&D expertise to develop niche products that allows the Company to establish an entrenched presence in geographies and markets of its choice. The strong focus on R&D is reflected in the fact that the Company has three R&D segments – formulations, API 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.

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.

Working with speed

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

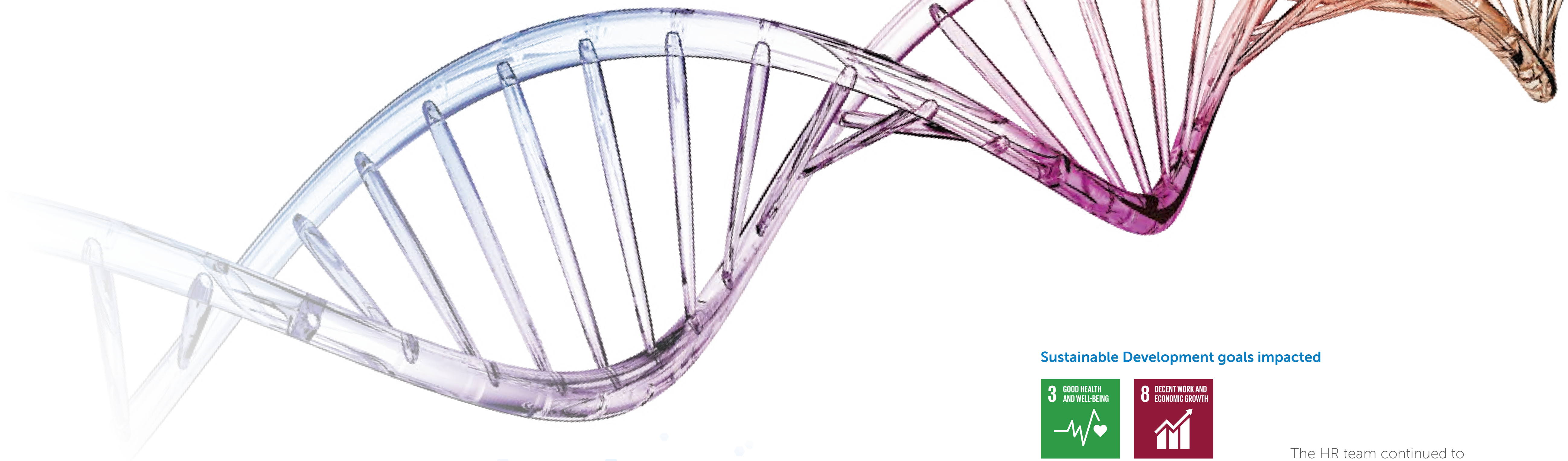
30

Product pipeline with the 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.



11,974
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.

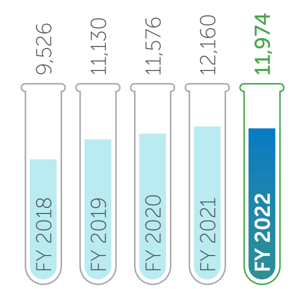
Key initiatives during the year

- Right-sized the organisation in keeping with current and future people requirement.
- Initiated the Gallop 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



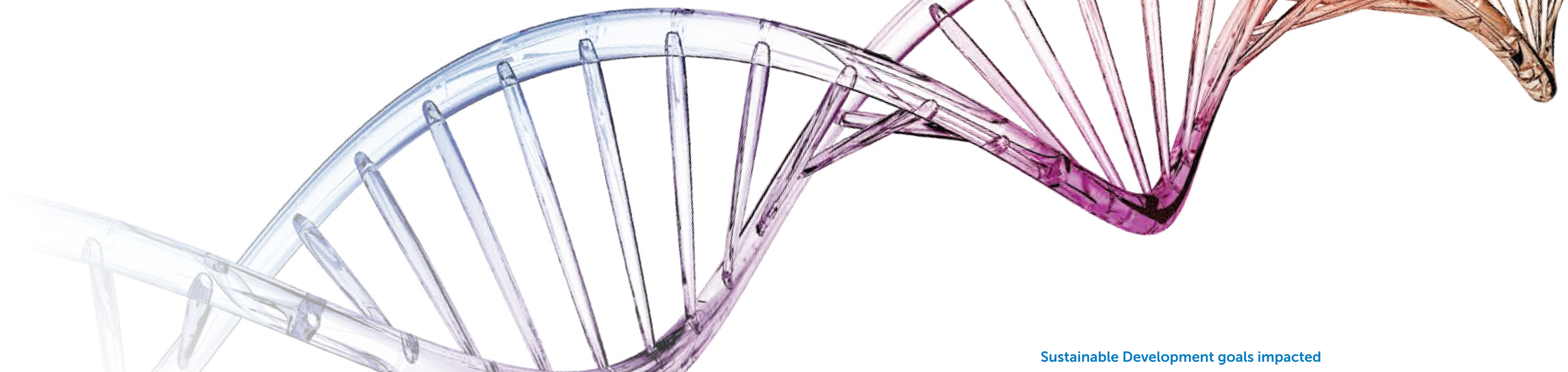
Patience & Perseverance

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

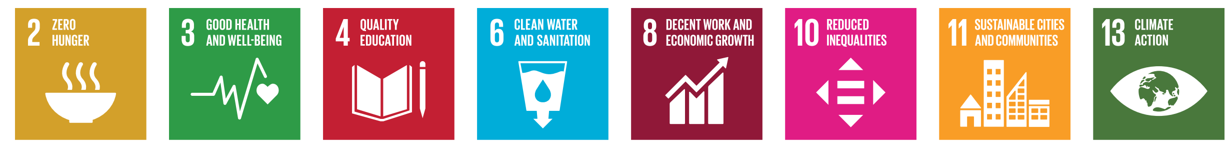
Community well-being is deeply ingrained in Alembic's culture which integrates it with the wider world. The Company has institutionalised the stakeholder engagement model to understand the core requirements and concerns of communities around its operating facilities and undertake concrete steps for their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



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 360^0 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, 36000+ face masks, 2000 blood pressure cuffs, 2000 stethoscope covers and 1000 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
- 43000+ 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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

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 all 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 is the Managing Director of Alembic Pharmaceuticals Ltd. and heads the international business unit of the organisation. After joining the organisation, he took charge as a Managing Director in 2016. 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.

Standalone Financial Statements

Standalone Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	1,472.13	1,452.83
(b) Capital work-in-progress	28(16)	2,200.22	1,927.63
(c) Investment Property	4	8.35	8.35
(d) Financial Assets :-			
(i) Investments	5	1,209.79	978.25
(e) Other Non-Current Assets- Capital Advance		32.46	35.17
Total non-current assets		**4,922.96**	**4,402.23**
(2) Current Assets			
(a) Inventories	6	1,367.62	1,316.78
(b) Financial Assets			
(i) Investments	7	-	186.97
(ii) Trade receivables	8	975.13	407.90
(iii) Cash and cash equivalents	9	11.10	53.44
(iv) Bank balances other than cash and cash equivalents	10	8.29	7.78
(v) Other financial assets	11	22.83	51.09
(c) Current Tax Assets (Net)	28(9)	22.11	8.78
(d) Other current assets	12	205.45	341.21
Total current assets		**2,612.53**	**2,373.95**
TOTAL ASSETS		**7,535.49**	**6,776.18**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	39.31	39.31
(b) Other Equity	14	5,730.16	5,214.93
Total equity		**5,769.47**	**5,254.24**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	-	199.89
(ia) Lease liabilities	28(22)	58.39	67.73
(b) Provisions	16	95.19	84.73
(c) Deferred tax liabilities (Net)	17	46.40	46.12
Total non-current liabilities		**199.99**	**398.47**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	629.99	299.90
(ia) Lease liabilities	28(22)	13.93	12.17
(ii) Trade payables	19		
A) Total outstanding dues of Micro and Small enterprises		7.14	15.31
B) Total outstanding dues of others		553.79	501.63
(iii) Other financial liabilities	20	170.82	165.64
(b) Other current liabilities	21	126.80	75.49
(c) Provisions	22	63.57	51.60
(d) Current Tax Liabilities (Net)	28(9)	-	1.72
Total current liabilities		**1,566.04**	**1,123.46**
TOTAL EQUITY AND LIABILITIES		**7,535.49**	**6,776.18**
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.**
Chartered Accountants
Firm's Registration No. 106237W

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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

Charandeep Singh Saluja
Company Secretary

Standalone Statement of Profit & Loss

for the year ended 31st March, 2022

(₹ in Crores)

	Particulars	Note No	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	**Revenue from Operations**	23	4,996.60	5,051.44
II	Other Income	24	49.98	83.52
III	**Total Income**		**5,046.58**	**5,134.96**
IV	**Expenses**			
	Cost of Materials Consumed	25	1,111.75	1,175.71
	Purchase of Stock-in-Trade		353.35	279.33
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	25	18.41	(157.13)
	Employee Benefits Expense	26	1,028.18	948.27
	Finance Costs	28(19)	16.67	12.77
	Depreciation and Amortization Expense	3	179.31	152.60
	Other Expenses	27	1,430.45	1,306.82
	Total Expense (IV)		**4,138.13**	**3,718.36**
V	**Profit Before Tax (III-IV)**		**908.45**	**1,416.60**
VI	**Tax Expense**	28(9)		
	(i) Current Tax		115.70	241.20
	(ii) Short/(Excess) Tax Provision		(1.25)	-
VII	**Profit after Tax (V-VI)**		**794.00**	**1,175.39**
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit / (Loss)		(4.02)	(1.06)
	(ii) Income tax relating to items that will not be reclassified to Profit / (Loss)		0.70	0.19
	Total Other Comprehensive Income (VIII)		**(3.32)**	**(0.88)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**790.68**	**1,174.52**
X	Earnings per equity share (FV ₹2/- per share) :			
	Basic & Diluted (in ₹)	28(1)	40.39	60.67
	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.**
Chartered Accountants
Firm's Registration No. 106237W

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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**	**2,592.92**	**-**	**(21.14)**	**5,214.93**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance As at 1st April, 2021	**748.39**	**1,769.77**	**125.00**	**2,592.92**	**-**	**(21.14)**	**5,214.93**
Total Comprehensive Income for the current year	-	-	-	794.00	0.21	(3.53)	790.68
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**	**3,111.73**	**0.21**	**(24.67)**	**5,730.16**

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**
Total Comprehensive Income for the previous year	-	-	-	1,175.39	-	(0.88)	1,174.52
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**	**2,592.92**	**-**	**(21.14)**	**5,214.93**

The accompanying notes form an integral part of these Standalone financial statements (note1-28).

As per our report of even date

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

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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	908.45	1,416.60
	Adjustments for:		
	Depreciation and amortisation	179.31	152.60
	Interest charged	16.67	12.77
	Interest Income	(1.69)	(1.69)
	Dividend Income / Gain on Sale of Investments	(1.99)	(4.28)
	Unrealised foreign exchange gain / (loss) (net)	36.71	(94.17)
	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)
	Operating Profit before change in working capital	1,136.86	1,479.45
	Working capital changes:		
	(Increase) In Inventories	(50.84)	(243.60)
	(Increase)/Decrease In Trade Receivables	(574.81)	379.20
	(Increase)/Decrease In Other Assets	133.79	(143.48)
	Increase In Trade Payables	43.06	126.08
	Increase In Other Liabilities	43.71	104.20
	Increase In Provisions	18.16	23.90
	Cash generated from operations	749.95	1,725.75
	Direct taxes paid (Net of refunds)	(128.80)	(240.45)
	Net Cash inflow from Operating Activities (A)	**621.15**	**1,485.30**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Proceeds from Sale of Asset	1.39	0.27
	Interest received	1.69	1.69
	Dividend / Gain on Sale of Investments received	1.99	4.28
	Purchase of property, plant & equipment and Capital Advance	(408.11)	(601.14)
	Investment in Subsidiary / LLP & Others	(231.29)	(145.00)
	(Purchase) / sale of current investments (net)	186.97	(185.64)
	Net Cash inflow from Investing Activities (B)	**(447.36)**	**(925.55)**

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	(19.32)	(18.19)
	Increase in Restricted Bank Balances other than Cash & Cash Equivalents	(0.00)	(0.09)
	Dividends paid	(275.19)	-
	Interest and other finance costs (including borrowing cost capitalised)	(51.60)	(70.11)
	Net Cash inflow from Financing Activities (C)	**(216.13)**	**(533.61)**
I	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**	**(42.34)**	**26.15**
II.	a) Cash and cash equivalents at the beginning of the Year	53.44	28.22
	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)**	**11.10**	**53.44**
IV.	**Cash and cash equivalents at the end of the period**		
	Balances with Banks	10.72	53.18
	Cash on hand	0.38	0.26
	Cash and cash equivalents	**11.10**	**53.44**

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	1,687.03
Changes from financing cash flow	129.98	(1179.29)
The effect of changes in foreign exchange rates	-	(9.66)
Other changes	0.21	1.72
Closing Balance	**629.99**	**499.8**

The accompanying notes form an integral part of these Standalone financial statements (note1-28).

As per our report of even date

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

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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 May 02, 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 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.

On transition to Ind AS, the Company has elected to continue with the carrying amount of all its Property, Plant & equipment and Investment Property recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 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 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 charge back.

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.

Under defined contribution plans Provident Fund, is contributed to Government administrated provident Fund by subsidiaries

(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.

Notes to the Financial Statements
for the year ended 31st March, 2022

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 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 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 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/Adjustment	2.25	0.34	59.71	199.84	63.41	1.27	0.61	2.95	7.62	-	338.01
Disposals	-	-	-	(0.87)	(0.45)	-	-	-	(0.27)	-	(1.58)
Closing Gross Carrying Amount	**83.28**	**20.70**	**405.20**	**1,077.61**	**351.13**	**23.73**	**16.59**	**11.73**	**99.78**	**-**	**2,089.75**
Accumulated Depreciation	-	11.15	58.14	301.10	82.95	6.09	8.51	3.91	13.37	-	485.21
Depreciation charge during the year	-	0.24	14.96	87.10	30.98	2.22	1.55	1.79	13.77	-	152.60
Disposals	-	-	-	(0.58)	(0.26)	-	-	-	(0.06)	-	(0.90)
Closing Accumulated Depreciation	**-**	**11.38**	**73.10**	**387.62**	**113.67**	**8.31**	**10.06**	**5.70**	**27.08**	**-**	**636.92**
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	**83.28**	**9.31**	**332.09**	**689.99**	**237.47**	**15.42**	**6.53**	**6.03**	**72.70**	**-**	**1,452.83**
Gross carrying amount											
Carrying Amount As at 1st April, 2021	83.28	20.70	405.20	1,077.61	351.13	23.73	16.59	11.73	99.78	-	2,089.75
Additions/Adjustment	-	10.50	17.61	116.46	40.66	1.48	4.49	2.87	1.88	3.51	199.46
Disposals	-	-	-	(0.50)	(0.17)	(0.00)	(0.74)	-	(0.85)	-	(2.26)
Closing Gross Carrying Amount	**83.28**	**31.19**	**422.81**	**1,193.58**	**391.62**	**25.20**	**20.34**	**14.59**	**100.81**	**3.51**	**2,286.95**
Accumulated Depreciation	-	11.38	73.10	387.62	113.67	8.31	10.06	5.70	27.08	-	636.92
Depreciation charge during the year	-	0.24	16.63	104.03	37.33	2.34	2.01	2.22	14.13	0.39	179.31
Disposals	-	-	-	(0.36)	(0.12)	-	(0.68)	-	(0.25)	-	(1.41)
Closing Accumulated Depreciation	**-**	**11.63**	**89.73**	**491.30**	**150.87**	**10.64**	**11.38**	**7.92**	**40.96**	**0.39**	**814.82**
Net Carrying Amount As at 1st April, 2021	83.28	9.31	332.09	689.99	237.47	15.42	6.53	6.03	72.70	-	1,452.83
Net Carrying Amount As at 31st March, 2022	**83.28**	**19.57**	**333.08**	**702.28**	**240.75**	**14.56**	**8.96**	**6.67**	**59.85**	**3.12**	**1,472.13**

Note:

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

2 # Please Refer Note No. 2 (2.17).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

4 Investment Property : Refer Note No. 28(13)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Free Hold Land		
Carrying Amount	8.35	8.35
Additions	-	-
Closing Gross Carrying Amount	**8.35**	**8.35**

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
500,000 (PY: 300,000) equity shares of ₹10 each fully paid up in Aleor Dermaceuticals Limited*	76.60	0.30
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)	0.23	0.23
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	-
Investments in Debentures & Warrants of Subsidiary - Valued at Cost		
Non-Convertible Debentures - Aleor Dermaceuticals Ltd: Considered good	914.00	822.00
Secured CY 30,000 (PY: 30,000) of ₹1,00,000, Unsecured CY 61,400 (PY: 52,200) of ₹1,00,000 each maturing on 14.11.2026		
Debenture carrying coupon rate of 10% & 12% to be accrued only when subsidiary start making cash profit.		
Warrants - Aleor Dermaceuticals Ltd CY 5,39,200 (PY 5,39,200) warrants of ₹1 each	0.05	0.05
Aggregate amount of unquoted Investments	**1,209.79**	**978.25**

*The Company has acquired the entire share holding, in Aleor Dermaceuticals Ltd., a subsidiary, thus making it wholly owned subsidiary during the year.

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	421.37	367.93
Packing Materials	56.72	54.43
Work-in-Process	88.63	66.59
Finished Goods	644.50	709.31
Stock-in-trade	67.97	44.74
Goods in Transit - Finished Goods	48.00	46.87
- Raw Materials	9.69	2.21
Stores and Spares	30.74	24.69
	1,367.62	**1,316.78**

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 ₹6.44 Crores (PY ₹5.51 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	975.13	407.90
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)	**975.13**	**407.90**

Receivables are hypothecated as security for working capital borrowings.
Refer Note No. 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	60.32	0.82	0.52	0.38	0.03	975.13
- 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	**60.74**	**0.84**	**0.61**	**0.70**	**1.66**	**977.61**
Less: Expected Credit loss allowance							2.48
As at 31st March, 2022							**975.13**
Undisputed Trade Receivables							
- Consider Good	200.11	137.76	67.74	1.82	0.11	0.36	407.90
- 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	**138.29**	**67.81**	**2.08**	**0.48**	**1.49**	**410.25**
Less: Expected Credit loss allowance							2.36
As at 31st March, 2021							**407.90**

9 Cash and Cash Equivalents (₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks	10.72	53.18
Cash on hand	0.38	0.26
	11.10	**53.44**

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	1.88	1.88
	8.29	**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	8.26	8.15
Fair valuation of Foreign currency derivative contracts	14.57	42.94
	22.83	**51.09**

Refer Note No. 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	3.64	4.87
Advance to Suppliers	22.63	35.95
Pre-paid Expense	28.70	27.10
Balances with Government Authorities	150.48	273.29
	205.45	**341.21**

13 Equity Share Capital

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
20,00,00,000 - Equity shares of ₹2/- each	**40.00**	**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 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	5,60,97,544	28.54%	5,58,36,503	28.41%
2 Nirayu Limited	7,00,35,435	35.63%	7,00,35,435	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	45,42,529	2.31%	45,42,529	2.31%	0.00%
ii	Pranav Chirayu Amin	10,09,800	0.51%	10,09,800	0.51%	0.00%
iii	Shaunak Chirayu Amin	10,06,980	0.51%	10,06,980	0.51%	0.00%
iv	Alembic Limited	5,60,97,544	28.54%	5,58,36,503	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	3,111.73	2,592.92
(d) Remeasurements of the net defined benefit plan through OCI	(24.67)	(21.14)
(e) Financial Instruments through OCI	0.21	-
(f) Debenture Redemption Reserve	50.00	125.00
Total Other Equity	**5,730.16**	**5,214.93**

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**

Notes:

Effective interest Rate 9.05% and current maturity of ₹200 Crores (Amortisation Adjustment ₹0.01Crs) 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 No. 28(5))		
Provision for Leave benefits	46.91	43.47
Provision for Non-Saleable return of goods (Refer Note No. 28(12))	48.28	41.26
	95.19	**84.73**

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	198.50	188.46
Fair valuation of Investment in mutual funds	-	0.46
a	**198.50**	**188.92**
Deferred Tax Assets		
Provision for Expected credit loss	0.87	0.82
MAT Credit Entitlement	115.63	112.14
Intangible Asset	0.83	1.10
Expenses claimed for tax purpose on payment basis	26.39	21.76
Others	8.38	6.97
b	**152.10**	**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 No. 15)	199.99	299.88
	629.99	**299.90**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

19 Trade Payables

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due to Micro and Small Enterprises (Refer Note No. (28(3))	7.14	15.31
Others	553.79	501.63
	560.93	**516.94**

Refer Note No. 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	11.95	2.67	-	-	-	14.62
ii) Others	406.27	99.37	3.14	5.06	-	513.83
	418.22	**102.04**	**3.14**	**5.06**	**-**	**528.45**
iii) Unbilled Dues						32.48
As at 31st March, 2022						**560.93**
Undisputed trade payables						
i) Micro, Small & Medium Enterprise	23.82	0.61	-	-	-	24.44
ii) Others	354.00	94.96	7.54	0.98	-	457.48
	377.83	**95.57**	**7.54**	**0.98**	**-**	**481.92**
iii) Unbilled Dues						35.02
As at 31st March, 2021						**516.94**

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	49.90	32.50
Interest accrued but not due on borrowings	5.38	10.29
Unpaid dividends	6.41	5.90
Trade Deposits	12.36	11.85
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.05	0.05
Payables for Employee benefits	96.73	105.04
	170.82	**165.64**

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	57.57	51.96
Advance from Customers	69.22	23.52
	126.80	**75.49**

22 Provisions (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note No. 28(5)&(6))		
Provision for Gratuity	15.85	8.37
Provision for Leave benefits	6.46	3.68
Provision for Non-Saleable return of goods (Refer Note No. 28(12))	41.26	39.56
	63.57	**51.60**

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	2,120.97	1,674.23
- Exports	2,828.61	3,260.63
	4,949.58	**4,934.86**
Other Operating Revenues		
- Export Incentives	22.85	91.67
- Royalty	15.39	17.85
- Miscellaneous	8.78	7.05
	4,996.60	**5,051.44**

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 No. 28(22)(E))	0.46	0.40
Profit on Sales of Assets (net)	0.54	1.39
Profit on Sales of Investment	1.99	4.28
Net gain arising on financial assets measured at fair value through profit or loss	-	1.33
Interest Income	1.69	1.69
Net gain on foreign currency transactions	44.37	73.79
Miscellaneous income	0.05	0.09
	49.98	**83.52**

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		424.57	343.16
Add : Purchases		1,174.96	1,257.12
		1,599.53	**1,600.28**
Less : Inventory at the end of the year		487.78	424.57
		1,111.75	**1,175.71**
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress			
Work in Process		88.63	66.59
Finished Goods		692.50	756.18
Stock-in-Trade		67.97	44.74
Inventory at the end of the year	**a**	**849.10**	**867.51**
Work in Process		66.59	55.43
Finished Goods		756.18	607.25
Stock-in-Trade		44.74	47.71
Inventory at the beginning of the year	**b**	**867.51**	**710.39**
	(b-a)	**18.41**	**(157.13)**

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	942.57	865.01
Contribution to Provident and Other funds	58.56	52.22
Staff welfare expense	27.05	31.04
	1,028.18	**948.27**

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	150.61	230.15
Power and Fuel	114.49	109.79
Manufacturing and Labour Charges	16.05	20.09
Repairs and Maintenance		
Machinery	34.99	32.77
Buildings	4.20	10.54
Others	8.93	34.50
Freight and Forwarding Charges	138.48	113.45
Sales Promotion, Service Fees and Commission	507.06	330.84
Rates and Taxes	13.59	12.88
Insurance	13.53	9.08
Travelling Expense	120.49	105.28
Communication Expenses	50.66	46.98
Legal & Professional Fees	121.97	142.27
Payment to Auditors (Refer Note No. 28(8))	0.80	0.81
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 No. 28(14))	22.26	17.60
Donation	-	2.14
Patent Filing & Registration Fees	58.87	56.17
External Research & Development	47.10	25.38
Miscellaneous Expenses	6.22	5.77
	1,430.45	**1,306.82**

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)	794.00	1,175.39
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)	40.39	60.67

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	157.83	231.48
ii Contingent liabilities		
(a) Letters of credit and Guarantees	58.50	91.17
(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	-	0.95
(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

iii Contingent Asset

Interest on Investments made in 10% Secured Redeemable Non-Convertible Debentures of ₹300.00 Crores, 10% & 12% Unsecured Redeemable Non-Convertible Debentures of ₹200.00 Crores and ₹414.00 Crores respectively, and Warrants of ₹0.05 Crores of the wholly owned Subsidiary Company Aleor Dermaceuticals Limited which are carried at cost as per para 10 of Ind AS 27 'Separate Financial Statements'.

As per terms of the securities subscription agreement entered into between the Company and Aleor Dermaceuticals Limited "no interest shall accrue and be payable unless the subsidiary company earns cash profits". As at the Balance Sheet date, no cash profits have been earned by the subsidiary company. As per the cash flows and profitability projections made by the subsidiary company, there is no certainty of the date of the realization of interest and principal amounts.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

In view of the aforesaid reasons and on the grounds of prudence, the Company has not recognized the interest income on the said investment. However since Company has a conditional right to receive interest on the above investments at the specified coupon rate amounting to ₹119.03 Crores for the year and accumulated till the year-end of ₹339.88 Crores is considered as Contingent asset.

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	7.14	15.31
The principal amount remaining unpaid to any supplier at the end of the year - Medium enterprise	7.48	9.13
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	-	-
	14.62	**24.44**

4 Segment Reporting

Segment information as required under Ind AS 108 i.e. Operating Segments is given in the Consolidated financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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	83.91	67.29
Current service cost	13.17	12.53
Interest Cost	5.71	4.21
Components of actuarial gain/losses on obligations:		
- Due to experience adjustments	0.90	4.39
Benefits paid	(9.58)	(4.51)
Present Value of defined benefit obligation at the end of the year	**94.11**	**83.91**
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	75.54	56.91
Expenses deducted from the fund		
Interest Income	5.17	3.89
Actuarial (losses) / gains	(3.37)	3.33
Contributions paid by the employer	10.51	15.93
Benefits paid from the fund	(9.58)	(4.51)
Fair Value of plan assets at the end of the year	**78.26**	**75.54**

(₹ 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	(94.11)	(83.91)
Fair Value of plan assets at the end of the year	78.26	75.54
Amount recognized in the balance sheet	**(15.85)**	**(8.37)**
Net Asset / (Liability) recognized - current	(15.85)	(8.37)

Notes to the Standalone 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	13.17	12.53
Net interest cost	0.54	0.32
Total expenses included in employee benefit expenses	**13.71**	**12.85**

*₹1.5 Crores (PY ₹1.62 Crores) Included in capital work in progress pending capitalisation.

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
v) Recognized in Other Comprehensive Income for the year		
Actuarial changes arising from experience adjustment	0.90	4.39
Return on plan assets excluding amounts included in interest income	3.37	(3.33)
Recognized in other comprehensive income	**4.27**	**1.06**
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	17.55
Year 2	4.57
Year 3	4.36
Year 4	4.70
Year 5	6.00
Year 6 to Year 10 Cash flow	49.54

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

ix) The Expected contribution for the next year is ₹11.00 Crores and the average outstanding term of the obligations (years) as at valuation date is 11.34 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	89.62	79.77
Delta Effect of -0.5% Change in Rate of Discounting	98.99	88.43
Delta Effect of +0.5% Change in Rate of Salary Increase	99.04	88.47
Delta Effect of -0.5% Change in Rate of Salary Increase	89.54	79.69
Delta Effect of +0.5% Change in Rate of Employee Turnover	94.76	83.92
Delta Effect of -0.5% Change in Rate of Employee Turnover	93.42	83.90

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, 2021

(₹ 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	44.10	33.54
Current service cost	5.46	4.82
Interest Cost	3.00	2.22
Components of actuarial gain/losses on obligations:		
- Due to experience adjustments	6.06	6.89
Benefits paid	(8.38)	(3.37)
Present Value of defined benefit obligation at the end of the year	50.23	44.10
Present Value of defined benefit obligation of sick leave at the end of the year	3.14	3.04
Total	**53.38**	**47.14**

(₹ 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	(53.38)	(47.14)
Net (Liability) - non current	(46.91)	(43.47)
Net (Liability) recognized - current	(6.46)	(3.68)

(₹ 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	5.46	4.82
Past service cost and loss/(gain) on		
Net interest cost	3.00	2.22
Net value of measurements on the obligation	6.06	6.89
Total Charge to statement of profit and loss	**14.51**	**13.93**
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	6.07
Year 2	2.61
Year 3	2.36
Year 4	2.43
Year 5	2.97
Year 6 to Year 10 Cash flow	6.84

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.

Notes to the Standalone 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
vi) Sensitivity Analysis		
Delta Effect of +0.5% Change in Rate of Discounting	47.45	41.58
Delta Effect of -0.5% Change in Rate of Discounting	53.28	46.87
Delta Effect of +0.5% Change in Rate of Salary Increase	53.31	46.90
Delta Effect of -0.5% Change in Rate of Salary Increase	47.40	41.53
Delta Effect of +0.5% Change in Rate of Employee Turnover	50.67	44.12
Delta Effect of -0.5% Change in Rate of Employee Turnover	49.77	44.09

A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change, if any.

Major risk to the plan

A. Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

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 ₹25.87 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	Aleor Dermaceuticals Limited	(Subsidiary of Alembic Pharmaceuticals Limited)
2	Alembic Pharmaceuticals Inc.	(Subsidiary of Alembic Pharmaceuticals Limited)
3	Alembic Global Holding SA	(Subsidiary of Alembic Pharmaceuticals Limited)
4	Alembic Pharmaceuticals Australia Pty Ltd.	(Subsidiary of Alembic Global Holding SA)
5	Alembic Pharmaceuticals Europe Ltd.	(Subsidiary of Alembic Global Holding SA)
6	Alnova Pharmaceuticals SA	(Subsidiary of Alembic Global Holding SA)
7	Alembic Pharmaceuticals Canada Ltd.	(Subsidiary of Alembic Global Holding SA)
8	Genius LLC	(Subsidiary of Alembic Global Holding SA)
9	Alembic Labs LLC (Formerly Known as Orit Laboratories LLC)	(Subsidiary of Alembic Pharmaceuticals Inc)
10	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)

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

E Other Related Parties:

1. Alembic Limited
2. Shreno Limited
3. Paushak Limited
4. Viramya Packlight LLP
5. Bhailal Amin General Hospital
6. Alembic CSR Foundation
7. Shreno Publications Limited
8. Rakshak Services Pvt. Ltd.
9. Alembic City Limited
10. Shreno Engineering Ltd (w.e.f. 01.09.2021)
11. Alembic Pharmaceuticals Limited Provident Fund
12. Alembic Pharmaceuticals Limited Superannuation Scheme
13. Alembic Pharmaceuticals Limited EGGS

F Key Management Personnel:

1	Mr. Chirayu Amin	Chairman & CEO
2	Mr. Pranav Amin	Managing Director
3	Mr. Shaunak Amin	Managing Director
4	Mr. R. K. Baheti	Director - Finance & CFO
5	Mr. K. G. Ramanathan	Non-Executive Director
6	Mr. Pranav Parikh	Non-Executive Director
7	Mr. Paresh Saraiya	Non-Executive Director
8	Ms. Archana Hingorani	Non-Executive Director
9	Mr. Ashok Barat	Non-Executive Director (w.e.f. 10-02-2022)
10	Mr. Charandeep Singh Saluja	Company Secretary

G Close Member of Key Management Personnel:

1. Mrs. Malika Amin
2. Mr. Udit Amin
3. Ms. Yera Amin
4. Mrs. Jyoti Patel
5. Mrs. Ninochaka Kothari
6. Mrs. Shreya 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

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

I Transactions with Related parties:

During the year, the following transactions were carried out with related parties and relative of Key Management Personnel 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.	1252.68	1,710.40
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	31.96	26.16
Others	1.78	1.64
(c) Investment made		
Subsidiaries including step down subsidiaries		
Aleor Dermaceuticals Limited	92.00	145.00
(d) Withdrawal of Corporate Guarantee		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	73.11	-
Alembic Pharmaceuticals Inc.	58.48	-
(e) Reimbursement of expenses Paid		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	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
(f) Reimbursement of expenses Received		
Subsidiaries including step down subsidiaries		
Aleor Dermaceuticals Limited	0.17	0.38
Alembic Pharmaceuticals Inc.	0.37	-

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
Associates		
Rhizen Pharmaceuticals AG	-	1.20
Other Related Parties		
Paushak Limited	0.32	-
(g) Rent Received		
Subsidiaries including step down subsidiaries		
Aleor Dermaceuticals Limited	0.45	0.44
(h) Rent / Lease liability paid		
Other Related Parties		
Alembic Limited	9.90	9.06
Others	0.68	0.65
(i) Guarantee Commission Received		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	-	0.18
Alembic Pharmaceuticals Inc.	0.19	0.33
(j) 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
(k) Purchase of Property, Plant and Equipment		
Controlling Company	1.81	10.13
Other Related Parties		
Shreno Engineering Ltd.	2.81	-
Others	0.03	-
(l) Deposit Given		
Other Related Parties		
Alembic Limited	0.13	0.20
Alembic City Limited	-	0.03

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
(m) Deposit Returned		
Other Related Parties		
Alembic Limited	0.04	-
Shreno Limited	-	0.02
(n) 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	-
(o) CSR Contribution		
Other Related Parties		
Alembic CSR Foundation	22.26	16.24
(p) 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
(q) Remuneration		
Key Management Personnel	78.80	81.35
(r) Loan Given to		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	-	37.78
(s) Loan repaid by		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	-	36.85
(t) 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	940.80	309.97
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	14.36	10.47
Subsidiaries including step down subsidiaries	2.51	2.80
Controlling Company	-	0.02
Investments (Unsecured)		
Subsidiaries including step down subsidiaries & Associates	1,146.33	978.02
Corporate Guarantee		
Subsidiaries including step down subsidiaries	75.79	204.69
Deposit Received		
Subsidiaries including step down subsidiaries	0.06	0.06
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	0.31	0.22
In Other Capacity:-		
(i) Other Services		
Limited Review	0.24	0.25
Others*	0.13	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).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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	(9.58)	(28.67)
(Decrease) increase in deferred tax liabilities	9.58	28.67
Total deferred tax expenses (benefit)	**-**	**-**
Total Income tax expenses *	**115.70**	**241.20**

*This excludes tax benefit on other comprehensive income of ₹0.70 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	908.45	1,416.60
Tax at the Indian Tax Rate*	158.72	495.02
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect of Deductible Tax Expense	(0.22)	0.31
Effect of Deductible Tax Expense - considered awaiting approval of the aforesaid Scheme	(43.55)	-
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)	0.74	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	7.06	8.12
Income tax paid	128.80	240.45
Current income tax payable for the year	(115.00)	(241.50)
Write back of income tax provision of earlier years	1.25	-
Net current income tax asset/ (liability) at the end	**22.11**	**7.06**
Current income tax asset at the end	22.11	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	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.

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%).

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

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	39.01	32.92
Others	277.91	291.39
Research and Development Expenses (included in Profit and Loss)	**602.13**	**631.01**

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 (Refer Note No 4) (₹ In Crores)

Particular	For the year ended 31st March, 2022
(i) - Amount Recognised in statement of Profit or loss of Rental Income for investment properties	0.45
- Direct operating expenses from property that generated rental income	-
(ii) Fair Value (As at 31st March, 2022)	16.26

Estimation of fair value:
We have used the government guideline rates for the purposes of arriving at the fair value of land.

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	-	-

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
d) Total of previous years Shortfall	-	-
e) Nature of CSR activities	Note (i)	Note (i)
f) Provision of CSR	-	-
Opening Balance	-	-
Addition	-	-
Withdrawal	-	-
Closing Balance	**-**	**-**

Notes:

i The Company directly and through Alembic CSR Foundation, Implementing Agency has spent the amount referred in (b) above on CSR activities such as 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 No. 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	0.23	-	0.23
Investment in LLP	40.25	-	-	-
Investments in mutual funds	-	-	186.97	-
Trade Receivables	-	975.13	-	407.90
Cash and cash equivalents	-	11.10	-	53.44
Bank balances other than cash and cash equivalents	-	8.29	-	7.78
Derivatives not designated as Hedge	-	14.57	0.91	42.03
Others	-	8.26	-	8.15
Total	**63.24**	**1,017.58**	**187.88**	**519.52**
Financial liabilities				
Borrowings	-	629.99	-	499.80
Lease liabilities	-	72.32	-	79.90
Trade Payables	-	560.93	-	516.94
Other Financial liabilities	-	170.82	-	165.64
Total	**-**	**1,434.06**	**-**	**1,262.27**

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 No 5, 7, 8, 9, 10, 11, 15,16 19,20 & 21.

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	363.50	457.76	337.52	1,041.44	**2,200.22**
Project In progress As at 31st March, 2021	478.99	403.47	393.61	651.56	**1,927.63**

There is no project whose completion is overdue since project completion is subject to regulatory approvals.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

17 Financial Risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk and
- Market risk

i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, Deposit, Cash and cash equivalents and other receivables.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer, default risk of the industry and country in which the customer operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has used expected credit loss model for assessing the impairment loss.

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables	975.13	407.90
Allowance for doubtful debts (expected credit loss allowance)	2.48	2.36
Percentage	0.25%	0.58%

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 ₹11.1 Crores (PY ₹53.44 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	552.74	8.19	560.93	508.42	8.52	516.94
Other financial liabilities	184.75	58.39	243.15	177.81	67.73	245.54

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)	746.04	79.27	60.24	885.55
Cash and cash equivalents	0.34	-	-	0.34
Financial liabilities				
Trade payables	140.03	8.26	15.12	163.41

As at 31st March, 2021	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables (net)	189.07	71.62	58.85	319.54
Cash and cash equivalents	43.27	-	-	43.27
Financial liabilities				
Trade payables	137.63	12.60	4.70	154.94

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 ₹33.87 Crores (PY ₹ 7.69 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.

18 Capital Management

The Company's capital management objectives are:

* to ensure the Company's ability to continue as a going concern and

* to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Dividend on equity shares

The Board has recommended dividend on equity shares of ₹10/- per equity share i.e. 500% for the financial year 2021-22 as against dividend of ₹14/- per equity share i.e. 700% per equity share for financial year 2020-21.

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

20. Key Ratios

		Note Nos	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 (22),19,20,21,22	1.67	2.11	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	0.11	0.10	15%
3	**Debt Service Coverage Ratio** (in times)* (Profit before tax+interest) / (Interest + schedule principal repayments of Long term debt)	15,18,3	2.60	18.00	86%
4	**Return on Equity Ratio**# (Net Income / Average Shareholders' Equity)	13,14	14.41%	27.33%	47%
5	**Inventory Turnover** (in times) (Sale of products / Average Inventory)	23,25	5.78	6.26	8%
6	**Trade Receivables turnover ratio** (in times) (Value of Sales and Service / Average Trade Receivables)	23,8	7.19	8.32	14%
7	**Trade Payable Turnover Ratio** (in times) (Purchase of Goods & Services / Average Trade Payable)	19,25,27	5.49	6.25	12%
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(22), 19,20,21,22	4.35	5.19	16%
9	**Net Profit Ratio**# (Profit After Tax / Turnover)	23	15.89%	23.27%	32%
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),12,18,28(22), 19,20,21,22,28(19), 28(16)	15.50%	25.29%	39%
11	**Return on Investment**# (Profit Before Tax/ Total Asset)	3,4,5,6,7,8,9, 10, 11,28(9),12,28(16)	12.06%	20.91%	42%

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.

21 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 ₹4058.58 Crores respectively, and considering Geographical business, revenue can be disaggregated as in India ₹2097.56 Crores and out side India ₹2899.04 Crores.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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	79.90	83.20
Additions	5.40	7.66
Derecognise	(0.62)	(0.20)
Finance cost accrued during the period	6.97	7.43
Payment of lease liabilities	(19.32)	(18.19)
Balance as at 31st March, 2022	**72.32**	**79.90**

B) Maturity Analysis of Lease Liabilities (₹ In Crores)

	As at 31st March, 2022
Maturity Analysis - Contractual undiscounted Cash Flows	
Less than one year	19.88
One to five years	65.55
More than five years	5.78
Total Undiscounted Lease Liabilities	**91.21**
Lease Liabilities included in the Statement of Financial Position	
Non Current	58.39
Current	13.93
Total	**72.32**

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.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 No. 28 (7)J for related party balances.

23 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
Aleor Dermaceuticals Limited	Investment	990.66	990.66	822.35	822.35

For Investment made kindly refer Note No (5).

24 Relationship with Struck off Companies

As per the information available with the company, following are the transactions with struck off companies:

Nature of transactions & Relationship: Shares held by Struck off Company as Shareholder

Name of Struck off company	Balance outstanding (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

25 The Company has working capital borrowing from banks on the basis of security of current asset and quarterly returns filed by the Company with banks are in agreement with the books of accounts.

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') with Alembic Pharmaceuticals Ltd. ('the Transferee Company') and their respective shareholders ('the Scheme') with effect from the appointed date i.e. 1st April, 2021 or such other date as may be approved by the National Company Law Tribunal ('NCLT'). The Scheme is subject to requisite statutory and regulatory approvals. Pending such approvals, no effect of the above mentioned Scheme has been given in the Financial for year ended 31st March, 2022. However, the provision for taxation has been considered awaiting approval of the Scheme.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2022

27 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.

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.**
Chartered Accountants
Firm's Registration No. 106237W

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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

Charandeep Singh Saluja
Company Secretary

Consolidated Financial Statements

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Note No	As at 31st March, 2022	As at 31st March, 2021
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	6	1,742.33	1,703.74
(b) Capital work-in-progress	33(17)	2,205.79	1,944.28
(c) Other Intangible assets	7	56.38	85.55
(d) Intangible assets under development	33(18)	97.58	237.39
(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)	22	5.88	-
(g) Other non-current assets	10	116.26	110.81
Total non-current assets		**4,342.63**	**4,131.08**
(2) Current Assets			
(a) Inventories	11	1,609.70	1,486.15
(b) Financial Assets			
(i) Investments	12	-	186.97
(ii) Trade receivables	13	807.13	348.58
(iii) Cash and cash equivalents	14	61.09	98.06
(iv) Bank balances other than cash and cash equivalents	15	8.34	7.78
(v) Other financial assets	16	23.28	51.62
(c) Current Tax Assets (Net)	33(10)	25.08	16.60
(d) Other current assets	17	244.77	382.14
Total current assets		**2,779.40**	**2,577.90**
TOTAL ASSETS		**7,122.03**	**6,708.98**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	18	39.31	39.31
(b) Other Equity	19	5,198.23	5,088.30
Equity attributable to owners of the Company		5,237.55	5,127.61
Non-controlling interests		-	(60.64)
Total Equity		**5,237.55**	**5,066.97**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	199.89
(ia) Lease liabilities	33(22)	72.14	71.54
(b) Provisions	22	95.82	85.52
(c) Deferred tax liabilities (Net)	23	-	4.21
Total non-current liabilities		**167.96**	**361.16**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	33(22)	629.99	299.90
(ia) Lease liabilities		14.98	12.28
(ii) Trade payables	24		
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	25	173.90	168.56
(b) Other current liabilities	26	127.64	77.19
(c) Provisions	27	63.64	51.99
(d) Current Tax Liabilities (Net)	33(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.	1-33		

As per our report of even date

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

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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

Charandeep Singh Saluja
Company Secretary

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I Revenue from Operations	28	5,305.79	5,393.13
II Other Income	29	50.46	87.29
III Total Income		**5,356.25**	**5,480.42**
IV Expenses			
Cost of Materials Consumed	30	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	30	(43.19)	(193.93)
Employee Benefits Expense	31	1,133.00	1,051.17
Finance Costs	33(15)	17.73	16.02
Depreciation and Amortization Expense	6 & 7	286.78	183.47
Other Expenses	32	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	33(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 period before Non controlling Interest (VII+VIII)		520.94	1,146.50
X Non- controlling Interest		24.75	31.61
XI Profit for the period attributable to Owners of the Company		**545.68**	**1,178.11**
XII 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)**
XIII Total Comprehensive Income for the year (IX+XII)		**522.34**	**1,142.81**
Other Comprehensive Income for the year Attributable to:			
(i) Non- controlling Interest		0.03	(0.08)
(ii) Owners of the Company		1.38	(3.61)
Total Comprehensive Income for the year Attributable to:			
(i) Non- controlling Interest		(24.72)	(31.69)
(ii) Owners of the Company		547.06	1,174.50
XIV Earnings per equity share (FV ₹2/- per share) :			
Basic & Diluted (in ₹)	**33(1)**	**27.76**	**60.81**
The accompanying notes form an integral part of these consolidated financial statements.	1-33		

As per our report of even date

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

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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
39.31	-	39.31	-	39.31

B. Other Equity - Attributable to owners

(1) Current reporting period (₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income			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, 2021	**748.39**	**1,770.01**	**125.00**	**2,445.45**	**-**	**20.80**	**(21.35)**	**5,088.30**	**(60.64)**	**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**	**2,445.45**	**-**	**20.80**	**(21.35)**	**5,088.30**	**(60.64)**	**5,027.66**
Total Comprehensive Income for the current year	-	-	-	545.68	0.21	4.65	(3.49)	547.06	(24.72)	522.34
Dividends	-	-	-	(275.19)	-	-	-	(275.19)	-	(275.19)
Reversal of Deferred Tax Asset	-	(0.27)	-	-	-	-	-	(0.27)	-	(0.27)
Conversion of Subsidary into WOS	-	-	-	(161.67)	-	-	-	(161.67)	85.36	(76.30)
Transfer from Debenture Redemption Reserve	-	75.00	(75.00)	-	-	-	-	-	-	-
Balance As at 31st March, 2022	**748.39**	**1,844.74**	**50.00**	**2,554.28**	**0.21**	**25.46**	**(24.84)**	**5,198.23**	**-**	**5,198.23**

Consolidated Statement of Changes in Equity

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**
Total Comprehensive Income for the previous year	-	-	-	1,178.11	-	(2.62)	(0.99)	1,174.50	(31.69)	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**	**2,445.45**	**-**	**20.80**	**(21.35)**	**5,088.30**	**(60.64)**	**5,027.66**

The accompanying notes form an integral part of the Consolidated financial statements (note1-33).

As per our report of even date

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

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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

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)
	Investments	(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 (note1-33).

As per our report of even date

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

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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

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 May 02, 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
Aleor Dermaceuticals Limited	India	Subsidiary	100% subsidiary of APL from 28.03.2022 (PY 60%)
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. 84.

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	203.77	63.41	2.23	0.61	2.97	-	11.50	-	347.09
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**	**1,228.16**	**351.13**	**30.99**	**16.67**	**13.81**	**-**	**103.67**	**-**	**2,366.58**
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**	**821.79**	**237.47**	**21.49**	**6.60**	**7.46**	**-**	**76.36**	**-**	**1,703.74**
Gross Carrying amount												
Carrying Amount As at 1st April, 2021	93.09	20.70	508.37	1,228.16	351.13	30.99	16.67	13.81	-	103.67	-	2,366.58
Additions	-	10.50	18.97	139.02	40.66	3.12	4.49	3.00	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**	**1,366.95**	**391.62**	**34.15**	**20.42**	**16.79**	**0.73**	**115.68**	**3.51**	**2,601.83**
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	117.28	37.33	3.13	2.01	2.65	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	-	0.13
Closing Accumulated Depreciation	**-**	**11.63**	**97.97**	**523.35**	**150.87**	**12.68**	**11.40**	**8.97**	**0.04**	**42.19**	**0.39**	**859.49**
Net Carrying Amount As at 1st April, 2021	93.09	9.31	430.16	821.79	237.47	21.49	6.60	7.46	-	76.36	-	1,703.74
Net Carrying Amount As at 31st March, 2022	**93.14**	**19.57**	**429.67**	**843.60**	**240.75**	**21.47**	**9.02**	**7.82**	**0.69**	**73.49**	**3.12**	**1,742.34**

Note:-

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

2 #Please Refer Note No. 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 - Pofit/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**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ 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 Other Non-Current Assets

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	34.88	36.70
Balance with Government Authorities	81.39	74.10
	116.26	**110.81**

11 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 & Aleor Dermaceuticals Limited are hypothecated as security for working capital borrowings.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

12 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).

13 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 No33(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**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2022

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	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**

14 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**

15 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**

16 Other Financial Assets (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	8.71	8.68
Fair valuation of Foreign currency derivative contracts	14.57	42.94
	23.28	**51.62**

Refer Note No33(8)I for related party deposits.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2022

17 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	151.31	277.55
	244.77	**382.14**

18 Equity Share Capital

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorized		
20,00,00,000 - Equity shares of ₹2/- each	40.00	40.00
Shares issued, subscribed and fully paid		
19,65,63,124 (PY 18,85,15,914) - 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

(₹ 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 ₹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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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	45,42,529	2.31%	45,42,529	2.31%	0.00%
ii	Pranav Chirayu Amin	10,09,800	0.51%	10,09,800	0.51%	0.00%
iii	Shaunak Chirayu Amin	10,06,980	0.51%	10,06,980	0.51%	0.00%
iv	Alembic Limited	5,60,97,544	28.54%	5,58,36,503	28.41%	0.47%

19 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	2,554.28	2,445.45
(d) Remeasurements of the net defined benefit plan through OCI	(24.84)	(21.35)
(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**	**5,088.30**

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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.

20 Borrowings (Non-Current)

(₹ In Crores)

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

Notes:

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

21 Provisions (Non-Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note No. 33(4))		
Provision for Leave benefits	47.54	44.26
Provision for Non-Saleable return of goods (Refer Note No. 33(14))	48.28	41.26
	95.82	**85.52**

22 Deferred Tax Liabilities / (Assets) (Net)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Depreciation	198.50	188.46
Fair valuation of Investment in mutual funds	-	0.46
a	**198.50**	**188.92**
Deferred Tax Assets		
Provision for Doubtful debts	0.87	0.82
MAT Credit Entitlement	115.63	112.14
Intangible Asset	0.83	1.10
Expenses claimed for tax purpose on payment bassis	26.39	21.76
Others	60.66	48.89
b	**204.38**	**184.71**
(a-b)	**(5.88)**	**4.21**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2022

23 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 No. 20)	199.99	299.88
	629.99	**299.90**

24 Trade Payables

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due to Micro and Small Enterprises (Refer Note No. (33(13))	7.63	15.64
Others	698.76	653.13
	706.39	**668.77**

Refer Note No. 33(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

25 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**

26 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**

27 Provisions (Current)

(₹ In Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer Note No. (33(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 No. (33(14))	41.26	39.56
	63.64	**51.99**

28 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**

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
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**

29 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**

30 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)**

31 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**

32 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

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
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**

33 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 after non-controlling interest attributable to equity shareholders (₹ in Crores)	545.68	1,178.11
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)	27.76	60.81

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	110.16%	5,769.47	145.51%	794.00	(241.36)%	(3.32)	144.53%	790.68
Subsidiaries :								
1. Indian:								
Aleor Dermaceuticals Limited	(7.68%)	(402.11)	(45.93%)	(250.62)	4.71%	0.06	(45.80%)	(250.55)
2. Foreign :								
- Alembic Global Holding SA	1.29%	67.40	1.80%	9.81	58.05%	0.80	1.94%	10.61

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
- Alembic Pharmaceuticals, INC	2.51%	131.50	7.82%	42.68	280.48%	3.86	8.51%	46.54
(Wholly owned subsidiary of Alembic Pharmaceuticals Limited)								
Minority interest in all subsidiaries	0%	Nil	4.54%	24.75	(1.89%)	(0.03)	4.52%	24.72
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	(6.26%)	(327.90)	(13.77%)	(75.15)	0.00%	Nil	(13.74%)	(75.15)
	100.00%	**5,237.55**	**100.00%**	**545.68**	**100.00%**	**1.38**	**100.00%**	**547.06**

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 31st March, 2021								
Parent :								
Alembic Pharmaceuticals Limited	103.70%	5,254.24	99.77%	1,175.39	24.24%	(0.88)	100.00%	1,174.52
Subsidiaries :								
1. Indian :								
Aleor Dermaceuticals Limited	(2.99%)	(151.55)	(6.71%)	(79.03)	5.21%	(0.19)	(6.74%)	(79.21)
2. Foreign :								
-Alembic Global Holding SA	1.12%	56.79	3.29%	38.79	(83.46%)	3.01	3.56%	41.80
- Alembic Pharmaceuticals, INC	1.68%	84.96	2.66%	31.37	63.26%	(2.29)	2.48%	29.08
(wholly owned subsidiary of Alembic Pharmaceuticals Limited)								
Minority interest in all subsidiaries	(1.20%)	(60.64)	2.68%	31.61	(2.09%)	0.08	2.70%	31.69
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	(2.29%)	(115.80)	(1.73%)	(20.38)	92.82%	(3.35)	(2.02%)	(23.73)
	100.00%	**5,066.97**	**100.00%**	**1,178.11**	**100.00%**	**(3.61)**	**100.00%**	**1,174.50**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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
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

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
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 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 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

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2022

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 ₹26.77 Crores (PY ₹22.91 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	4,191.60
Outside India	26.75
Information about major customers	
Consolidated Revenue – exceeding 10% from each single external customer.	NIL

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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
2 Shreno Limited
3 Paushak Limited
4 Viramya Packlight LLP
5 Bhailal Amin General Hospital
6 Alembic CSR Foundation
7 Shreno Publications Limited
8 Rakshak Services Pvt. Ltd.
9 Alembic City Limited
10 Shreno Engineering Ltd (w.e.f. 01.09.2021)
11 Alembic Pharmaceuticals Limited Provident Fund
12 Alembic Pharmaceuticals Limited Superannuation Scheme
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
2 Mr. Udit Amin
3 Ms. Yera Amin
4 Mrs. Jyoti Patel
5 Mrs. Ninochaka Kothari
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 and relative of Key Management Personnel 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	72.91	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	31.96	26.16
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		
Nirayu Limited	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		
Nirayu Limited	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	78.79	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	14.36	10.47
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).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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	(33.04)	(38.23)
(Decrease) increase in deferred tax liabilities	9.57	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%)

Notes to the Consolidated 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	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.

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	-	8.71	-	8.68
Total	**63.24**	**900.29**	**187.88**	**505.58**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ 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 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 No 8,12,13,14,15,16,20,21,24,25 & 33(22)

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**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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	-	-
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**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

14 Provision for Non-Saleable return of goods (₹ In Crores)

	As at 31st March, 2022
Balance asAs at 1st April, 2021	80.82
Increase during the year	48.28
Reduction during year	(39.56)
Balance asAs 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.

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	58.85	-	**97.58**
Project In progress As at 31st March, 2021	38.73	101.69	96.96	-	**237.39**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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**

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.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2022

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 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.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2022

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.

Dividend on equity shares

The Board has recommended dividend on equity shares of ₹10/- per equity share i.e. 500% for the financial year 2021-22 as against dividend of ₹14/- per equity share i.e. 700% per equity share for financial year 2020-21.

21 Key Ratios

	Note Nos	2021-22	2020-21	% Change
1. **Current Ratio (in times)** (Current Asset/Current Liabilities)	11,12,13,14,15,16, 33(10),17,23,33(22), 24,25,26,27,33(10)	1.62	2.01	20%
2. **Debt-Equity Ratio (in times)** (Debt / Net Worth [Debt : Total Debt (Short term + Long term) Net worth : Share Capital + Other Equity])	18,19,20,23	0.12	0.10	23%
3. **Debt Service Coverage Ratio (in times)*** (Profit Before Tax + Interest) / (Interest + schedule principal repayments of Long Term Debt)	20,23,6 & 7	1.80	16.74	89%
4. **Return on Equity Ratio#** (Net Income / Average Shareholders' Equity)	18,19	10.59%	28.53%	63%
5. **Inventory Turnover (in times)** (Sale of products / Average Inventory)	28,30	5.09	5.76	12%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

	Note Nos	2021-22	2020-21	% Change
6. Trade Receivables turnover ratio (in times) (Value of Sales and Service / Average Trade Receivables)	13,28	9.14	8.74	5%
7. Trade Payable Turnover Ratio (in times) All Purchase of Goods & Services / Average Trade Payable	24,30,32	4.97	4.87	2%
8. Net Capital Turnover Ratio (in times) (Net Annual Sales /Average Working capital)	28,11,12,13,14,15,16, 33(10),17,23,33(22), 24,25,26,27,33(10)	4.50	5.37	16%
9. Net Profit Ratio# (Profit After Tax/ Turnover)	28	10.28%	21.84%	53%
10. Return on Capital Employed# (Earning Before Interest and Tax /Capital Employed Capital Employed = Total Asset - Current liability)	33(10),6,33(17),7, 33(18),8,9,22,10,11, 12,13,14,15,16,17,23, 33(22),24,25,26,27	11.90%	25.50%	53%
11. Return on Investment# (Profit Before Tax/ Total Asset)	6,33(17),7,33(18),8,9, 22,10,11,12,13,14,15, 16,33(10),17	8.78%	20.39%	57%

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**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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 no 32).

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') with Alembic Pharmaceuticals Ltd. ('the Transferee Company') and their respective shareholders ('the Scheme') with effect from the appointed date i.e. 1st April, 2021 or such other date as may be approved

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

by the National Company Law Tribunal ('NCLT'). The Scheme is subject to requisite statutory and regulatory approvals. Pending such approvals, no effect of the above mentioned Scheme has been given in the Financial for year ended 31st March, 2022. However, the provision for taxation has been considered awaiting approval of the Scheme.

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.**
Chartered Accountants
Firm's Registration No. 106237W

Pritesh Amin
Partner
Membership No. 105926

Place : Vadodara
Date : 2nd May, 2022

For and on behalf of the Board

Chirayu Amin
Chairman & CEO
(DIN: 00242549)

Paresh Saraiya
Director
(DIN: 00063971)

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	Aleor Dermaceuticals Limited	23.05.2016	INR	1.00	0.50	(402.61)	533.86	935.96	0.23	38.91	(250.62)	-	(250.62)	-	100
2	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
3	Alnova Pharmaceuticals SA	17.12.2012	USD	75.80	1.50	(0.16)	1.37	0.03	-	-	16.12	0.00	16.11	-	100
4	Alembic Pharmaceuticals Australia Pty Ltd	18.01.2013	AUD	55.72	4.60	(1.75)	2.85	-	-	-	(0.25)	-	(0.25)	-	100
5	Alembic Pharmaceuticals Canada Ltd	23.04.2014	CAD	60.48	0.06	(1.22)	0.33	1.49	-	-	(0.42)	-	(0.42)	-	100
6	Alembic Pharmaceuticals Europe Limited	23.08.2012	EUR	84.24	13.48	(10.18)	3.30	-	-	-	0.03	-	0.03	-	100
7	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
8	Genius LLC	26.10.2014	UAH	2.69	0.68	(0.48)	0.21	-	-	-	(0.01)	-	(0.01)	-	100
9	Okner Realty LLC	31.10.2017	USD	75.80	7.58	(0.69)	7.07	0.19	-	-	(0.16)	-	(0.16)	-	100
10	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			DescriWption 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 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)

Paresh Saraiya
Director
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Charandeep Singh Saluja
Company Secretary

Alembic
Touching Lives over 100 years