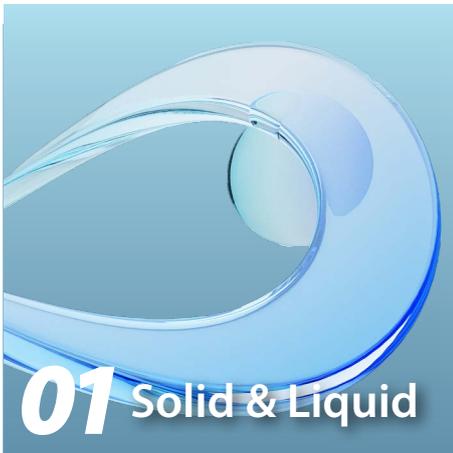


# SOLID & LIQUID

ALEMBIC PHARMACEUTICALS LIMITED  
ANNUAL REPORT 2023-24



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## WHAT DOES IT MEAN TO BE **SOLID & LIQUID?**

At Alembic, we define a pharma company as a commercial entity with future-oriented thinking, which advances to create a business that is as solid as it is liquid, according to the needs of the time.

Over the years, we have diligently built a sturdy platform that provides the infrastructure and resources that equip us to take calculated risks, explore new opportunities and ultimately grow to increase our agility and responsiveness to seize emerging opportunities. In doing so, we launch ourselves towards greater liquidity.

Interestingly, when we grow the organisation's liquidity, we add more muscle to our business to transform aspirations into reality and estimates into performance – elevating the Company to an entirely new growth orbit.

As we move forward, our focus remains unwavering. We are committed to intensifying our efforts to strengthen the perpetual loop of building solidity and growing liquidity, ensuring that we stay ahead of the industry curve and continue to deliver value to our stakeholders.

In doing so, we will create an all-weather enterprise that will stay ahead of the industry curve and deliver long-term, profitable and sustainable performance.

A YEAR OF PROGRESS

# A LITTLE PROGRESS EACH DAY ADDS UP TO BIG RESULTS

**6,229**

REVENUE  
(₹ in crore)

**10.2%**

Increase  
over FY23

**961**

EBITDA  
(₹ in crore)

**41.2%**

Increase  
over FY23

**616**

PROFIT AFTER TAX  
(₹ in crore)

**80.1%**

Increase  
over FY23



**31**

EARNINGS PER  
SHARE (₹)

**80.1%**

Increase  
over FY23

**803**

NET CASH FLOW  
FROM OPERATIONS  
(₹ in crore)

**10.9%**

Increase  
over FY23

**4,831**

NET WORTH  
(₹ in crore)

**10.5%**

Increase  
over FY23

**WE ARE  
MAKING  
ROCK-SOLID  
EFFORTS TO  
ENHANCE  
OUR  
LIQUIDITY.**



TO REINFORCE THE SOLIDITY OF  
OUR INDIA BRANDED BUSINESS.

**WE CONTINUE  
TO OPEN NEW  
VISTAS.**



  
**71**

Products launched  
in speciality and  
animal health  
spaces in  
FY23 and FY24.

The pharmaceutical space is unique due to its ever-evolving nature. New-age ailments mushrooming with time, increasing convenience and growing aspirations continue to widen the opportunity landscape.

At Alembic, we continue to open new avenues for our India Branded Business. In doing so, we are exploring uncharted territories and new possibilities, and paving the way for continued progress and sustained growth.

The more avenues we opened, the more opportunities we beckoned and participated in, benefitting a broader segment of the society and our stakeholders.

Our topline scaled from ₹1,430 crore in FY20 to ₹2,200 crore in FY24. Moreover, our corporate identity has changed – from being recognised as an antibiotics player, we are now respected as a multi-speciality therapeutics company.

Inspired, we have taken decisive steps to solidify our position.

### **WE ARE STRENGTHENING OUR SPECIALTY PIECE.**

Over the years, we have persevered to build our specialty piece into the flagship revenue earner. Now, we are adding more muscle to the structure.

### **WE ARE WIDENING OUR ANIMAL HEALTH OFFERING.**

We created a new division in FY24 for livestock products. This is in addition to the planned product launches in other categories of the Animal Health segment during FY25.

### **WE ARE BUILDING NEW CAPACITY.**

Our new facility at Pithampur, which will complement our existing facility at Sikkim, should be ready for operations by the end of FY25, which will cater to our growing volumes in the next decade.

These new avenues should allow us to create more brands that will be leaders in their domains, helping us sustain our industry-beating performance.



FOR ADDING MUSCLE TO OUR  
US GENERICS BUSINESS

**WE MADE  
THINGS MORE  
COMPLEX.**



# 7

Filings in oncology products (injectable and OSDs) are pending approvals as of March 31, 2024.

Alluring with its promises and prospects, the U.S. pharma market is no bed of roses. Yes, there appears to be a plethora of opportunities in OSDs (oral solid dosages, which in layman's terms are tablets and capsules), but in the soft and fragrant petals (read OSD opportunities), thorns lie hidden (read challenges); the entire world is vying for a share of that opportunity piece.

Every new entrant into the U.S. OSD piece pushed prices south rapidly, edging overall business profitability perilously close to the brink of losses. There was scarce little we could do to protect our turf other than move up the prospects' value chain - product and platform.

We prioritised the complex over the simple and carefully selected our options. We also created sophisticated infrastructure with cutting-edge technology while investing in relevant capabilities. Furthermore, we developed complex products by leveraging novel delivery platforms, secured approvals and launched our developments.

In FY24, we launched our new products and platforms. While we understand that this is just a start. It's an encouraging one, for sure!

## **WE ARE FILING MORE.**

Our filings catering to new therapies (oncology, dermatology and ophthalmology) and new platforms (injectables and inhalation) increased. In FY24, it stood at 12 filings (out of a total of 15 filings). In FY25, the filings for these products and platforms will be about 14.

## **WE ARE DEVELOPING MORE.**

We increased the proportion of complex products and niche delivery platforms (injectables and inhalation) in our development pipeline. About 54% of our development pipeline (for the US) comprises non-OSD products.

## **WE ARE VENTURING INTO NEW AREAS.**

After years of effort, we have made a meaningful entry into the peptide space. We have filed two ANDAs and are setting up a kilo lab for peptide APIs.

As we advance, we will continue rejuvenating our offerings basket with new products and platforms aligning with our growth and profitability aspirations.

FOR A SOLID ROW  
GENERIC BUSINESS

**WE ARE  
ADDING NEW  
PILLARS.**



# 14

Products launched  
in RoW markets  
during FY24.

Diseases and medical needs exist all over the world, so why focus on just a few geographies? We deliberated on the thought that if our products are good for the U.S., they are good for the world.

We worked on the idea. Initially, it seemed trivial, but we went ahead simply because the Returns on Resources seemed attractive. It was just extending the efforts for one market into another to expand our global presence.

Our ex-U.S. business jumped from ₹497 crore in FY20 to ₹1,052 crore in FY24 (contributing about 17% to the topline) – striding faster with each passing year.

Enthused by the continuing success of this piece, we are taking giant strides to expand our footprint far and wide.

### **WE SET FOOT IN THE MENA REGION.**

We created a subsidiary in the UAE with a scientific office. We filed about 20 products in this market and remain hopeful of securing approvals on our filings in the next 12-18 months.

### **WE ARE STRENGTHENING OUR LATAM PRESENCE.**

After our initial success in Chile, we plan to launch 25+ products in FY25, growing our basket to 30+ products. We also created a subsidiary in Mexico, among the three largest markets in LATAM. Mexico business is scheduled to start in FY26.

### **WE ARE CREATING A NEW REVENUE STREAM.**

We are aggressively scouting for CRAMS opportunities that align with our capabilities and business aspirations. We hope to sign the dotted line for large CRAMS opportunities in the current year, which should improve returns in subsequent years.

These efforts will transform this business vertical into a solid contributor to profitable business growth over the medium term.

## ABOUT THE COMPANY

**ALEMBIC  
PHARMACEUTICALS  
LIMITED (ALEMBIC)  
IS A DIVERSIFIED  
PHARMACEUTICAL FIRM  
WITH A MAJOR PRESENCE  
IN INDIA, THE U.S., AND  
OTHER REGULATED/  
EMERGING COUNTRIES.**

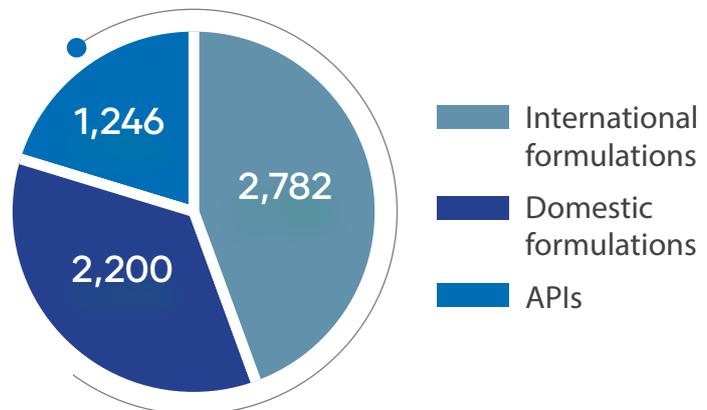
Headquartered in Vadodara, India, the Company manufactures formulations and APIs at its or US FDA approved facilities, which are marketed in regulated and pharmerging markets. The Company has a strong presence in the domestic market with more than 190 brands.

9

MANUFACTURING  
FACILITIES

14,800+  
TEAM

### REVENUE SPLIT (₹ CRORE)





## AREAS OF FOCUS

PEOPLE

PRODUCTS

PRESENCE

## R&amp;D

Hyderabad &amp; Vadodara

800+ 475

R&amp;D TEAM

R&D SPEND  
(₹ CRORE)

260

CUMULATIVE FILINGS  
(ACROSS THE WORLD)

## NUMBERS THAT DEFINE US

4,991

CAPITAL EMPLOYED  
(₹ CRORE)

0.06

NET DEBT-EQUITY  
RATIO (X)

15\*

RETURN ON CAPITAL  
EMPLOYED (%)

\* Excluding new projects

19,309

MARKET CAPITALISATION,  
MARCH 31, 2024 (₹ CRORE)  
(BSE)

## OWNERSHIP

39.31

EQUITY (₹ CRORE)

69.61%

PROMOTER  
GROUP

19.85%

INSTITUTIONS

10.54%

OTHERS

OUR  
MISSIONImprove healthcare with  
innovation, commitment  
and trust.

OUR BUSINESS VERTICALS  
**INDIVIDUALLY,**  
**WE ARE ONE DROP.**  
**TOGETHER,**  
**WE ARE AN OCEAN.**





# INDIA BRANDED BUSINESS

## OVERVIEW

- Focused on developing branded formulations.
- Products cater to Speciality and acute therapies.
- High brand recall among Healthcare Medical Professionals (HMPs) and patients.
- Products are manufactured at our facility in Sikkim; a second facility at Pithampur is under construction.
- Enjoy a 1.5% Market Share in the Indian Pharma space (MAT, March 2024).

## OUR PRODUCTS

191

BRANDS

12

THERAPEUTIC SEGMENTS INCLUDING ANIMAL HEALTH

9

LEADING BRANDS

69

NUMBER OF BRANDS THAT GENERATE MORE THAN ₹10 CRORE IN REVENUE

## OUR REACH

20

MARKETING DIVISIONS

5,000+

MARKETING REPRESENTATIVES

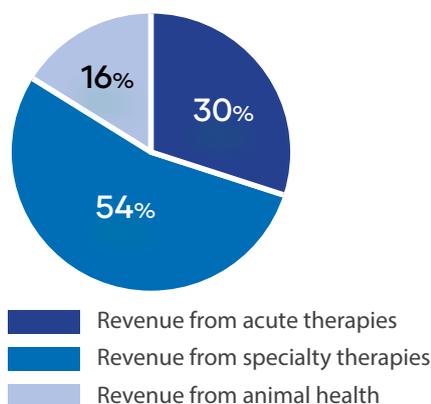
2.33 Lacs

PRESCRIBING DOCTORS

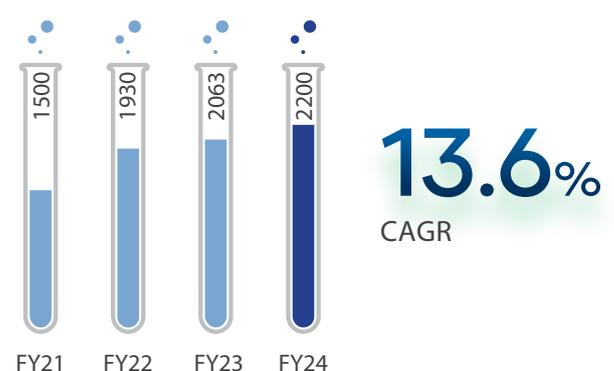
## THERAPIES OF PRESENCE

CARDIOLOGY | ANTI-DIABETIC | GYNAECOLOGY | GASTROLOGY | DERMATOLOGY | ORTHOPAEDIC | OPHTHALMOLOGY | NEPHROLOGY | UROLOGY | ANTI-INFECTIVE | COLD AND COUGH | ANIMAL HEALTH

## REVENUE SPLIT



## REVENUE (₹ CRORE)





# INTERNATIONAL GENERICS BUSINESS

## OVERVIEW

- Offering diverse generic products on multiple delivery platforms catering to multiple therapies
- Long-term relationships with clients and impactful partnerships are key enablers for this business

## OUR MANUFACTURING FACILITIES

PANELAV		KARKHADI	JAROD
<b>F1</b>		<b>F3</b>	<b>F4</b>
Oral Solids		General Injectables & Ophthalmic products	Oral solids Oral suspension
<b>F2</b>		<b>F5</b>	
Oncology (oral solids & injectables)		Dermatology	

## OUR US PRESENCE

19

TOTAL ANDA APPROVED (INCL. OF TENTATIVE)

145+

PRODUCTS IN THE US MARKET TILL DATE

1,730

REVENUE (₹ CRORE)

63

ANDA FILINGS PENDING APPROVAL (MARCH 31, 2024)

## OUR REST OF THE WORLD PRESENCE

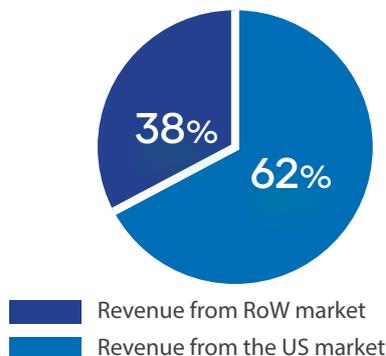
41

NATIONS OF PRESENCE

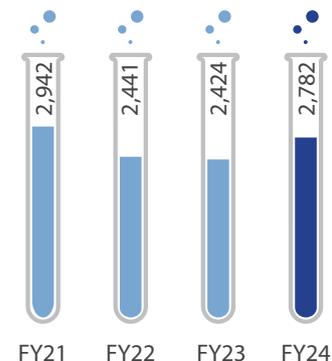
1,052

REVENUE (₹ CRORE)

## REVENUE SPLIT



## REVENUE (₹ CRORE)





# 03

## ACTIVE PHARMACEUTICAL INGREDIENTS (APIS)

### OVERVIEW

Developing niche APIs at FDA-approved facilities primarily as a backward integration; also sold to other formulators.

### OUR INFRASTRUCTURE

#### MANUFACTURING FACILITIES

Panelav, Gujarat  
Karkhadi, Gujarat

#### R&D FACILITIES

Vadodara, Gujarat  
Hyderabad, Telangana

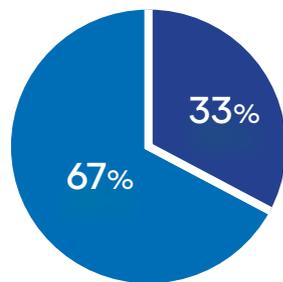
# 15+

PRODUCTS IN THE DEVELOPMENT PIPELINE  
(MARCH 31, 2024)

# 132

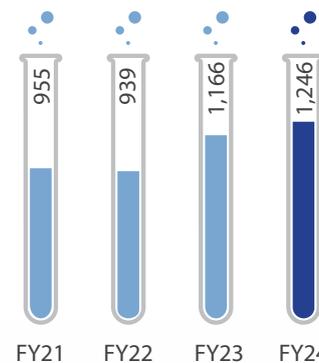
DMFs FILED  
(MARCH 31, 2024)

### OUTPUT SPLIT

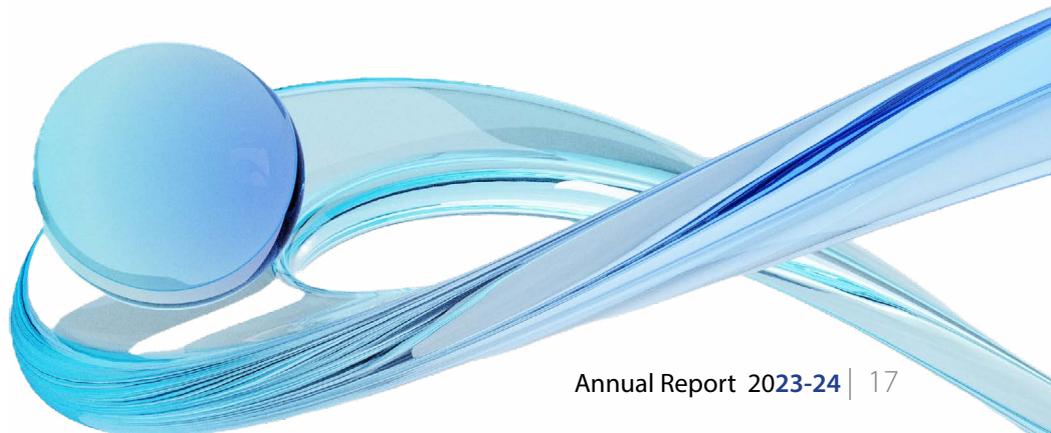


Used in-house  
Sold to the market

### REVENUE (₹ CRORE)



**9.3%**  
CAGR



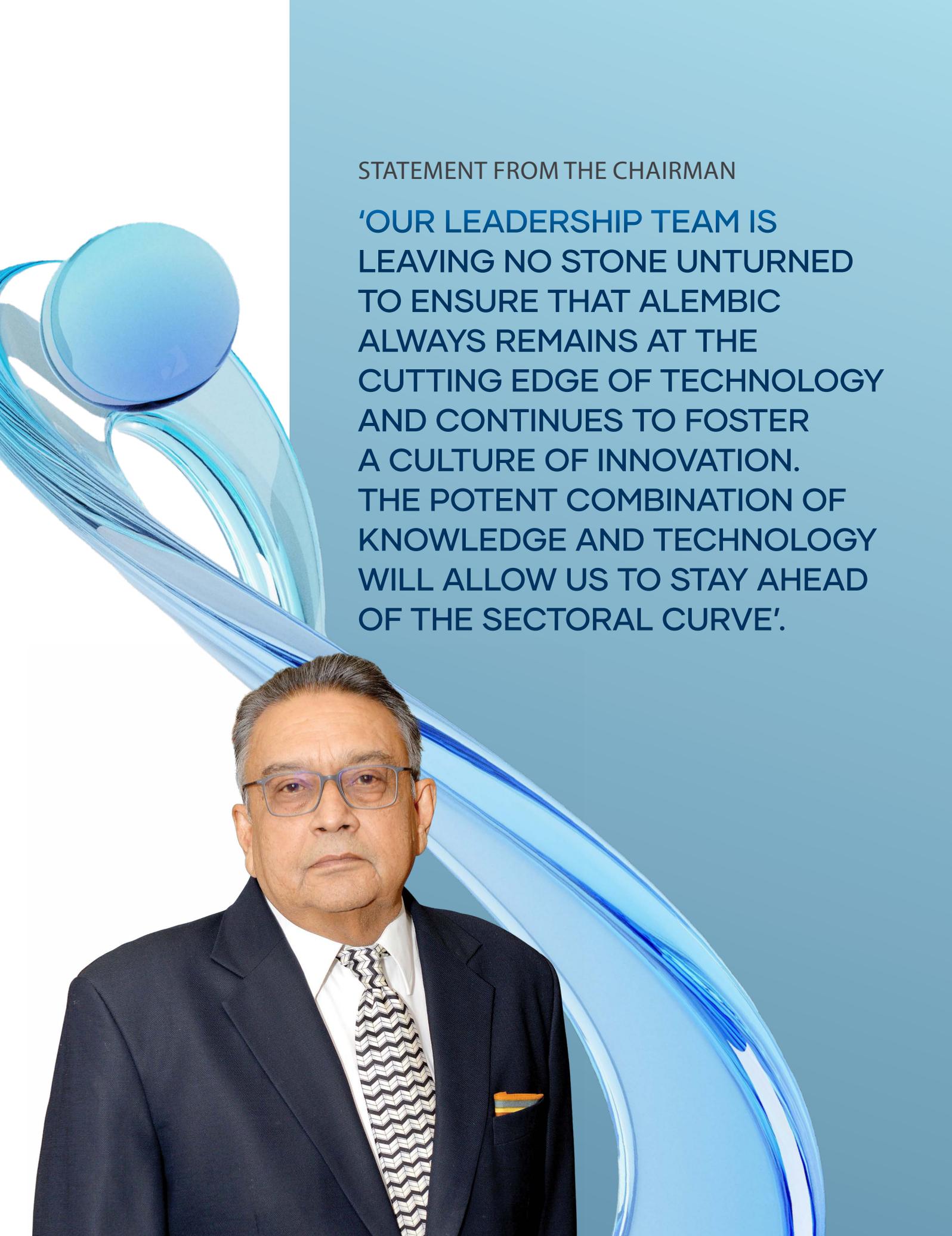




# FROM THE HELM



**Alembic**



STATEMENT FROM THE CHAIRMAN

**'OUR LEADERSHIP TEAM IS LEAVING NO STONE UNTURNED TO ENSURE THAT ALEMBIC ALWAYS REMAINS AT THE CUTTING EDGE OF TECHNOLOGY AND CONTINUES TO FOSTER A CULTURE OF INNOVATION. THE POTENT COMBINATION OF KNOWLEDGE AND TECHNOLOGY WILL ALLOW US TO STAY AHEAD OF THE SECTORAL CURVE'.**





## Dear Shareholders .

I am privileged to present the Annual Report for the fiscal 2023-24. Your Company has progressed well and is poised to significantly contribute to a healthier world through its affordable and innovative medicines.

Our efforts towards positioning Alembic as a multi-disciplinary, multi-capability pharmaceutical company have taken shape and are reflected in our improved all-around performance. While a lot has been done to position Alembic as a global pharmaceutical organisation, much more needs to be done, considering the tectonic trends expected to emerge in the current decade.

### TRENDS IN THE GLOBAL HEALTHCARE INDUSTRY

At the macro level, the healthcare industry will experience considerable demographic changes that will impact service delivery models and even the kind of services needed.

1) A longer-living population, the emergence of transformative technologies with applications across the healthcare spectrum and continued global economic uncertainties are vital societal drivers that will impact the global healthcare space over the coming years.

2) With Millennials, Generation X and Baby Boomers entering their new stages in life all at the same time, there will be a growing demand for affordable but quality and convenient care, along with more efficient management of chronic illnesses.

3) Extreme weather events could become the biggest global risk over the next decade. Global health is one of the main areas where this will be felt. Credible sources suggest that by 2050, the climate crisis could cause economic losses worth US\$12.5 trillion

and add US\$1.1 trillion in extra costs to healthcare systems around the globe.

At the micro level, certain critical ailments will take centre stage. Cancer is a case in point. Cancer is on the rise worldwide. This appears to be due to lifestyle changes, increased consumption of certain processed foods that have not been subjected to proper quality control tests, pollution, genetic predispositions, and increased awareness and diagnostic advancements. Recent research has unearthed that global cases of early-onset cancer have increased. There were close to 20 million new cases of cancer in the year 2022, and the numbers continue to rise rapidly. In other words, cancer is fast becoming an epidemic.

### THE FUTURE OF THE INDIAN PHARMA SECTOR

India, the pharmacy of the world, is experiencing a compelling growth trajectory with high single-digit growth. Despite challenges in CIS countries, the global reception of Indian pharmaceuticals remains positive. Moreover, the domestic market has exhibited a healthy double-digit growth. These realities position the domestic industry firmly on the path to reach the US\$130 billion mark by 2030.

### INDIAN HEALTHCARE – AN IRREVERSIBLE CHANGE

Indian healthcare is undergoing a transformative phase - an irreversible change in healthcare consumption, with patients and doctors increasingly embracing technology for healthcare interactions. This change is largely attributed to the rapid advancements made by health tech companies. Interestingly, these disruptions have unlocked new value pools within the sector.

The digital transformation of India's

healthcare industry has the potential to accelerate tenfold, from US\$2.7 billion in 2022 to approximately US\$37 billion by 2030.<sup>1</sup> This will rub off into a stronger demand for pharmaceutical products.

### OUR PREPAREDNESS FOR A BETTER TOMORROW

We are present across the world and closely connected with a large section of opinion influencers and decision-makers in the global and domestic pharmaceutical markets. These connections provide rich insights into how our business space is evolving at the macro level and in every nation we operate.

The knowledge helps us prepare proactively for the fast-evolving healthcare world. Our teams are working round-the-clock to develop products and platforms that will address the needs of a more evolved and tech-savvy society of tomorrow. This will increase our relevance in an increasingly competitive business space.

Our leadership team is leaving no stone unturned to ensure that Alembic always remains at the cutting edge of technology and continues to foster a culture of innovation. The potent combination of knowledge and technology will allow us to stay ahead of the sectoral curve and unleash value for all those who stay aligned with our story.

In closing, let me emphasise how grateful I am for all your support. This has been the greatest source of my strength, and I promise I will do my utmost to uphold your trust in me and my team.

Regards

**CHIRAYU AMIN**  
Chairman & CEO

Source : <sup>1</sup> Boston Consultancy Group

FROM THE LEADERSHIP TEAM

**'HAVING INVESTED IN NICHE CAPABILITIES, WE HAVE CREATED A ROBUST GROWTH PLATFORM THAT HAS THE POTENTIAL TO TAKE OUR BUSINESS INTO A NEW ORBIT. WITH OUR CAPEX CYCLE LARGELY COMPLETED, WE WILL DEPLOY OUR CASH FLOW TO REDUCE OUR DEBT FURTHER. WE THANK OUR SHAREHOLDERS FOR THEIR PATIENCE WHILE BEING WITH US THROUGH THIS JOURNEY OF ENDURANCE'.**

**PRANAV AMIN**

Managing Director



**SHAUNAK AMIN**

Managing Director





## Dear Shareholders .

It is a pleasure to connect with you once again. We hope this message finds you in good health and high spirits. Looking back on the past year, we are grateful for the unwavering support and collective efforts that have propelled Alembic towards sustainable growth.

Reflecting upon FY24, it is crucial to recognise the various challenges stemming from macroeconomic headwinds in our operating environment. Despite the hurdles, we are delighted to share that we have returned a respectable performance. Passion backed by perseverance has enabled our teams to prevail and report a satisfying performance.

Our financial numbers in FY24 reflect a resilient growth trajectory. Our consolidated revenue from operations stood at ₹6,229 crore, up from ₹5,653 crore, recording an overall growth of 10.19% over the previous year. We reported an EBITDA of ₹961 crore during the fiscal year, with margins of 15%.

FY24 stands out as an important milestone in our journey, for it heralds a brighter future that will position Alembic as a solid organisation operating a highly liquid business.

Coming to our growth levers, we are happy to mention that every business vertical scaled its performance a few notches higher.

### INDIA BRANDED BUSINESS

Our India branded business outperformed industry growth rates in speciality therapies– Alembic ranked 21 in India with a market share of 1.5%. Azithral has featured among the Top 300 Brands in the Indian Pharmaceutical market, with four brands with revenue of more than ₹1 billion.

The India branded business at ₹2,200 crore witnessed a growth of 7% against the IPM growth of 8%. Our prescription base increased from 2.31 lacs in FY23 to 2.33 lacs in FY24. Our speciality therapies continued their stellar run as the Gynaecology, Gastrointestinal, Anti Diabetic and Ophthalmology therapies continued to outpace the market growth.

We had significant new launches in FY24, which made a meaningful contribution to the India-branded business vertical. I am happy to state that our sustained efforts in growing our speciality basket have positioned the speciality segment as the key revenue and growth driver for the branded piece.

Our Animal Health segment sustained the uptick, registering a 25% plus growth with our basket of strong brands continuing to drive our outperformance. We have expanded about 350 people in the animal health business and created a separate vertical to focus more on feed products in the large and growing cattle space. We continue to see solid traction and have some good launches in the non-antibiotic feed space, probiotics, and some mainline animal health products. We are very bullish on this space and continue to look at growing it organically with the same momentum, giving us a big upside.

Our teams have made tremendous efforts to improve our sales hygiene over the last two years with considerable success. Our market inventory days have also come down appreciably.

We have worked tirelessly to extend our presence deeper into the country. During the last few years, our teams have helped establish the Alembic brand in some Tier 3 and 4 towns. The

timely extension has made a healthy contribution to business growth. As we move forward, this will remain a high-priority area for us.

We strengthened our business by deploying technology solutions in every function to empower our team to execute better. Case in point: in FY24, we provided technology solutions that have helped our field force to engage better with Healthcare Medical Professionals.

The current year promises to be equally riveting as we progress on the strategic blueprint to help us sustain our growth momentum over the coming years.

We have promising future launches across key therapeutic segments, specifically cardiology, gynaecology and diabetology, that will contribute to business growth. We will continue to widen our presence in the animal health space with niche brands that have the potential to emerge as leaders in their segments.



We will continue strengthening our field force and working diligently to scale their on-field performance, as their efforts play a key role in our success. Alongside this, we will focus on commissioning our greenfield plant at Pithampur. When operational, this facility will significantly reduce our logistics costs and time to deliver our products.

Having deployed Sales Force IT solutions for real-time data analytics, we will use the analysis to make knowledge-based decisions to help us stand out in an increasingly competitive business environment.

We will work passionately to improve the quality of business, a responsibility that every member of the India-branded business will shoulder. This singular strategy will uplift our position a few notches higher.

## THE US GENERICS BUSINESS

The U.S. market fared much better compared to the previous two years. While price erosion persists, it has moderated.

Our U.S. business registered a 10% growth over the previous year, breaking a two-year streak of muted performance. Our volumes picked up at a promising pace. Our new product launches supported the business improvement – we launched 27 products in the U.S. market in FY24.

The launches were a healthy mix of products across various platforms such as oncology (Oral Solid Dosages and injectables), ophthalmic, dermatology, inhalation products, Oral Solids and Injectables. These products have reported encouraging performance, which fuels our passion to sustain the effort to increase such launches. The broader the portfolio, the wider the opportunity horizon.

After immense passion and perseverance, we have established a



healthy presence in the US market. We have all the pieces in place, be it the front end, which looks for opportunities, or the back end, which can respond to the opportunities. We continue to sharpen our operations and execution, which rewards us well. In doing so, we have earned respect and a reputation as a dependable supplier. In FY24, we capitalised on several supply shortfall opportunities, which helped increase revenue.

We want to maintain our growth trajectory despite the unabated price erosion. Our strategy to create a balanced product portfolio across platforms should help us minimise the impact of price erosion on our financial numbers.

Our investment in new capabilities such as injectables, inhalation, oncology, peptides, dermatology and ophthalmology de-risks our business from incremental price erosion, which is persistent in OSDs. Moreover, our business opportunities will get bigger as we graduate to more complex products.

Due to intense competition, our returns from the U.S. business are lower than they used to be about 3-4 years back. We are balancing this with a more incisive R&D plan, which has optimised our R&D spending. It works to our benefit. We attempt to cherry-pick only those complex opportunities that are relatively uncluttered and provide better returns on our investments.

We have reduced our ANDA filings from the earlier run rate of 20-25 per year to about 15 filings per year. But our product pipeline has become stronger as the proportion of complex products in our filings has increased appreciably.

As we receive the approvals for our filings, the new facilities recently certified by the FDA will be scaled up to their optimum utilisation. This would help us absorb costs better and improve profitability.

We will continue our two-pronged approach. At our India site, we will channelise our energy towards developing a higher mind share of customers. In the U.S., we will remain alive and agile to capitalise on growth opportunities that provide heartening returns.

We are also evaluating long-term alliance opportunities. We are studying the fine print and will forge such alliances when the terms and conditions are favourable and promise long-term profitable growth.

These possibilities position our U.S. operations in a positive light. We are optimistic about scaling our operations and improving financial performance.

## THE ROW GENERICS BUSINESS

Our RoW business, built as a critical balancing piece to our U.S. operations, has registered an exceptional performance, growing by 23% over the previous year. It is establishing itself as an essential value creator for the Company. We are satisfied with the way



the business has panned out.

Our strategy for stabilising our operations in Europe has worked well. We have continued to improve our business relations with all our partners. Australia also gave us good volumes supported by favourable tailwinds.

Our recent front-end presence in Chile, Mexico and the Middle East will help us strengthen our presence in those geographies and extend our footprint to neighbouring nations. These strategic moves are expected to contribute to business growth.

We hope to maintain this growth rate in the future, which will be driven by new product launches and territory expansion. We will remain steadfast on this strategy to grow this revenue vertical further.

## THE API BUSINESS

API has been our focus area over the last 12-14 quarters or so. The API business has seen reasonable growth in line with our historical guidance and has sustained the growth run rate even as the base has increased significantly.

In FY24, our API business registered a 7% growth over the previous year. Our performance was supported by higher offtake and a superior product mix. We reported satisfactory margins.

Our API operations are like a well-oiled and robust engine. We will continue to streamline operations to derive superior efficiencies and focus on a robust supply chain with compliances in place. We are confident these strategies will help our partners and customers grow their businesses.

Augmenting capacities is a continuing strategy as customers increase their reliance on our products. We continue adding more blocks and capabilities to our existing facilities, optimising our capital cost and accelerating operations and returns.



## OUR SOLID & LIQUID THEME

Having invested in niche capabilities, we have created a robust growth platform that has the potential to take our business into a new orbit. To strengthen our position in the markets in which we are present, we have created a robust pipeline of complex molecules leveraging our multi-delivery platform capability. In FY24, we tested the markets for some of the launches and were particularly satisfied with their performance. Moreover, it has fuelled our drive to accelerate our launches over the coming years.

As we widen our product portfolio, we are optimistic about generating superior returns on our efforts and increasing cash flow from operations.

With our capex cycle primarily completed, we will deploy our cash flow to reduce our debt to a net zero level and reward shareholders for their trust in our story and patience in

being with us through this journey of endurance.

Additionally, we will continue assessing new segments and categories based on their potential and invest in capabilities we must possess to ensure that Alembic remains firmly rooted in its growth path.

In a nutshell, we would have made our BUSINESS VERY SOLID AND OUR ORGANISATION ESSENTIALLY LIQUID.

## IN CLOSING

As we progress in our aspirations, we gratefully acknowledge your continued trust and faith in us and assure you of progressive growth in shareholder value year after year.

Best regards,

**PRANAV AMIN AND  
SHAUNAK AMIN**

Managing Directors

# FREQUENTLY ASKED QUESTIONS

1

## **HOW DO YOU FORESEE THE COMPOSITION OF THE U.S. PORTFOLIO EVOLVING OVER THE NEXT 2 TO 3 YEARS, PARTICULARLY IN TERMS OF THE BALANCE BETWEEN ORAL AND NON-ORAL PRODUCTS?**

While our Oral Solid Dosage (OSD) portfolio remains our core strength, we have strategically diversified our U.S. product mix. Our successful launch of ophthalmic and dermatology products and the upcoming injectable pipeline demonstrate our commitment to growth. As we advance, we anticipate a gradual decrease in the relative weight of OSD within the overall U.S. portfolio.

2

## **COULD YOU ELABORATE ON THE LONG-TERM R&D STRATEGY FOR THE U.S. MARKET? ALSO, HOW WILL YOU ENSURE A ROBUST PIPELINE OF NEW OFFERINGS TAILORED TO THE U.S. MARKET NEEDS? ADDITIONALLY, IT WOULD BE INSIGHTFUL TO UNDERSTAND THE CURRENT AREAS OF R&D FOCUS WITHIN THE COMPANY.**

Our recent R&D expenditure reflects a strategic evolution over the past 5-7 years. Initially, our focus was primarily on Oral Solid Dosage (OSD) formulations. However, our commitment to innovation has diversified our portfolio significantly.

We have strategically expanded our portfolio to include Active Pharmaceutical Ingredients (APIs), injectables, dermatology (Derma), oncology and ophthalmology. As a result, the proportion of R&D spending allocated to OSD has naturally decreased. Having successfully developed a substantial Derma portfolio, investments in that area have plateaued.

Conversely, investments in APIs and injectables have seen steady growth. We anticipate this trend to continue, particularly with the expansion of our injectables portfolio. Moreover, we recognise the growing importance of Ophthalmic products and plan to allocate resources accordingly, positioning ourselves for sustained growth and innovation in these areas.



**3****THERE WAS A MENTION ABOUT FOCUS ON GLP-1 DRUGS. COULD YOU ELABORATE ON YOUR CURRENT WORK OR RESEARCH INTERESTS IN THIS AREA?**

We are exploring opportunities in peptide-based formulations and APIs, particularly P-4 launches. Our existing peptide capabilities position us well to enter this segment. We have initiated preliminary filings to gain a foothold in

this market and will continue to assess the strategic fit as we move forward. We have initiated capital investment in this area, and it would be the single largest capex item in FY25.

**4****WITHIN YOUR CURRENT U.S. PRODUCT PORTFOLIO, HOW MANY PRODUCTS ARE ESTIMATED TO HAVE MARKET SHARE BELOW THE TARGET GOALS? WHAT IS THE ANTICIPATED TIMEFRAME TO ACHIEVE THE DESIRED MARKET SHARE POSITION FOR THESE PRODUCTS?**

Our market share strategy prioritises value over volume. We focus on capturing market share through strategic opportunities, such as capitalising on supply shortages to offer a reliable source to customers. We take a measured approach for new products, waiting for favourable conditions before ramping up. Similarly, we participate selectively in bids, ensuring attractive pricing that aligns with our profitability goals.

Despite being happy with our current market share position, we have the capacity and confidence to expand further when commercially viable opportunities arise, thanks to our strong supply record and established buyer relationships. With confidence in our volume capabilities, we can pursue additional market share, provided that pricing parameters are favourable.

**5****GIVEN THE RECENT LAUNCH OF THE NEW INJECTABLE MANUFACTURING FACILITY AND THE INITIAL SUPPLY PHASE, HOW DO YOU ASSESS THE POTENTIAL MARKET SHARE GROWTH FOR INJECTABLES WITHIN THE NEXT TWO YEARS?**

The injectable market offers a promising opportunity for growth. Compared to the more crowded Oral Solid Dosage (OSD) space, the injectable market presents a relatively favourable competitive landscape. While there are strong players, ongoing disruptions create exciting

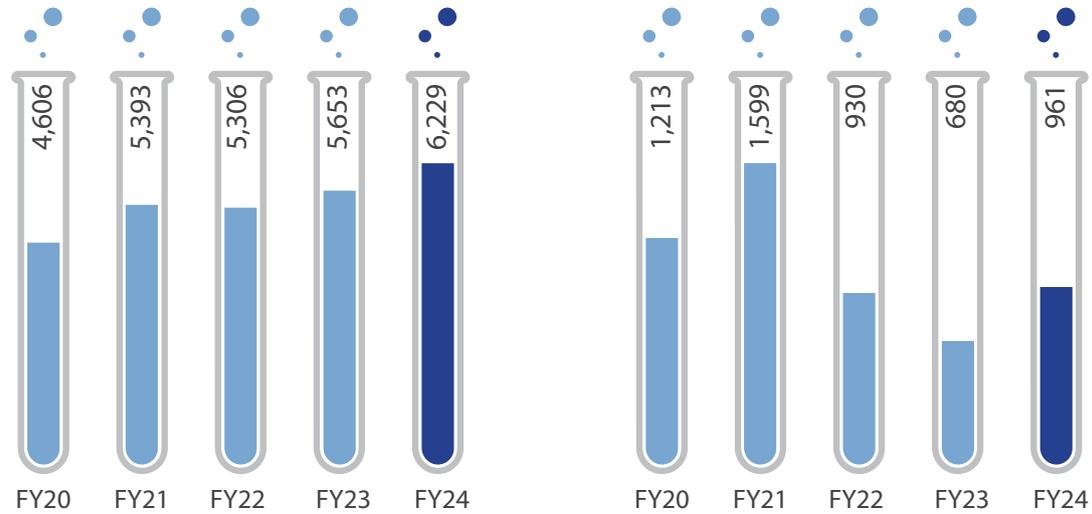
openings for us. Our initial launch of 10 injectable products has laid a solid foundation. As we expand the breadth of our injectable portfolio, we will be well-positioned to capture these emerging opportunities in the market.



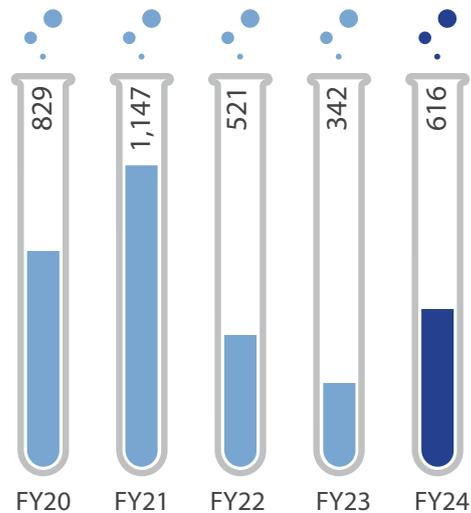
## KEY PERFORMANCE INDICATORS

**'WE ARE WHAT WE REPEATEDLY DO. EXCELLENCE, THEN, IS NOT AN ACT, BUT A HABIT.'**

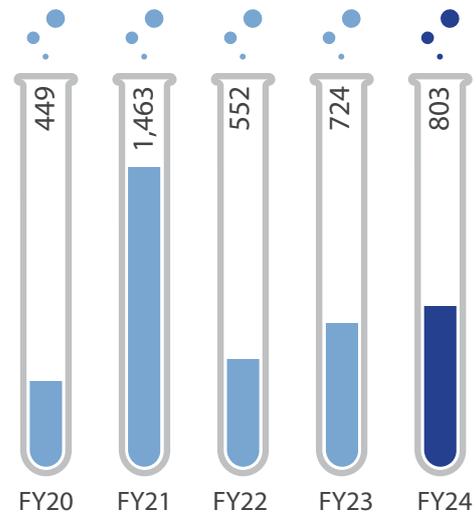
### PERFORMANCE



### REVENUE (₹ CRORE)



### EBITDA (₹ CRORE)

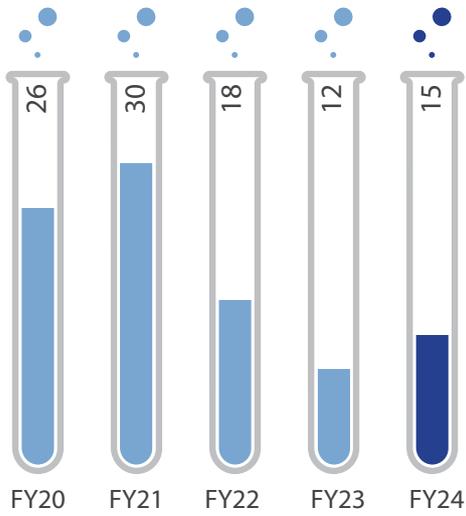


### PROFIT AFTER TAX (₹ CRORE)

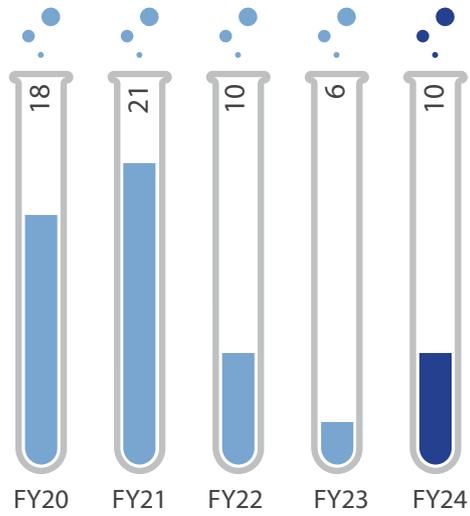
### NET CASH FROM OPERATIONS (₹ CRORE)



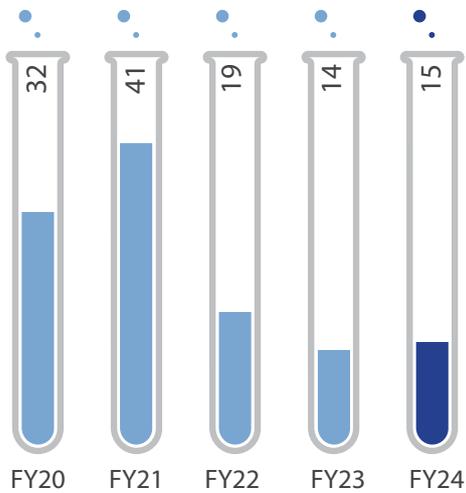
**PROFITABILITY**



**EBITDA MARGIN (%)**

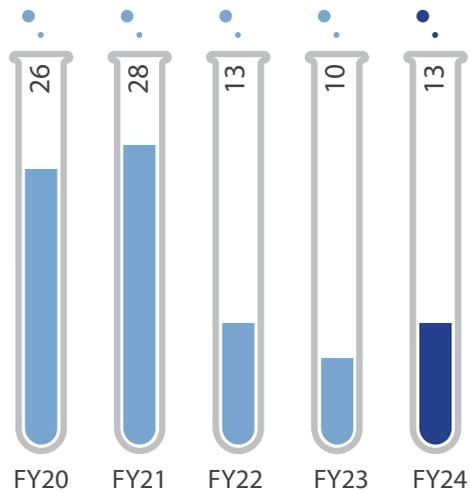


**NET PROFIT MARGIN (%)**



**RETURN ON CAPITAL EMPLOYED (%)\***

\*Excluding new projects



**RETURN ON EQUITY (%)\*\***

\*\* Excluding one off for Derma



# STRATEGIC ROADMAP

## INDIA BRANDED BUSINESS

### FOCUS: SUSTAIN OUR INDUSTRY OUTPERFORMANCE

#### FY22

Operational changes at the plant and field  
Infused energy in the field force

#### FY23

Strengthened the presence in speciality therapies with the launch of novel products.  
Increased focus on the animal health space with therapy leading products.

#### FY24

Increased focus on the animal health space with therapy leading products.  
Deployment of iPads for MR interaction with the Healthcare Medical Professionals (HMPs)  
Upgraded to Salesforce platform for India field force to get better control, consistency in execution and drive better orientation towards HMPs.

#### PLAN FOR FY25

Improve depth in the current strength with new launches planned in FY 25 & launches done in FY 24.  
Upgradation of data-platform by deploying SNOWFLAKE for real-time big data analytics.  
Invest in a new facility which will drive business growth.





## THE US GENERICS BUSINESS

### FOCUS: INCREASE THE PRODUCT BASKET

#### FY22

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

#### FY23

Launched 18 products.  
Received approval for 22 products.  
Filed 20 ANDAs.

#### FY24

Launched 27 products which include 18 oncology, derma and ophthalmic products.  
Introduced new delivery platforms such as injectables and inhalation.  
Received approval for 19 products (including 4 tentative approvals)  
Filed 15 ANDAs.

#### PLAN FOR FY25

Increase the launch of high-value products to minimise the impact of price erosion.  
Focus on growing oncology products and injectables.  
Continue to improve supply efficiency to capitalise on supply shortfall opportunities.

## THE ROW GENERICS BUSINESS

### FOCUS: INCREASE PRODUCT BASKET AND GEOGRAPHIC PRESENCE

#### FY22

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

#### FY23

Established a physical presence in Chile and the UAE to serve these markets better.  
Strengthened presence in Canada.

#### FY24

Received quick registrations in Chile.  
Formed a subsidiary in the UAE and set up a scientific office.  
Started filing in Iraq market.

#### PLAN FOR FY25

Solidify presence in Brazil.  
Explore the Saudi market to mark our presence.  
Mexico will also be one of our focus areas for expansion.

# MANAGEMENT DISCUSSION & ANALYSIS







## THE ECONOMIC SCENARIO

### GLOBAL ECONOMY

The most recent projection follows from the world economy doing better in 2024 than in 2023.

Furthermore, the GDP grew more than expected in 2023, taking care of structural vulnerabilities and short-term risks. The global economy displayed remarkable resilience, with inflation declining steadily and growth holding up. Further, the world GDP grew more than anticipated in 2023.

Global inflation is expected to decrease from 5.7% in 2023 to 3.9% in 2024. Despite this, price pressures

remain high in several countries, and any escalation of geopolitical tensions may lead to a resurgence in inflation.

The global economy faces low growth prospects, persistently high interest rates, intensifying geopolitical conflicts, sluggish international trade and mounting climate disasters. These obstacles could significantly hinder global economic progress. However, growth could be more potent if households spend more of the excess savings accumulated during the pandemic.

According to the United Nations

World Economic Situation and Prospects (WESP) 2024, global economic growth is projected to slow from an estimated 2.7% in 2023 to 2.4% in 2024, falling below the pre-pandemic growth rate of 3.0%. Fast-growing Asian economies remain the primary drivers of global growth.

Also, global inflation is anticipated to decrease even more, from 5.7% in 2023 to 3.9% in 2024.



## INDIAN ECONOMY

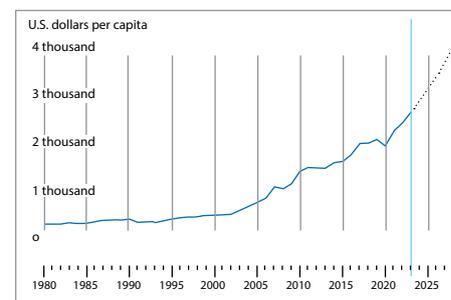
India has emerged as a powerful force in the global economy, solidifying its position as the world's fifth-largest economy. This is due to its strong economic foundations, thriving domestic demand, careful financial management, high saving rates and favourable demographic trends.

India's economy performed well in 2023, defying global challenges. The GDP grew at a healthy rate of 7.6%, exceeding forecasts and making India the fastest-growing major economy. This growth was driven by strong domestic demand, particularly in rural areas, and a robust manufacturing sector that saw double-digit growth in key areas like steel and automobiles. Inflation also eased throughout the year, falling to a multi-year low. There

were some headwinds, however, with exports slowing down due to the weak global trade environment. Overall, 2023 was a year of positive economic performance for India, setting the stage for continued growth in the coming years.

The Indian economy is expected to remain robust in 2024. Most analysts predict healthy growth. The UN Trade and Development (UNCTAD) projects a 6.5% expansion, making India the world's fastest-growing major economy. Factors supporting growth include a large young workforce, ongoing digitisation and a focus on infrastructure investment. Potential hurdles include the upcoming general elections, which may cause temporary slowdowns, and managing inflation, which currently sits at 5%.

## INDIA'S GDP PER CAPITA (IN US\$)



Source: International Monetary Fund

The IMF recently revised its GDP growth forecast for the FY25 from 6.5% to 6.8%.

# THE PHARMACEUTICAL SECTOR

## WORLD PHARMA SCENARIO

The global use of medicines has increased by 14% in the past five years, with an expected additional 12% growth by 2028<sup>1</sup>. This growth is estimated to increase the annual use of medicines to 3.8 trillion defined daily doses.

The pharmaceutical industry is expected to face unique challenges and opportunities in 2024. The industry is undergoing a significant transition marked by substantial expenditures, technological developments, the expiration of essential patents, growing inter-organisational collaboration and an encouraging

regulatory environment. These factors stimulate innovation and reshape the pharmaceutical sector, paving the way for new trends and advancements.

**Outlook:** Recent advancements in medication have led to significant improvements in patient treatment, particularly in oncology, endocrinology and immunology. These positive developments have contributed to better growth prospects by introducing innovative products and have aided in offsetting exclusivity losses.

Medicine use is anticipated to increase more rapidly in Latin America and Asia over the next five years than in other regions. China, India and the

Asia-Pacific region are expected to experience substantial volume growth, with a compound annual growth rate of over 3%. Meanwhile, Western Europe, North America and Japan, higher-income regions with well-established healthcare systems, will experience slower volume growth.

Spending on pharmaceuticals is predicted to surge by over 30% in North America, Eastern and Western Europe, Latin America, Africa and the Middle East, shifting towards more expensive products and population-driven volume growth.

Source:  
<sup>1</sup>IQVIA Institute – January 2024 (Global Use of Medicines 2024) (Outlook to 2028)





## THE U.S. MARKET

The U.S. pharmaceutical market is anticipated to generate US\$636.90 billion in revenue by 2024<sup>1</sup>. Oncology drugs are expected to capture the largest market share, with a predicted market volume of US\$114.60 billion in the same year. The demand for targeted therapeutics and personalised medicine is surging in the U.S. pharmaceutical industry.

Forecasts indicate that the market will increase at a consistent annual rate of 5.96% between 2024 and 2028, reaching a market volume of US\$802.80 billion. It is important to note that the U.S. is anticipated to lead the global pharmaceutical market in revenue worth US\$636.90 billion in 2024.

India is one of the largest exporters of generic drugs globally. As per the Indian Brand Equity Foundation (IBEF), the country accounts for 30% of the overall generic medicines supplied to the U.S. from all over the world. This makes the U.S. a vast market which offers unlimited growth potential.

### **Underlying macroeconomic factors<sup>2</sup>:**

Several macroeconomic factors, such as modifications to government healthcare laws and regulations, technological advancements and changing consumer demographics, impact the U.S. pharmaceutical market. The market is anticipated to expand in the coming years due to innovations and rising demand for customised care.

**Concerns over Rising Costs:** With healthcare becoming increasingly expensive, generic drugs are emerging as a powerful tool for managing costs while maintaining effective treatment. The affordability of generic drugs makes them an attractive choice for patients and healthcare providers.

**Patent Expirations:** The expiration of patents on brand-name drugs

creates a fertile ground for generic manufacturers to introduce bioequivalent alternatives, increasing competition and potentially lowering medication costs.



## PAST AND FUTURE<sup>3</sup>

The competitive pressures in the U.S. generics business intensified following the peak in the previous upcycle (Patent Cliff) in 2015. Pricing deteriorated as players fiercely competed for market share in older products. The entry of new players, including many from India, led to further turmoil in the already competitive segment.

More recently, there was significant inventory build-up in the channel during COVID-19 due to apprehensions about the availability of medicines. However, as COVID subsided, the inventory in the system led to significant price erosion in the U.S. generics segment. With the normalisation of inventory, the intensity of price erosion has reduced.

The other positive is that the U.S. generics market has also experienced drug shortages due to selective exits by players in the unprofitable product segments and underinvestment in product development. This shortage may contribute to a pricing upcycle in the U.S. generics market.

Further, another upcycle trend is starting to play out – the genericisation of small molecule patented drugs.

The Indian pharmaceutical industry is poised to tap the significant opportunity in the 'small molecule patented drugs' segment, opening up for generics through 2023-26. The generics market opening up for 'small molecule patented drugs' will allow Indian generic drug manufacturers to break into previously unavailable avenues.

Source:

<sup>1</sup>Statista

<sup>2</sup>LinkedIn

<sup>3</sup>Businessstoday

## THE EUROPEAN MARKET

The European pharmaceutical market is anticipated to generate US\$194.90 billion in revenue by 2024. Oncology drugs comprise the largest market segment in this area, with a projected market volume of US\$37.80 billion by 2024. Sales are anticipated to expand at a CAGR of 6.25% between 2024 and 2028, reaching a market volume of US\$248.40 billion by that year.

Research and development in the pharmaceutical industry are booming in Germany, emphasising novel treatments and personalised medicine. Europe's pharmaceutical industry has proliferated in recent years, and various trends and innovations have shaped the sector.

**Trends in the market:** Generic medications constitute the majority of sales in the German pharmaceutical



sector, as the nation's stringent drug price laws have created a very competitive industry. The French market is characterised by a high concentration of small and medium-sized businesses focusing on specialised markets like cancer and rare health ailments. In contrast, the UK market is highly centralised, with a small number of large corporations controlling a significant portion.

**Local special circumstances:** In Italy, the Government controls a large portion of the pharmaceutical industry and determines medicine prices. As a result, the market is now highly fragmented. The Spanish market is known for its high degree of innovation, as seen by the substantial investments made by numerous enterprises in R&D. As a result, the nation is now home to numerous biotech startups.

**Underlying macroeconomic factors:** Numerous factors, such as Government policy, healthcare spending and population demographics, affect the European pharmaceuticals business. The need for medications to manage chronic illnesses like diabetes and heart

disease is rising as the population ages. In addition, governments are looking for ways to reduce costs as healthcare spending keeps rising, which has resulted in further regulation of drug prices. Finally, there is uncertainty regarding the future of drug regulation in Europe due to the UK's exit from the EU, which may have a defining impact on the business.

### THE LATAM MARKET

Large portions of private voluntary and out-of-pocket insurance expenditures drive total spending in Latin American countries like Brazil and Argentina. In Chile and Uruguay, on the other hand, the majority of the health sector's funding is provided by publicly mandated and sponsored programmes. The expenditures of certain Latin American nations, such as Argentina, Brazil, Uruguay and Chile, are comparable to those of high-income nations with universal coverage, which often allocate 8% to 11% of GDP to healthcare. Despite providing good quality treatment, healthcare costs in countries like Mexico, Columbia and Panama are much lower than in the U.S.

### THE AUSTRALIAN MARKET

Australia's pharmaceutical industry is expected to generate US\$10.16 billion in revenue by 2024. Oncology drugs comprise the largest of the major market segments, with a projected market volume of US\$2.01 billion in 2024. From 2024 to 2028, the pharmaceutical industry is anticipated to increase at an annual rate of 6.76%, with a market volume of US\$13.20 billion. Innovative and customised drugs are in high demand in Australia's pharmaceutical industry.

Australia has seen a consistent increase in the demand for pharmaceuticals in recent years.

**Local special circumstances:** The pharmaceutical sector in Australia is subject to strict government regulations, resulting in a relatively stable market. However, growing healthcare expenditures have strained the Government's Pharmaceutical Benefits Scheme (PBS). This has prompted a closer examination of drug costs and a drive to utilise generic and biosimilar medications more frequently.



***Underlying macroeconomic factors:***

The Australian economy has grown steadily in GDP and has had low unemployment in recent years. However, as the nation's population ages, the healthcare system is getting strained, driving an increased emphasis on chronic illness management and preventive treatment. Furthermore, the COVID-19 pandemic has brought attention to the importance of a robust healthcare system, which could eventually result in additional resources being invested in the pharmaceutical sector.

**THE MENA MARKET**

In a report by TechSci Research titled "Middle East & Africa Pharmaceuticals Market – By Country, Competition, Forecast and Opportunities, 2028," the outlook for the pharmaceutical industry in the Middle East and Africa

appears promising. This market is projected to experience a high CAGR during the forecast period. This growth is attributed to the region's continuous development of healthcare systems, aiming to address various medical conditions through the increased production of pharmaceutical products. The Middle East healthcare market is growing at 10%, twice as fast as the global market. It is dominated by Saudi Arabia, Iran, Israel, Egypt and the UAE, which cover more than 85% of the Middle East market.

Government laws significantly impact the pharmaceutical industry in the Middle East and Africa. The focus on lowering healthcare expenses and strengthening the local economy is noteworthy. For instance, by banning the import of branded medications, the Saudi Arabian Government has been aggressively encouraging the use

of generic medications. The strategy promotes domestic manufacturing of generic medications, which lowers healthcare costs.

Saudi Arabia has outlined an ambitious strategy for transforming the life sciences and healthcare sector in the coming years. Saudi Arabia is home to over 140 pharmaceutical companies, and several foreign partners from China, India and the U.S. recognise the sector's growing potential and invest in MENA manufacturing facilities.

Given that the local pharmaceutical market is expected to grow to US\$60 billion by 2025 due to rising healthcare costs, rising medication demand and a high concentration of pharmaceutical companies and healthcare professionals, the financial benefits of such diversification initiatives are evident.

## INDIAN PHARMACEUTICAL SECTOR

The pharmaceutical sector in India is of great importance to the pharmaceutical sector worldwide. Indian pharmaceuticals are favoured globally for their affordable prices and superior quality, earning them the title 'pharmacy of the world'.

The Indian pharma industry has grown from US\$35.41 billion in FY18 to US\$49.78 billion in FY23 and is likely to reach US\$57 billion by FY25. Globally, the Indian pharma industry has a strong footprint in the generics segment. Pharma exports and the domestic market contribute equally to the Indian pharma Industry.

**API segment:** About 500 India-based API firms constitute around 8% of the worldwide API industry. Positioned as the world's third-largest API producer, India supplies 57% of APIs listed on

the WHO prequalified catalogue, showcasing its pivotal role in the global pharmaceutical market.

**Generic formulations:** India is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume. The industry manufactures about 60,000 different generic brands across 60 therapeutic categories. More than half of Africa's generic needs are met by India. India also serves roughly 40% of the U.S. generic demand and 25% of the UK pharma demand.

**Resources:** Home to over 3,000 pharmaceutical companies, India boasts the largest US-FDA-compliant pharma plants outside the U.S. The country also boasts a robust network of over 10,500 manufacturing facilities and a highly skilled labour pool.

**Performance:** The Indian Pharmaceutical Industry (domestic and

exports) registered a CAGR of 6%-8% during FY18-FY23, contributing 8% growth in exports and 6% growth in the domestic market during the same period.

Despite sustained pricing pressures in the U.S. generics market, formulation companies could sustain their margins to around 22% in FY23 due to focus on complex and speciality products.

In FY24, the Indian pharma sector reported superior performance due to several factors, such as improved performance in the US generics market, robust performance in branded markets, moderation in raw material costs, and market share gains in recently launched products.

**Government initiatives:** The Indian Government assisted pharmaceutical companies with its Production Linked Incentive (PLI) scheme, which aims to improve India's manufacturing





capacity for high-value products and promote self-reliance. Additionally, the Government is creating three bulk drug parks in the states of Gujarat, Himachal Pradesh and Andhra Pradesh) to facilitate a steady supply of bulk drugs to Indian formulators.

**Estimates:** In recent times, pharmaceutical companies have strategically increased their presence in chronic therapies, focused on new product launches, and ventured into new therapies to capitalise on market opportunities.

Pharma companies with a focus on the U.S. business should register healthy business growth strongly due to the normalisation of base business prices, field force expansion and the introduction of new products despite pricing challenges, intense competition and stricter regulatory compliance requirements,

India-focused pharma players would report stable growth driven by deferred acute demand, an uptick in the chronic segment and new product launches.

## KEY EMERGING TRENDS IN 2024

### **Consolidation in the Hospital Sector:**

The acquisition of smaller independent private hospitals (in both metropolitan centres and Tier-2 and 3 cities) would be the primary goal of PE firms, MNCs and other prominent national hospital chains. This trend is already apparent and is caused by several factors, including a lack of succession planning among family-owned private hospital promoters, profitability issues stemming from hospital bed compliance with EWS reservation requirements, general difficulties in competing with more significant players for the purchase of medications and equipment, and a shortage of skilled labour, etc.

### **Increased Indigenisation of**

**Manufacturing in India:** In India, there is a greater emphasis on domestic

production of medical equipment and parts. The Public Procurement Order (PPO), which requires government agencies to buy local goods, the Government e-Marketplace, the successful PLI programme and the planned enhancement of MedTech clusters are just a few of the initiatives launched by the Government.

### **Advent of Digital Healthcare**

**Technology:** Digital technology will find increased usage across various healthcare areas, including Diagnosis Technologies (e.g., AI in medical imaging and smart wearables for real-time diagnostics), service delivery enhancement (pathology workflow automation and omnichannel diagnostics service platforms), optimising healthcare delivery (e.g., Big Data Analytics of patient data at Hospital Labs) and Point of Care Testing (PoCT) in remote areas.

### **Increased focus on compliance and quality standards:**

Following the introduction of Class C and D device standards by CDSCO in 2024, the medical device industry will come under intense regulatory scrutiny (with Class A and B going online in 2023). This will ensure that testing and validation procedures and consistent quality standards are followed. Similarly, when NABL and QCI accreditations become more widely used, there will be a greater focus on standardising diagnostic labs.

**Outlook:** The Indian pharmaceutical industry is a formidable global force today, shaping global health outcomes. By leveraging its inherent strengths in manufacturing, digital talent and favourable demographics (in terms of youth preponderance), India has the potential to become a global life-sciences innovation hub and grow its market to US\$120-130 billion by 2030 and US\$400-450 billion by 2047. (Source:

Mint, September 2023).



# BUSINESS PERFORMANCE

## 1. INDIA BRANDED BUSINESS

India branded business, a strong pillar for Alembic, reported a healthy performance in FY24-registering high single-digit growth and outperforming the sectoral growth.

The Company's product basket comprises branded formulations addressing diverse acute and speciality therapies. Alembic has garnered a 1.5% market share (Source: IQVIA MAT MAR 24). Within its portfolio, some brands are leading

names in their product category.

In FY24, the acute segment performed relatively better than the market, and the speciality segment grew by 7% over FY23- primarily supported by an impressive performance by the gynaecology, antidiabetic and ophthalmology segments.

New launches continued to do well, with promising future launches across key segments.

The Animal segment reported a robust growth of over 27% in FY24.

The noteworthy highlight was that the Company added human resources with a new division in livestock with a 350-person headcount.

With niche product launches and renewed vigour, the Company expects to sustain its growth over the coming years while outpacing the industry growth.

### OUTPERFORMING THE BROADER MARKET

FY24 Growth Comparison			
Therapy	APL	Market*	Net Growth
Gynaecology	16.10%	7.80%	8.30%
Gastrointestinal	12.10%	8.50%	3.60%
Anti Diabetic	19.00%	17.20%	1.80%
Ophthalmology	28.10%	8.30%	19.70%
Antibiotics OS	1.20%	0.00%	1.20%
Antibiotics OL	-8.50%	-10.40%	1.90%
Cold and Cough	0.30%	-2.00%	2.30%

\* Above market growth is based on respective Molecule group  
Source: IQVIA MAT, March 2024

# 18<sup>th</sup>

On a prescription basis, Alembic ranks at the 18th position.





## 2. INTERNATIONAL GENERICS BUSINESS

Alembic is present in 41 nations globally, with the US market being the most prominent and revenue-accretive. In recent years, price erosion in the US market forced the Company to sharpen its focus on other global markets to manage business risks. For the US market, the Company is working on launching more complex products leveraging diverse delivery platforms.

### THE US GENERICS BUSINESS

After about two years of significant volatility, the Company's performance in the U.S. market was encouraging from a topline and bottom-line perspective.

Despite continuing pricing erosion owing to growing competitive intensity, the US generics business grew by 10% over the previous year's levels. The Company focused on launching new products this year and improving efficiencies and execution in the mid-term.

Alembic launched 27 new products in diverse therapies, of which 15 were from its new, FDA-approved facilities. The new launches included products catering to oncology, ophthalmology, inhalation and dermatology therapies.

Alembic continued to strengthen its supply chain, enabling it to effectively capitalise on opportunities arising from supply chain disruptions in the U.S.

Further, Alembic continued to strengthen its product pipeline. It filed 15 ANDAs and received approvals on 19 filings (including four tentative approvals) during FY24. The ANDA pipeline was at 63 as of March 31, 2024, under various stages of approval.

### THE ROW GENERICS BUSINESS

The RoW business segment reported a stellar performance for another fiscal buoyed by considerable volume growth in almost all the geographies of its presence. Additionally, favourable regulatory tailwinds in some nations facilitated improved sales volumes.

Alembic's established markets, namely Europe, Canada and Australia performed well, providing considerable impetus for the Company's growth. The Company's strategy of developing the B-2-B model (implemented in FY23) has worked well in Europe. Favourable regulatory tailwinds in Australia helped the Company to grow volumes.

The Company's subsidiaries in Chile and Mexico are working aggressively on product registrations and expect to contribute positively to business growth in the coming years.

The Company will continue strengthening its presence in diverse markets to position the RoW segment as a vital business driver.



“The US Generics Business is looking better right now, with new facilities already commercialised. As our recently approved facilities ramp up, we will gain a lot of operating leverage, and cost improvements are also on track.”

## 3. API BUSINESS

The API business has shown a remarkable growth of 7% compared to the previous year despite the price erosion observed across the industry.

The Company has been consistently expanding its product portfolio and

development pipeline, with a special focus on oncology products. The team has been relentlessly optimising manufacturing processes, increasing productivity and debottlenecking capacities to meet the surging demand.

Moving forward, the Company is committed to improving its profitability by increasing the share of high-value products in its sales mix and targeting markets that offer superior margins.

# OUR VALUE CREATION





# OUR VALUE CREATION ENGINE

Alembic's business model is the foundation for effectively implementing and driving a sustainable business strategy. The business model is built on the foundation of team patience and perseverance to create growth levers for the future. It encourages and inspires employees and partners to strive for excellence in their work, keeping ethics, transparency and good governance practices in mind.

<b>MANUFACTURED CAPITAL</b> Infrastructure created and equipment used for manufacturing products. Our state-of-the-art pan-India infrastructure provides a superior mind-to-market cycle.	Manufacturing units	9
	Gross Block	₹3,875.20 crore
<b>FINANCIAL CAPITAL</b> Funds available to create value through production processes, or funds generated by operations. We have a strong financial position with a low debt equity ratio of 0.06x and maintain a sharp focus on efficient capital allocation.	Net Debt	₹310 crore
	Capital Employed	₹4,990.58 crore
<b>INTELLECTUAL CAPITAL</b> 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 developing processes.	R&D investment	₹474.92 crore
<b>HUMAN CAPITAL</b> The skills, knowhow, capabilities, experience, diversity and level of motivation of direct and contractual employees. We promote innovative thinking in our people and equip them with the right development tools and trainings.	Employees on roll	14,800+
	People benefits	₹1,446.29 crore
<b>SOCIAL &amp; RELATIONSHIP CAPITAL</b> 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 on projects	₹13.19 crore
	Shareholders	76,567
<b>NATURAL CAPITAL</b> 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.	Fresh Water consumption	7,16,710 KL
	Energy consumption	10,88,323 GJ



# VALUE CREATION APPROACH

## STRATEGIC BLUEPRINT

### 1) The U.S. generics business

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

### 2) ROW generics business

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

### 3) India branded business

Increase the contribution from speciality therapies; increase the speciality therapies of presence.

### 4) R&D strategy

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

### 5) HR strategy

Emerge as an employer of preference.

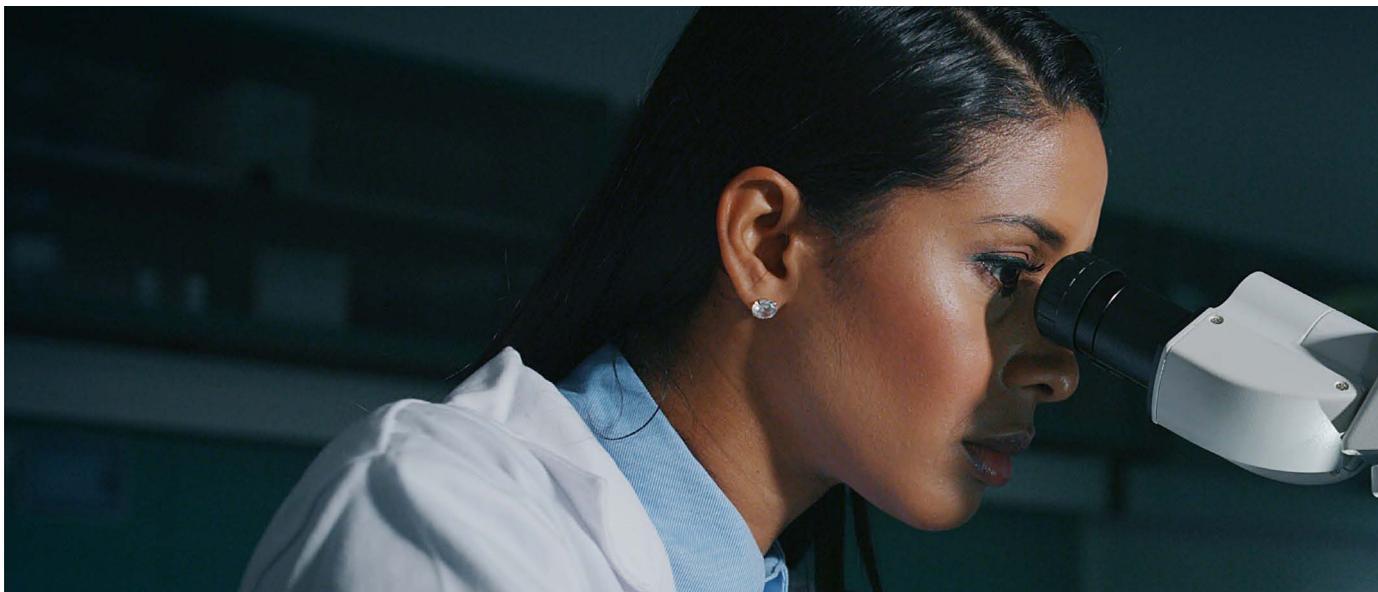
### 6) Financial strategy

Focus on maximising the return on investment.

# OUTCOME

	New products commercialised	
<b>MANUFACTURED CAPITAL</b>	India Branded Business	15-20 (excluding animal health)
	US Generics Business	27
	RoW Generics Business	14
<b>FINANCIAL CAPITAL</b>	Revenue	₹6,229 crore
	EBITDA	₹961 crore
	EBITDA margin	15%
	Net Profit	₹616 crore
	Capital Employed (March 31, 2024)	₹4,991 crore
<b>INTELLECTUAL CAPITAL</b>	Addition to development pipeline	60+ products ongoing as on date
	ANDA filings	15
	DMF filings	1
<b>HUMAN CAPITAL</b>	Revenue per employee	₹3.49 Lac / month
<b>SOCIAL &amp; RELATIONSHIP CAPITAL</b>	Dividend declared	550% i.e Rs11 per share
	Recycled water utilisation	1,68,388 KL
<b>NATURAL CAPITAL</b>	Recycled Waste (Includes Hazardous and Non-Hazardous)	15,975 MT tonnes
	Use of Renewable energy	2,01,587GJ

# MANUFACTURED CAPITAL



The evolving pharmaceutical landscape necessitates the adoption of sustainable and efficient manufacturing practices to minimise environmental impact. It requires comprehensive strategies that optimise resource utilisation and navigate the complexities of a dynamic supply chain while fostering sustainable growth.

Alembic recognises the critical importance of this approach. The Company is unwavering in its commitment to continuous improvement across all our manufacturing facilities to infuse efficiency and quality. Its core values of excellence, teamwork, integrity and customer focus drive the team to produce high-quality and affordable medicines in an environmentally responsible manner.

Alembic operates advanced manufacturing facilities in Gujarat

and Sikkim, where it manufactures Oral Solid Dosages (OSDs), injectables, ophthalmic, dermatology and oncology products and Active Pharmaceutical Ingredients (APIs) that cater to a huge array of therapeutic segments.

Its Gujarat facility focuses on manufacturing international generics and APIs, catering to global markets. The Sikkim facility specialises in developing branded generics tailored for the domestic market.

To maintain operational excellence, Alembic prioritises disciplined investments in plant maintenance. This commitment ensures that all its facilities consistently operate at peak efficiency, guaranteeing optimal plant availability.

## PANELAV, GUJARAT

- The cornerstone of Alembic's operations is having both API and formulation facilities.

- F1 Formulation plant is a multi-capability facility that manufactures generic formulations for regulated and emerging markets globally.
- F2 is a dedicated block for oncology products (injectables and OSDs); it is capable of making complex injections using nanoparticle technology.
- This site also houses two dedicated units (API I & II) to produce Active Pharmaceutical Ingredients (API).

## Initiatives during FY24

- Revamped the planning cycle, which helped increase production.
- Implemented an incisive study of the capacity to unearth gaps, which were utilised to address increased orders.
- Conducted a workforce analysis, optimising staffing across



Alembic plans to invest in a new peptide API manufacturing block (kg level) at its existing API facilities.

departments and shifts; it helped optimise the headcount while increasing per-person productivity.

- Revamped and upgraded old areas within the facility to align with compliance requirements.
- Achieved a significant reduction in breakdowns by revamping the preventive maintenance strategy and planning; it helped improve productivity and deliveries.

#### **KARKHADI, GUJARAT**

- Recently commissioned F3 facility for general injectables and ophthalmic formulations.
- Dermatology products, F5 (formerly produced under Aleor JV).
- An API unit (API III) caters to internal needs and external sales of APIs to other formulators.

#### **Initiatives during FY24**

- EIR for the F3 unit received in FY24.
- Commercialised a range of products for the U.S. market, including injectables and pre-filled syringes.
- Site transfer was successfully done for some ophthalmic products from CMO.
- Commissioned a new high-speed vial line, which expanded the unit's capabilities.

#### **JAROD, GUJARAT**

- F4 is a new greenfield facility for producing oral solid dosages and suspensions.
- The Company plans to transfer some products from the Panelav facility (F1) to decongest the main site.

#### **Initiatives during FY24**

- Transferred select products from the F1 facility to this facility to decongest the F1 facility.
- Delivered the first commercial production of certain products for the U.S. market.
- Plans to add capacity at this unit to manage the growing volumes from the U.S. market; this would commence operations in FY25.
- Investments are planned for adding a new bottle packing line and the capacity of the Fluidised Bed Processor.

#### **SIKKIM**

- This facility caters specifically to the domestic market, manufacturing branded formulations.
- Alembic plans to establish a new facility at Pithampur, Indore, to complement its facility at Sikkim and meet the growing demand.

# FINANCIAL CAPITAL

## SNAPSHOT OF ACHIEVEMENTS

15%

EBITDA MARGIN

15%

RETURN ON CAPITAL EMPLOYED  
(Excluding new projects)

0.06x

NET DEBT-EQUITY RATIO

803

NET CASH FLOW FROM OPERATIONS (₹ CRORE)

345

CAPEX (₹ CRORE)

Alembic understands that resource allocation is the lifeblood of a growing business. It ensures every rupee is allocated effectively, allowing the Company to seize opportunities and navigate challenges. The Company's prudent capital allocation translates into an increased return on investment and a stronger foundation for sustained growth.

### FINANCIAL PERFORMANCE

Alembic registered a decent performance in FY24. Its topline increased by about 10% from ₹5,653 crore in FY23 to ₹6,229 crore in FY24, with growth in all business divisions and an exceptional performance by the ex-US vertical.

EBITDA improved from ₹680 crore in FY23 to ₹961 crore in FY24 – an increase of 41% over the previous year – on the back of improved operating efficiencies and the launch of new products in all the markets of its presence. Reduced R&D expenses also

contributed to the growth in EBITDA. Net profit for the year stood at ₹616 crore against ₹342 crore in FY23.

### CASH FLOW MANAGEMENT

With our recent capacity and capability investments in place, the Company anticipates a sustained increase in free cash flow in the coming years. This positions it well to invest in growth initiatives and return value to shareholders. During the year, the Company repaid ₹205 crore in debt, reducing its total debt to ₹430 crore as on March 31, 2024. With the capex cycle largely completed, the Company expects its Net Cash flow from Business Operations to improve as it launches new products in different markets and aggressively markets them to generate the desired returns.

### COST MANAGEMENT

Alembic is aware that cost management is the cornerstone

of business profitability. To boost business profitability, the Company has undertaken the following measures.

- Calibrated its R&D expenses by ₹247 crore against the previous year.
- Increased reliance on renewable sources of energy would help cap energy costs.
- Continued to negotiate with its vendors for superior bargains.
- Focused on optimising the working capital cycle.
- Reduced its debt burden, which positively impacted interest costs.

People cost for Alembic has increased owing to the recruitment of team members across divisions to manage the expanded business operations. The Company considers this an investment that will deliver superior returns over the next few years.



Key financial ratios are provided in Notes to Financial Statements (Note No.17 of Notes to Standalone Financial Statements & Note No.19 to Consolidated Financial Statements), along with the reasons for major variations, if any.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Alembic prioritises strong internal controls to ensure smooth operations and activities. The Company maintains well-established policies and procedures, aiming to integrate all aspects of the organisation seamlessly. This includes strategic support functions like finance, human resources, and regulatory affairs, working hand-in-hand with core operations such as research, manufacturing, and the supply chain.

The Company has a robust internal audit system. This works alongside the external auditors to monitor compliance with legal regulations and operational standards. Ensuring statutory compliance is a top priority for Alembic's entire leadership team.

The Company has appointed M/s. Sharp & Tannan Associates LLP as internal auditors to further strengthen the internal controls. They assess the effectiveness of the internal control

systems, recommend improvements, and bring any significant issues to the attention of the Audit Committee for review.

Risk management is also a key focus at Alembic. The Risk Management Committee and Board of Directors work together to evaluate and validate potential risks across the enterprise.

Alembic prioritises clear and efficient documentation. Toward this end, the Company has implemented a company-wide document management system for core and strategic operations. Additionally, Alembic has achieved ISO 9001 and ISO 14001 certifications, demonstrating its commitment to standardised operating procedures at its operating facilities and other establishments.

Alembic is dedicated to maintaining effective internal controls, adhering to statutory requirements, and continuously improving our operations through robust audit processes, risk management, and adherence to international standards.

## OUTLOOK FOR TOMORROW

Alembic hopes to continue its growth momentum, driven by new products and geographies. The Indian branded business should maintain its performance, be platformed on new launches, and improve performance by the field force. The U.S. business has displayed marginal signs of recovery which augurs well for Alembic. The ex-U.S. business should continue its upward climb fueled by new product launches and geographic expansion. Moreover, as the new facilities are filled in with more products and higher volumes, their operating cost would be better absorbed, leading to enhanced profitability.

The Company aims to generate higher liquidity from business operations to retire debt further and make Alembic increasingly Solid & Liquid.

# HUMAN CAPITAL

## SNAPSHOT OF OUR PEOPLE INTERVENTION

260+

NET ADDITIONS

1,446

EMPLOYEE & RELATED EXPENSES (₹ CRORE)

0.42

REVENUE PER EMPLOYEE (₹ CRORE)

At Alembic, we recognise our employees' critical role in achieving success. We prioritise the well-being of our workforce and clients and the quality of our products. We have established core values to foster a dynamic environment that shapes our Company's culture.

Alembic is squarely focused on building a culture of creativity and excellence. We equip our employees with the necessary tools to realise their full potential and continuously improve. We understand the importance of continuous learning in the ever-evolving pharmaceutical

industry. Investing in training and development opportunities ensures that the workforce remains skilled and adaptable. This commitment strengthens our human capital, allowing us to retain top talent to generate value for all stakeholders.

### BUILDING A DIVERSE AND INCLUSIVE WORKPLACE

Alembic remains committed to creating a work environment where everyone can thrive. We value diversity and believe our employees' unique talents and perspectives are essential for our success.

We judge all candidates and employees based solely on their merit and qualifications. This ensures fairness in recruitment, compensation and promotion opportunities, regardless of race, religion, caste, gender, sexual orientation, age and differently-abled individuals.

The Company's commitment to equal opportunity is embedded in its Code of Ethics & Conduct and Human Rights Policy. It believes that a diverse workforce fosters agility and is conducive to better adaptability to evolving business needs.

## 1. INDIA BRANDED BUSINESS

Alembic has a team of over 5,000+ Medical Representatives (MRs) who play a vital role in the success of its branded generics business. They are the driving force behind creating product awareness among healthcare professionals.

The Company empowers and updates its team with product knowledge, sectoral trends and technology tools to sharpen marketing skills and improve in-clinic performance.

### INITIATIVES IN FY24

#### Technology intervention

- Equipped MRs with iPads for faster

access to product information electronically for superior doctor interaction and improved in-clinic performance.

- Intensified the use of technical tools for superior technical and data analysis, which helped in knowledge-backed and faster decision-making.

#### Knowledge sharing

- Introduced a hybrid training programme for new MRs, combining online and physical training. The initial training focused on the Company, the

products, and the process, followed by an intense session on the nuances of medical marketing. The HR team continued to monitor the performance of new joiners with periodic assessments of their performance.

- Introduced 'Train the Trainer' programmes for building a pipeline of internal faculty for strengthening training capabilities; encouraged participation in certified programmes for building expertise on specific topics



### Capability building

- Encouraged cross-functional movement to allow team members to move between departments and locations – it helped in career growth and enhanced brand loyalty.

### Leadership building

Continued the internal promotion programme based on a detailed assessment of skills and capabilities. The HR team developed a 'Good to Excellence' programme to fast-track star performers. Customised Individual Development follows this plan to increase the productivity of each identified member.

### Team Recognition

- Introduced a programme to recognise teams based on prescription generation.

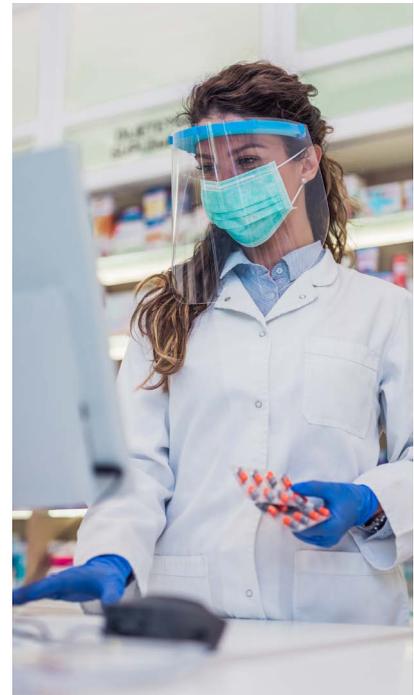
- Participated in the 'Great Place to Work' survey

### Improving HR skills

- The HR functions and processes were transferred to a technology platform for superior efficiency, accuracy and transparency.
- Launched a six-month internal training programme to enhance the capabilities of the HR team.

### PLANS FOR FY25

The HR team will also create a team to manage the operations of its Pithampur facility, which is expected to commence operations in FY25. Additionally, the HR team plans to implement a technology-based performance management system focusing on goal setting and reducing human bias. The team will analyse and plug in the gaps identified in the 'Great Place to Work' survey.



## 2. INTERNATIONAL GENERICS BUSINESS

The HR team at the Vadodara office looks into people management for its international business and operating facilities for these markets. During the year, the HR team made considerable efforts to improve the work environment, culture and people development.

- Made senior-level recruitment to manage the expanding business operations.
- Organised Town Hall meetings at manufacturing facilities to gather employee feedback on Company policies and suggestions for improving operations.
- Introduced initiatives towards work-life balance such as paternity leave, a five-day week at the corporate

office, and a six-day week at the plant (First Saturday shifts have been eliminated at the plant).

- Intensified the learning and development thrust by implementing several initiatives
  - The Alembic Talent Pool programme continues, providing training and development opportunities for fresh graduates and postgraduates.
  - Launched the Fresh Wave initiative to train additional entry-level employees across various functions.
  - Set up a GMP lab to provide hands-on training for new hires.
  - Hired a training manager to

understand and identify training needs for existing employees, focusing on upskilling shop floor employees (including supervisors).

- Created tools for identifying star performers in the team.
- Increased representation of women in our workforce with a focus on building gender diversity.

Entering the current year, the HR team plans to create a Celebration calendar that highlights special events to be celebrated for better team building. Also, because some manufacturing facilities have similar operations, the HR team will work on creating a fungible workforce.

# INTELLECTUAL CAPITAL

## SNAPSHOT OF ACHIEVEMENTS

19

ANDAs APPROVED  
(INCLUDING TENTATIVE)

15

ANDAs FILED

475

R&D SPEND, (₹ CRORE)



## RESEARCH & DEVELOPMENT (R&D)

The success and sustainability of innovation-based enterprises hinges on the strength of their R&D wing. The knowledge capital of the R&D unit creates its growth levers and

profitability drivers. This is most critical for the pharmaceutical space, where innovation forms the bedrock of its relevance.

Alembic recognises that intellectual

capital is its critical differentiator, enabling the Company to ideate and develop innovative solutions for its customers and drive excellence within the organisation. The Company



is ardently committed to fostering innovation and embracing complexity to propel its business forward.

The R&D team's prowess in handling multiple high-end technologies and varied, complex chemistries showcases the zeal for innovation. The comprehensive intellectual capital helps serve diverse market needs and develop a wide range of solutions to increase Alembic's domestic and global presence.

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

The Company's R&D team comprises 800+ highly skilled and experienced professionals who collectively drive the innovation agenda forward. These experts possess deep technical knowledge in advanced technologies and various chemistry platforms, allowing them to develop complex and challenging products that can address some of the debilitating ailments that impact the world.

The Company has R&D units in Hyderabad and Vadodara. The Vadodara centre is the Company's flagship R&D facility. With a rich history of innovation, this facility specialises in addressing a multitude of healthcare needs.

### 1) FORMULATION R&D (OSDs & INJECTABLES)

Alembic leverages a geographically distributed R&D network with centres in Vadodara and Hyderabad. This strategic placement fosters collaboration and expertise sharing.

With a rich history of innovation, Vadodara facility specialises in developing non-oncology treatments, addressing a multitude of healthcare needs.

The Hyderabad centre serves as a cutting-edge hub focused on oncology and non-oncology molecules. This dual focus allows Alembic to tackle complex diseases like cancer while continuing to develop medications for other prevalent conditions.

Alembic's R&D department operates like a well-oiled machine, ensuring the development of high-quality products.

Over the last few years, the Company has steadily built capabilities to develop products with challenging chemistries (solid dispersion products, prazole-type of products etc.). Having mastered



these capabilities, the team is ready to make complex products for complex therapies.

Alembic has institutionalised its R&D strategy of cherry-picking and working on products which align with its aspirations and capabilities, are complex in chemistry and difficult to make, and provide superior returns.

### What kept us charged in FY24?

- Rebalanced our development product grid to increase the proportion of value-added products and enhance the utilisation of resources (man and machine).
- Focused on maintaining a lean and efficient structure within the R&D units, which helped to optimise the R&D spending for the Company.
- Received 19 approvals during the year (including four tentative approvals); these products include OSDs, injectables, Derma and Ophthalmology.

- Filed 15 ANDAs with the U.S. FDA, which includes multi-therapy multi-products (OSDs, injectables, derma and ophthalmology).
- Undertook dossier extension activities where the approved dossiers (by the FDA) were filed in other non-U.S. markets; the team had initial success in Chile and Mexico with this initiative.



- Launched about 27 products in the U.S. market, comprising general and oncology injectables, which received a good response.
- Received orders for two injectable products from Malaysia and Chile, which will be launched in FY25.

**Our plan for FY25**

The team plans to increase its filing speed while maintaining the quality of filings. Filings for the current year will comprise a mix of OSDs, injectables, and dermatology and ophthalmology products. The Injectable R&D team plans to file for about 7-8 products.

**2) R&D (API)**

Alembic's dedicated API (Active Pharmaceutical Ingredient) team plays a critical role in developing niche APIs that form the platform for its formulations.

A highly motivated team focuses on developing APIs and filing Drug Master Files (DMFs) with the U.S. FDA.

It develops new polymorphs with product intellectual property, giving the Company a competitive advantage over peers in its business space.

The API team has diligently invested time and effort in building expertise and capabilities to focus on developing complex APIs for Alembic's multi-platform formulations. The dedicated peptide API unit develops complex APIs for injectable products for high-value, high-growth therapies.

**What kept us charged in FY24?**

- Completed the risk assessment for Nitrosamine impurities in the existing product basket; the team validated some products at the commercial stage.
- Worked on developing a healthy product pipeline aligned with the Company's strategy in the formulation piece. A sizeable proportion of the products in the development and approval pipeline comprise products for oncology

therapy; the development basket also comprises a good proportion of APIs for injectable products.

- Completed the validation batches for about 12-13 products, which will be filed in due course in alignment with the Company's priority.
- Invested in the LCMS equipment, which facilitated checking and analysing the Nitrosamine impurity in a faster and better way.

**Our plan for FY25**

- Strengthening our supply chain for seamless raw material availability.
- Focus on timelines and cost of molecule development.
- Launch some molecules that have healthy commercial prospects.



## INFORMATION TECHNOLOGY (IT)

Information Technology (IT) plays a critical role in most businesses today. It functions like the nervous system of the enterprise, coordinating and facilitating essential tasks across the organisation.

Recognising the escalating significance of technology in today's business world, Alembic has proactively established a robust IT foundation to streamline its daily operations. Continuously investing in modern solutions to remain at the forefront of the dynamic business landscape and enhance efficiency, the Company has also assembled a highly skilled IT team to manage the infrastructure and software, actively seeking and implementing tools to ensure seamless day-to-day operations.

FY24 saw the development of a comprehensive IT security policy. This policy outlines best practices and protocols to safeguard sensitive company data. To ensure its effectiveness, the IT team trained Company & contractual employees. This

training addressed user concerns and ensured everyone understood their role in maintaining a secure IT environment.

Some of the solutions adopted by the Company include

### 1. MULTIFACTOR AUTHENTICATION (MFA) FOR INTERNAL PORTAL

This adds an extra layer of security to logins. Users will need their password and a second verification factor, like a code from their phone, to access the internal portal. External users outside of the company are also secured with VPN layered access.

### 2. VULNERABILITY ASSESSMENTS

This involves proactively scanning internal and external systems for weaknesses that attackers could exploit. This helps identify and address potential security breaches before they occur.

### 3. UPDATED IT SECURITY POLICY

This document outlines the Company's guidelines for secure IT practices. Updating it ensures it reflects current threats and best practices.

### 4. MONITORING CRITICAL SERVERS AND SERVICES

This involves setting up a system to track activity on essential servers and applications. This allows for quick detection of suspicious activity and potential security incidents.

By implementing these measures, the Company has made its robust IT infrastructure stronger and more secure. This will help protect sensitive data, prevent unauthorised access, and ensure the smooth operation of critical systems.

# SOCIAL CAPITAL

## SNAPSHOT OF OUR COMMITMENT

13.19

OUR CSR SPENT ON PROJECTS (₹ CRORE)

10+

PROGRAMS DURING THE YEAR

1,54,598

BENEFICIARIES

Alembic believes that its business growth is inextricably linked to the inclusive growth of the communities it is a part of. Its compassion and sense of duty drive the Company's contribution to the community.

Alembic empowers its communities, providing them access to the necessities of life. The Company is committed to its social responsibilities and relentlessly works towards upliftment and welfare through various partnerships and associations. The Company's CSR policy directs

actions and initiatives of projects within the ambit of its CSR committee to oversee the implementation of CSR initiatives and ensure their alignment with its values and objectives.

### AREAS OF INTERVENTION

- › Education
- › Healthcare
- › Livelihood
- › Water
- › Sanitation
- › Community Infrastructure

### EDUCATION

Alembic believes that education is one of the most important tools for changing one's life. It elevates a person as an individual with knowledge, skills and personality. Education makes a person eligible to secure a job and give his family a better life. The Company focuses on increasing education through multiple interventions to help the underprivileged population in rural areas move towards a better tomorrow.





Alembic's Vikas Secondary and Higher Secondary School, established in 2002, provides free, high-quality education to underprivileged children in rural communities surrounding our Panelav facility. The Company's NIPUN Bharat-inspired project addresses educational challenges in Panchmahal and Vadodara districts. Focused on primary school students, the initiative enhances literacy, numeracy and life skills, fostering well-rounded development.

## HEALTHCARE

Health is integral to human happiness and well-being, making an important contribution to economic progress. A healthy population has a longer and more productive lifespan.

Being a pharmaceutical company, Alembic realises the value of good health. It has taken up numerous initiatives to improve the health of communities living near the Company's operating facilities. Its flagship interventions are listed below.

- The Swasthya Setu programme offers a holistic healthcare approach to 26 villages, impacting over 41,538 individuals.
- The Suposhan programme tackles malnutrition in 26 villages across Jarod, Panelav and Karkhadi. The Company targets 53 Anganwadi centres to improve the nutritional status of 12,000+ beneficiaries.

## LIVELIHOOD

Providing a livelihood for the underprivileged is crucial for breaking the poverty cycle, improving their overall well-being and opening doors to education and better opportunities

for future generations. In a nutshell, it builds a stronger society.

The Company's flagship projects are the Farmer Empowerment Project and the Sneh Sakhi Stitching Drive. Under the Farmer Empowerment Project, the Company empowers over 1,200 farmers through sustainable agriculture training and cattle breeding.

The Sneh Sakhi project, a community-based intervention, empowers women through an industrial stitching micro-enterprise. After receiving skills training, the women formed a Self-Help Group to manage their stitching unit.

## WATER

Clean water is a lifeline, especially for the underprivileged. Access to clean water frees them from health hazards and saves them from the hardship of sourcing clean water independently. This gives them some respite and time to do something productive. Clean water is the foundation for a healthier and more hopeful life, especially for those who struggle for it.

This reality has influenced the Company to undertake decisive steps towards providing clean water to the lesser privileged. It has installed 7 Water ATMs across Paldi, Lilora, Karkhadi and Jarod villages, benefitting over 20,000 residents. These ATMs leverage self-sustaining maintenance through user-collected proceeds managed by the local Panchayat.

## SANITATION

Sanitation is a game-changer for villagers. It fosters a cleaner environment, reducing illness and improving the overall well-being of

the entire community. The Company's sanitation initiative prioritised public health by constructing toilets in Jarod, contributing to 2,300 toilets built across communities over the past five years.

## COMMUNITY INFRASTRUCTURE

**Rainwater harvesting:** A water resource assessment conducted across 48 villages in Vadodara and Panchmahal districts identified suitable locations for constructing 38 artificial recharge wells and 13 surface dams. These strategically placed structures aim to replenish groundwater reserves and address water scarcity. To initiate this plan, 15 artificial recharge wells were constructed during the financial year, with a projected annual recharge capacity of 7.5 crore litres.

**Check dam:** A successful earthen dam project in Parekhpura village captures and stores 6.37 crore litres of monsoon rainwater annually. This dam also facilitates groundwater recharge, infusing an estimated 1.91 crore litres annually. This project contributes to improved water security in the village.







# NATURAL CAPITAL

## SNAPSHOT OF ACHIEVEMENTS

12<sub>MW</sub>

SOLAR INSTALLATION

14

RAINWATER HARVESTING WELLS CREATED

12,640

HAZARDOUS WASTE RECYCLED AND REUSED (MT)

7%

REDUCTION IN SCOPE-1 AND 2 GHG EMISSION

168,388

RECYCLED WATER USED (KL)

Alembic believes that economic success and environmental well-being are not at odds – they are two sides of the same coin. It recognises that protecting our natural resources is essential for the health of humanity and the long-term growth of the business.

As a leading manufacturer of life-saving medications, the Company understands the critical role a healthy environment plays in everyone's lives. Clean air and water are fundamental to human well-being, and Alembic is committed to doing its part to ensure their preservation.

Across all its operations, Alembic prioritises environmental responsibility by exceeding regulations and even setting higher standards. The Company collaborates with its employees, partners and local communities to implement sustainable practices that safeguard the environment and ensure the business's long-term success.

## OUR GOALS

2026

Recycle 95% Plastic Waste

2027

Water Neutrality

2027

Plantation of 50,000 trees

2040

Net Zero Emission

## ENERGY MANAGEMENT

Alembic has adopted a two-pronged strategy towards energy management.

One, the Company is focused on optimising energy consumption. For this, regular audits are undertaken to identify gaps and areas of improvement. The Company works to plug these gaps with sustainable solutions. These efforts have made a considerable difference in reducing overall energy consumption.

Two, the Company is focused on increasing its reliance on renewable energy sources. In FY24, it invested in a 12 MW solar installation at village Bhatpur, near Vadodara, which caters to its operating units at the Panelav location. Alembic plans to invest in a second 12 MW solar installation at the same location to cater for its

Karkhadi facilities. These strategic investments will considerably increase the Company's dependence on renewable energy sources.

Further, the Company has committed to achieve Net Zero by 2040. As an important step in this direction, Alembic has enrolled with the SBTi to validate its Net Zero commitment.

Having inventoried its scope1 and scope2 emissions, Alembic has started calculating its Scope 3 emissions (emissions beyond its factory) under 15 prescribed categories. This will be a decisive step towards enabling it to draw a blueprint to reduce these emissions over the coming years.



## WATER MANAGEMENT

Alembic is particularly mindful of the catastrophic challenges arising from water scarcity, initial signs of which are already surfacing in some regions of the world.

The Company has conducted a water audit at all its manufacturing facilities to identify potential water-saving areas. The Company has provided the relevant infrastructure and solutions to maximise water treatment and recycling. It has provided separate Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) to separately treat its sewage water and use the same for gardening.

It has also provided RO plants at all its manufacturing locations to treat water and recover and recycle the effluents generated from its operations to the maximum possible extent. All the water used by the Company is utilised or recycled back. No effluent is discharged by the Company outside.

Fresh water consumption increased as the new facilities commenced operations in FY24. Regular awareness campaigns encourage optimal water use at all its usage points.

The Company is sensitive to new challenges of the Antimicrobial Resistance (AMR) issue and upcoming regulations in this direction. The Company has taken all care not to allow any of its antibiotic products to contaminate the environment in any manner.

Alembic is ardent in its commitment to water neutrality. For this, it has undertaken a study to identify the

gaps which would serve as a platform for undertaking remedial measures over the coming years. According to the study, the Company would need about 50 additional recharge wells for rainwater harvesting to reach its target. The Company has already developed 82 recharge wells (proximate to the Karkhadi, Panelav, and Jarod facilities) and plans to create another 17 such wells in the current year (FY25). The investment will ensure that Alembic remains water-neutral despite a spike in freshwater consumption.

## SOLVENT RECOVERY

Solvent recovery is critical for a pharmaceutical company. Recycling spent (used) solvent can lead to sizeable savings for any company. Alembic strengthened its efforts to increase the proportion of recycled solvents. During FY24, the Company worked on its solvent recovery plant and stripper efficiencies to improve the quantity and quality of solvent recovery. It also resulted in considerably higher savings for the Company.

## SOLID WASTE MANAGEMENT

Alembic ensures the safe disposal of hazardous waste and demonstrates a commitment to sustainable waste management practices.

Alembic prioritises responsible waste management through a circular economy approach. The Company implements a 5R (Reduce, Reuse, Recycle, Recover, Rethink) strategy to minimise waste generation and maximise resource recovery.

**Impact of rainwater harvesting**  
At Panelav, there was a 3.5-meter rise in the water table. Also, there was a reduction in Total Dissolved Solids (TDS) from 2,500 ppm to 1,200 ppm.



It has installed screw presses in its ETPs for compacting the sludge; the moisture taken out is further treated and recycled. The compacted sludge is sent to designated landfills. The Company has partnered with cement manufacturers to utilise its high calorific value wastes generated from manufacturing processes. E-waste is collected and sent to authorised recyclers.

**Plastic Waste Management:**

Alembic prioritises responsible waste management through a comprehensive plastic management plan. The Company has agreements with plastic waste recyclers to ensure the plastic waste generated from manufacturing operations is recycled and not put in landfills. As a responsible corporate, Alembic has tied up with an agency to collect plastic waste from its sold products all over India and recycle the same responsibly.

Alembic has also started a drive in its manufacturing operations to segregate mixed waste generated at source and separate recyclable items from mixed waste like waste liners, PPEs, shoe/head covers, paper, cardboards, etc. This has resulted in a better environmentally conscious culture development in its employees. The Company is also working on various software tools to reduce the consumption of paper waste. This includes software like LIMS, EBMR, LMS, WMS, Documentum, and TrackWise, in addition to its ERP system. The Company is also implementing ESG software to integrate the environment-related data of all sites in real-time.

Looking at the evolving needs of various ESG regulations and requirements, the Company has reviewed and aligned all its corporate policies to the ESG goals. The Company has consolidated all its corporate policies in its new sustainability tab on its website.

**CREATION OF A GREEN BELT**

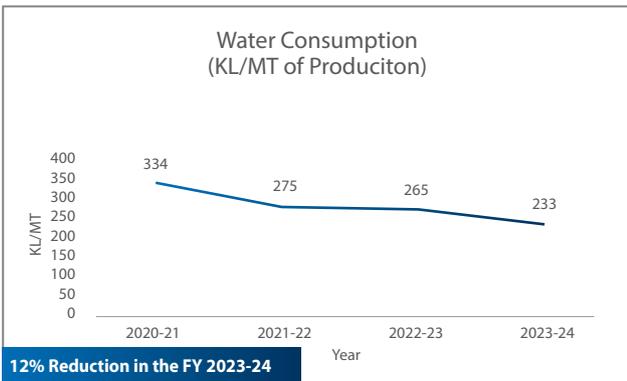
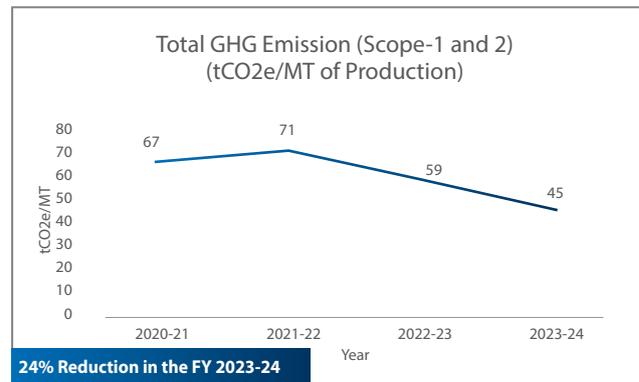
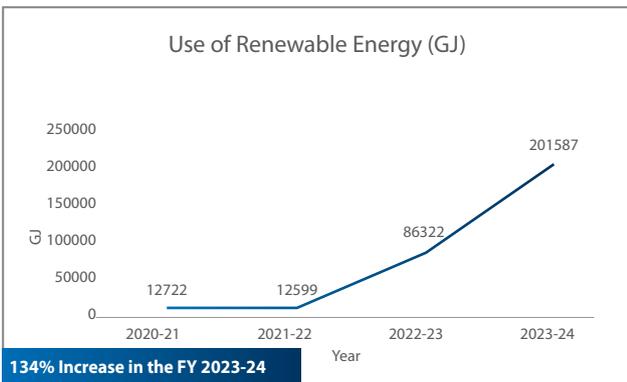
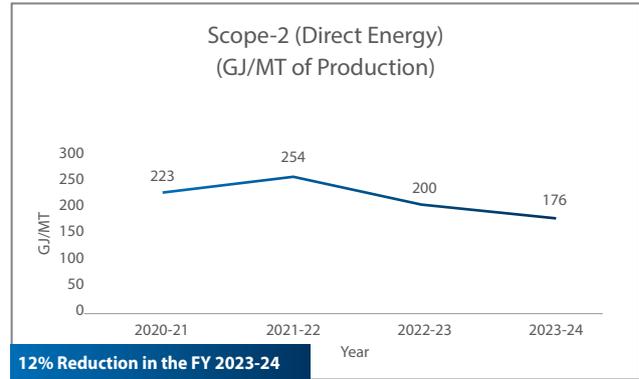
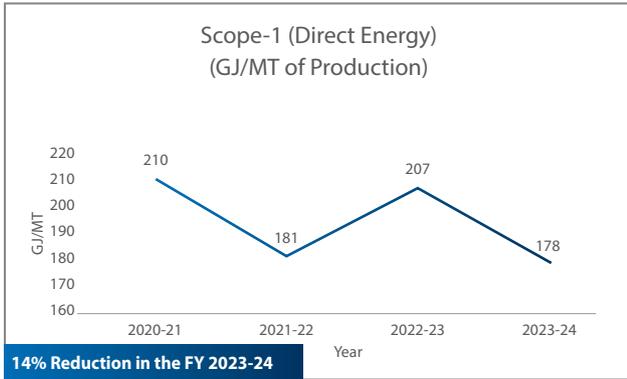
Green belts play a crucial role in environmental protection, offering a range of benefits for both the environment and human beings. Alembic continues to increase the green cover in and around its operating facilities and has set itself an ambitious target of planting 50,000 trees by 2027.

The Company has adopted the Miyawaki technique for its plantation drive. This technique is used to grow dense, native forests in less space and in a relatively short period of time. It experimented with this technique to develop a sample Miyawaki forest of 2,000 trees, which was successful. The Company has undertaken an ambitious plan to increase its green cover from 20,000 to 50,000 trees in the next three years, utilising the same technique. This would have a positive impact on the climate of the surrounding neighbourhood and would go a long way in reducing the Company's carbon footprint.





**TRENDS IN ENVIRONMENT MANAGEMENT**



Note: Sikkim Unit data is not considered in all the trends as plant was under shutdown for most part of the year due to natural calamity.



# RISK MANAGEMENT

As the business continually evolves with the changing market context, identifying, evaluating, and managing risks is Alembic's top priority. The Company has established a strong risk management committee that oversees and implements risk mitigation measures.

The Company's risk management framework is developed to address its business needs while remaining simple and pragmatic. Below are the currently visible risks and mitigation measures that would help the Company minimise their impact on its business performance.

01

## GROWING COMPETITIVE INTENSITY COULD POSE A CHALLENGE TO PROFITABLE BUSINESS GROWTH.

### *Mitigation measures*

- Multiple revenue verticals help improve growth prospects.
- Launching new products and platforms would help improve prospects in the US markets.
- Launching new products and expanding the marketing footprint would fuel business growth for the non-US vertical.
- Focus on speciality therapies and new brand launches in the animal health space will continue to drive business growth.

## INTENSIFYING GEOPOLITICAL ISSUES COULD IMPACT THE GLOBAL BUSINESS.

### *Mitigation measures*

- A disturbed global landscape would impact almost all pharmaceutical companies, and Alembic would be no exception to this trend.
- The Company has a cushion of having a wide global presence across 78 nations. Moreover, its strong India Branded Business, helps it minimise the impact of global turmoil.

02

03

## A ROBUST PIPELINE OF PRODUCTS IN THE DEVELOPMENT AND APPROVAL PIPELINE IS NECESSARY FOR BUSINESS GROWTH.

### *Mitigation measures*

- Launched multiple products in all revenue verticals (branded generics in India and generics in the international market).
- Possesses a strong pipeline of products to sustain the launch run rate over the next 2-3 years.
- Continue to invest in R&D with a lower outlay, which has made product selection more focused on complex and challenging molecules.



## ATTRITION OF KNOWLEDGE CAPITAL COULD IMPACT THE EXECUTION OF BUSINESS STRATEGIES.

### *Mitigation measures*

- Reputation as a people-centric organisation helps in attracting good talent.
- The people's policies and practices have helped it retain talent.
- Business growth of the Company and the Company's culture of pushing people out of their comfort zone to execute challenging projects has resulted in professional growth.
- An intense L&D calendar continues to enhance the knowledge capital.

04

## ENVIRONMENT MANAGEMENT HAS ASSUMED A VERY CRITICAL ROLE IN BUSINESS SUSTAINABILITY.

### *Mitigation measures*

- Sustainability has been deeply embedded into the operational edifice as the Company has set ambitious goals of achieving a water-positive position and Net Zero goals.
- It has made considerable investments in reducing the burden of its operations on the Earth.
- It has created a roadmap to achieve its articulated goals, which should see a more intense focus on reducing pollution and improving environmental management.

05

## LIQUIDITY WOULD BE REQUIRED TO FUND GROWTH PROJECTS GOING FORWARD.

### *Mitigation measures*

- Most of the capex has been completed, which should take care of the Company's growth aspiration for the next 3-5 years.
- Higher cash flow, which should be generated owing to a larger product basket and wider geographic presence, will reduce the Company's financial leverage – leading to a cash surplus position.

06

## COMPLIANCE WITH THE DYNAMIC REGULATORY FRAMEWORK IN DIVERSE NATIONS IS VERY CRITICAL FOR SUSTAINED BUSINESS OPERATIONS AND GROWTH

### *Mitigation measures*

- Products made for the international market are manufactured at US FDA-approved facilities.
- Separate teams are created to closely monitor the evolving regulatory and compliance norms and ensure that the operations align with the prevailing norms.

07

# BOARD OF DIRECTORS



**Mr CHIRAYU AMIN**

*Chairman & CEO*

- Mr Amin plays a pivotal role in the growth of the organisation.
- Mr. Amin holds an MBA degree.
- He is well-adaptive to the changing needs of modern-day businesses.
- He holds trusteeship in hospitals and schools, part of a charitable trusts.



**Mr PRANAV AMIN**

*Managing Director*

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



**Mr SHAUNAK AMIN**

*Managing Director*

- Mr Shaunak Amin heads the India-branded business vertical, focusing on the domestic market.
- He has graduated from University of Massachusetts, USA with Economics as his specials.
- He possesses rich experience, having worked with renowned multinationals, including Merrill Lynch and Hong Kong and Shanghai Banking Corporation, among others.
- His extensive experience in sales and marketing provides the edge for growing the Company's business in India.



**Mr. RAJ KUMAR BAHETI**

*Director - Finance & CFO*

- Mr Raj Kumar Baheti is a 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.



### Dr ARCHANA HINGORANI

*Independent Director*

- Dr Archana Hingorani is a Managing Partner at Siana Capital, an investment firm focused on technology and innovation.
- She is also a visiting faculty member 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



### Mr ASHOK BARAT

*Independent Director*

- Mr Ashok Barat is a Fellow Member of the Institute of Chartered Accountants of India, a Fellow Member of the Institute of Company Secretaries of India, an Associate Member of the Institute of Chartered Accountants of England and Wales, and CPA, Australia.
- He is a Past President of the Bombay Chamber of Commerce and Industry, Council of EU Chambers of Commerce in India and a Member of the Managing Committee of ASSOCHAM.



### Mr JAI DIWANJI

*Independent Director*

- Mr Jai Diwanji is an advocate with over 25 years of experience.
- He is presently a partner at Desai & Diwanji, a full-service Indian law firm.
- He completed his education at the University of Cambridge (U.K.) with a B.A. in law and holds a B.S.M. degree from Tulane University (U.S.A.)
- He is an Independent Director on the board of several other companies and charities.



### Mr MANISH KEJRIWAL

*Independent Director*

- Mr. Manish Kejriwal is the Founder and Managing Partner of Kedaara Capital, a private equity firm pursuing control and minority investment opportunities in India.
- He brings over 30 years of experience in investing, encompassing the full cycle of experiences in private equity across various industries and sectors in private and public companies and consulting.
- He has worked with marquee global brands such as McKinsey & Company (as a partner), World Bank and Goldman Sachs.
- He is on the boards of Bajaj Finserv Limited, Bajaj Holdings Investment Limited, and various Kedaara investee companies.
- He is profiled as one of the '25 hottest young executives in India' by Business Today.

# Corporate Information

## BOARD OF DIRECTORS

### Mr. Chirayu Amin

Chairman & CEO  
(DIN: 00242549)

### Mr. Pranav Amin

Managing Director  
(DIN: 00245099)

### Mr. Shaunak Amin

Managing Director  
(DIN: 00245523)

### Mr. R. K. Baheti

Director – Finance & CFO  
(DIN: 00332079)

### Mr. K. G. Ramanathan

Independent Director (up to 31<sup>st</sup> March, 2024)  
(DIN: 00243928)

### Mr. Pranav Parikh

Independent Director (up to 31<sup>st</sup> March, 2024)  
(DIN: 00318726)

### Mr. Paresh Saraiya

Independent Director (up to 31<sup>st</sup> March, 2024)  
(DIN: 00063971)

### Dr. Archana Hingorani

Independent Director  
(DIN: 00028037)

### Mr. Ashok Kumar Barat

Independent Director  
(DIN: 00492930)

### Mr. Jai Diwanji

Independent Director (w.e.f. 5<sup>th</sup> May, 2023)  
(DIN: 00910410)

### Mr. Manish Kejriwal

Independent Director (w.e.f. 31<sup>st</sup> March, 2024)  
(DIN: 00040055)

## COMPANY SECRETARY

**Ms. Manisha Saraf** (w.e.f. 1<sup>st</sup> April, 2023)

## REGISTERED OFFICE

### Alembic Pharmaceuticals Limited

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

## STATUTORY AUDITORS

### M/s. K C Mehta & Co LLP

Chartered Accountants, Vadodara

## INTERNAL AUDITOR

### M/s. Sharp & Tannan Associates LLP

Chartered Accountants, Vadodara

## COST AUDITOR

### M/s. Diwanji & Co.

Cost & Management Accountants, Vadodara

## SECRETARIAL AUDITOR

### M/s. Samdani Shah and Kabra

Company Secretaries in Practice,  
Vadodara

## BANKERS

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

## REGISTRAR AND SHARE TRANSFER AGENTS

### Link Intime India Private Limited

“Geetakunj”, 1, Bhakti Nagar Society,  
Behind ABS Tower,  
Old Padra Road,  
Vadodara – 390 015, Gujarat.  
Tel: +91 265 3566768  
E-mail: vadodara@linkintime.co.in



# Board's Report

Dear Members,

Your Directors have pleasure in presenting their 14<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2024.

## 1. Operations and State of Affairs of the Company:

(₹ in Crores)

Particulars	Standalone Basis		Consolidated Basis	
	2024	2023	2024	2023
<b>For the year ended 31<sup>st</sup> March</b>				
Revenue from operations	5,874.06	5,149.00	6,228.63	5,652.62
Other Income	31.32	3.55	28.31	2.74
Profit for the year before Interest, Depreciation and Tax	1,029.84	667.88	961.66	711.10
Less:				
Interest (net)	54.47	49.00	56.19	50.17
Depreciation	271.14	272.95	272.67	275.43
Tax Expense	37.75	(0.79)	16.01	12.60
Share of (Profit) / Loss of Associates and Joint Venture	-	-	0.98	30.92
<b>Net Profit for the year</b>	<b>666.48</b>	<b>346.73</b>	<b>615.82</b>	<b>341.99</b>
<b>Retained Earnings – Balance brought forward</b>	<b>3,651.68</b>	<b>2,632.89</b>	<b>3,568.44</b>	<b>2,554.39</b>
Dividend paid on Equity Shares during the year	(157.25)	(196.56)	(157.25)	(196.56)
Transfer From General Reserve	-	868.63	-	868.63
<b>Balance carried forward</b>	<b>4,160.91</b>	<b>3,651.68</b>	<b>4,027.01</b>	<b>3,568.44</b>

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

(₹ in Crores)

Particulars		2024	2023
Formulations	India Branded Business	2,200.26	2063.50
	International Business	2,782.15	2423.61
API	India Business	283.61	250.17
	International Business	962.61	915.34
<b>Total</b>		<b>6,228.63</b>	<b>5,652.62</b>

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

## 2. Scheme of Arrangement:

As informed to Stock Exchanges earlier, the Company received a letter from BSE Limited and National Stock Exchange of India Limited dated 16<sup>th</sup> August, 2023 and 17<sup>th</sup> August, 2023, respectively returning the Draft Scheme of Arrangement

between the Company and the Shareholders for re-organisation of General Reserve as approved by the Board of Directors at their meeting held on 2<sup>nd</sup> March, 2023. The Company decided not to pursue the matter any further.

### **3. Dividend:**

The Board of Directors at their meeting held on 9<sup>th</sup> May, 2024 has recommended Dividend of ₹11/- (550%) per equity share having face value of ₹2/- each for the financial year 2023-24 as against the Dividend of ₹8/- (400%) per equity share having face value of ₹2/- each for the financial year 2022-23.

### **4. Management Discussion and Analysis Report:**

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

### **5. USFDA Audit:**

Our Oncology (Injectable and Oral Solid) Formulation Facility (F-2) at Panelav was inspected by USFDA with 4 procedural observations. The Company had submitted its compliance response within stipulated period. Since then, the said facility has received the Establishment Inspection Report (EIR). With this, for all our USFDA facilities EIRs are in place.

### **6. Financing:**

During the year under review, the financing requirement of the Company has been met through working capital loans from multiple banks as well as issuance of commercial papers (CPs).

### **7. Subsidiaries, Associates and Joint Venture:**

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

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

### **8. Directors:**

During the year under review, Mr. Jai Diwanji (DIN: 00910410) was appointed as an Independent Director of the Company w.e.f. 5<sup>th</sup> May, 2023 for a period of five (5) years. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee appointed Mr. Manish Kejriwal (DIN: 00040055) as an Additional Director designated as Independent Director of the Company w.e.f. 31<sup>st</sup> March, 2024.

Mr. K. G. Ramanathan, Mr. Pranav Parikh and Mr. Paresh Saraiya, Independent Directors of the Company retired effective from 31<sup>st</sup> March, 2024, end of day, on completion of their tenure of 10 years. The Board placed on record its appreciation for the valuable contributions made by them towards growth of the Company.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. R. K. Baheti (DIN: 00332079), Director - Finance & Chief Financial Officer of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **9. Key Managerial Personnel:**

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



Secretary and Compliance Officer of the Company w.e.f 1<sup>st</sup> April, 2023.

#### **10. Meetings of the Board:**

Five (5) Board Meetings were held during the financial year ended 31<sup>st</sup> March, 2024. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

#### **11. Independent Directors:**

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

#### **12. Performance Evaluation:**

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

The Directors expressed their satisfaction with the evaluation process.

#### **13. Audit Committee:**

In compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations, 2015, the Company has formed an Audit committee. The composition of the Committee is provided in the report on Corporate Governance forming part of this Report. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors, Key Audit Matters presented by the Statutory Auditors and compliance of various regulations. The Committee also reviews the financial statements before they are placed before the Board.

During FY 2023-24, the recommendations of Audit Committee were duly accepted by the Board.

#### **14. Vigil Mechanism/Whistle Blower Policy:**

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

<https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Whistle%20Blower%20Policy.pdf>

#### **15. Internal Control Systems:**

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

#### **16. Corporate Social Responsibility:**

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

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31<sup>st</sup> March, 2024 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure A.

#### **17. Policy on Nomination and Remuneration:**

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

<https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Nomination%20and%20Remuneration%20Policy.pdf>

The salient features of the NRC Policy are as under:

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

Considering the evolving dynamics and in order to maintain alignment of the policy with our organization's goals and objectives, the Nomination and Remuneration policy of the Company was amended during the year.

#### 18. Dividend Distribution Policy:

In compliance with the requirements of Regulation 43A of the SEBI Listing Regulations, 2015, the Company has laid down a Dividend Distribution Policy, which has been uploaded on the Company's website. The web-link as required under SEBI Listing Regulations, 2015 is as under:

<https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/APL-Dividend%20Distribution%20Policy.pdf>

#### 19. Related Party Transactions:

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

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link as required under SEBI Listing Regulations, 2015 is as under:

<https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/10-RPT-Policy-1.pdf>

#### 20. Corporate Governance Report:

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

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

#### 21. Business Responsibility & Sustainability Report:

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

#### 22. Listing of securities:

The equity shares of the Company are listed on BSE and NSE with Stock Code 533573 and security ID/symbol of APL LTD. The ISIN for equity shares is INE901L01018.

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2024-25 have been paid.

#### 23. Loans, Guarantees or Investments:

During the year under review, the Company has not granted any Loans and given any Guarantees falling within the purview of the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The details of Investments made under the said provisions are provided in Note No. 4 of Notes to Standalone Financial Statements of the Company.

#### 24. Auditors:

##### a) Statutory Auditors:

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

The Statutory Auditor's in their Report to the members, have issued their Audit Report with Qualified opinion



as mentioned under 'Basis for Qualified Opinion' of their Report.

It may be clarified that the qualification in the report by Statutory Auditors is only with reference to information pertaining to previous financial year ended on 31<sup>st</sup> March, 2023. It has no impact on the current year numbers. The Company has provided the Statement on Impact of Audit Qualifications on Standalone Financial Statements and Consolidated Financial Statements as Annexure B to this Report which shall be treated as Board's response.

**b) Secretarial Auditors:**

The Board of Directors appointed M/s. Samdani Shah & Kabra, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2024-25.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practicing Company Secretaries for the financial year 2023-24, is annexed herewith as Annexure C.

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

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards as prescribed by the Institute of Company Secretaries of India.

**c) Cost Auditors:**

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

The Board of Directors appointed M/s. Diwanji & Co., Cost & Management Accountants as Cost Auditors for conducting audit of the cost records maintained by the Company relating to Bulk Drugs and Formulations for the financial year 2024-25.

**d) Internal Auditors:**

The Board of Directors appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2024-25.

**25. Risk Management:**

The Company has constituted a Risk Management Committee and formulated Enterprise Risk Management Policy which functions as a guiding tool in fulfilling the management's responsibility towards risk management. Major risks identified

by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management Committee, Audit Committee and the Board of Directors of the Company.

**26. Material Changes:**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2024. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

**27. Annual Return:**

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

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

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

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

**29. Particulars of employees and related disclosures:**

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

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

**30. Other Disclosures:**

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

- thereon. No deposits remained unpaid or unclaimed as at the end of the year under review.
- b) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
  - c) In the opinion of the Board, the Independent Directors appointed during the year are persons of integrity and possess expertise, experience and proficiency.
  - d) Neither the Managing Director nor the Whole-time Directors of the Company have received any remuneration or commission from any of its subsidiaries.
  - e) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
  - f) No fraud has been reported by the Auditors under Section 143(12) of the Act to the Audit Committee or the Board.
  - g) The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and has constituted the Internal Complaints Committee to redress complaints received regarding sexual harassment. During the year, no complaint was received by the Company.
  - h) Neither application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
  - i) No settlements have been done with banks or financial institutions.
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
  - c) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - d) they have prepared the annual accounts on a going concern basis;
  - e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
  - f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

On behalf of the Board of Directors,

**Chirayu Amin**

Chairman & Chief Executive Officer  
(DIN: 00242549)

Date: 9<sup>th</sup> May, 2024

Place: Vadodara

Alembic Pharmaceuticals Limited  
CIN: L24230GJ2010PLC061123  
Regd. Office: Alembic Road, Vadodara - 390 003  
Tel: +91 265 6637000  
Website: [www.alembicpharmaceuticals.com](http://www.alembicpharmaceuticals.com)  
E-mail: [apl.investors@alembic.co.in](mailto:apl.investors@alembic.co.in)

### 31. Directors' Responsibility Statement:

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

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



## Annexure A

## Annual Report on CSR Activities

for the financial year ended 31<sup>st</sup> March, 2024

### 1. Brief outline on CSR Policy of the Company:

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

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Chirayu Amin	Chairman	4	4
2.	Mr. K. G. Ramanathan (up to 31.03.2024)	Member	4	4
3.	Mr. Paresh Saraiya (up to 31.03.2024)	Member	4	4
4.	Mr. Ashok Barat (w.e.f. 01.04.2024)	Member	-	-
5.	Mr. Manish Kejriwal (w.e.f. 01.04.2024)	Member	-	-

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

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

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

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

- Clinic-on-wheels with an on-board doctor and paramedic staff providing primary care to villagers at their doorstep.
- Facilitate issuance of Ayushman Cards for the poor to access tertiary health services.
- Helping students attain proficiency in foundational language and numeracy skills and preparing talented students for the National Means Cum-Merit Scholarship examination.
- Project on reducing Malnutrition is implemented in 53 Anganwadi Centers and 39 Schools (I-XII) covering 26 villages.
- Running of Vikas school (secondary/senior secondary school for approx 300 students from CSR villages).
- Farmer Empowerment - Livestock project implemented in 7 villages to improve the productivity of milch animals through efficient artificial insemination, feed supplements, management practices and improved animal nutrition.
- Farmer Empowerment - Agriculture project implemented in 8 villages of Jarod and 15 villages of Panelav to support smallholder farmers in adopting recommended agriculture practices to improve productivity.

The Impact Assessment Report can be accessed at:

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

5. (a) **Average net profit of the Company as per section 135(5):** ₹806.44 Crores  
 (b) **Two percent of average net profit of the Company as per section 135(5):** ₹16.13 Crores  
 (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil  
 (d) **Amount required to be set off for the financial year, if any:** Nil  
 (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹16.13 Crores
6. (a) **Amount spent on CSR Projects (Both Ongoing and other than ongoing Projects):** ₹12.89 Crores  
 (b) **Amount spent in Administrative Overheads (including capital assets for administrative purpose):** ₹0.24 Crores  
 (c) **Amount spent on Impact Assessment, if applicable:** ₹ 0.06 Crore  
 (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹13.19 Crores  
 (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13.19	2.94	24 <sup>th</sup> April, 2024	-	Nil	-

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

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

7. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:** No.
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

The Company has identified and approved a multi-year healthcare awareness project. This allocation is intended to be utilized in a planned and phased manner for sustainable CSR initiatives. According to the project schedule, a portion of the CSR expenditure will occur in the coming fiscal years. Consequently, the unspent CSR obligation amounting to ₹2.94 Crores for the financial year 2023-24, has been transferred to the Unspent CSR Account for the FY 23-24 within the permissible time limit and shall be utilized in a timeframe of 3 financial years towards the identified ongoing projects. Accordingly, the Company has duly complied with Section 135 of the Act read with rules thereunder and the CSR policy of the Company.

Signing both on behalf of the Company and the Committee,

**Chirayu Amin**

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



## Annexure-B

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

### Statement on Impact of Audit Qualifications for the financial year ended 31<sup>st</sup> March, 2024

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

(₹ in Crores)

SI. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total income	N.A.	N.A.
2	Total Expenditure	N.A.	N.A.
3	Profit Before Exceptional Item and Tax	N.A.	N.A.
4	Exceptional Item (Net of Tax)	N.A.	N.A.
5	Profit / (Loss) for the Period	N.A.	N.A.
6	Earnings Per Share	N.A.	N.A.
7	Total Assets	N.A.	N.A.
8	Total Liabilities	N.A.	N.A.
9	Net Worth	N.A.	N.A.
10	Any other financial item(s) (as felt appropriate by the management)	No	No

### II. Audit Qualification (each audit qualification separately):

#### a Details of Audit Qualification:

During the previous year i.e. F.Y. 2022-23, the Company had withdrawn INR 1,025.66 Crores from General Reserve and transferred the same to the Statement of Profit and Loss of that year under the head "Exceptional Items" and not agreeing to the Company's accounting treatment, we issued a qualified opinion on the standalone financial results of the Company for the year ended March 31, 2023 vide our audit report dated May 5, 2023. Our audit opinion on the current year's standalone annual financial results is qualified because of the effect of this matter on the comparability of the current year's figures with the corresponding figures for the year ended on March 31, 2023. The aforesaid qualification does not have any impact on current year's standalone annual financial results presented.

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

#### c Frequency of qualification: Appeared first time w.r.t. the above basis for qualified opinion.

#### d For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

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

The basis for qualified opinion issued by the Statutory Auditors is self explanatory. The qualification pertains to comparability of the current year's figures with the corresponding figures for the year ended on March 31, 2023. There is no impact on the current year's figures. Hence, in view of the management, there is no explanation required in the matter.

### III. Signatories:

#### Chirayu Amin

Chairman and CEO  
Place: Vadodara  
Date: May 9, 2024

#### R. K. Baheti

Director Finance & CFO  
Place: Vadodara

#### Dr. Archana Hingorani

Chairman of Audit Committee  
Place: Mumbai

#### Vishal Doshi

Partner-Statutory Auditors  
Place: Jamnagar

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

### Statement on Impact of Audit Qualifications for the Financial Year ended 31<sup>st</sup> March, 2024

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

(₹ in Crores)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total income	N.A.	N.A.
2	Total Expenditure	N.A.	N.A.
3	Profit Before Exceptional Item and Tax	N.A.	N.A.
4	Exceptional Item (Net of Tax)	N.A.	N.A.
5	Profit / (Loss) for the Period	N.A.	N.A.
6	Earnings Per Share (in Rs)	N.A.	N.A.
7	Total Assets	N.A.	N.A.
8	Total Liabilities	N.A.	N.A.
9	Net Worth	N.A.	N.A.
10	Any other financial item(s) (as felt appropriate by the management)	No	No

#### II. Audit Qualification (each audit qualification separately):

##### a Details of Audit Qualification:

During the previous year i.e. F.Y. 2022-23, the Holding Company had withdrawn INR 1,025.66 Crores from General Reserve and transferred the same to the Statement of Profit and Loss of that year under the head "Exceptional Items" and not agreeing to the Holding Company's accounting treatment, we issued a qualified opinion on the consolidated financial results of the Holding Company for the year ended March 31, 2023 vide our audit report dated May 5, 2023. Our audit opinion on the current year's consolidated annual financial results is qualified because of the effect of this matter on the comparability of the current year's figures with the corresponding figures for the year ended on March 31, 2023. The aforesaid qualification does not have any impact on current year's consolidated annual financial results presented.

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

##### c Frequency of qualification: Appeared first time w.r.t. the above basis for qualified opinion.

##### d For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

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

The basis for qualified opinion issued by the Statutory Auditors is self explanatory. The qualification pertains to comparability of the current year's figures with the corresponding figures for the year ended on March 31, 2023. There is no impact on the current year's figures. Hence, in view of the management, there is no explanation required in the matter.

#### III. Signatories:

**Chirayu Amin**  
Chairman and CEO  
Place: Vadodara  
Date: May 9, 2024

**R. K. Baheti**  
Director Finance & CFO  
Place: Vadodara

**Dr. Archana Hingorani**  
Chairman of Audit Committee  
Place: Mumbai

**Vishal Doshi**  
Partner-Statutory Auditors  
Place: Jamnagar



## Annexure C

## Secretarial Audit Report

**For the Financial Year ended March 31, 2024**

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

The Members,

**Alembic Pharmaceuticals Limited**

Alembic Road,  
Vadodara - 390 003,  
Gujarat, India.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 ("Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ("SEBI") Act, 1992: -
  - a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.
  - b. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.
  - d. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.
  - e. SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - f. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - g. SEBI (Delisting of Equity Shares) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable;
  - h. SEBI (Depositories and Participants) Regulations, 2018;
  - i. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- vi. Other sector specific laws as follows:
  - a. The Drugs and Cosmetics Act, 1940 and the rules made thereunder;

- b. The Narcotic Drugs and Psychotropic Substances Act, 1985 and the rules made thereunder;
- c. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made thereunder;
- d. Drugs (Prices Control) Order, 2013;
- e. Food Safety and Standards Act, 2006 and the rules made thereunder.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that;**

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the review period were carried out in compliance with the provisions of the Act;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed

Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;

- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable Laws, Rules, Regulations and Guidelines;
- E. During the review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs.

**S. Samdani**

Partner

**Samdani Shah & Kabra**

Company Secretaries

FCS No. 3677 | CP No. 2863

ICSI Peer Review # 1079/2021

ICSI UDIN: F003677F000339221

Date: May 9, 2024

Place: Vadodara

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



## Appendix A

The Members,

**Alembic Pharmaceuticals Limited**

Alembic Road,  
Vadodara - 390 003,  
Gujarat, India.

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

- i. Maintenance of secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.
- iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the Company's affairs.

**S. Samdani**

Partner

**Samdani Shah & Kabra**

Company Secretaries

FCS No. 3677 | CP No. 2863

ICSI Peer Review # 1079/2021

ICSI UDIN:F003677F000339221

Date: May 9, 2024

Place: Vadodara

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

**(A) Conservation of Energy/ Water**

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

- a) As the Company has taken a target of Net zero for carbon emission by 2040, the focus of the organization is to move steadily in this direction. Use of technology and new methods has always been a regularly visited area.
- b) In one of the major steam consuming unit, Multiple Effect Evaporator ('MEE') has been replaced with Mechanical Vapor Re-compression ('MVR'), which has resulted in reduction of steam consumption in effluent treatment plant by @ 14 Ton/day. There is a plan to replace all MEEs with MVRs in a phased manner. This will help in substantial reduction in scope -1 emission.
- c) Air Handling Units ('AHU') are standard methods for providing ventilation in any pharma unit but these are high energy consuming units. The Company have identified areas, where ventilation does not necessarily require recirculation of air. Company has installed High Volume Low Speed ('HVLS') fans in place of AHU at such places and saved 1800 kWh/day, in power consumption. Also implemented practice of shutting-off non-operational manufacturing area AHU utility. This has reduced power consumption by additional 1200 kWh/day.
- d) The Company has installed energy efficient Variable Frequency Drive ('VFD') chillers in place of NVFD chillers. This has reduced specific power consumption by @ 1500 kWh/day.
- e) By installing high efficient cooling tower with VFD control & temperature controller in utility to achieve desire cooling water temperature at chiller condenser inlet; power consumption of chiller & cooling tower was reduced by approximately kWh/day.
- f) Some of the high power consuming motors were replaced with latest International Efficiency ('IE')-4 motors, which provided around 10% saving in power consumption.

- g) The Company have been using hot water in manufacturing process. Steam is used for generation of hot water. We could identify areas, where directly steam condensate can be used as hot water thus reducing steam of approx. 5 MT/day. Company has also utilized heat pumps for hot water generation, in other applications thereby additionally saving steam consumption approx. 5 MT/day.
- h) Motion sensors and timers were installed in lighting and air conditioners to reduce power consumption.
- i) Active harmonics filter installed to improved power factor.
- j) Heat recovery unit was installed post chiller and air compressor to use heat to generate hot water for HVAC system resulting into steam saving of 8 Tons/day and reduce cooling tower consumption by 20 KL/day.
- k) Different methods were used, including artificial ponds for collection and utilization of rain water in different sites of the Company.
- l) Started utilization of second pass RO & EDI reject water in cooling tower to reduce water consumption by approx. 40 KL/day.

**(ii) Steps taken for utilizing alternate sources of energy:**

The Company has installed Solar Captive Power Plant of 12 MWp capacity generating over 182 Crores KWH units annually. The power is being utilized at its Panelav complex.

The Company also plans to put up another Solar CPP project of 11MWp in the financial year 2024-25 to be used at its various facilities at Karakhadi.

**(iii) Capital Investment on energy conservation equipments:**

The Company continuously endeavors to discover integration of new technologies and tools to save energy, reduce consumption & to utilize renewable energy sources.



## (B) Technology Absorption

### (i) Efforts made towards technology absorption:

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

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

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

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

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

(a) The Company filed 15 ANDAs and 1 DMF with USFDA in this fiscal year. The cumulative ANDA filings stood at 260 and 197 approvals (including 27 tentative approval) have been received till 31<sup>st</sup> March, 2024 including 1 NDA and the

cumulative DMFs stood at 132. The continuous research activities have led to commercialization of in-house formulations in the USA market.

- (b) Our endeavor to expand our product pipeline and the tenacity of purpose has established itself making us a strongly research-driven Organization.
- (c) Till date 740 patents for APIs and Intermediates and 1 patent application for New Chemical Entities (NCEs) as well as 320 patents for formulations have been filed.
- (d) With the increase in thrust on cost optimization, at Alembic Research Centre, scientists have focused on specific cost reduction projects for the molecules which are already generic in the regulated market, which has experienced price erosion.

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

### (iv) Expenditure incurred on Research and Development:

(₹ in Crores)

Particulars	2024	2023
(a) Capital	3.38	31.13
(b) Recurring Opex	472.62	544.26
(c) Non Recurring Opex	-	155.13
(d) Total	476.01	730.52
(e) Total R&D expenditure as a percentage of total turnover	8%	14%

### (C) Foreign Exchange Earnings and Outgo:

Foreign exchange earned in terms of actual inflows during the financial year 2023-24 was ₹3,182.64 Crores.

Foreign exchange outgo in terms of actual outflows during the financial year 2023-24 was ₹804.89 Crores.

On behalf of the Board of Directors,

**Chirayu Amin**

Chairman & Chief Executive Officer

(DIN: 00242549)

## Annexure E

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

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

Name	Ratio to median remuneration	% Increase in remuneration in the financial year
<b>Independent Directors</b>		
Mr. K. G. Ramanathan	1:0.24304	50
Mr. Pranav Parikh	1:0.24304	50
Mr. Paresh Saraiya	1:0.24304	50
Dr. Archana Hingorani	1:0.24304	50
Mr. Ashok Barat	1:0.24304	50
Mr. Jai Diwanji (Appointed w.e.f. 5 <sup>th</sup> May, 2023)	1:0.24304	N.A.
Mr. Manish Kejriwal (Appointed w.e.f. 31 <sup>st</sup> March, 2024)	N.A.	N.A.
<b>Executive Directors, CEO &amp; CFO</b>		
Mr. Chirayu Amin, Chairman & CEO	1:0.00226	120.23
Mr. Pranav Amin, Managing Director	1:0.00229	56.24
Mr. Shaunak Amin, Managing Director	1:0.00229	56.24
Mr. R. K. Baheti, Director-Finance & CFO	1:0.00597	28.85
<b>Company Secretary</b>		
Ms. Manisha Saraf (Appointed w.e.f. 1 <sup>st</sup> April, 2023)	-	N.A.

Percentage increase in the median remuneration of employees in the financial year 6.96%

Number of permanent employees on the rolls of company 14,858

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

8.02%  
(Non-Managerial Personnel) 65.39%  
(Managerial Personnel)

Due to lower profits in the previous financial year ended 31<sup>st</sup> March, 2023, the Company did not pay any commission to the managerial personnel, which has been reinstated in the financial year ended 31<sup>st</sup> March, 2024, in view of better profitability.

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

On behalf of the Board of Directors,

**Chirayu Amin**

Chairman & Chief Executive Officer  
(DIN: 00242549)



# Report on Corporate Governance

## 1. Company's Philosophy

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

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

Alembic endeavors to make its management team empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. The Board has also institutionalized good management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and compliance with all statutory/regulatory

requirements not only in the letter of the law but also in its spirit.

## 2. Board of Directors

### • Composition of the Board

As on the date of this Report, the Board of Directors consist of 3 Promoter Executive Directors, 1 Professional Executive Director and 4 Independent Non-Executive Directors. The Chairman of the Board is an Executive Director. As on 31<sup>st</sup> March, 2024, 7 out of 11 directors and on the date of this Report, 4 out of 8 Directors are Non-Executive Independent Directors including 1 Woman Independent Director. Hence, the Board meets the requirement of having at least one women independent director and not less than 50% of the Board strength comprising of Independent Directors.

### • Number of Board Meetings held and the dates of the Board Meetings

Five (5) Board Meetings were held during the financial year ended 31<sup>st</sup> March, 2024 on 5<sup>th</sup> May, 2023, 4<sup>th</sup> August, 2023, 7<sup>th</sup> November, 2023, 5<sup>th</sup> February, 2024 and 29<sup>th</sup> March, 2024. The time gap between any two meetings was not exceeding one hundred and twenty days.

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

Name of the Director	Category	No. of Board Meetings held & attended during the financial year 2023-24	Attendance at the last AGM	No. of Equity shares held in the Company <sup>#</sup>
Mr. Chirayu Amin, Chairman & CEO	Promoter Executive	5 out of 5	Yes	41,92,529 <sup>§&amp;</sup>
Mr. Pranav Amin, Managing Director	Promoter Executive	5 out of 5	Yes	10,09,800 <sup>&amp;</sup>
Mr. Shaunak Amin, Managing Director	Promoter Executive	5 out of 5	Yes	10,06,980 <sup>&amp;</sup>
Mr. R. K. Baheti, Director - Finance & CFO	Professional Executive	5 out of 5	Yes	Nil
Mr. K. G. Ramanathan <sup>@</sup>	NED (I)*	5 out of 5	Yes	Nil
Mr. Pranav Parikh <sup>@</sup>	NED (I) *	5 out of 5	Yes	15,710 <sup>^</sup>
Mr. Paresh Saraiya <sup>@</sup>	NED (I) *	5 out of 5	Yes	4,824 <sup>^</sup>
Dr. Archana Hingorani	NED (I) *	5 out of 5	Yes	Nil
Mr. Ashok Kumar Barat	NED (I) *	5 out of 5	Yes	Nil
Mr. Jai Diwanji <sup>@</sup>	NED (I) *	5 out of 5	Yes	Nil
Mr. Manish Kejriwal <sup>@</sup>	NED (I) *	N.A.	N.A.	Nil

<sup>#</sup>The Company has not issued any convertible instruments.

<sup>§</sup>7,23,250 Equity Shares are held in the name of Mr. Chirayu Amin in the capacity of Karta of Chirayu Ramanbhai Amin HUF.

<sup>&</sup>Shares held as First holder.

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

<sup>^</sup>Jointly with immediate relatives.

<sup>@</sup> Mr. K. G. Ramanathan, Mr. Pranav Parikh and Mr. Paresh Saraiya, Independent Directors of the Company retired on completion of their tenure effective from 31<sup>st</sup> March, 2024, end of day. Mr. Jai Diwanji was appointed as Director of the Company w.e.f. 5<sup>th</sup> May, 2023 and Mr. Manish Kejriwal was appointed as an Additional Director w.e.f. 31<sup>st</sup> March, 2024.

- **Number of other board of directors or committees in which a Director, as on 31<sup>st</sup> March, 2024, is a director / member / chairperson<sup>1</sup>:**

Name of the Director	No. of Directorships	No. of Committee Memberships		No. of Committee Chairmanships	
		All committees	Only Audit & Stakeholders Relationship Committee	All committees	Only Audit & Stakeholders Relationship Committee
Mr. Chirayu Amin	4	4	1	3	1
Mr. Pranav Amin	3	2	1	1	1
Mr. Shaunak Amin	1	-	-	-	-
Mr. R. K. Baheti	-	-	-	-	-
Mr. K. G. Ramanathan	-	-	-	-	-
Mr. Pranav Parikh	-	-	-	-	-
Mr. Paresh Saraiya	2	2	1	1	1
Dr. Archana Hingorani	5	10	5	6	2
Mr. Ashok Kumar Barat	4	6	3	4	3
Mr. Jai Diwanji	5	13	6	5	2
Mr. Manish Kejriwal	2	2	1	1	1

<sup>1</sup> Public limited companies.



- **Names of the listed entities where the person is a director and the category of directorship as on 31<sup>st</sup> March, 2024.**

Name of the Director	Name of the listed entities and category of directorship
Mr. Chirayu Amin	1. Alembic Limited, Non-Executive Chairman 2. Paushak Limited, Non-Executive Chairman
Mr. Pranav Amin	1. Elecon Engineering Company Limited, Non-Executive Independent Director 2. Max Healthcare Institute Limited, Non-Executive Independent Director
Mr. Shaunak Amin	-
Mr. R. K. Baheti	-
Mr. K. G. Ramanathan	-
Mr. Pranav Parikh	-
Mr. Paresb Saraiya	-
Dr. Archana Hingorani	1. 5 Paisa Capital Limited, Non-Executive Independent Director - Chairperson 2. Grindwell Norton Limited, Non-Executive Independent Director 3. Balaji Telefilms Limited, Non-Executive Independent Director 4. The Phoenix Mills Limited, Non-Executive Independent Director
Mr. Ashok Kumar Barat	1. Bata India Limited, Non-Executive Independent Director 2. Huhtamaki India Limited, Non-Executive Independent Director 3. Everest Industries Limited, Non - Executive Independent Director
Mr. Jai Diwanji	1. Elecon Engineering Company Limited, Non-Executive Independent Director 2. Nesco Limited, Non-Executive Independent Director 3. Kaira Can Company Limited, Non-Executive Independent Director 4. Batliboi Limited, Non-Executive Independent Director
Mr. Manish Kejriwal	1. Bajaj Holdings & Investments Limited, Non-Executive Non-Independent Director 2. Bajaj Finserv Limited, Non-Executive Non-Independent Director

Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 (the "Act") and Regulation 17A & 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), none of the Directors holds Directorships or Chairmanships / Memberships in Committees exceeding the limits provided under the above provisions.

- **Disclosure of relationships between directors and Key Managerial Personnel inter-se**

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

- **Familiarization Programmes for Independent Directors**

The Company has conducted familiarization programmes for Independent Directors during the financial year 2023-24. The details for the same have been disclosed on the website of the Company at the following web-link:

<https://alembicpharmaceuticals.com/assets/pdf/Familiarization-Programme.pdf>

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

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

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

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

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

Core skills/ Expertise/ Competence	Actual Availability with current board	Mr. Chirayu Amin	Mr. Pranav Amin	Mr. Shaunak Amin	Mr. R. K. Baheti	Mr. K. G. Ramanathan	Mr. Pranav Parikh	Mr. Paresh Saraiya	Dr. Archana Hingorani	Mr. Ashok Kumar Barat	Mr. Jai Diwanji	Mr. Manish Kejriwal
<b>Industry Skills</b>												
(a) Healthcare Industry Knowhow	Available	√	√	√	√	√	√	√	√	-	-	√
(b) Creating value through Intellectual Property Rights	Available	√	√	√	-	-	-	-	-	-	-	√
(c) Global Operations	Available	√	√	√	√	√	√	√	√	√	√	√
(d) Value Spotting & Inorganic Growth	Available	-	√	√	√	-	√	√	-	√	√	√
(e) Previous Board Experience on similarly sized or bigger companies	Available	√	-	-	√	√	√	√	-	√	√	√
<b>Technical Skills/Experience</b>												
(a) Strategic planning	Available	√	√	√	√	√	√	√	√	√	√	√
(b) Risk and compliance oversight	Available	√	√	√	√	√	√	√	-	√	√	√
(c) Marketing	Available	√	√	√	-	-	√	√	-	√	-	√
(d) Policy Development	Available	-	√	√	√	√	√	√	√	√	-	√



<b>Core skills/ Expertise/ Competence</b>	<b>Actual Availability with current board</b>	<b>Mr. Chirayu Amin</b>	<b>Mr. Pranav Amin</b>	<b>Mr. Shaunak Amin</b>	<b>Mr. R. K. Baheti</b>	<b>Mr. K. G. Ramanathan</b>	<b>Mr. Pranav Parikh</b>	<b>Mr. Paresh Saraiya</b>	<b>Dr. Archana Hingorani</b>	<b>Mr. Ashok Kumar Barat</b>	<b>Mr. Jai Diwanji</b>	<b>Mr. Manish Kejriwal</b>
(e) Accounting, Tax, Audit and Finance	Available	-	√	-	√	√	√	√	√	√	-	√
(f) Legal	Available	√	-	-	√	-	-	-	-	√	√	√
(g) Sales/ Customer Engagement	Available	-	√	√	√	√	√	√	-	-	√	√
(h) Public Relations & Liasoning	Available	√	√	√	√	√	-	√	-	-	√	√
(i) Information Technology	Available	-	√	√	√	-	√	-	-	-	-	√
<b>Behavioural Competencies</b>												
(a) Integrity & ethical standards	Available	√	√	√	√	√	√	√	√	√	√	√
(b) Mentoring abilities	Available	√	√	√	√	√	√	√	√	√	√	√
(c) Interpersonal relations	Available	√	√	√	√	√	√	√	√	√	√	√

### 3. Audit Committee

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

As on 31<sup>st</sup> March, 2024, the Audit Committee comprised of 5 Independent Non-Executive Directors with Mr. Paresh Saraiya as Chairman, Mr. K. G. Ramanathan, Mr. Pranav Parikh, Dr. Archana Hingorani and Mr. Ashok Kumar Barat as members. As on the date of this report, the Audit Committee comprises of 3 Independent Directors with Dr. Archana Hingorani as Chairperson and Mr. Ashok Barat and Mr. Jai Diwanji as Members. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI Listing Regulations, 2015 and the Act.

The Statutory Auditors, Internal Auditors, Cost Auditors and other relevant Senior Management Persons are invited to attend the meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Paresh Saraiya,

Chairman of Audit Committee was present at the last Annual General Meeting held on 4<sup>th</sup> August, 2023.

- Meetings and attendance during the financial year**

Four (4) meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March, 2024 on 5<sup>th</sup> May, 2023, 4<sup>th</sup> August, 2023, 6<sup>th</sup> November, 2023 and 5<sup>th</sup> February, 2024.

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

<b>Name of the Director</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Mr. Paresh Saraiya	4	4
Mr. K. G. Ramanathan	4	4
Mr. Pranav Parikh	4	4
Dr. Archana Hingorani	4	4
Mr. Ashok Kumar Barat	4	4

#### 4. Nomination and Remuneration Committee

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

As on 31<sup>st</sup> March, 2024, the Nomination and Remuneration Committee comprised of 4 Non-Executive Independent Directors with Mr. K. G. Ramanathan as Chairman, Mr. Pranav Parikh, Mr. Paresh Saraiya and Dr. Archana Hingorani as members. As on the date of this report, the Nomination and Remuneration Committee comprises of 4 Non-Executive Independent Directors with Dr. Archana Hingorani as Chairperson and Mr. Ashok Barat, Mr. Jai Diwanji and Mr. Manish Kejriwal as Members. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI Listing Regulations, 2015 and the Act. Mr. K. G. Ramanathan, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on 4<sup>th</sup> August, 2023.

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

Five (5) meetings of the Nomination and Remuneration Committee were held during the financial year ended 31<sup>st</sup> March, 2024 on 5<sup>th</sup> May, 2023, 4<sup>th</sup> August, 2023, 6<sup>th</sup> November, 2023, 5<sup>th</sup> February, 2024 and 29<sup>th</sup> March, 2024.

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

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

- **Performance Evaluation Criteria for Independent Directors**

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

#### 5. Stakeholders' Relationship Committee

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

As on 31<sup>st</sup> March, 2024, the Stakeholders' Relationship Committee comprised of 3 Directors with Mr. Paresh Saraiya, Non-Executive Independent Director as Chairman, Mr. Pranav Amin and Mr. R. K. Baheti as members. As on the date of this Report, the Stakeholders' Relationship Committee comprises of 3 Directors with Mr. Jai Diwanji, Non-Executive Independent Director as Chairman and Mr. Pranav Amin and Mr. R. K. Baheti as Members. The terms of reference of the Committee cover the matters specified for Stakeholders' Relationship Committee under the SEBI Listing Regulations, 2015 and the Act. Mr. Paresh Saraiya, Chairman of Stakeholders' Relationship Committee was present at the last Annual General Meeting held on 4<sup>th</sup> August, 2023.

Ms. Manisha Saraf, Company Secretary is the Compliance Officer of the Company.

No. of shareholders' complaints received during the financial year: 14

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

No. of pending complaints: Nil

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

Four (4) meetings of Stakeholders' Relationship Committee were held during the financial year ended 31<sup>st</sup> March, 2024 on 5<sup>th</sup> May, 2023, 4<sup>th</sup> August, 2023, 6<sup>th</sup> November, 2023 and 5<sup>th</sup> February, 2024.

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

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



## 6. Risk Management Committee

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

As on 31<sup>st</sup> March, 2024, the Risk Management Committee comprised of 3 Directors and 2 senior management personnel with Mr. Paresh Saraiya as Chairman, Mr. Pranav Amin, Mr. R. K. Baheti, Mr. Vinod Kamath and Mr. Shreekumar Nair as members. As on the date of this Report, the Risk Management Committee comprises of 3 Directors and 2 senior management personnel with Mr. Ashok Barat as Chairman and Mr. Pranav Amin, Mr. R. K. Baheti, Mr. Vinod Kamath and Mr. Shreekumar Nair as members. The terms of reference of the Committee cover the matters specified for Risk Management Committee under the SEBI Listing Regulations, 2015.

- Meetings and attendance during the financial year**

Three (3) meetings of the Risk Management Committee were held during the financial year ended 31<sup>st</sup> March, 2024 on 5<sup>th</sup> May, 2023, 27<sup>th</sup> October, 2023 and 5<sup>th</sup> February, 2024.

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

Name of the Director/senior management personnel	No. of meetings held	No. of meetings attended
Mr. Paresh Saraiya	3	3
Mr. Pranav Amin	3	3
Mr. R. K. Baheti	3	3
Mr. Vinod Kamath	3	3
Mr. Shreekumar Nair	3	3

## 7. Details of Remuneration paid to Directors

- Executive Directors**

The details of remuneration paid to the Executive Directors for the financial year 2023-24 are given below:

(₹ in Crores)

Name & Designation of the Executive Directors	Tenure	2023-24			
		Fixed Salary & Perquisites	Variable Performance Pay	Commission	Total
Mr. Chirayu Amin Chairman & CEO	5 years w.e.f. 1 <sup>st</sup> April, 2021	9.38	-	10.00	19.38
Mr. Pranav Amin Managing Director	5 years w.e.f. 1 <sup>st</sup> April, 2021	9.09	5.00	5.00	19.09
Mr. Shaunak Amin Managing Director	5 years w.e.f. 2 <sup>nd</sup> May, 2023	9.09	5.00	5.00	19.09
Mr. R. K. Baheti Director-Finance & CFO	5 years w.e.f. 1 <sup>st</sup> April, 2021	4.77	2.56	-	7.33
	<b>Total</b>	<b>32.33</b>	<b>12.56</b>	<b>20.00</b>	<b>64.89</b>

**Notes:**

- The criteria for variable performance incentive includes Company Performance, Periodical Reviews, Skills and Competence.
- The Executive Directors and the Company are entitled to terminate the service contracts by giving not less than three months' notice in writing to the other party. There is no provision for payment of severance fees. The Company does not have any Stock Options Scheme.

- **Non-Executive Directors**

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

The details of payment made to Non-Executive Directors during the financial year 2023-24 are as under:

(₹ in Lakhs)

<b>Name of Director</b>	<b>Sitting Fees</b>	<b>Commission</b>	<b>Total</b>
Mr. K. G. Ramanathan	5.20	18.00	23.20
Mr. Pranav Parikh	4.80	18.00	22.80
Mr. Paresh Saraiya	5.90	18.00	23.90
Dr. Archana Hingorani	4.80	18.00	22.80
Mr. Ashok Kumar Barat	4.30	18.00	22.30
Mr. Jai Diwanji	3.00	18.00	21.00
Mr. Manish Kejriwal*	-	-	-

\*Appointed w.e.f. 31<sup>st</sup> March, 2024

The Board has approved the payment of commission to Non-Executive Independent Directors for the financial year 2023-24 which is within the limit approved by the members of the Company at the 11<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> July, 2021.

The criteria for making payment to Non-Executive Directors is as under:

- Remuneration:** The remuneration shall be in accordance with the provisions of the Act.
- Sitting Fees:** The Non- Executive / Independent Director may receive fees for attending meetings of the Company. Provided that the amount of such fees shall not exceed ₹ 1 Lac per meeting of the Board or Committee or such amount as may be prescribed under the Act. Additionally, the Non-Executive Directors shall be reimbursed traveling and incidental expenses incurred for attending the meeting.
- Commission:** Commission may be paid in accordance with the provisions of the Act and SEBI Listing Regulations, 2015, in addition to sitting fees and reimbursement of expenses for participating in the Board/Committee Meetings of the Company.
- Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

Note: The above are derived from the Nomination and Remuneration Policy of the Company.

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



## 8. Senior Management

The particulars of Senior Management including the changes therein since the close of the previous financial year are as under:

Sr. No.	Name of Senior Management Personnel ("SMP")	Designation	Changes if any, during the year 2023-24 (Yes / No)	Nature of change and Effective date
1	Mr. Pranav Amin	Managing Director	No	-
2	Mr. Shaunak Amin	Managing Director	No	-
3	Mr. Rajkumar Baheti	Director-Finance & CFO	No	-
4	Ms. Manisha Saraf	Company Secretary	Yes	Appointment- 1 <sup>st</sup> April, 2023
5	Mr. Abhay Gaitonde	Head-Corporate Quality	Yes	Resignation-30 <sup>th</sup> September, 2023
6.	Mr. Dhananjay Wyawahare	Head-Site Operations (Derma)	No	-
7.	Mr. Ish Bansal	Head-Business Development-API	No	-
8.	Mr. Jalaj Sharma	Head-Technical Operations (Formulations)	No	-
9.	Mr. Jesal Shah	Head-Strategy	Yes	Resignation-31 <sup>st</sup> August, 2023
10.	Mr. Mohith Santosh Kumar	EA to MD-Launch Strategy	Yes	Appointment-27 <sup>th</sup> November, 2023
11.	Mr. Nilesh Wadhwa	Head-International Business & Strategy	Yes	Appointment-21 <sup>st</sup> August, 2023
12.	Mr. Nitin Saxena	Head-Regulatory Affairs-API	No	-
13.	Dr. P.Y. Naidu	Head-R&D (Sterile Formulations)	No	-
14.	Mr. Pradeep Chakravarty	Head-Global Quality	Yes	Appointment- 4 <sup>th</sup> December, 2023
15.	Mr. Prerepa Sreenivasa Rao	Head-Quality (Sterile)	Yes	Appointment- 1 <sup>st</sup> October, 2023 Cessation-1 <sup>st</sup> January, 2024
16.	Dr. Rahul Dabre	Head-Research & Development-Formulations	No	-
17.	Dr. Ramesh Kumar	Head-IPR	No	-
18.	Mr. Shant Mankodi	Head-Human Resources	No	-
19.	Mr. Vinod Kamath	Head-Technical Operations (API)	No	-
20.	Mr. Vipul Gandhi	Head-Business Development-Formulations	No	-
21.	Mr. Virendra Srivastava	Head-Regulatory Affairs-Formulations	No	-
22.	Mr. Atul Suri	Sr. Vice President-Sales & Marketing	No	-
23.	Mr. Chandrahas Shetty	President-Human Resources (India Branded Business)	No	-

Sr. No.	Name of Senior Management Personnel ("SMP")	Designation	Changes if any, during the year 2023-24 (Yes / No)	Nature of change and Effective date
24.	Mr. Goldee Pardesi	Associate Vice President-Sales & Marketing (Derma Division & Nepal Business)	Yes	Appointment-17 <sup>th</sup> July, 2023
25.	Mr. Karunanithi P.	Executive Vice President-Sales & Marketing	No	-
26.	Ms. Namita Patwari	Chief Human Resources Officer	Yes	Appointment-11 <sup>th</sup> March, 2024
27.	Dr. Onkar Swami	Sr. Vice President-Medical Services	Yes	Appointment-5 <sup>th</sup> August, 2023
28.	Mr. Rohit Garg	Sr. Vice President-Strategy and Business Excellence	No	-
29.	Mr. Shreekumar Nair	President-Supply Chain Management and Operations	No	-
30.	Mr. Viraj Save	Executive Vice President-Sales & Marketing	No	-
31.	Mr. Vimal Wahi	Vice President-Sales & Marketing	No	-
30.	Mr. Ajay Desai	Sr. Vice President-Finance	No	-
31.	Mr. Amresh Choudhary	Head-Taxation	No	-
32.	Mr. Ashok Pandya	Resident Director	No	-
33.	Mr. Mahesh Bane	General Manager-Finance	No	-
34.	Mr. Manishankar Mandal	Deputy General Manager-Finance	No	-
35.	Mr. Manuj Desai	Head-Information Technology	Yes	Appointment-6 <sup>th</sup> February, 2024
36.	Mr. Mitanshu Shah	Head-Finance	No	-
37.	Mr. Nilesh Shah	Head-Legal	No	-
38.	Mr. Saibal Mukherjee	Resident Director	No	-

## 9. General Body Meetings

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

Financial Year	Location	Date	Time	No. of Special Resolutions passed
2022-23	N.A. <sup>1</sup>	4 <sup>th</sup> August, 2023	3.00 p.m.	1
2021-22	N.A. <sup>1</sup>	11 <sup>th</sup> November, 2022	3.00 p.m.	1
2020-21	N.A. <sup>1</sup>	27 <sup>th</sup> July, 2021	3.00 p.m.	2

<sup>1</sup> AGM held through Video Conferencing / Other Audio Visual Means.

- Details of special resolution passed through postal ballot during the financial year 2023-24, person who conducted the postal ballot, details of the voting pattern and procedure of postal ballot:** Nil
- Whether any special resolution is proposed to be conducted through postal ballot:** Yes, the Board of Directors have approved a Postal Ballot notice on 29<sup>th</sup> March, 2024 in respect of the Special Resolutions for: (1) Appointment of Mr. Manish Kejriwal (DIN: 00040055) as an Independent Director of the Company; and (2) To consider alteration in



Articles of Association of the Company. M/s. Samdani Shah & Kabra, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner. The e-voting on Postal Ballot will started on Saturday, 13<sup>th</sup> April, 2024 and will end on Sunday, 12<sup>th</sup> May, 2024.

## 10. Means of Communication

Quarterly Results	The results will be published in the newspapers having wide coverage.
Newspapers wherein results normally published	Will be published normally in - The Economic Times (English), The Financial Express (Gujarati) or any other leading newspapers
Website, where the results, official news releases and presentation made to institutional investors or analysts are displayed	<a href="http://www.alembicpharmaceuticals.com">www.alembicpharmaceuticals.com</a>

## 11. General Shareholder Information

a)	Annual General Meeting Date, Time and Venue	Monday, 22 <sup>nd</sup> July, 2024 at 3:00 PM IST. The meeting will be held through VC / OAVM.
b)	Financial Year	2023-24
c)	Dividend Payment Date	On or from 26 <sup>th</sup> July, 2024
d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. The Company confirms that the annual listing fees to both the stock exchanges for the F.Y. 2024-25 have been paid.
e)	Stock Code	Please refer point no. 22 of Board's Report.
f)	Market price data – high, low during each month in last financial year	Please see Annexure A
g)	Share Performance of the Company in comparison to BSE Sensex	Please see Annexure B
h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable
i)	Registrar and Share Transfer Agents	Link Intime India Pvt. Limited "Geetakunj" 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara - 390 015, Gujarat, India. Tel: +91 265 3566768 E-mail: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>

j)	Share Transfer System	<p>In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.</p> <p>Pursuant to SEBI Master Circular dated May 7, 2024, Listed companies shall issue securities in dematerialized form only (while processing Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/ folios, Transmission, or Transposition. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.</p> <p>Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect requests for transmission, name deletion, duplicate share certificates, etc.</p>
k)	Distribution of Shareholding/ Shareholding Pattern as on 31 <sup>st</sup> March, 2024	Please see Annexure C
l)	Dematerialization of Shares and Liquidity	As on 31 <sup>st</sup> March, 2024, 19,54,04,593 shares (99.41%) are held in dematerialised form by the shareholders.
m)	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
n)	Commodity price risk or foreign exchange risk and hedging activities	<ol style="list-style-type: none"> <li>The Company imports API/ Intermediates/ Key Starting Material (KSM) which may be prone to commodity price risk. The Company does not do any hedging except strategic procurement at times.</li> <li>The Company is a net foreign exchange earner and like the pharma sector, faces foreign currency fluctuation risk. Looking at the broad long-term trend, the Company hedges a certain percentage of net forex earning and keeps the balance open.</li> </ol> <p>The disclosure pertaining to exposure &amp; commodity risks is not applicable to the Company.</p>



o)	<b>Plant Locations</b> General Oral Solid Formulation Facility F-I & F-II, API – I, API- II Injectable Facility F-III, Derma Facility F-V, API-III General Oral Solid Formulation Facility F-IV General Oral Solid Formulation Facility	1. Panelav, Tal. Halol, Dist. Panchmahal, Gujarat. 2. Karakhadi, Tal. Padra, Dist. Vadodara, Gujarat. 3. Jarod, Taluka, Waghodiya, Dist. Vadodara, Gujarat. 4. Samardung Busty, Namthang, South Sikkim.
p)	<b>Address for Correspondence / Investor Correspondence</b>	1. Company Secretary & Compliance Officer Alembic Pharmaceuticals Limited Alembic Road, Vadodara - 390 003. Tel: +91 265 6637300 E-mail: <a href="mailto:apl.investors@alembic.co.in">apl.investors@alembic.co.in</a> 2. Link Intime India Pvt. Limited "Geetakunj" 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara - 390 015. Tel: +91 265 3566768 E-mail: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>
q)	<b>Credit Ratings</b>	The Credit Rating details are given hereunder:

Instrument	₹ in Crores	Rating Agency	Rating & Outlook	Remarks
Bank Loan Facilities- Long term rating	600.00	CRISIL Ratings Ltd.	CRISIL AA+ /Stable	Re-affirmed
Commercial Papers	750.00	CRISIL Ratings Ltd.	CRISIL A1+	Re-affirmed
Commercial Papers	750.00	CARE Ratings Limited	CARE A1+	Re-affirmed

## 12. Other Disclosures

### a) Related Party Transactions:

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

### b) Compliance:

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

### c) Vigil Mechanism/Whistle Blower Policy:

The details pertaining to Vigil Mechanism/Whistle Blower Policy established by the

Company are provided at point no. 14 of the Board's Report.

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

### Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

#### Mandatory requirements:

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

**Non-Mandatory requirements:**

- a) Office for non-executive Chairman at Company's expense: Not Applicable
- b) Half-yearly declaration of financial performance to each household of shareholders: Not complied
- c) Modified opinion(s) in Audit Report: The Statutory Auditor's in their Report to the members, have issued their Audit Report with Qualified opinion as mentioned under 'Basis for Qualified Opinion' of their Report.
- It may be clarified that the qualification in the report by Auditors is only with reference to information pertaining to previous financial year ended on 31<sup>st</sup> March, 2023. It has no impact on the current year numbers. The Company has provided the Statement on Impact of Audit Qualifications on Standalone Financial Statements and Consolidated Financial Statements as Annexure B to the Board's Report which shall be treated as Board's response.
- d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Not complied
- e) Reporting of Internal Auditors directly to Audit Committee: Complied
- d) Policy for determining 'material' subsidiaries':**  
The Company has formed the policy for determining 'material subsidiaries'. The same has been placed on the website of the Company and web-link to the same is as under:  
<https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/9-Policy-on-Material-Subsidiaries.pdf>
- e) Disclosure of commodity price risks and commodity hedging activities:**  
The details are provided at Point No. 11(n) of this report.
- f) Disclosure of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of**

**sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015:**

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

**g) Independent Directors' Meeting:**

The Independent Directors met on 8<sup>th</sup> May, 2024 to carry out the evaluation for the financial year 2024-25 and inter alia, discussed the following:

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

During the financial year 2023-24, the Independent Directors meeting was held on 5<sup>th</sup> May, 2023.

All Independent Directors were present at the aforesaid meetings.

**h) Certificate from Practicing Company Secretaries:**

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

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

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 26(8) of Notes to Standalone Financial



Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

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

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

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

Not Applicable.

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

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

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

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

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

Sr. No.	Name of Material Subsidiaries of APL	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditors	Date of Appointment of the Statutory Auditors
1	Alembic Pharmaceuticals Inc., USA	10.08.2012	New Jersey	Acquavella Chiarelli Shushter, LLP	29.03.2024

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

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

**p) Disclosure of certain types of agreements binding listed entities**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations, 2015.

### Annexure A

Market price data of the Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the financial year 2023-24:

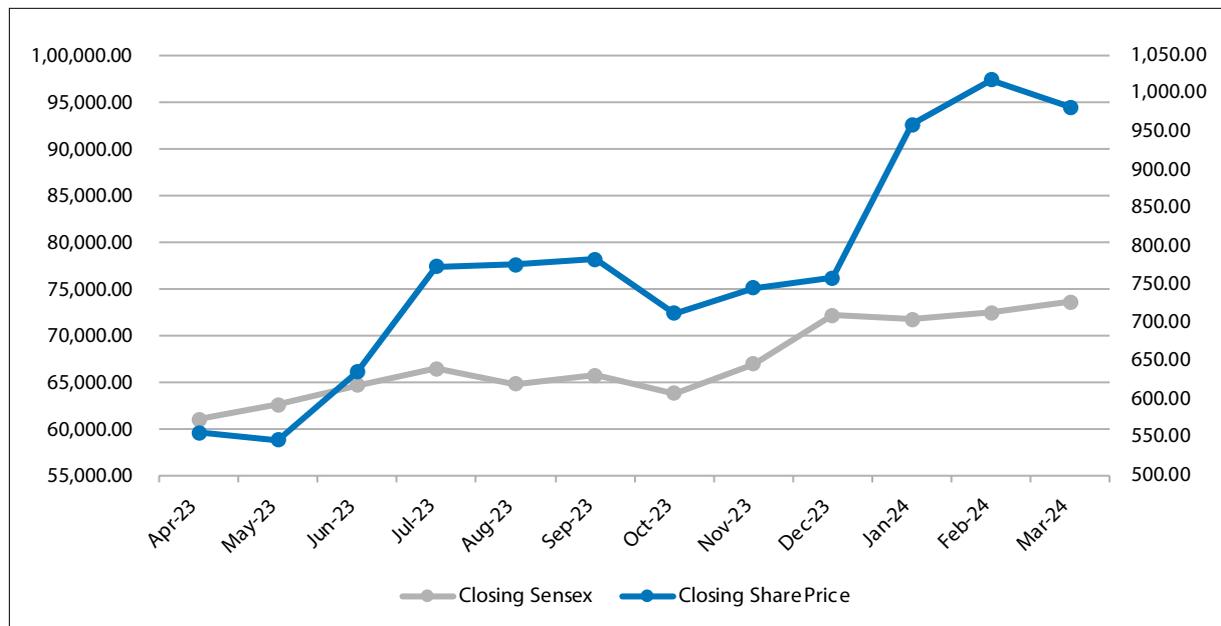
(in ₹)

Month – Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April – 2023	570.50	485.05	571.35	488.00
May – 2023	599.00	536.60	599.00	542.40
June – 2023	664.10	545.05	663.85	543.40
July – 2023	793.10	621.85	793.50	621.65
August – 2023	797.95	736.05	798.00	734.65
September – 2023	825.00	741.05	826.75	741.55
October - 2023	839.00	707.50	839.00	707.15
November – 2023	834.00	708.45	835.40	708.30
December – 2023	794.00	737.45	795.95	736.95
January – 2024	991.10	755.95	993.60	756.70
February – 2024	1,093.05	933.55	1094.00	933.50
March – 2024	1,078.90	904.15	1080.00	901.80

On 28<sup>th</sup> March, 2024, the closing price of the shares of the Company on BSE was ₹982.35 and on NSE was ₹984.80.

### Annexure B

Share Performance of the Company in comparison to BSE Sensex:





## Annexure C

The distribution of shareholding as on 31<sup>st</sup> March, 2024 is as under:

Number of Shares	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
001-500	73,332	93.79	49,14,245	2.50
501-1000	2,420	3.10	18,50,134	0.94
1001-2000	1,149	1.47	16,96,793	0.86
2001-3000	396	0.50	10,02,316	0.51
3001-4000	182	0.23	6,47,407	0.33
4001-5000	127	0.16	5,88,087	0.30
5001-10000	259	0.33	18,62,587	0.95
10001 and above	326	0.42	18,40,01,555	93.61
Total	78,191	100.00	19,65,63,124	100.00

Shareholding pattern as on 31<sup>st</sup> March, 2024 is as under:

Sr. No.	Category	No. of Shares Held	% of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>		
(1)	Indian	13,58,21,273	69.10
(2)	Foreign	10,06,980	0.51
	Total Shareholding of Promoter and Promoter Group	13,68,28,253	69.61
<b>(B)</b>	<b>Public Shareholding</b>		
(1)	Institutions	3,90,09,991	19.85
(2)	Non-institutions	2,07,24,880	10.54
	Total Public Shareholding	5,97,34,871	30.39
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>		
(1)	Promoter and Promoter Group	-	-
(2)	Public	-	-
	<b>Total (A) + (B) + (C)</b>	<b>19,65,63,124</b>	<b>100.00</b>

**Annexure D**

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

<b>Particulars</b>	<b>No. of shareholders</b>	<b>No. of shares</b>
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	204	76,895
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	3	450
Number of shareholders to whom shares were transferred from suspense account during the year	3	450
Number of shareholders whose shares were transferred to the Investor Education and Protection Fund	48	17,060
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	153	59,385

On behalf of the Board of Directors,

**Chirayu Amin**

Chairman & Chief Executive Officer  
(DIN: 00242549)

**Code of Conduct**

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

I hereby confirm that:

As provided under the SEBI Listing Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the copy of the code of conduct is placed on the website of the Company at [www.alembicpharmaceuticals.com](http://www.alembicpharmaceuticals.com)

On behalf of the Board of Directors,

**Chirayu Amin**

Chairman & Chief Executive Officer



# Corporate Governance Compliance Certificate

**For the Financial Year ended 31<sup>st</sup> March, 2024**

[pursuant to Schedule V –Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,

**Alembic Pharmaceuticals Limited**

We have examined the compliance of the conditions of Corporate Governance by Alembic Pharmaceuticals Limited (“Company”) for the Financial Year ended March 31, 2024 (“review period”), as per the relevant provisions of Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

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

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

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

Sd/-

**S. Samdani**

Partner

**Samdani Shah & Kabra**

Company Secretaries

FCS No. 3677; CP No. 2863

ICSI Peer Review # 1079/2021

UDIN: F003677F000339309

Place: Vadodara

Date: May 9, 2024

# Business Responsibility & Sustainability Report [BRSR]

## SECTION A: GENERAL DISCLOSURE

### I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24230GJ2010PLC061123
2	Name of the Listed Entity	Alembic Pharmaceuticals Limited (APL)
3	Year of incorporation	2010
4	Registered office address	Alembic Road, Vadodara – 390003, Gujarat, India
5	Corporate address	Alembic Road, Vadodara – 390003, Gujarat, India
6	E-mail:	apl.investors@alembic.co.in
7	Telephone	+91-265-663 7000
8	Website	www.alembicpharmaceuticals.com
9	Financial year for which reporting is being done	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11	Paid-up Capital	₹39.31 Crore
12	Contact Person	
	Name of the Person	Mr. Sushil Kharkwal, Head EHS
	Telephone	+91 267 666 4186
	E-mail address	sushil.kharkwal@alembic.co.in
13	Reporting Boundary	
	Reporting Boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone-Basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA



## II. Product/Services

### 16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturing of Pharmaceuticals	Manufacture and trade of active pharmaceutical intermediates and finished dosage formulations.	100.00

### 17. Products/Services sold by the entity (accounting for 90% of the turnover)

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
1	Manufacture and trade of active pharmaceutical intermediates and finished dosage formulations.	210	100.00

## III. Operations

18	Number of locations where plants and/or operations/offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
		National	11*	2	13
		International	0	3	3
19	Market served by the entity	Locations	Numbers		
	a) No. of Locations	National (No. of States) International (No. of Countries)		33# 78 (worldwide)	
	b) What is the contribution of exports as a percentage (%) of the total turnover of the entity?		58%		
	c) A brief on types of customers	<p>Alembic's products are broadly classified into Active Pharmaceuticals Ingredients (APIs), Formulations, and International Generics, serving a large international and national customer base across various geographies. Customers include:</p> <ul style="list-style-type: none"> <li>• API: Pharmaceutical Companies engaged in formulation business</li> <li>• Formulations: Patients, healthcare facilities</li> <li>• International Generics: Patients, healthcare facilities</li> <li>• Alembic may also engage in trading activities as part of its overall business strategy.</li> </ul>			

\* 9 Manufacturing Plants and 2 R&D Centers

# Includes Union territories

#### IV. Employees

##### 20. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>a) Employees and workers (including differently-abled)</b>						
<b>Employees</b>						
1	Permanent Employees (A)	14,071	13,410	95.30	661	4.70
2	Other than Permanent Employees (B)	0	0	0.00	0	0.00
<b>3</b>	<b>Total Employees (A+B)</b>	<b>14,071</b>	<b>13,410</b>	<b>95.30</b>	<b>661</b>	<b>4.70</b>
<b>Workers</b>						
4	Permanent (C)	787	786	99.87	1	0.13
5	Other than Permanent (D)	2,526	2,427	96.08	99	3.92
<b>6</b>	<b>Total Workers (C+D)</b>	<b>3,313</b>	<b>3,213</b>	<b>96.98</b>	<b>100</b>	<b>3.02</b>
<b>b) Differently-abled employees and workers</b>						
<b>Employees</b>						
1	Permanent Employees (E)	6	4	66.67	2	33.33
2	Other than Permanent Employees (F)	0	0	0.00	0	0.00
<b>3</b>	<b>Total Differently Abled Employees (E+F)</b>	<b>6</b>	<b>4</b>	<b>66.67</b>	<b>2</b>	<b>33.33</b>
<b>Workers</b>						
4	Permanent (G)	2	2	100.00	0	0.00
5	Other than Permanent (H)	9	9	100.00	0	0.00
<b>6</b>	<b>Total Differently Abled Employees (G+H)</b>	<b>11</b>	<b>11</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

##### 21. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	11	1	9.09
2	Key Management Personnel (other than Executive Directors)	1	1	100.00

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

Category	FY 2023-24* (Turnover rate in current FY, %)			FY 2022-23* (Turnover rate in previous FY, %)			FY 2021-22* (Turnover rate in previous FY, %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	32.92	21.11	31.12	26.91	28.46	26.97	27.26	23.49	27.07
Permanent Workers	8.25	0.00	8.24	4.38	0.00	4.37	5.25	0.00	5.23

\*In the FY 2023-24 data disclosed for the all units and in FY 2022-23 and FY 2021-22 data included International Business Unit Only.



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

### 23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Nirayu Limited	Holding	0	No
2.	Alembic Pharmaceuticals Inc.	Subsidiary	100	No
3.	Alembic Global Holding SA	Subsidiary	100	No
4.	Alembic Pharmaceuticals Australia Pty Ltd.	Subsidiary	100	No
5.	Alembic Pharmaceuticals Europe Ltd.	Subsidiary	100	No
6.	Alnova Pharmaceuticals SA	Subsidiary	100	No
7.	Alembic Pharmaceuticals Canada Ltd.	Subsidiary	100	No
8.	Alembic Pharmaceuticals Chile SpA	Subsidiary	100	No
9.	Alembic Pharmaceuticals S.A de C.V.	Subsidiary	99	No
10.	Genius LLC	Subsidiary	100	No
11.	Alembic Labs LLC	Subsidiary	100	No
12.	Okner Realty LLC	Subsidiary	100	No
13.	Rhizen Pharmaceuticals AG	Associate	50	No
14.	Incozen Therapeutics Pvt. Ltd.	Associate	50	No
15.	Dahlia Therapeutics SA	Associate	50	No
16.	Alembic Mami SPA	Joint venture	49	No
17.	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd.	Joint venture	44	No

## VI. CSR Details

<b>24 a. Whether CSR is applicable as per section 135 of Companies Act, 2013:</b>	Yes, CSR is applicable as per Section 135 of Companies Act, 2013 to the Company.
<b>Turnover (in ₹)</b>	₹5,874.06 Crores
<b>Net worth (in ₹)</b>	₹4,921.44 Crores

## VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	<a href="https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Policies%20on%20Business%20Responsibility.pdf">https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Policies%20on%20Business%20Responsibility.pdf</a>	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes		0	0	NA	0	0	NA
Shareholders	Yes		14	0	NA	23	0	NA
Employees and workers	Yes		0	0	NA	0	0	NA
Customers	Yes		352	7	NA	303	1	NA
Value Chain Partners	Yes		0	0	NA	0	0	NA
Other (Please Specify)	Yes		0	0	NA	0	0	NA



## 26. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
1. Human Rights	Risk	Human rights exert a substantial influence on the entire supply chain and can significantly damage a company's reputation and public relations if violated. Consequently, this underscores the importance of this topic for the Company.	The Company has shifted its focus towards creating an enabling, supportive, and safe environment for its employees. Additionally, it has implemented a policy to prevent sexual harassment and established a robust grievance redressal mechanism to address violations of human rights.	Costs incurred in implementing systems to ensure adherence to human rights principles may pose negative implications, including financial burdens and operational disruptions. However, investing in these systems can yield positive outcomes such as enhanced reputation, increased consumer trust, and improved employee morale and productivity.
2. Product Quality and Safety	Risk	With heightened regulatory constraints on product quality to safeguard consumer safety, it is imperative to comply with them rigorously to prioritize consumer-centricity.	The Company prioritizes its quality commitments, fostering an environment where everyone embraces a culture of quality to produce responsible work. Alembic has consistently invested in initiatives to enhance quality across its plants, ensuring compliance with international standards and regulations.	This dedication leads to positive implications such as increased customer loyalty and acceptance.
3. R&D and Innovation	Opportunity	In today's market, there are numerous opportunities to create innovative solutions and cater to customer needs. By proactively engaging in research and development (R&D), companies can enhance operational efficiency, productivity, and accuracy.	Alembic's R&D teams remain updated on the latest product development tools and technologies to gain a competitive edge in the market. Additionally, the company has made substantial investments to strengthen R&D capabilities in various high-growth and high-value therapy areas.	This results in a positive impact, including increased productivity and the development of new products.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
4. Digital Business model and digitization	Opportunity	With the rapid advancement of technology and innovation, the pharmaceutical industry is witnessing a significant shift towards digitization. This transformation is expected to revolutionize various aspects of the industry, including the emergence of e-pharmacies, digital clinical trials, digital pills, artificial intelligence tools, and the production of precise medicines	Alembic is actively embracing this digital evolution by focusing on digitizing its operations. To achieve this goal, the company has developed a detailed digital blueprint, which will be implemented in a phased manner.	The adoption of digital technologies is anticipated to yield several positive outcomes, including enhanced precision, increased efficiency, improved quality, and enhanced productivity throughout the organization.
5. Pharmacovigilance	Risk	Pharmacovigilance is intrinsically linked with pharmaceutical products' hazards, necessitating diligent monitoring of their effects to identify adverse reactions. This monitoring is paramount for ensuring patient safety.	To this end, the Company has established a dedicated portal for reporting side effects of its products, facilitating the systematic recording of Pharmacovigilance risks post drug administration. Additionally, a customer care number is provided on the portal for individuals to report Adverse Drug Reactions (ADR) promptly. Furthermore, Corrective Action and Preventive Action (CAPA) protocols are enforced for each ADR incident, incorporating measures such as change control and impact analysis.	Despite the imperative nature of these measures, there may be negative implications, primarily stemming from the additional costs associated with monitoring and tracking procedures.
6. Clinical Trial Conduct	Risk	Clinical trials are pivotal in advancing medical science, developing novel treatments, and safeguarding patient welfare. Compliance with stringent regulatory frameworks is imperative to uphold integrity and mitigate risks that could adversely impact the Company's reputation.	The Company diligently ensures adherence to all regulatory stipulations throughout the clinical trial lifecycle, encompassing comprehensive protocols, informed consent acquisition from participants, prioritization of patient safety, preservation of data integrity, and protection of participant confidentiality.	While implementing these measures may entail additional expenditures, they are indispensable for upholding ethical standards and ensuring the reliability and success of clinical trials as well as negative implications.



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
7. Resilient Business Performance	Risk	<p>Disruptions to business operations can stem from various sources such as shifts in the business landscape, evolving regulatory requirements, and natural or man-made disasters. Therefore, it is crucial for a Company to establish a robust business continuity and resilience mechanism to ensure uninterrupted business performance.</p>	<p>To address these challenges, we have implemented a comprehensive risk management mechanism aimed at effectively identifying and managing emerging risks. This includes the development of mitigating strategies to address potential threats. Additionally, we have formulated and implemented a Business Continuity Plan (BCP). This plan delineates specific emergency scenarios and outlines a structured approach for response, rescue, and recovery efforts. Initially implemented for our formulation unit, we are in the process of extending this plan to cover our other facilities in the future.</p>	<p>Despite the importance of these preparedness measures, there may be negative implications associated with the expenditure required for their implementation.</p>
8. Human Resource Development	Opportunity	<p>In today's rapidly changing technological landscape and with the availability of highly skilled and knowledgeable workers, it has become crucial for organizations to focus on developing and retaining the right talent to ensure effective and profitable operations. Alembic recognizes the importance of talent development and has implemented a comprehensive learning management system (LMS) designed to provide essential training modules to all employees.</p>	<p>Moreover, the company emphasizes the nurturing of internal talent for leadership roles through skill enhancement programs.</p>	<p>By investing in the professional growth of our workforce, we anticipate an improvement in productivity and efficiency, which will ultimately contribute to the overall success of the organization as positive implications.</p>

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
9. Sustainable Supply Chain	Risk	<p>A sustainable supply chain is essential for long-term business success, environmental stewardship, and social well-being. By integrating sustainability into supply chain strategies, companies can realize numerous benefits, including cost savings, risk mitigation, enhanced brand value, and competitive advantage. However, any violation of environmental, social, and governance (ESG) principles within the supply chain can result in the loss of business from reputable customers and damage to the company's reputation.</p>	<p>To address these challenges, our company has implemented comprehensive procedures known as 'sustainability assurance across the value chain'. This involves assessing critical suppliers on ESG parameters using two primary methods:</p> <ol style="list-style-type: none"> <li><b>Audit Method:</b> Through on-site audits, we evaluate our major suppliers on sustainability parameters and assign ratings. These ratings inform procurement activities such as contract renewal.</li> <li><b>Checklist Method:</b> Sustainability data is collected from suppliers through a checklist, allowing us to rate them based on their adherence to sustainability criteria.</li> </ol>	<p>While these measures ensure sustainability across our supply chain, there are associated costs involved. However, we believe that these investments are necessary to uphold our commitment to sustainability and maintain the trust of our stakeholders, thus adhering to positive implications.</p>
10. Community Engagement	Opportunity	<p>Community engagement is vital for fostering trust and minimizing conflicts within the community. It is imperative for a company to align with community needs and provide comprehensive support.</p>	<p>Alembic actively collaborates with various communities based on their expressed requirements. The Alembic Group has established, nurtured, and promoted several non-profit organizations focusing on three key areas: education, healthcare, and rural development, aimed at enhancing the well-being of rural populations.</p>	<p>Consequently, positive implications arise, including an enhanced reputation and increased goodwill within the community.</p>



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
11. Business Ethics & Corporate Governance	Risk	Ethical conduct in both internal operations and external engagements is a cornerstone of sustainable business practices.	The Company has instituted a robust policy framework addressing ethics, bribery, and corruption, ensuring adherence to high standards of integrity and transparency across all facets of its operations. Our organizational ethos underscores the values of patience and perseverance, motivating our team and partners to pursue excellence while upholding ethical principles and fostering a culture of good governance.	These concerted efforts contribute to maintaining our reputation and trustworthiness in the business landscape without significant positive financial implications.
12. Availability and affordability of medicine	Risk	The pricing and availability of medicines entail a complex process influenced by various factors. Balancing the need to make medicines affordable for customers with maintaining a competitive edge in the market presents a significant challenge.	In response to this challenge, Alembic is dedicated to enhancing global health by providing affordable, high-quality generic medicines. Through consistent efforts, Alembic strives to improve access to essential medications while upholding stringent quality standards. Furthermore, Alembic is committed to strengthening its Intellectual Capital by prioritizing innovation. By developing a portfolio of high-quality and cost-effective medicines, Alembic aims to meet the evolving needs of patients worldwide.	While these endeavors may initially incur certain costs and complexities, they are expected to yield positive outcomes in the long run. Anticipated benefits include an expanded market share and continued growth and development within the pharmaceutical industry.
13. Biodiversity	Risk	Being recognized as a responsible corporate citizen entails aligning with the preservation and sustainability of biodiversity. The company acknowledges the significance of maintaining harmony with its surrounding biodiversity.	To uphold this commitment, the Company prioritizes efforts aimed at nurturing and preserving biodiversity. Through various initiatives, the company seeks to minimize the impact of its operations on the surrounding environment, thereby safeguarding biodiversity.	While these initiatives require investments and resources, they are essential for the protection and preservation of biodiversity. Thus, while there may be associated costs, the Company remains dedicated to fulfilling its environmental responsibilities and contributing positively to biodiversity conservation efforts.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
14. Waste Management	Risk	<p>Given the nature of the industry, waste generation is an inevitable aspect of the Company's operations. However, irresponsible waste management practices, such as improper disposal or incineration of hazardous waste, can have detrimental effects on the environment.</p>	<p>To address this issue, the Company has implemented several measures aimed at ensuring responsible waste management: The Company has established a robust mechanism for diverting high-calorific waste to the cement industry for co-processing. This approach helps minimize environmental impact by utilizing waste as an alternative fuel source in cement kilns. Additionally, the Company has implemented recycling initiatives for both products and waste materials. A special drive has been launched to collect plastic waste from neighbouring villages, which is then recycled and used in the production of recycled plastic materials. Moreover, the Company is committed to adopting sustainable practices in its packaging materials. Approximately 50% of the cardboard boxes used in packaging are made from recycled materials, reducing the reliance on virgin resources and minimizing environmental footprint.</p>	<p>While these initiatives contribute positively to environmental sustainability, it's important to acknowledge that there are associated costs incurred in handling and safely disposing of waste. Despite the potential negative implications in terms of costs, the Company remains committed to its responsible waste management practices as part of its broader environmental stewardship efforts.</p>



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
15. Climate Change and GHG Emissions	Risk	Given the increasing focus on climate change and sustainable practices, it is crucial to acknowledge the significance of greenhouse gas (GHG) emissions and their impact on the environment.	<p>Managing GHG emissions involves navigating through a complex and scattered process, which can pose critical risks if not properly addressed. To tackle this challenge, the Company has developed extensive plans aimed at reducing its GHG emissions. These initiatives include:</p> <ul style="list-style-type: none"> <li>• Internal utilization of solar power to reduce reliance on conventional energy sources.</li> <li>• Installation of windmills to harness renewable energy.</li> <li>• Procurement of renewable power for its operations, further reducing carbon footprint.</li> <li>• Implementation of efficiency measures across its manufacturing sites to optimize energy consumption.</li> </ul> <p>Moreover, the Company has established corporate policies focused on identifying and addressing climate-related risks and global climate issues. These policies serve as a framework for implementing control measures and mitigating risks associated with GHG emissions.</p>	By implementing these initiatives and adhering to its corporate policies, the Company anticipates several positive outcomes, including process improvements, enhanced energy efficiency, and improved stakeholder outcomes. These efforts align with the Company's commitment to environmental sustainability and responsible business practices.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
16. Employee Health and Safety	Risk	Employees and workers within the Company are routinely exposed to hazardous chemicals and substances, which may pose health risks if not properly managed.	<p>To address these challenges, the Company has implemented comprehensive measures aimed at safeguarding the health and well-being of its workforce. These initiatives include:</p> <ul style="list-style-type: none"> <li>• Implementation of an Environmental Health and Safety (EHS) policy, providing a comprehensive framework for various environmental-related systems and processes.</li> <li>• Establishment of dedicated EHS personnel at all sites to oversee the implementation of safety policies and programs.</li> <li>• Provision of physical classroom training to all employees on relevant EHS topics.</li> <li>• Conducting periodic medical checkups for both employees and contractual workers to monitor their health status.</li> <li>• Regular conduct of robust risk assessment exercises to identify and mitigate EHS risks effectively.</li> <li>• Provision of appropriate Personal Protective Equipment (PPE) to employees based on their job roles.</li> <li>• Adherence to strict Standard Operating Procedures (SOPs) for chemical handling to minimize risks.</li> <li>• Continuous efforts to identify and address unsafe acts and conditions in the workplace.</li> </ul>	<p>While these initiatives are essential for ensuring the safety of employees and mitigating EHS risks, they may lead to increased operational costs associated with safety training programs and the provision of protective gear. However, these investments are necessary to uphold the company's commitment to workplace safety and regulatory compliance thus adhering to positive implications.</p>



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Impacts (Negative or Positive)
17. Energy Management	Risk	Efficient utilization of energy resources is essential for managing costs and alleviating environmental burdens, particularly amid increasing concerns about climate change.	<p>Recognizing this imperative, Alembic has made significant investments in renewable energy initiatives, including:</p> <ul style="list-style-type: none"> <li>Expansion of solar energy capacity through the installation of rooftop solar panels and commissioning of 12 MW solar plant in the FY 23-24.</li> <li>Deployment of windmills to bolster the proportion of renewable energy sources in its energy mix.</li> </ul> <p>Moreover, the company is actively engaged in the development of flow chemistry techniques for its production processes, aiming to enhance yield and reduce energy consumption.</p>	While these endeavours may entail increased costs associated with fuel and capital expenditure on energy-efficient equipment in the short term, they are anticipated to yield positive financial outcomes in the long run through reduced energy expenses.
18. Water Management	Risk	The mismanagement of water resources can result in adverse outcomes such as excessive consumption and the discharge of toxins, which not only pose regulatory risks but also invite stakeholder activism and the potential shutdown of operations. Given the indispensability of water across various activities like heating, cooling, and manufacturing processes, ensuring a consistent water supply is paramount.	<p>Alembic is committed to responsible water management through several initiatives:</p> <ul style="list-style-type: none"> <li>• Conversion to Zero Liquid Discharge (ZLD) at all API sites and utilization of treated effluents in industrial processes and gardening at formulation units.</li> <li>• Implementation of groundwater restoration measures, including the construction of charging wells with ongoing efforts to expand this infrastructure.</li> <li>• Efficient utilization of wastewater by repurposing domestic treated water for gardening and industrial treated water for boilers and chillers.</li> <li>• Construction of artificial ponds at select sites to enhance rainwater harvesting capabilities.</li> </ul>	While these efforts incur costs associated with handling and safe disposal, the company remains dedicated to mitigating environmental risks and promoting positive sustainable water stewardship.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>										
1	<b>a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes, the Business Responsibility Policy, along with any amendments, has undergone a thorough formulation process led by the management of the Company. This process includes consultation with relevant stakeholders to ensure alignment with the Company's objectives and values. Subsequently, the finalized policy is presented to and approved by the Board of Directors, signifying its endorsement at the highest level of governance within the Company.								
	<b>c. Web Link of the Policies, if available</b>	<a href="https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Policies%20on%20Business%20Responsibility.pdf">https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Policies%20on%20Business%20Responsibility.pdf</a>								
2	<b>Whether the entity has translated the policy into procedures. (Yes/ No)</b>	Yes								
3	<b>Do the enlisted policies extend to your value chain partners? (Yes/ No)</b>	Yes								
4	<b>Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b>	USFDA, WHO GMP, TGA (Australia), Cofepris, EU GMP, Korean FDA, ANVISA, Danish Medicines Agency, PMDA, Health Canada.								
5	<b>Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	<p>At Alembic, we are committed to creating a sustainable ecosystem that generates shared value for all stakeholders. As part of our evolving approach, we are transforming our business operations to be more socially and environmentally responsible. This year marks the beginning of our sustainable journey, during which we will assess our operations to identify areas for improvement and enhance our performance on ESG (Environmental, Social, and Governance) parameters. We have set ambitious targets, including ,</p> <ul style="list-style-type: none"> <li>• Achieving net zero emissions by 2040,</li> <li>• Attaining water neutrality by 2027,</li> <li>• Recycling 95% of plastic waste by 2026, and</li> <li>• Assessing 50% of critical suppliers by 2026.</li> </ul> <p>Additionally, roadmaps are being developed to guide us in achieving these targets and elevate our ESG performance across all our operations.</p>								



6	<b>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	NA								
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#### Governance, Leadership and Oversight

7	<b>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.</b>	At Alembic Pharmaceuticals Limited, we prioritize the establishment of a sustainable ecosystem that generates value for all stakeholders involved. Acknowledging the changing dynamics of the industry, we have redirected our efforts towards operating in a socially and environmentally responsible manner. This year, we embark on our sustainability journey, wherein we will meticulously assess our operations to pinpoint areas for enhancement and strive to elevate our performance across Environmental, Social, and Governance (ESG) metrics. With defined targets in place, we aim to curtail the environmental impact of our products and operations while consistently enhancing our performance to align with our sustainability objectives.
8	<b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Name: Mr. Pranav Amin Designation: Managing Director DIN Number: 00245099 E-mail: apl.investors@alembic.co.in
9	<b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	Yes, Mr. Pranav Amin and Mr. Shaunak Amin, both serving as Managing Directors of the Company, hold primary responsibility for decision-making on sustainability-related matters. Their leadership ensures that sustainability considerations are integrated into strategic decision-making processes across the organization. Furthermore, the Company has established a dedicated Board-level committee for risk management, which also assumes responsibility for overseeing all aspects of Sustainability and Environmental, Social, and Governance (ESG) practices. This committee plays a crucial role in setting sustainability objectives, monitoring performance, and ensuring alignment with the Company's broader strategic goals. By involving key executives and establishing specialized oversight mechanisms, the Company demonstrates its commitment to embedding sustainability principles into its core business operations and governance framework.

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

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Performance against above policies and follow up action</b>	The Board of Directors serves as the custodian of the Business Responsibility Policy, ensuring its alignment with the company's overarching goals and values. Periodic reviews of the policy's effectiveness and adherence to set objectives are conducted by relevant Board committees or authorized team members during quarterly meetings. This ensures that the policy remains relevant and responsive to evolving business dynamics and stakeholder expectations.									Quarterly								

<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	<p>Furthermore, the Company has implemented a robust compliance management system to ensure adherence to all relevant statutes and regulations. This system meticulously tracks and monitors compliance requirements, helping the Company stay abreast of its legal obligations. Notably, during the reporting period, the Company did not incur any penalties or fines for non-compliance issues. The Audit Committee has been entrusted with the responsibility of overseeing compliance matters, underscoring the Company's commitment to upholding regulatory standards. Additionally, the Company utilizes a sophisticated software-based compliance management system to streamline compliance processes and enhance efficiency.</p>	<p>Monthly</p>
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<b>11. Has the entity carried out independent assessment/ evaluation of the working of its by an external agency? (Yes/No). If yes, provide name of the agency</b>	<table border="1"> <tr> <td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td> </tr> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td></td> </tr> <tr> <td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td> </tr> </table>	P	P	P	P	P	P	P	P	P	P	1	2	3	4	5	6	7	8	9		Yes									
P	P	P	P	P	P	P	P	P	P																						
1	2	3	4	5	6	7	8	9																							
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																						
	<p>Yes, The entity has conducted independent assessment via International Standards and Management Academy during the reporting period. However, in addition to statutory audits and certification processes, the Company regularly conducts internal assessments to monitor the implementation of its established principles. All the policies are open for stakeholder consultation before implementation.</p>																														

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

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



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

### ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	01	Principles of Environmental, Social and Governance	100
Key Management Personnel	The Company has established an integrated Learning Management System (LMS) to facilitate the delivery of training modules throughout the organization.	This system streamlines the training process and ensures consistency in content delivery. The Company's training program is well-structured and encompasses various components, including induction sessions, classroom-based instruction, online training via the LMS, on-the-job training, and sessions led by subject matter experts. The training curriculum covers a wide array of topics vital to employee development, such as data integrity, safety protocols, emergency preparedness, skill enhancement, ethics, adherence to the code of conduct, and prevention of sexual harassment (POSH).	100
Employees other than BODs and KMPs			
Workers			

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

During the fiscal year 2023-24, the Company did not incur any fines, penalties, punishments, awards, compounding fees, or settlement amounts paid in proceedings with regulators, law enforcement agencies, or judicial institutions.

#### Monetary and Non Monetary

	NGRBC Principle	Name of the regulatory/ enforcement/ agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty /Fine Settlement Compounding Fees Imprisonment Punishment			None		

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

Not Applicable

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

Yes, the Company has established an Anti-Corruption and Anti-Bribery Policy aimed at safeguarding against any instances of bribery, corruption, facilitation payments, or kickbacks. Furthermore, anti-corruption measures are also incorporated into the Company's Business Responsibility Report (BRR) policy, which is accessible to stakeholders. <https://alembicpharmaceuticals.com/assets/pdf/sustainability/ANTI-CORRUPTION-AND-ANTI-BRIBERY-POLICY.pdf> & <https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Policies%20on%20Business%20Responsibility.pdf>

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

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	<b>FY 2023-24 (Current Financial Year)</b>		<b>FY 2022-23 (Previous Financial Year)</b>	
	<b>Number</b>	<b>Remarks</b>	<b>Number</b>	<b>Remarks</b>
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

During the fiscal year 2023-24, the Company did not encounter any reported cases related to fines, penalties, or actions taken by regulators, law enforcement agencies, or judicial institutions concerning corruption or conflicts of interest.



**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Number of days of accounts payables	63.01	67.25

**9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

<b>Parameters</b>	<b>Metrics</b>	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Concentration of purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	3.16%	3.28%
	b. Sales (Sales to related parties / total sales)	23.89%	16.04%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100.00%	100.00%
	d. Investments (Investments in related parties / Total Investments made)	69.73%	68.95%

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

**ESSENTIAL INDICATORS**

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

Type	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	0.01%	1.90%	<ul style="list-style-type: none"> <li>Enhancement of medication efficacy: The Company is dedicated to improving the effectiveness of medicines, which not only benefits consumers but also contributes to overall healthcare outcomes.</li> <li>Process optimization to minimize nitrosamine impurities: By continuously refining its processes, the Company ensures that its pharmaceutical products adhere to stringent quality standards, thereby enhancing safety and efficacy.</li> </ul>
Capital Expenditure (CAPEX)	13.20%	8.80%	<ul style="list-style-type: none"> <li>Deployment of renewable energy capacity through solar parks and rooftop solar installations: Embracing renewable energy sources like solar power demonstrates the Company's commitment to reducing its carbon footprint and promoting sustainable energy practices.</li> <li>Technological advancements in environmental infrastructure: Investing in technological upgrades for environmental facilities showcases the Company's proactive approach to mitigating environmental impacts and complying with regulatory standards.</li> <li>Implementation of recharge wells for rainwater harvesting: The installation of recharge wells underscores the Company's efforts to conserve water resources and promote sustainable water management practices.</li> <li>Various other initiatives focused on energy conservation and reducing emissions: The Company is engaged in a range of energy-saving initiatives aimed at minimizing resource consumption and decreasing greenhouse gas emissions, further demonstrating its commitment to environmental sustainability.</li> </ul>

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

Yes, the Company has implemented comprehensive procedures for sustainable sourcing, under the framework of 'sustainability assurance across the value chain.' These procedures aim to evaluate critical suppliers based on Environmental, Social, and Governance (ESG) parameters. To assess supplier sustainability performance, the Company utilizes two primary methods:

1. Audit Method: The Company conducts on-site audits of major suppliers to evaluate their adherence to sustainability standards. These audits provide valuable insights into supplier practices and performance, informing crucial procurement decisions, including contract renewals.



2. Checklist Method: Sustainability data is systematically collected from suppliers through a checklist format. This allows the Company to assess suppliers' sustainability practices and performance against predefined criteria. The checklist method enables a structured evaluation process, facilitating the identification of areas for improvement and promoting supplier accountability.

Overall, these procedures ensure that the Company's sourcing practices align with its sustainability objectives, fostering responsible supply chain management and promoting environmental and social stewardship.

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

Approximately 4.47% of suppliers, which includes key suppliers for Active Pharmaceutical Ingredients (API) and Advance Intermediate were audited to adhere to sustainable sourcing practices. This signifies the Company's commitment to integrating sustainability into its supply chain.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

The Company has established thorough processes to manage the end-of-life phase of its products. Specifically, for plastics, including packaging materials, the Company has developed a comprehensive Plastic Management Plan. Under this plan, the Company collaborates with a third-party agency to collect plastic waste from the market. This proactive approach not only helps in preventing plastic pollution but also ensures that the collected plastic is properly managed and recycled.

In addition to managing plastic waste, the Company also addresses the disposal of expired products responsibly. Expired products are retrieved from the market and subjected to proper disposal procedures, primarily through incineration. By opting for incineration, the Company ensures that expired products are safely disposed of, mitigating potential environmental hazards associated with improper disposal.

Overall, these processes reflect the Company's commitment to sustainable waste management practices. By implementing initiatives such as the Plastic Management Plan and responsible disposal of expired products, the Company contributes to environmental conservation efforts while adhering to regulatory requirements. This approach underscores the Company's dedication to environmental stewardship and corporate social responsibility.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**

Yes, the Company diligently follows the Extended Producer Responsibility (EPR) regulations that pertain to its operations. It maintains registration with the Central Pollution Control Board (CPCB) to fulfill its EPR obligations, specifically focusing on the collection and proper management of plastic waste generated by its products.

The Company has effectively met its EPR commitments for the fiscal year 2023-24, demonstrating its unwavering commitment to environmental stewardship and compliance with regulatory standards. This achievement underscores the Company's proactive approach to environmental sustainability and its dedication to minimizing the environmental impact of its operations.

By fulfilling its EPR responsibilities, the Company contributes to the broader goal of sustainable waste management and resource conservation. It ensures that plastic waste generated from its products is collected and recycled or decomposed in an environmentally responsible manner, aligning with its commitment to corporate social responsibility and environmental protection.

Overall, the Company's adherence to EPR requirements reflects its proactive stance towards environmental sustainability, emphasizing its role as a responsible corporate citizen dedicated to preserving the planet for future generations.

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

**ESSENTIAL INDICATORS**

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	13,410	13,410	100.00	13,410	100.00	0	0.00	5,465	40.75	13,410	100.00
Female	661	661	100.00	661	100.00	661	100.00	Nil	NA	661	100.00
<b>Total</b>	<b>14,071</b>	<b>14,071</b>	<b>100.00</b>	<b>14,071</b>	<b>100.00</b>	<b>661</b>	<b>4.70</b>	<b>5,465</b>	<b>38.84</b>	<b>14,071</b>	<b>100.00</b>
<b>Other than Permanent Employees</b>											
NA											

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

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Workers</b>											
Male	786	786	100.00	786	100.00	Nil	NA	786	100.00	786	100.00
Female	1	1	100.00	1	100.00	1	100.00	Nil	NA	1	100.00
<b>Total</b>	<b>787</b>	<b>787</b>	<b>100.00</b>	<b>787</b>	<b>100.00</b>	<b>1</b>	<b>0.13</b>	<b>786</b>	<b>99.87</b>	<b>787</b>	<b>100.00</b>
<b>Other than Permanent Workers</b>											
Male	2,427	2,427	100.00	2,427	100.00	Nil	NA	0	0	Nil	NA
Female	99	99	100.00	99	100.00	Nil	NA	0	0	Nil	NA
<b>Total</b>	<b>2,526</b>	<b>2,526</b>	<b>100.00</b>	<b>2,526</b>	<b>100.00</b>	<b>NA</b>	<b>NA</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	<b>FY 2023-24</b> <b>Current Financial Year</b>	<b>FY 2022-23</b> <b>Previous Financial Year</b>
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.65	0.62



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

S. No.	Benefits	FY 2023-24(Current FY)			FY 2022-23(Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100.00	100.00	Y	100.00	100.00	Y
2	Gratuity	100.00	100.00	Y	100.00	100.00	Y
3	ESI	100.00	100.00	Y	100.00	100.00	Y

\* ESIC is covered as per statutory limit

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

The premises and offices of the Company are designed to be accessible to differently abled employees and workers, in compliance with the requirements of the Rights of Persons with Disabilities Act, 2016. The Company ensures that its facilities are conducive to the needs of individuals with special requirements, and has implemented ramps and other necessary infrastructure to accommodate differently abled individuals.

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

Yes, the Company has implemented an equal opportunity policy as part of its Business Responsibility and Sustainability Reporting (BRSR) policy. This policy emphasizes providing equal opportunities to all competent applicants in terms of job placements, promotions, and skill development, without discrimination based on factors such as race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, or nationality. For further details, please refer to the Company's BRSR policy available on its website - <https://alembicpharmaceuticals.com/webfiles/pdf/Investor/governance-philosophy/Policies%20on%20Business%20Responsibility.pdf>

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	97.90%	NA*	100.00%	NA*
Female	93.33%	85.00%	0	0
<b>Total</b>	<b>95.62%</b>	<b>85.00%</b>	<b>100.00%</b>	<b>NA*</b>

Note:- \*Paternity leave introduced from FY 2023-24. Hence, retention rate is not envisaged.

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

Category	Yes/ No	Details of the mechanism in brief
Permanent Workers	Yes	The Company is committed to promptly addressing and resolving any complaints raised by workers and employees, irrespective of their status within the organization. To facilitate this, a dedicated committee responsible for handling HR and administrative matters oversees the complaint resolution process. This committee ensures that all complaints are handled with confidentiality and sensitivity.
Other than Permanent Workers	Yes	Regular quarterly reports are prepared to summarize the total number of complaints received during the reporting period. These reports provide detailed insights into the nature of the complaints and outline the specific actions taken by the committee to address them. By documenting these actions, the Company ensures accountability and transparency in its response to workplace concerns.
Permanent Employees	Yes	Furthermore, these quarterly reports are shared with the Chairman and/or Managing Director of the Company. This ensures that senior leadership remains informed about the issues raised by workers and employees and the steps taken to address them. By involving top management in the review process, the Company demonstrates its commitment to fostering a culture of accountability and continuous improvement in workplace practices.
Other than Permanent Employees	Yes	Overall, this proactive approach underscores the Company's dedication to maintaining a supportive, respectful, and inclusive work environment for all its personnel.

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

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Permanent Employees</b>						
Male	13,410	0	0.00	13,212	0	0.00
Female	661	0	0.00	663	0	0.00
Others	0	0	0.00	0	0	0.00
<b>Total</b>	<b>14,071</b>	<b>0</b>	<b>0.00</b>	<b>13,875</b>	<b>0</b>	<b>0.00</b>
<b>Permanent Workers</b>						
Male	786	0	0.00	717	0	0.00
Female	1	0	0.00	1	0	0.00
Others	0	0	0.00	0	0	0.00
<b>Total</b>	<b>787</b>	<b>0</b>	<b>0.00</b>	<b>718</b>	<b>0</b>	<b>0.00</b>



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

Category	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation***	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
<b>Permanent Employees</b>										
Male	13410	13,410	100.00	1128	8.41	13,212	13,212	100.00	23	0.17
Female	661	661	100.00	23	3.48	663	663	100.00	1	0.15
<b>Total</b>	<b>14071*</b>	<b>14071*</b>	<b>100.00</b>	<b>1151</b>	<b>8.18</b>	<b>13,875</b>	<b>13,875</b>	<b>100.00</b>	<b>24</b>	<b>0.17</b>
<b>Permanent Workers</b>										
Male	786	786	100.00	0	NA	717	717	100.00	0	NA
Female	1	1	100.00	0	NA	1	1	100.00	0	NA
<b>Total</b>	<b>787</b>	<b>787</b>	<b>100.00</b>	<b>0</b>	<b>NA</b>	<b>718</b>	<b>718</b>	<b>100.00</b>	<b>0</b>	<b>NA</b>

\*All of our employees and workers are provided training on Health and safety measures

\*\*\*Only external training were considered.

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

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
<b>Permanent Employees</b>						
Male	13,410	13,410	100.00	13,212	13,212	100.00
Female	661	661	100.00	663	663	100.00
Others	0	0	NA	0	0	NA
<b>Total</b>	<b>14,071</b>	<b>14,071</b>	<b>100.00</b>	<b>13,875</b>	<b>13,875</b>	<b>100.00</b>
<b>Permanent Workers</b>						
Male	786	786	100.00	717	717	100.00
Female	1	1	100.00	1	1	100.00
Others	0	0	NA	0	0	NA
<b>Total</b>	<b>787</b>	<b>787</b>	<b>100.00</b>	<b>718</b>	<b>718</b>	<b>100.00</b>

#### 10. Health and safety management system:

<b>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)</b>	Yes, the company has established a comprehensive Occupational Health and Safety Management System
<b>b. What is the coverage of such system?</b>	The system encompasses all suppliers, contractors, employees, contract workers, and other individuals engaged with the company. This ensures that the system covers 100% of the company's operations.
<b>c. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</b>	The company adheres to the guidelines of Process Hazard Analysis (PHA) to identify and manage risks effectively. This involves utilizing a holistic approach that incorporates methods such as HAZOP (Hazard and Operability Study), FMEA (Failure Mode and Effects Analysis), JSA (Job Safety Analysis), and HIRA (Hazard Identification and Risk Assessment). The company maintains a highly qualified and experienced team tasked with reviewing the risk assessment process and implementing mitigation measures according to a predefined schedule. This proactive approach underscores the company's commitment to ensuring the safety and well-being of all individuals involved in its operations.
<b>d. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)</b>	Yes, the company has established processes for workers to report work-related hazards and to remove themselves from such risks. These processes empower workers to identify and report hazards promptly, ensuring their safety and well-being in the workplace. Additionally, workers are provided with the necessary support and resources to mitigate risks and address safety concerns effectively. This proactive approach demonstrates the company's commitment to prioritizing the health and safety of its workforce.
<b>e. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)</b>	Yes, employees and workers of the entity have access to non-occupational medical and healthcare services. This ensures that they receive comprehensive healthcare support beyond occupational-related needs, promoting their overall health and well-being.

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

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.08
	Workers	**0.04	0
Total recordable work-related injuries	Employees	0	*32
	Workers	1	*27
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*\*Including in the man-hours of the contractual workers and employees

\*Includes minor injuries as well



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

The Company prioritizes and promotes a safe working environment, aiming to reduce accidents and incidents. Upon joining the Company, employees and workers receive comprehensive safety training and are familiarized with safety procedures. Throughout their tenure, regular classroom sessions and mock drills are conducted to keep them updated and well-prepared. Furthermore, the Company incorporates environmental, health, and safety (EHS) requirements into contracts and service agreements with all contractors. It also ensures that contractors' workers are equipped with mandatory personal protective equipment (PPE) and receive adequate safety training relevant to their job tasks before commencing work. This comprehensive approach underscores the Company's commitment to ensuring the safety and well-being of all personnel involved in its operations.

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

## 14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00
Working Conditions	100.00

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

In every case, when audits are conducted, any observations made are carefully documented. Following this, appropriate corrective actions are planned and put into effect, with ongoing monitoring to ensure their effectiveness. Furthermore, the feedback derived from these audits is shared with the auditing agency for their review and agreement. This collaborative approach helps to ensure that any issues identified are addressed promptly and comprehensively, fostering continuous improvement in our health and safety practices and working conditions.

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

### Essential Indicators

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

The Company takes a proactive approach in identifying key stakeholders who are significantly impacted by its business operations or have the potential to influence them. Regular consultations with these stakeholders are conducted to identify key material topics of importance. Acknowledging the vital role of effective stakeholder engagement in achieving sustainable, scalable, and inclusive growth, the Company actively engages with various stakeholder groups through diverse communication channels. This engagement allows the Company to gain valuable insights into stakeholder concerns and receive constructive feedback, which in turn helps to enhance its business strategy and plans for the future.

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

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/ No)</b>	<b>Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Shareholders	No	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• Investor Meets</li> <li>• Quarterly Results</li> <li>• Company Website</li> <li>• Intimation to Stock Exchange</li> </ul>	Quarterly / Annual / Need Basis	<ul style="list-style-type: none"> <li>• Economic value generated &amp; distributed</li> <li>• Long term value creation</li> <li>• Transparency</li> <li>• Good Governance</li> <li>• High Reputation &amp; Brand image</li> </ul>
Regulatory Bodies & Government Agencies	No	<ul style="list-style-type: none"> <li>• Open Invitations</li> <li>• Media releases</li> <li>• Conferences</li> <li>• Membership and Associations</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>• Proactive compliance</li> <li>• Implementation of compliance management system</li> <li>• Governance at different levels</li> </ul>
Financial Institutions, Bankers & Lenders	No	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• Investor Meets</li> <li>• Need basis during financial discussion meeting</li> <li>• Regular feedback through E-mails</li> </ul>	Annual	<ul style="list-style-type: none"> <li>• Good return on investment</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>• Leadership development interventions</li> <li>• Performance Dialogue</li> <li>• Continuous Feedback</li> <li>• Employee Induction</li> <li>• Employee Experience</li> <li>• Town hall briefing</li> <li>• Employee Engagement Survey</li> <li>• E-mails</li> <li>• Quarterly/Publications Newsletters</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>• Diversity</li> <li>• Quality of Work &amp; Life</li> <li>• Fair wages &amp; Remuneration benefits</li> <li>• Training &amp; Development</li> <li>• Career Growth</li> <li>• Health &amp; Safety</li> </ul>



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>• Video Conferencing</li> <li>• E-mails</li> </ul>	Annual	<ul style="list-style-type: none"> <li>• Quality &amp; Timely Delivery</li> <li>• Competitive Cost</li> <li>• Responsible Production</li> <li>• Transparency in disclosure</li> </ul>
Suppliers & Contractors	No	<ul style="list-style-type: none"> <li>• Supplier meets</li> <li>• Supplier assessment</li> <li>• MoU Agreements</li> <li>• Contract discussion meetings</li> <li>• Performance review</li> </ul>	Need basis	<ul style="list-style-type: none"> <li>• Product Quality</li> <li>• Cost</li> <li>• Timely delivery</li> <li>• On time payment</li> <li>• Ethical behavior</li> <li>• Upcoming technologies or equipment</li> <li>• Health &amp; Safety</li> </ul>
Local Communities	No	<ul style="list-style-type: none"> <li>• Regular engagement to understand concerns &amp; requirement</li> <li>• Community engagement during CSR initiatives</li> </ul>	Need basis	<ul style="list-style-type: none"> <li>• Local employment generation</li> <li>• Development interventions</li> </ul>

**PRINCIPLE 5: Businesses should respect and promote human rights.**

**Essential Indicators**

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of employees /workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	14,071	14,071	100.00	13,875	13,875	100.00
Other than permanent	0	0	NA	0	0	0.00
<b>Total Employees</b>	<b>14,071</b>	<b>14,071</b>	<b>100.00</b>	<b>13,875</b>	<b>13,875</b>	<b>100.00</b>
<b>Workers</b>						
Permanent	787	787	100.00	718	0	100.00
Other than permanent	2,526	2,526	100.00	2,047	0	0.00
<b>Total Workers</b>	<b>3,313</b>	<b>3,313</b>	<b>100.00</b>	<b>2,765</b>	<b>0</b>	<b>100.00</b>

Note: All our employees and workers undergo trainings for human rights.

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (C)	Equal to Minimum Wage		More than Minimum	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	Wage	% (F / D)
<b>Permanent Employees</b>										
Male	13,410	0	0.00	13,410	100.00	13,212	0	NA	13,212	100.00
Female	661	0	0.00	661	100.00	663	0	NA	663	100.00
<b>Other than Permanent</b>										
Male	NA									
Female	NA									
<b>Workers</b>										
<b>Permanent</b>										
Male	786	0	0.00	786	100.00	717	0	NA	717	100.00
Female	1	0	0.00	1	100.00	1	0	NA	1	100.00
<b>Other than Permanent</b>										
Male	2,427	0	0.00	2,427	100.00	2,006	0	NA	2,006	100.00
Female	99	0	0.00	99	100.00	41	0	NA	41	100.00



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

#### a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories	Number	Median remuneration/ salary/ wages of respective categories
Directors	4*	19,09,23,877	0	0
KMPs	0	0	1	28,97,750
Employees other than BoD and KMP	13,406	6,39,176	660	5,50,000
Workers	786	1,59,876	1	2,18,213

\*Excluding Non - Executive Directors

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Gross wages paid to females as % of total wages</b>	4.73	4.78

\*Our gross wages have be calculated including the permanent workers and employees only

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

Yes

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

The Company has established internal mechanisms to address grievances related to human rights issues effectively. This includes regularly reviewing practices, policies, and programs to ensure a robust system for redressal. Confidentiality of the concerned individuals is maintained throughout the process. Additionally, a quarterly status report is provided to the Company's Chairman and/or Managing Director, detailing the filed complaints and the actions taken by the Whistle Committee to address them. This proactive approach demonstrates the Company's commitment to addressing human rights concerns promptly and transparently.

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at Workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human Rights related issues	0	0	NA	0	0	NA

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

The Company is dedicated to upholding the highest standards of ethical, moral, and legal conduct in all aspects of its business operations. In order to uphold these standards, the Company actively encourages employees to report any suspected misconduct without fear of reprisal. Our Whistle-blower Policy and Prevention of Sexual Harassment (POSH) policy ensure the protection of individuals who raise concerns and safeguard them against retaliation in the workplace. Before taking any corrective actions, the Company thoroughly investigates complaints to ensure their authenticity and prevent any unwarranted harm to individuals' reputations from false accusations. This approach mitigates the potential negative impact of baseless allegations.

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

Yes, human rights requirements are integrated into our business agreements and contracts. This demonstrates our commitment to upholding ethical standards and promoting respect for human rights across our operations.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	0
Forced/involuntary labor	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0



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

No instances of risk, as specified above, were detected during the assessments. Consequently, no corrective actions were deemed necessary.

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

**Essential Indicators**

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	2,01,587.13	86,321.72
Total fuel consumption (B) (GJ)	0	0
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	2,01,587.13	86,321.72
From non-renewable sources		
Total electricity consumption (D)	3,39,607.41	4,19,743.67
Total fuel consumption (E)	5,47,128.13	5,23,946.15
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	8,86,735.54	9,43,689.81
Total energy consumed(A+B+C+D+E+F)	10,88,322.67	10,30,011.53
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000018527606	0.000020004111
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in GJ / Revenue from operations adjusted for PPP in USD)	0.000215030805	0.000203509691
Energy intensity in terms of physical output	211.73	178.21
Energy intensity per employee (GJ/employee)	73.24	70.58

\*This factor often differs from the nominal exchange rate and is designed to equate the buying power of different currencies more accurately. For this example, here we have taken PPP conversion factor for India to the US is 0.018, Given Data: Export Sales in Crores INR: ₹3,429.56 Crores, PPP Conversion Factor: 1 INR = 0.018 USD, Using the PPP factor, the conversion from Indian Rupees to US Dollars adjusted for purchasing power would be:

PPP Adjusted Sales in USD=3,429.56×10<sup>7</sup>×0.018

PPP Adjusted Sales in USD=61,732,208 = INR 5,062,041,056

This calculation would provide the revenue from operations in terms of US dollars, adjusted for the differences in purchasing power between India and the USA, we have considered our revenue majorly in USD

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

We are currently in the process of assuring the accuracy and reliability of our data. This effort is part of our broader commitment to ensuring that our energy management practices are both transparent and accountable.

By undergoing this rigorous data assurance process, we aim to provide stakeholders with confidence in the information we report. Our proactive approach not only reflects our dedication to continuous improvement but also aligns with best practices in sustainability and corporate governance.

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

No, the entity does not have any sites or facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India. Therefore, there are no targets set under the PAT scheme to achieve or report on.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	305,745	287,549
(iii) Third party water	4,01,255	3,69,423
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	9,710	14,196
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>7,16,710</b>	<b>6,71,168</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>6,12,752</b>	<b>5,70,539</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover) (kl per INR of revenue)	<b>0.00001043149</b>	<b>0.00001108058</b>
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KL/ Revenue from operations adjusted for PPP in USD)	<b>0.000121067547</b>	<b>0.000112727102</b>
Water intensity in terms of physical output	<b>119.21</b>	<b>98.71</b>
Water intensity per employee in KL/employee	<b>41.24</b>	<b>39.10</b>

\*This factor often differs from the nominal exchange rate and is designed to equate the buying power of different currencies more accurately. For this example, here we have taken PPP conversion factor for India to the US is 0.018, Given Data: Export Sales in Crores INR: ₹3,429.56 Crores, PPP Conversion Factor: 1 INR = 0.018 USD, Using the PPP factor, the conversion from Indian Rupees to US Dollars adjusted for purchasing power would be:

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PPP Adjusted Sales in USD=61,732,208 = INR 5,062,041,056

This calculation would provide the revenue from operations in terms of US dollars, adjusted for the differences in purchasing power between India and the USA, we have considered our revenue majorly in USD

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

All our manufacturing sites are subjected to thorough audits carried out by external environmental auditors through CGWA (Central Ground Water Authority), who are accredited and recognized by the State Pollution Control Board. These audits are essential for evaluating our compliance with environmental regulations and standards, ensuring our operations are both environmentally responsible and sustainable. This forward-looking approach underscores our commitment to enhancing transparency and accountability in our environmental management practices. We are currently in the process of assuring the accuracy and reliability of our data. This effort is part of our broader commitment to ensuring that our energy management practices are both transparent and accountable.



By undergoing this rigorous data assurance process, we aim to provide stakeholders with confidence in the information we report. Our proactive approach not only reflects our dedication to continuous improvement but also aligns with best practices in sustainability and corporate governance.

**4. Provide the following details related to water discharged:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	1,03,958	1,00,629
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>1,03,958</b>	<b>1,00,629</b>

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

All manufacturing sites undergo comprehensive audits conducted by external environmental auditors who are accredited and recognized by the State Pollution Control Board. We are currently in the process of assuring the accuracy and reliability of our data. This effort is part of our broader commitment to ensuring that our energy management practices are both transparent and accountable. By undergoing this rigorous data assurance process, we aim to provide stakeholders with confidence in the information we report. Our proactive approach not only reflects our dedication to continuous improvement but also aligns with best practices in sustainability and corporate governance.

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

Yes, all our API Units operate on a Zero Liquid Discharge (ZLD) system, emphasizing our commitment to environmental sustainability. The wastewater generated undergoes thorough treatment within our facilities, ensuring no liquid discharge. Instead, it is repurposed for essential operations such as boiler and cooling tower usage. Moreover, our formulation plants utilize treated water for gardening purposes, maximizing resource efficiency and minimizing environmental impact.

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

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Nox	T/year	48.31	33.11
Sox	T/year	141.01	98.60
Particulate matter (PM)	T/year	48.30	39.73
Persistent organic pollutants (POP)	The Company has adopted strict environmental policies to reduce the emission of persistent organic pollutants, volatile organic compounds (VOCs), hazardous air pollutants, and other specified substances. All plants are equipped with scrubbers, and VOC levels are internally monitored for Active Pharmaceutical Ingredients (APIs).		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

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

All manufacturing sites undergo thorough audits conducted by external environmental auditors who are recognized and accredited by the State Pollution Control Board. We are currently in the process of assuring the accuracy and reliability of our data. This effort is part of our broader commitment to ensuring that our energy management practices are both transparent and accountable. By undergoing this rigorous data assurance process, we aim to provide stakeholders with confidence in the information we report. Our proactive approach not only reflects our dedication to continuous improvement but also aligns with best practices in sustainability and corporate governance.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	70,977.70*	65,892.53*
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	67,544.14	83,482.35
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO <sub>2</sub> e/INR	0.000002358196	0.000002901047
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions in tCO <sub>2</sub> e / Revenue from operations adjusted for PPP in USD)	tCO <sub>2</sub> e/INR	0.000027369147	0.00002951349
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO <sub>2</sub> e/MT	26.95	25.85
Total Scope 1 and Scope 2 emission intensity per employee	tCO <sub>2</sub> e/ employee	9.32	10.24

\*This factor often differs from the nominal exchange rate and is designed to equate the buying power of different currencies more accurately. For this example, here we have taken PPP conversion factor for India to the US is 0.018, Given Data: Export Sales in Crores INR: ₹3,429.56 Crores, PPP Conversion Factor: 1 INR = 0.018 USD, Using the PPP factor, the conversion from Indian Rupees to US Dollars adjusted for purchasing power would be:

PPP Adjusted Sales in USD=3,429.56×10<sup>7</sup>×0.018

PPP Adjusted Sales in USD=61,732,208 = INR 5,062,041,056

This calculation would provide the revenue from operations in terms of US dollars, adjusted for the differences in purchasing power between India and the USA, we have considered our revenue majorly in USD



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

\*The increase is due to accommodation of emissions due to leakage of refrigerants and CO2 based refills and fuel consumption in vehicles under Scope 1.

We are currently in the process of assuring the accuracy and reliability of our data. This effort is part of our broader commitment to ensuring that our energy management practices are both transparent and accountable. By undergoing this rigorous data assurance process, we aim to provide stakeholders with confidence in the information we report. Our proactive approach not only reflects our dedication to continuous improvement but also aligns with best practices in sustainability and corporate governance.

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

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

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated		
Plastic waste (A) in MT	312.33	100.46
E-waste (B) in MT	1.54	4.08
Bio-medical waste (C) in MT	24.53	21.09
Construction and demolition waste (D)	-	-
Battery waste (E) in MT	12.51	4.33
Radioactive waste (F) in MT	-	-
Other Hazardous waste. Please specify, if any. (Process residue and waste, Etp sludge, evaporation salt etc.) (G)	26,941.98	22,843.55
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (MS Steel, Mix scrap, glass bottles, etc.)	3,029.70	1,512.09
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>30,322.60</b>	<b>24,485.62</b>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in INR)	0.0000005161	0.0000004756
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated /Revenue from operations adjusted for PPP in USD)	0.000005990	0.000004837
Waste intensity in terms of physical output in MT	5.90	4.26
Waste intensity per employee in waste generated in MT/employee	2.19	1.74

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste	Non-Hazardous Waste	Non-Hazardous Waste
(i) Recycled	3,342.04	440.90
(ii) Re-used (pre-processing)	00	9.86
(iii) Other disposal operations (Non-hazardous)	0	1,161.98
<b>Total</b>	<b>3,342.04</b>	<b>1,612.73</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste	Hazardous Waste	Hazardous Waste
(i) Incineration	142.23	251.17
(ii) Landfilling	4,281.91	3,731.08
(iii) Recycling	12,632.76	12,460.51
(iv) Co-processing *	9,839.77	6,356.33
(v) Other disposal operations	19.32	3.92
<b>Total</b>	<b>26,916.02</b>	<b>22,803.00</b>

Since FY 22-23, 1,161.98 of the Non-hazardous waste is being recycled.

\*The co-processing waste also includes pre-processing waste.

\*\*This factor often differs from the nominal exchange rate and is designed to equate the buying power of different currencies more accurately. For this example, here we have taken PPP conversion factor for India to the US is 0.018, Given Data: Export Sales in Crores INR: ₹3,429.56 Crores, PPP Conversion Factor: 1 INR = 0.018 USD, Using the PPP factor, the conversion from Indian Rupees to US Dollars adjusted for purchasing power would be:

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This calculation would provide the revenue from operations in terms of US dollars, adjusted for the differences in purchasing power between India and the USA, we have considered our revenue majorly in USD

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

Environmental audits are conducted by approved auditors appointed by the State Pollution Control Board (SPCB). We are currently in the process of assuring the accuracy and reliability of our data. This effort is part of our broader commitment to ensuring that our energy management practices are both transparent and accountable.

By undergoing this rigorous data assurance process, we aim to provide stakeholders with confidence in the information we report. Our proactive approach not only reflects our dedication to continuous improvement but also aligns with best practices in sustainability and corporate governance.



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

Our waste management practices prioritize environmental sustainability and compliance with regulations. We have implemented a robust standard operating procedure (SOP) specifically for hazardous waste management. This SOP includes procedures for the recovery of spent solvents, which are then sold for reuse, minimizing waste generation. Additionally, high-calorific value waste is directed to cement industries for co-processing, while boiler ash is sent to brick manufacturing units in accordance with waste management regulations. Used oil is responsibly sent for recycling to further reduce environmental impact. Furthermore, we collaborate with third-party agencies to collect plastic waste from end consumers, ensuring its proper disposal or recycling. This comprehensive approach underscores our commitment to reducing the usage of hazardous chemicals and effectively managing associated waste.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

None of our units are situated in ecologically sensitive areas, ensuring minimal environmental risk. Our operations have been carefully managed to prevent adverse impacts on the ecosystem and biodiversity. Additionally, comprehensive environmental impact assessments were conducted for all API units before their establishment, demonstrating our commitment to responsible environmental practices.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
There has been no assessment conducted in the current financial year. These assessments are conducted prior to the commissioning of new projects. We plan to continue this practice in the upcoming years.	-	-	-	-	-

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the entity is fully compliant with all applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act, along with their respective rules. The Company consistently ensures that its operations adhere to these standards to minimize any adverse environmental impact.

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

**PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**ESSENTIAL INDICATORS**

**1. a) Number of affiliations with trade and industry chambers/ associations.**

The company is affiliated with six trade and industry chambers/associations.

**b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (state/ national)
1.	Federation of Gujarat Industries	State
2.	Federation of Indian Chambers of Commerce & Industries	National
3.	International Chamber of Commerce	National
4.	Indian Drug Manufacturers' Association	National
5.	Federation of Indian Export Organizations	National
6.	Pharmaceutical Export Promotion Council of India	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of authority	Brief of the case	Corrective action taken
During the fiscal year 2023-24, the Company did not encounter any instances where it was accused or reported of engaging in anti-competitive behaviour or conduct.		



## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development:

### ESSENTIAL INDICATORS

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year FY 23-24:

In the fiscal year 2023-24, the following projects underwent mandated Social Impact Assessment (SIA) exercises:

**Swasthya Setu - 360° Healthcare:** This project operates a mobile health unit van that visits 26 villages monthly, serving two villages per day. Community members receive free health check-ups at their doorstep. The team includes an experienced doctor, a nurse, a pharmacist/attendant, and a driver. Patients are examined and receive medications on the spot. Additionally, the project facilitates the issuance of Ayushman cards. A rural clinic in Panelav also falls under this project, benefiting 10,000 patients annually. The Swasthya Setu project operates at three levels:

- **Primary:** Village health check-ups and disease awareness under the Disease Control program (National Health Mission).
- **Secondary:** Referrals for further diagnosis to hospitals affiliated with the Ayushman card.
- **Tertiary:** Surgeries for referred patients conducted under the Ayushman card.

**Suposhan – Reducing Malnutrition:** Launched in 2021 by the Alembic CSR Foundation, this project aims to eradicate malnutrition in the communities around its plant operations in Vadodara and Panchmahal districts. Targeting children, adolescents, pregnant women, and lactating mothers, the project focuses on improving nutritional status by reducing malnutrition and anemia, and increasing immunization, antenatal care, institutional deliveries, and preschool education.

**VIKAS School & Hostel:** Established in 2002, the Vikas Secondary and Higher Secondary School offers quality education free of charge to underprivileged community children. Located in the campus of Rural Development Society in Panelav Village of Halol Taluka, the school enrolls over 300 students annually and has impacted more than 9,000 lives to date. The Vikas Boys Hostel provides free residential and food facilities for over 200 underprivileged boys, aiming to foster discipline. Equipped with essential furniture and proper sanitation, the hostel also organizes extracurricular activities, field trips, and workshops focusing on various practical skills, benefiting over 4,500 lives annually

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

NA

#### 3. Describe the mechanisms to receive and redress grievances of the community:

The Company engages with the local community at different levels to understand their concerns thoroughly. This involves various interactions and communication channels. Additionally, the company has implemented a dedicated grievance redressal mechanism, managed by the site-level HR team, to ensure that any issues raised by the community are promptly addressed and resolved.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ Small producers	30.00	27.00
Sourced directly from within the district and neighbouring districts	33.00	35.00

**5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0	0
Semi-urban	78.44%	79.44%
Urban	0	0
Metropolitan	22.06%	21.02%

Notes : Semi Urban Includes:- Rural, Semi Urban, Urban and Non Metro.

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner.**

**ESSENTIAL INDICATORS**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

The Company strives to establish a robust mechanism for handling and resolving customer grievances. It also encourages customer feedback and promptly addresses any concerns. To align with consumer concerns, the Company has enhanced its website with a dedicated dashboard, allowing consumers to report any adverse events or reactions related to the Company's products.

Web link for consumer redressal <https://alembicpharmaceuticals.com/Reporting-side-effect>

**2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:**

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	100.00
Safe and responsible usage	100.00
Recycling and/or safe disposal	100.00

**3. Number of consumer complaints:**

	FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Others (Remarks : Specifications, Labelling and Packaging, Product)	352	7	303	1



#### 4. Details of instances of product recalls on account of safety issues

Recalls	Number	Reason for recall
Voluntary recalls	3	Refinement of the packaging.
Forced recalls	0	NA

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes, the Company has an 'Information Security Policy' in place. All sensitive information is protected according to Alembic's IT Policy and available on intranet. The Company is committed to safeguarding the information of all users and consumers. Violations of policy standards will result in disciplinary actions.

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

The incident response process is defined in the IT Security Policy and is managed according to assigned responsibilities. To mitigate breaches, the Company has implemented several layered approaches:

1. A firewall is installed at the perimeter security level.
2. Applications are deployed on a secure layer, with role-based access granted as required.
3. Application Firewall is utilized for all internally hosted applications.
4. Network security is managed through SDWAN and IPSEC tunnelling.
5. Endpoints are secured using a NextGen EDR-based solution.

#### 7. Provide the following information relating to data breaches:

**a. Number of instances of data breaches** - Nil

**b. Percentage of data breaches involving personally identifiable information of customers** - Nil

**c. Impact, if any, of the data breaches** - Nil

# Independent Auditors' Report

To the Members of  
**Alembic Pharmaceuticals Limited**

## Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying standalone financial statements of **Alembic Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report pertaining to comparative figures for the year ended March 31, 2023, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

During the previous year i.e. F.Y. 2022-2023, the company had withdrawn INR 1,025.66 Crores from General Reserve and transferred the same to the Statement of Profit and Loss of that year under the head "Exceptional Items" and

not agreeing to the Company's accounting treatment, we issued a qualified opinion on the standalone financial statements of the Company for the year ended March 31, 2023 vide our audit report dated May 5, 2023. Our audit opinion on the current year's standalone financial statements is qualified because of the effect of this matter on the comparability of the current year's figures with the corresponding figures for the year ended on March 31, 2023. The aforesaid qualification does not have any impact on current year's financial figures presented in standalone financial statements.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Provision for return of non-saleable goods (Expiry, Breakage and Spoilage) in the market in India:</b></p> <p>As referred to Note No. 26(11) to the standalone financial statements, the Company, under the prevailing trade practice, has an obligation to accept returns of expiry, breakage and spoilage (EBS) products, from the customers in India. This results in deductions to gross amounts invoiced. The methodology and assumptions used to estimate the accruals of EBS are monitored and adjusted regularly by the management in the light of the obligations, historical trends, past experience and prevailing market conditions.</p> <p>This is considered as key audit matter in view of significant estimates and judgements made by the management for recognition and measurement for the same.</p>	<p>Our audit procedures consisted of following:</p> <ol style="list-style-type: none"> <li>1. Assessed the appropriateness of the accounting policy in respect of recognition of provision of EBS estimated in future out of the sales effected during the current period;</li> <li>2. Tested the operating effectiveness of controls over Company's review of recognition of provision for accrual of EBS;</li> <li>3. Obtained management 's calculations for accruals and assessed management's analysis of the historical pattern of accruals to validate their assumptions for creation of such provisions;</li> <li>4. Examined the historical trend of the Company's estimates to assess the assumptions and judgements used by the Company in accrual of provisions.</li> </ol> <p>Conclusion:</p> <p>We did not find any material exceptions to the calculations made and estimates, assumptions and judgements used by the management on the subject matter.</p>

### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Management Discussion and Analysis but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information,

we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure



about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, prima facie, does not appear to have any adverse effects on the functioning of the company;
  - g. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the

operating effectiveness of such controls, refer to our separate report in "Annexure B";

- h. the qualification in respect of comparative figures for the year ended on March 31, 2023, are as stated in the Basis for Qualified Opinion paragraph above;
- i. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- j. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 26(2) to the standalone financial statements;
  - ii. the Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other

person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 26(16) to the standalone financial statements
- (a) The final dividend proposed for the Financial Year 2022-2023, and

declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- (b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recoding audit trail (edit log) facility and the same has operated through the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from the period April 1, 2023 reporting under Rule 11(g) of the Companies Act (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ending March 31, 2024.

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

UDIN: 24101533BKGZRG4679

Place: Jamnagar

Date: May 9, 2024



## Annexure A to The Independent Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Alembic Pharmaceuticals Limited)

i. In respect of the Company's Property, Plant and Equipment:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible Asset and hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the registered sale deed/conveyance deed provided to us, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties i.e. land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the

Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) According to the information and explanation given to us, the Inventories except for goods-in-transit have been physically verified by the management during the year and in our opinion, the coverage and procedure for such verification is reasonable. As explained to us, there were no discrepancies of 10% or more in the aggregate for each class of inventory on physical verification of inventory as compared to the book records.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.

iii. During the year, the Company has made investments in, provided guarantee to companies or any other party, in respect of which:

a) During the year, the Company has extended guarantee to companies, firms, limited liability partnership or any other parties as follows:

(₹ in Crores)

Particulars	Guarantee
-Subsidiary	16.68
Balance outstanding as at the Balance sheet date in respect of the above cases	
-Subsidiary	16.68

(b) In our opinion and according to the information and explanations given to us, during the year the investments made in promissory note of party other than subsidiary company and guarantees provided are, prima facie, not prejudicial to the Company's interest.

- (c) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted during the Financial Year 2022-2023 and the repayment of principal and payment of interest has not fallen due during the current year as per schedule and accordingly reporting under clause iii(c) relating to repayments or receipts is not applicable.
- (d) The principal and interest are not overdue during the year in respect of loans granted to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (e) There were no loans granted to companies or any other parties which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loan or advance in nature of loan during the current year.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans granted, investment made and guarantee provided by it.
- v. In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder or under the directives issued by the Reserve Bank of India, to the extent applicable. Accordingly, reporting under clause (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, income-tax, duty of customs, cess, goods and services tax and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, duty of customs, duty of excise, goods and services tax, cess and other statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of value added tax, income tax, goods and services tax and duty of customs which have not been deposited. The following are the particulars of sales tax, central sales tax, entry tax, professional tax, excise duty, custom duty and goods and service tax as at March 31, 2024 which have not been deposited on account of dispute:

Name of statute	Nature of disputed dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending
Sales tax	Sales Tax	0.02	1 <sup>st</sup> April 2006 to 30 <sup>th</sup> November 2008	Additional Commissioner
	Sales Tax	0.01	2016-2017	Joint Commissioner Appeals
	Sales Tax	0.01	2017-2018	Joint Commissioner Appeals
Central Sales Tax	Central Sales Tax	0.11	2006-07	Deputy Commissioner
Entry Tax	Entry Tax	0.03	2013-14	Revisional Authority
	Entry Tax	2.34	April 2016 to June 2017	West Bengal Taxation Tribunal



Name of statute	Nature of disputed dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending
Professional Tax	Professional Tax	0.04	2014-15	Joint Commissioner
Central Excise Act 1944	Excise duty	0.24	2013-14	Commissioner Appeals
	Excise duty	9.81	FY2020-2021 to FY 2022-2023	High Court, Gujarat
Customs Act 1962	Custom duty	0.90	2017-18 and 2020-2021	Commissioner Appeals
Goods ans Services Tax 2017	Goods and Sevice Tax	0.17	Ocotober 2018	Commissioner Appeals
Goods ans Services Tax 2017	Goods and Sevice Tax	1.71	July 2017 to March 2018	Commissioner Appeals
Goods ans Services Tax 2017	Goods and Sevice Tax	0.02	FY 2018-2019	Commissioner Appeals
Goods ans Services Tax 2017	Goods and Sevice Tax	0.07	FY 2019-2020	Commissioner Appeals

- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or ultimate joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or ultimate joint ventures and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) According to information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- xi. (a) To the best of our knowledge and according to information and explanations given to us and as represented by the Management and based on our examination of books and records of the Company and in accordance with generally accepted auditing practices in India, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties were approved by the Audit Committee and are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause (xv) of the Order are not applicable to the Company.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the examination of records and except for the effects of the matter described in Basis for Qualified Opinion paragraph pertaining to comparative figures for the year ended March 31, 2023, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. However, considering the impact of the aforesaid Qualification, we report that the Company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses of INR 34.37 Crores during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly, this clause is not applicable.
- xix. In our opinion and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material



uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (3)(xx)(a) of the Order is not applicable for the year.
- (b) In our opinion and according to the information and explanations given to us, in respect of

ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

- xxi. According to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order 2020 (CARO 2020) reports of the companies included in the consolidated financial statements.

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

UDIN: 24101533BKGZRG4679

Place: Jamnagar

Date: May 9, 2024

## Annexure B to The Independent Auditors' Report

(referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Alembic Pharmaceuticals Limited on the standalone financial statements for the year ended March 31, 2024)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls with reference to standalone financial statements of ALEMBIC PHARMACEUTICALS LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to standalone financial statement and, both issued by

the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial



statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has in all material respects, adequate internal financial controls with reference to standalone financial statements in place and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

UDIN: 24101533BKGZRG4679

Place: Jamnagar

Date: May 9, 2024

# Standalone Balance Sheet

as on 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	Notes	As at	As at
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>I. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	2,535.66	2,377.45
(b) Capital work-in-progress	26(14)(a)	524.36	601.28
(c) Other Intangible assets	26(14)(b)	-	-
(d) Financial Assets			
(i) Investments	4	226.68	229.27
(ii) Loan	26(7)J	11.16	10.29
(e) Deferred tax assets (net)	14	78.83	78.16
(f) Other Non-Current Assets- Capital Advance		33.30	53.74
<b>Total non-current assets</b>		<b>3,409.99</b>	<b>3,350.20</b>
<b>(2) Current Assets</b>			
(a) Inventories	5	1,353.07	1,275.13
(b) Financial Assets			
(i) Trade receivables	6	1,340.12	1,201.20
(ii) Cash and cash equivalents	7	20.13	21.67
(iii) Bank balances other than cash and cash equivalents	8	6.36	6.79
(iv) Other financial assets	9	20.28	9.33
(c) Current Tax Assets (Net)	26(9)	49.30	76.70
(d) Other current assets	10	199.30	189.39
<b>Total current assets</b>		<b>2,988.54</b>	<b>2,780.22</b>
<b>TOTAL ASSETS</b>		<b>6,398.54</b>	<b>6,130.42</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	11	39.31	39.31
(b) Other Equity	12	4,869.60	4,374.98
<b>Total equity</b>		<b>4,908.91</b>	<b>4,414.30</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease liabilities	26(20)	52.91	58.63
(b) Provisions	13	109.51	106.20
<b>Total non-current liabilities</b>		<b>162.42</b>	<b>164.83</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	420.04	635.07
(ia) Lease liabilities	26(20)	19.04	16.23
(ii) Trade payables	16		
A) Total outstanding dues of Micro and Small enterprises		25.44	23.14
B) Total outstanding dues of others		594.52	572.72
(iii) Other financial liabilities	17	143.62	148.73
(b) Other current liabilities	18	59.67	85.45
(c) Provisions	19	64.88	69.96
<b>Total current liabilities</b>		<b>1,327.21</b>	<b>1,551.29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,398.54</b>	<b>6,130.42</b>

The accompanying notes form an integral part of these Standalone financial statements Notes 1 to 26.

As per our report of even date

**For and on behalf of the Board**

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024



## Standalone Statement of Profit & Loss

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars		Notes	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>I</b>	<b>Revenue from Operations</b>	20	5,874.06	5,149.00
<b>II</b>	<b>Other Income</b>	21	31.32	3.55
<b>III</b>	<b>Total Income</b>		<b>5,905.38</b>	<b>5,152.54</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of Materials Consumed	22	1,403.01	1,250.08
	Purchase of Stock-in-Trade		449.70	337.21
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	(52.36)	72.84
	Employee Benefits Expense	23	1,335.91	1,094.82
	Finance Costs		54.47	49.00
	Depreciation and Amortization Expense	3 & 26(14)(b)	271.14	272.95
	Other Expenses	24	1,739.28	1,729.71
	<b>Total Expense (IV)</b>		<b>5,201.15</b>	<b>4,806.61</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>704.23</b>	<b>345.93</b>
<b>VI</b>	<b>Exceptional Item (Net of Tax)</b>	25	-	-
<b>VII</b>	<b>Profit Before Tax (III-IV)</b>		<b>704.23</b>	<b>345.93</b>
<b>VIII</b>	<b>Tax Expense</b>	26(9)		
	(i) Current Tax		41.50	-
	(ii) Short/(Excess) Tax Provision		(3.75)	(0.79)
<b>IX</b>	<b>Profit for the year (V-VI)</b>		<b>666.48</b>	<b>346.73</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Profit / (Loss)		(15.60)	(0.35)
	(ii) Income tax relating to items that will not be reclassified to Profit / (Loss)		0.99	-
	Total Other Comprehensive Income (VIII)		(14.62)	(0.35)
<b>XI</b>	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>651.87</b>	<b>346.38</b>
<b>XII</b>	<b>Earnings per equity share (FV ₹2/- per share) :</b>	26(1)		
	Basic & Diluted (in ₹)		33.91	17.64

The accompanying notes form an integral part of these Standalone financial statements Notes 1 to 26.

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024**For and on behalf of the Board****Chirayu Amin**

Chairman &amp; CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance &amp; CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

## Standalone Statement of Changes in Equity

as on 31<sup>st</sup> March, 2024

### A. Equity Share Capital

Equity shares of ₹2/- each issued, subscribed and fully paid

#### (1) Current reporting period

(₹ in Crores)

Balance As at 1 <sup>st</sup> April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1 <sup>st</sup> April, 2023	Changes in equity share capital during the current year	Balance As at 31 <sup>st</sup> March, 2024
39.31	-	39.31	-	39.31

#### (2) Previous reporting period

(₹ in Crores)

Balance As at 1 <sup>st</sup> April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1 <sup>st</sup> April, 2022	Changes in equity share capital during the previous year	Balance As at 31 <sup>st</sup> March, 2023
39.31	-	39.31	-	39.31

### B. Other Equity - Attributable to owners

#### (1) Current reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other comprehensive income (OCI)		Total
	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained earnings	Financial Instruments through OCI	Remeasurements of the net Defined Benefit Plan	
Balance As at 1 <sup>st</sup> April, 2023	748.39	-	-	3,651.68	0.57	(25.66)	4,374.98
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance As at 1<sup>st</sup> April, 2023</b>	<b>748.39</b>	<b>-</b>	<b>-</b>	<b>3,651.68</b>	<b>0.57</b>	<b>(25.66)</b>	<b>4,374.98</b>
Total Comprehensive Income for the current year	-	-	-	666.48	(13.10)	(1.52)	651.87
Dividend	-	-	-	(157.25)	-	-	(157.25)
<b>Balance As at 31<sup>st</sup> March, 2024<sup>#</sup></b>	<b>748.39</b>	<b>-</b>	<b>-</b>	<b>4,160.91</b>	<b>(12.52)</b>	<b>(27.18)</b>	<b>4,869.60</b>



## Standalone Statement of Changes in Equity (Contd..)

as on 31<sup>st</sup> March, 2024

### (2) Previous reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other comprehensive income (OCI)		Total
	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained earnings	Financial Instruments through OCI	Remeasurements of the net Defined Benefit Plan	
Balance As at 1 <sup>st</sup> April, 2022	748.39	1,844.50	50.00	2,632.89	0.21	(24.95)	5,251.03
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance As at 1<sup>st</sup> April, 2022</b>	<b>748.39</b>	<b>1,844.50</b>	<b>50.00</b>	<b>2,632.89</b>	<b>0.21</b>	<b>(24.95)</b>	<b>5,251.03</b>
Total Comprehensive Income for the previous year	-	-	-	346.73	0.36	(0.71)	346.38
Dividend	-	-	-	(196.56)	-	-	(196.56)
Reversal of Deferred Tax Asset	-	(0.21)	-	-	-	-	(0.21)
Transfer from Debenture Redemption Reserve	-	50.00	(50.00)	-	-	-	-
Transferred from General Reserve #	-	(1,894.29)	-	868.63	-	-	(1,025.66)
<b>Balance As at 31<sup>st</sup> March, 2023</b>	<b>748.39</b>	<b>-</b>	<b>-</b>	<b>3,651.68</b>	<b>0.57</b>	<b>(25.66)</b>	<b>4,374.98</b>

# The Company received a letter from Stock Exchanges returning the Draft Scheme of Arrangement between the Company and the Shareholders for re-organisation of General Reserve approved by the Board of Directors at its meeting held on 2<sup>nd</sup> March, 2023. The Company decided not to pursue the matter any further. Accordingly, a sum of ₹1894.29 Crores included in retained earnings will be available for distribution as dividend in compliance with the provisions of The Companies (Declaration and Payment of Dividend) Rules, 2014.

The accompanying notes form an integral part of these Standalone financial statements Notes 1 to 26.

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**For and on behalf of the Board**

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

## Standalone Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>A CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss (After Exceptional item and Tax thereon)</b>	704.23	345.93
<b>Adjustments for:</b>		
Depreciation and amortisation	271.14	272.95
Interest Expense	54.47	49.00
Interest Income	(2.80)	(0.76)
Dividend Income / Gain on Sale of Investments	(1.64)	(0.61)
Unrealised foreign exchange (gain) / loss (net)	(40.15)	29.06
Fair value (gain)/ loss on financial instruments at fair value through profit or loss	(2.76)	(0.14)
Provision / write off for doubtful trade receivables	5.36	-
Sundry balances written off / written-back (net)	0.01	(0.01)
Loss/(Profit) on sale of Property, Plant & Equipments	0.58	0.56
Product development expenses	-	98.44
<b>Operating Profit before change in working capital</b>	<b>988.44</b>	<b>794.41</b>
<b>Working capital changes:</b>		
(Increase)/Decrease In Inventories	(77.94)	121.70
(Increase) In Trade Receivables	(127.21)	(205.51)
(Increase)/Decrease In Other Assets	(19.21)	117.63
Increase In Trade Payables	24.31	24.06
(Decrease) In Other Liabilities	(1.98)	(84.24)
Increase/(Decrease) In Provisions	(3.61)	15.99
<b>Cash generated from operations</b>	<b>782.81</b>	<b>784.04</b>
Direct taxes paid (Net)	(10.03)	(53.78)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>772.77</b>	<b>730.25</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Property, Plant & Equipments	0.19	0.27
Loan to subsidiary company (Net)	-	(9.53)
Interest received	1.99	0.33
Dividend / Gain on Sale of Investments received	1.64	0.61
Purchase of Property, Plant & Equipment and Capital Advance	(324.52)	(443.26)
Investment in Alternative Investment Equity Fund	-	(7.00)
Investment in Promissory Note / Subsidiary	(8.32)	(2.40)
<b>Net Cash inflow from Investing Activities (B)</b>	<b>(329.02)</b>	<b>(460.98)</b>



## Standalone Statement of Cash Flows (Contd..)

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>C CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long term borrowings	-	(200.00)
Net Increase/(Decrease) in working capital demand loans	(215.04)	205.07
Payment of lease liabilities	(24.25)	(21.56)
Increase in Restricted Bank Balances other than Cash & Cash Equivalents	(0.01)	1.53
Dividends paid	(157.25)	(196.56)
Interest and other finance costs (including borrowing cost capitalised)	(48.74)	(49.64)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>(445.29)</b>	<b>(261.16)</b>
<b>I Net (Decrease)/Increase in cash and cash equivalents (A+B+C)</b>	<b>(1.54)</b>	<b>8.11</b>
<b>II.</b> a) Cash and cash equivalents at the beginning of the Year	<b>21.67</b>	<b>13.56</b>
b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	(0.00)
<b>III. Cash and cash equivalents at the end of the period (I+II)</b>	<b>20.13</b>	<b>21.67</b>
<b>IV. Cash and cash equivalents at the end of the period</b>		
Balances with Banks	19.83	21.39
Cash on hand	0.30	0.27
<b>Cash and cash equivalents</b>	<b>20.13</b>	<b>21.67</b>

Note :

Change in liability arising from financing activities

Borrowings	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	<b>635.07</b>	<b>629.99</b>
Changes from financing cash flow	(215.04)	5.07
Other changes	-	0.01
<b>Closing Balance</b>	<b>420.04</b>	<b>635.07</b>

The accompanying notes form an integral part of these Standalone financial statements Notes 1 to 26.

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024**For and on behalf of the Board****Chirayu Amin**

Chairman &amp; CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance &amp; CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## Company Overview and Material 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 9<sup>th</sup> May, 2024.

#### 1.01 Statement of compliance

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended 31<sup>st</sup> March, 2024 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time together with the comparative period data as at and for the year ended 31<sup>st</sup> March, 2023.

#### 1.02 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company's Financial Statements for the year ended 31<sup>st</sup> March, 2024 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity and the Notes to Financial Statements.

The Company has consistently applied accounting policies to all periods presented in these financial statements.

#### 1.03 Basis of Measurement

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz derivatives, employee benefit plan assets.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

#### Functional and Presentation Currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

#### Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets 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



# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 1.04 Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements includes financial instruments, useful lives of property, plant and equipment and intangible assets, valuation of inventories, measurement of defined benefit obligations and actuarial assumptions, provisions and other accruals, sales returns, chargebacks, allowances and discounts, recoverability/recognition of tax assets/liabilities, assessment of functional currency, contingencies and fair valuation of investments.

## 2. Material Accounting Policy Information

### 2.01 Property, Plant and Equipment (PPE) & Investment Property

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property that is held for long-term rental yields or for capital appreciation or both and that is not occupied by the company is classified as investment property, measured at cost. Cost comprises of the purchase price net of eligible input tax credit, and any attributable cost of bringing the assets to its working condition for its intended use, including the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the net realisable value less cost to sell. Freehold land is carried at historical cost and not depreciated.

The company has adopted, "Cost Model" for accounting of its Property Plant and Equipment and Investment Property.

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 1<sup>st</sup> April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### 2.02 Capital Work-in-Progress

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-In-Progress. It includes expenditure directly

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

attributable for setting up of plants yet to commence commercial operation.

Directly attributable expenditure comprises of revenue expenses incurred in connection with project implementation during the period upto ready for use in the manner as intended by the management and are treated as part of the project costs and capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

### 2.03 Intangible Assets

Intangible assets are stated at cost less provisions for amortisation and impairments. Software licenses fees are charged to statement of profit and loss when incurred. Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use.

### 2.04 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..

### 2.05 Impairment of Assets

#### Non- Financial Assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the

recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of 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.



# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## 2.06 Borrowing Cost

Borrowing costs attributable to the acquisition and/or construction of an qualifying asset, i.e., that necessarily takes a substantial period of time to get ready for use in the manner as intended by management, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

## 2.07 Inventories

Inventories consist of Raw Materials, Stores and Spares, Packing Materials, Work-in-Progress, Goods in Transit and Finished Goods and are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of purchase is determined on a moving average basis. In the case of Finished Goods and Work-in-Progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 2.08 Financial Instruments

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

### a. Financial Assets

#### (i) Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly

attributable to the acquisition of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way trade of financial assets are accounted for at trade date.

#### (ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

##### - Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, debt instruments are subsequently measured at amortised cost using the effective interest rate method, less impairment, if any.

##### - Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

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.



# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## (iii) De-recognition

A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

## c. Derivative Financial Instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are not designated as hedges under Ind AS 109, Financial Instruments.

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

## 2.09 Revenue & Income Recognition

Revenue from contracts with customers is recognised on satisfaction of performance obligation, when control of the goods is passed to the customer, at an amount of transaction price that reflects the consideration the company expects to receive. The point at which control passes is determined based on terms of agreement with the customer or as per general industry/market practice.

Estimated future returns are calculated based on specific methodology and assumptions. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in the light of contractual and legal obligations, past trend & experience and projected market conditions. Revenue is recognised net of such future expected return and actual return.

Variable consideration arises on the sale of goods as a result of profit sharing arrangement and various deductions including chargeback. Revenue is recognised considering the impact of variable consideration.

Revenue recognition in case of profit sharing is highly uncertain hence the same is recognised based on reasonable certainty of revenue.

The company enters into development and marketing collaborations and out-licences of the company's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based profit sharing and royalties.

Income dependent on the achievement of milestone is recognised when the related event occurs and it is highly probable that significant reversal in the amount of cumulative revenue recognised will not occur. Sales-based royalties on a licence of intellectual property are recognised on confirmation of actual sales.

GST and other taxes on sales are excluded from revenue.

Income from operations includes incentives 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.

# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## 2.10 Research and Development Expense

All revenue expenses related to research and development including expenses in relation to development of product/processes and expenses incurred in relation to compliances with international regulatory authorities in obtaining of Abbreviated New Drug Applications (ANDA) and Drug Master Files (DMF) are charged to the statement of profit and loss in the year in which it is incurred.

Development expenditure of certain nature is capitalised as intangible assets under development when the criteria for recognising an intangible asset are met, usually when a regulatory filing is intended to be made in a major market and approval is considered highly probable.

## 2.11 Employee benefits

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

### A Long Term Employment Benefits

#### (a) Defined Benefit Obligation Plans:

##### (i) Gratuity

Defined Benefit Obligation Plans:

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund by the Life Insurance Corporation of India (LIC) and HDFC Life Insurance Company Ltd. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net

interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these re-measurements in the Other Comprehensive Income (OCI).

##### (ii) Provident Fund

The Company's contribution to provident fund, administered through a Company managed trust, is recognised as an expense in the Statement of Profit and Loss.

#### (b) Defined Contribution plans

Superannuation fund is administered by the HDFC Life Insurance Company Ltd. The contribution to Superannuation fund, Contribution to pension fund, ESIC, EDLI and Labour Welfare Fund are recognised as an expense in the statement of profit and loss.

#### (c) Leave Liability

The Company has a policy to allow accumulation of leave by employees up to certain days. Accumulated leave liability as at the year end is provided as per actuarial valuation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company



# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

recognizes these actuarial gains and losses in the statement of Profit and Loss, as income or expense.

## B Short Term Employee Benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

## 2.12 Depreciation / Amortisation

Depreciation is calculated on a straight-line basis as per the specified life of the assets as provided in schedule II to the Companies Act, 2013

Class of Assets- Tangible	Range of useful life
Building	05 - 60 Years
Plant & Equipment	03 - 22 Years
Furniture & Fixtures	10 Years
Vehicles	08 - 10 Years
Office Equipment	05 Years
Class of Assets	Intangible Range of useful life
Other Intangible Asset	02 - 05 Years

The management, based on internal technical evaluation, believes that the useful lives as given above best represent the period over which the assets are expected to be used.

The useful lives for certain assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013, and the same is considered in the above range of useful life. Leasehold Land is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Depreciation on PPE added during the year is provided on pro rata basis from the month of addition. Depreciation on sale / disposal of PPE is provided pro-rata up to the preceding month of disposal/discarding.

## 2.13 Leases

### As lessee

#### Initial measurement

Lease Liability: At the commencement date, The Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

Right-to-use assets: Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

#### Subsequent measurement

Lease Liability: The Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right-to-use assets: Subsequently measured at cost less accumulated depreciation and impairment losses. Right-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 to use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. Low value assets lease are assessed based on the value of an underlying asset when it is new, regardless of the age of the asset being leased. If the company elected to apply for such lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

## As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

## 2.14 Foreign Exchange Transactions

Transactions in foreign currencies are initially recorded by the Company at the rate of exchange prevailing on the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies remaining unsettled at the end of the year are converted at the exchange rate prevailing on the reporting date. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. In respect of forward cover contracts, the mark to market loss / gain as at the reporting date is charged to Statement of

Profit and Loss. In respect of options contracts to mitigate the probable foreign exchange fluctuation risk, the options contracts are fair valued and the resultant variation as at the reporting date is charged to Statement of Profit and Loss.

## 2.15 Taxes

### a. Current income tax

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity, in such case it is recognised in OCI or directly in equity respectively. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### b. Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115J (AA) of Income Tax Act 1961 over the period of subsequent 15



# Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

assessment year and it is recognised to the extent of deferred tax liability in view of the certainty involved of its realisation against reversal of deferred tax liability.

## 2.16 Provisions, Contingent Liabilities and Contingent Assets

### a. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is recognised in the statement of profit and loss or balance sheet as the case may be.

### b. Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

### c. Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

## 2.17 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**2.18** Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31<sup>st</sup> March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 3. Property, Plant and Equipment (PPE):

Property, Plant and Equipment	(₹ in Crores)										
	Free Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Right to Use Building #	Right to Use Land #	Lease Hold Improvements	Total
<b>Gross carrying amount</b>											
Carrying Amount As at 1 <sup>st</sup> April, 2022	91.63	519.24	1,344.87	404.52	32.00	20.42	16.61	104.69	34.71	-	2,568.69
Additions/Adjustment	8.46	178.49	632.16	31.13	4.28	0.84	11.10	15.10	-	-	881.56
Disposals	-	-	(2.84)	(1.42)	(0.01)	(0.35)	(0.03)	(4.32)	-	-	(8.98)
<b>Closing Gross Carrying Amount</b>	<b>100.09</b>	<b>697.73</b>	<b>1,974.18</b>	<b>434.23</b>	<b>36.26</b>	<b>20.91</b>	<b>27.69</b>	<b>115.47</b>	<b>34.71</b>	<b>-</b>	<b>3,441.28</b>
<b>Accumulated Depreciation</b>											
Depreciation charge during the year	-	96.69	519.47	151.84	12.12	11.40	8.85	41.58	12.02	-	853.98
Disposals	-	21.52	129.86	40.89	3.22	1.84	3.30	15.21	0.73	-	216.56
	-	-	(2.22)	(1.26)	(0.01)	(0.32)	(0.02)	(2.88)	-	-	(6.71)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>118.21</b>	<b>647.11</b>	<b>191.47</b>	<b>15.32</b>	<b>12.92</b>	<b>12.14</b>	<b>53.91</b>	<b>12.75</b>	<b>-</b>	<b>1,063.83</b>
Net Carrying Amount As at 1 <sup>st</sup> April, 2022	91.63	422.55	825.40	252.67	19.88	9.02	7.76	63.12	22.69	-	1,714.72
<b>Net Carrying Amount As at 31<sup>st</sup> March, 2023</b>	<b>100.09</b>	<b>579.52</b>	<b>1,327.07</b>	<b>242.76</b>	<b>20.94</b>	<b>7.99</b>	<b>15.55</b>	<b>61.56</b>	<b>21.96</b>	<b>-</b>	<b>2,377.45</b>
<b>Gross carrying amount</b>											
Carrying Amount As at 1 <sup>st</sup> April, 2023	100.09	697.73	1,974.18	434.23	36.26	20.91	27.69	115.47	34.71	-	3,441.28
Additions/Adjustment	1.22	50.97	354.44	3.38	1.70	6.78	1.90	14.59	-	1.04	436.03
Disposals**	-	(2.18)	(14.26)	(0.39)	(0.37)	(0.43)	(0.52)	-	-	-	(18.15)
<b>Closing Gross Carrying Amount</b>	<b>101.31</b>	<b>746.52</b>	<b>2,314.37</b>	<b>437.22</b>	<b>37.59</b>	<b>27.26</b>	<b>29.07</b>	<b>130.06</b>	<b>34.71</b>	<b>1.04</b>	<b>3,859.15</b>
Accumulated Depreciation	-	118.21	647.11	191.47	15.32	12.92	12.14	53.91	12.75	-	1,063.83
Depreciation charge during the year	-	26.06	174.65	41.58	3.56	1.87	4.99	17.46	0.73	0.25	271.14
Disposals	-	(1.62)	(8.80)	(0.18)	(0.28)	(0.37)	(0.23)	-	-	-	(11.47)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>142.65</b>	<b>812.96</b>	<b>232.87</b>	<b>18.60</b>	<b>14.42</b>	<b>16.90</b>	<b>71.37</b>	<b>13.48</b>	<b>0.25</b>	<b>1,323.49</b>
Net Carrying Amount As at 1 <sup>st</sup> April, 2023	100.09	579.52	1,327.07	242.76	20.94	7.99	15.55	61.56	21.96	-	2,377.45
<b>Net Carrying Amount As at 31<sup>st</sup> March, 2024</b>	<b>101.31</b>	<b>603.87</b>	<b>1,501.42</b>	<b>204.36</b>	<b>18.99</b>	<b>12.84</b>	<b>12.17</b>	<b>58.69</b>	<b>21.23</b>	<b>0.79</b>	<b>2,535.66</b>

#### Note:

- The Company does not have any restrictions on the title of its property, plant and equipment.
- \* Please Refer note no. 2.13.
- \*\* Please Refer note no.25(B)



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 4. Non-Current Financial Investment

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Investments in Equity Instruments-Unquoted</b>		
<b>Valued at Cost</b>		
<b>Investment in Wholly Owned Subsidiaries</b>		
45,00,000 (PY: 45,00,000) equity shares of CHF 1 each fully paid up in Alembic Global Holding SA.	30.31	30.31
1,20,000 (PY: 1,20,000) equity shares of USD 1 each fully paid up in Alembic Pharmaceuticals Inc.	122.36	122.36
169 (PY: 169) equity shares of CLP 1725989 each fully paid up in Alembic Pharmaceuticals Chile SpA	2.40	2.40
<b>Investment in Associate</b>		
10,00,000 (PY: 10,00,000) equity shares of ₹10 each fully paid up in Incozen Therapeutics Pvt. Ltd.	3.00	3.00
<b>Investments in Preference Shares-Unquoted</b>		
<b>Valued at Amortised Cost</b>		
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
<b>Valued at Fair value through other comprehensive income</b>		
5% Convertible Preference Shares 2875491 (PY: 2875491) of USD 1.0433 each fully paid up in Rigimmune. Inc.	20.13	22.99
<b>Investments in Limited liability partnership -Unquoted</b>		
<b>Valued at Fair value through other comprehensive income</b>		
ABCD Technologies LLP - share 6.45%	29.72	40.62
<b>Valued at Fair value through Profit and Loss</b>		
Investment in Alternative Investment Equity Fund (Unquoted) units 700,000 (PY: 700,000)	9.90	7.14
Investments in Promissory Note 6% - Rigimmune. Inc.	8.42	-
<b>Aggregate amount of unquoted Investments</b>	<b>226.68</b>	<b>229.27</b>

### 5. Inventories (Basis of Valuation - Refer Note 2.07)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Raw Materials	374.84	382.43
Packing Materials	93.57	68.92
Work-in-Process	69.52	75.07
Finished Goods	596.34	596.81
Stock-in-trade	84.74	55.02
Goods in Transit - Finished Goods	81.26	52.60
Goods in Transit - Raw Materials	10.37	6.61
Stores and Spares	42.43	37.67
	<b>1,353.07</b>	<b>1,275.13</b>

**Note:**

- (i) Inventories are hypothecated as security for working capital borrowings.
- (ii) During the year ended 31.03.2024 the Company recorded inventory write-downs of ₹8.86 Crores (PY ₹ 4.12 Crores).

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 6. Trade Receivables

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Unsecured, Considered good	a	1,340.12	1,201.20
Trade Receivables which have significant increase in credit Risk		6.81	2.18
Less Allowance for doubtful debts (expected credit loss allowance)		6.81	2.18
	b	-	-
	(a+b)	<b>1,340.12</b>	<b>1,201.20</b>

Receivables are hypothecated as security for working capital borrowings.

Refer Note 26 (7)J for related party receivables.

#### Trade Receivables Ageing

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Consider Good	1,254.42	76.29	6.67	1.82	0.33	0.59	1,340.12
- which have significant increase in credit risk	-	0.60	0.19	3.89	0.81	0.85	6.34
<b>Disputed Trade Receivables</b>							
- Consider Good	-	-	-	-	-	0.47	0.47
	<b>1,254.42</b>	<b>76.89</b>	<b>6.87</b>	<b>5.71</b>	<b>1.14</b>	<b>1.91</b>	<b>1,346.93</b>
Less: Expected Credit loss allowance							6.81
<b>As at 31<sup>st</sup> March, 2024</b>							<b>1,340.12</b>
<b>Undisputed Trade Receivables</b>							
- Consider Good	1,119.29	73.92	6.06	1.39	0.02	0.53	1,201.20
- which have significant increase in credit risk	-	0.62	0.40	0.25	0.08	0.35	1.70
<b>Disputed Trade Receivables</b>							
- Consider Good	-	-	-	-	-	0.47	0.47
	<b>1,119.29</b>	<b>74.54</b>	<b>6.47</b>	<b>1.64</b>	<b>0.10</b>	<b>1.35</b>	<b>1,203.38</b>
Less: Expected Credit loss allowance							2.18
<b>As at 31<sup>st</sup> March, 2023</b>							<b>1,201.20</b>



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 7. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Balances with Banks	19.83	21.39
Cash on hand	0.30	0.27
	<b>20.13</b>	<b>21.67</b>

### 8. Bank Balances Other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Earmarked Balance with Bank</b>		
Unpaid Dividend	5.95	6.39
Margin Money Deposit	0.41	0.40
	<b>6.36</b>	<b>6.79</b>

### 9. Other Financial Assets (Current)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Security Deposits	10.47	9.33
Fair valuation of Foreign currency contracts	3.09	-
Insurance Receivable (Refer Note 25(B))	6.72	-
	<b>20.28</b>	<b>9.33</b>

Refer Note 26 (7)J for related party deposits.

### 10. Other Current Assets (Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Advance to Employees	5.59	5.00
Advance to Suppliers	47.21	36.59
Pre-paid Expense	43.45	48.19
Balances with Government Authorities	103.05	99.62
	<b>199.30</b>	<b>189.39</b>

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 11. Equity Share Capital

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Authorised</b>		
20,25,00,000 (PY 20,25,00,000) - Equity shares of ₹2/- each	40.50	40.50
<b>Shares issued, subscribed and fully paid</b>		
19,65,63,124 (PY 19,65,63,124) - Equity shares of ₹2/- each	39.31	39.31
	<b>39.31</b>	<b>39.31</b>

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

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	19,65,63,124	39.31	19,65,63,124	39.31
Issued, subscribed and paid up during the year	-	-	-	-
Outstanding at the end of the year	19,65,63,124	39.31	19,65,63,124	39.31

#### The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital

The Company is having only one class of shares i.e. Equity carrying a nominal value of ₹2/- per share. Every holder of the equity share of the Company is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

#### Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Numbers	% held	Numbers	% held
1 Alembic Limited	5,60,97,544	28.54%	5,60,97,544	28.54%
2 Nirayu Limited	7,00,35,435	35.63%	7,00,35,435	35.63%



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### Shareholding of Promoters

Sr. No	Promoter Name	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023		% Changes during the year
		No of Shares	% of Total Shares	No of Shares	% of Total Shares	
i	Chirayu Ramanbhai Amin	41,92,529	2.13%	42,42,529	2.16%	-1.18%
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%	5,60,97,544	28.54%	0.00%

### 12. Other Equity

(₹ in Crores)

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

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(a) Securities Premium	748.39	748.39
(b) Retained Earnings	4,160.91	3,651.68
(c) Remeasurements of the net defined benefit plan through OCI	(27.18)	(25.66)
(d) Financial Instruments through OCI	(12.52)	0.57
(e) Debenture Redemption Reserve	-	-
<b>Total Other Equity</b>	<b>4,869.60</b>	<b>4,374.98</b>

#### Nature and purpose of each Reserve

**General Reserve :** The reserve was created by transfer of a portion of the net profit.

**Securities Premium :** Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.

**Debenture Redemption Reserve :** The company has created debenture redemption reserve out of the profits as prudent practice in accordance with erstwhile provision of Companies Act, 2013.

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

### 13. Provisions (Non-Current)

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Provision for Employee Benefits</b>	(Refer Note 26(5))		
Provision for Gratuity		9.02	5.72
Provision for Leave benefits		57.05	50.27
<b>Provision for Non-Saleable return of goods</b>	(Refer Note 26(11))	43.44	50.21
		<b>109.51</b>	<b>106.20</b>

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 14. Deferred Tax Liabilities / (Deferred Tax Assets) (Net)

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Deferred Tax Liabilities</b>			
Depreciation	a	131.28	83.14
<b>Deferred Tax Assets</b>			
Provision for Expected credit loss		2.38	0.77
MAT Credit Entitlement		169.81	125.90
Intangible Asset		-	0.62
Expenses claimed for tax purpose on payment basis		33.10	29.82
Others		4.83	4.19
	b	210.11	161.30
	(a-b)	<b>(78.83)</b>	<b>(78.16)</b>

### 15. Borrowings (Current)

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Loans repayable on demand</b>			
<b>From Banks</b>			
<b>Secured</b>			
Working Capital Loan		100.04	165.07
First charge on Pari-Passu basis by hypothecation of current assets at interest rates below 10% repayable on demand			
<b>Unsecured</b>			
Working Capital Loan, Interest rates below 7.90%		220.00	370.00
<b>From Other Parties</b>			
<b>Unsecured</b>			
Commercial Paper - Carrying interest rates below 7.70%		100.00	100.00
		<b>420.04</b>	<b>635.07</b>

### 16. Trade Payables

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Due to Micro and Small Enterprises	(Refer Note 26(3))	25.44	23.14
Others		594.52	572.72
		<b>619.96</b>	<b>595.85</b>

Refer Note 26 (7) J for related party payables.



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### Trade Payable Ageing

Particulars	Outstanding for following periods from Due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	
<b>Undisputed trade payables</b>						
i) Micro, Small & Medium Enterprise	39.90	-	-	-	-	39.90
ii) Others	323.67	211.64	3.88	1.89	1.33	542.40
	<b>363.56</b>	<b>211.64</b>	<b>3.88</b>	<b>1.89</b>	<b>1.33</b>	<b>582.29</b>
iii) Unbilled Dues						37.67
<b>As at 31<sup>st</sup> March, 2024</b>						<b>619.96</b>
<b>Undisputed trade payables</b>						
i) Micro, Small & Medium Enterprise	44.27	0.76	-	-	-	45.03
ii) Others	351.22	141.77	3.97	3.35	0.13	500.44
	395.48	142.53	3.97	3.35	0.13	545.46
iii) Unbilled Dues						50.39
<b>As at 31<sup>st</sup> March, 2023</b>						<b>595.85</b>

### 17. Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Payables on purchase of property, plant and equipment	37.29	37.73
Interest accrued but not due on borrowings	0.88	0.27
Unpaid dividends	5.95	6.39
Trade Deposits	11.45	11.27
Unpaid / Unclaimed matured deposits and interest accrued thereon	-	0.01
Payables for Employee benefits	85.11	73.84
Fair valuation of Foreign currency contracts	-	19.22
CSR Expenses Payable (Refer Note 26(12))	2.94	-
	<b>143.62</b>	<b>148.73</b>

### 18. Other Current Liabilities

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Statutory payable	43.92	45.83
Advance from Customers	15.76	39.62
	<b>59.67</b>	<b>85.45</b>

Refer Note 26 (7) J for related party payables.

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 19. Provisions (Current)

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Provision for Employee Benefits</b>	(Refer Note 26(5))		
Provision for Gratuity		17.00	15.00
Provision for Leave benefits		7.46	6.68
<b>Provision for Non-Saleable return of goods</b>	(Refer Note 26(11))	40.42	48.28
		<b>64.88</b>	<b>69.96</b>

### 20. Revenue from Operations

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Sale of products</b>			
- Domestic		2,435.21	2,302.12
- Exports		3,322.34	2,701.01
		<b>5,757.55</b>	<b>5,003.13</b>
<b>Other Operating Revenues</b>			
- Export Incentives		51.16	35.33
- Royalty		12.41	24.58
- Government Incentive		42.48	21.39
- Miscellaneous		10.46	64.57
		<b>5,874.06</b>	<b>5,149.00</b>

### 21. Other Income

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Dividend		0.01	0.00
Insurance Claims		1.98	0.82
Lease Rent Income		0.05	0.08
Profit on Sales of Investment		1.63	0.61
Net gain arising on financial assets measured at fair value through profit or loss		2.76	0.14
Interest Income		2.80	0.76
Exchange Difference (net)		21.69	0.93
Miscellaneous income		0.40	0.19
		<b>31.32</b>	<b>3.55</b>



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 22. Cost of Material Consumed

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Raw materials and packing materials</b>		
Inventory at the beginning of the year	457.96	508.82
Add : Purchases	1,423.83	1,199.22
	<b>1,881.79</b>	<b>1,708.04</b>
Less : Inventory at the end of the year	478.78	457.96
	<b>1,403.01</b>	<b>1,250.08</b>

### Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Work in Process	69.52	75.07
Finished Goods	677.60	649.41
Stock-in-Trade	84.74	55.02
<b>Inventory at the end of the year</b>	<b>831.86</b>	<b>779.50</b>
Work in Process	75.07	88.68
Finished Goods	649.41	695.69
Stock-in-Trade	55.02	67.97
<b>Inventory at the beginning of the year</b>	<b>779.50</b>	<b>852.34</b>
(b-a)	<b>(52.36)</b>	<b>72.84</b>

### 23. Employee Benefits Expense

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Salaries and Wages	1,219.63	997.83
Contribution to Provident and Other funds	81.08	67.51
Staff welfare expense	35.20	29.48
	<b>1,335.91</b>	<b>1,094.82</b>

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 24. Other Expenses

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	217.20	262.30
Power and Fuel	173.32	151.19
Manufacturing and Labour Charges	29.63	31.02
Repairs and Maintenance		
Machinery	59.39	41.45
Buildings	7.38	6.36
Others	14.27	16.08
Freight and Forwarding Charges	116.58	128.68
Sales Promotion, Service Fees and Commission	557.11	551.17
Rates and Taxes	17.79	16.06
Insurance	16.10	14.59
Travelling Expense	197.47	167.46
Communication Expenses	70.16	60.22
Legal & Professional Fees	142.12	142.57
Payment to Auditors (Refer Note 26(8))	1.05	0.88
Bad Debts written off	0.73	0.30
Less : Bad Debts Provision Utilised	(0.73)	(0.30)
Provision for Doubtful Debts	5.36	-
Expenses on CSR Activities (Refer Note 26(12))	16.13	21.58
Donation	4.56	9.91
Patent Filing & Registration Fees	52.54	62.30
External Research & Development	20.98	29.07
Loss /(Profit) on sale of property, plant and equipment (net)	0.58	0.56
Miscellaneous Expenses	19.57	16.28
	<b>1,739.28</b>	<b>1,729.71</b>



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 25. Exceptional Items (Net of Tax)

#### A. Impairment

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a. Identified CWIP		
i) Write-off of Impaired Asset	473.56	676.87
ii) Provision for Impairment of Asset	(473.56)	473.56
<b>Sub-total [ i) + ii)]</b>	-	<b>1,150.43</b>
b. Deferred Tax Asset [due to Identified CWIP]	-	(124.77)
<b>Sub-total [ a) + b)]</b>	-	<b>1,025.66</b>
c. Withdrawal from General Reserve	-	(1,025.66)
	-	-

On commissioning of various new manufacturing facilities or part thereof, an identified CWIP ₹473.56 Crores for the year ended on 31<sup>st</sup> March, 2024 are being written off as exceptional items against the provision of impairment already created in the financial year 2022-23 by charging off ₹1025.66 Crores (₹676.87 Crores as written-off and ₹473.56 Crores as provision for impairment of assets net of deferred tax of ₹124.77 Crores) in the Statement of Profit and Loss and the equivalent amount was transferred from the General Reserve to the Statement of Profit and Loss and shown as exceptional items. There is no impact on the current period's profit.

#### B. Sikkim Insurance claim

Due to flash floods in river Teesta on 4<sup>th</sup> October, 2023, the company's manufacturing operations at Sikkim had got disrupted. The Company has fully resumed its manufacturing operations of the said facility in the month of February 2024. The Company is adequately insured. The Company estimated and lodged an claim of ₹56.06 Crores upto March 2024. This claim comprises ₹5.92 Crores towards damages to Property, Plant and Equipment, ₹34.72 Crores for lost inventories and ₹15.42 Crores for restoration and other expenditure upto 31<sup>st</sup> March 2024. The Company has received, in the interim settlement, a reimbursement of ₹49.35 Crores upto 31<sup>st</sup> March, 2024 towards the Company's claim against above-referred items. Accordingly, the Company has recognised the losses, and restricted the claim receivable to the above extent as prudent practice and the same is disclosed as the exceptional item. The final accounting treatment will be done once the assessment of final loss is over and the claim in respect of final loss becomes receivable (Refer Note 9).

### 26. Other explanatory Notes to the Standalone Financial Statement

#### 1. Earning Per Share (EPS)

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
a) Profit after Tax available for equity shareholders (₹ in Crores)	666.48	346.73
b) Weighted Average number of equity shares	19,65,63,124	19,65,63,124
c) Basic and Diluted Earnings per share in ₹ (Face value per share ₹2/- each)	33.91	17.64

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 2. Contingent Liabilities, Contingent Asset and Commitments (To The Extent Not Provided For) (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>i Estimated amount of contracts net of advances remaining to be executed on capital accounts and not provided for:</b>	128.52	208.73
<b>ii Contingent liabilities</b>		
(a) Letters of credit and Guarantees	51.11	114.94
(b) Liabilities Disputed in appeals filed with respect to Indirect tax	13.22	1.77
(c) Claims against the company not acknowledged as debt	0.35	0.35
(d) Export obligation against advance license	-	0.04
(e) Disputed liability in respect of Ministry of Industry, Department of Chemicals and Petrochemicals in respect of price of Rifampicin allowed in formulations and landed cost of import.	0.35	0.35
(f) Disputed cases under Industrial Dispute Act, 1947 and other forums.	Amount not ascertainable	Amount not ascertainable

### 3. Disclosure required under Micro, Small and Medium Enterprise Development Act 2006

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), details are as below.

#### Total outstanding dues of Micro, Small and Medium Enterprises (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
a The principal amount remaining unpaid to any supplier at the end of the year:	25.44	23.14
- Micro & Small enterprise		
- Medium enterprise	14.45	21.89
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	-	-
	<b>39.90</b>	<b>45.03</b>



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 4. Segment Reporting

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

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

a) The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31<sup>th</sup> March, 2024 (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>i) Change in present value of defined benefit obligation</b>		
Present Value of defined benefit obligation at the beginning of the year	105.10	95.29
Current service cost	17.00	14.35
Interest Cost	7.46	7.05
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	3.40	(3.57)
- Due to experience adjustments	4.18	2.53
Benefits paid	(14.62)	(10.55)
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>122.54</b>	<b>105.10</b>
<b>ii) Change in fair value of plan assets</b>		
Fair Value of plan assets at the beginning of the year	84.38	79.42
Expenses deducted from the fund		
- Interest Income	6.00	5.91
- Actuarial (losses) / gains	5.75	(1.75)
- Contributions paid by the employer	15.00	11.35
- Benefits paid from the fund	(14.62)	(10.55)
<b>Fair Value of plan assets at the end of the year</b>	<b>96.52</b>	<b>84.38</b>

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>iii) Net asset / (liability) recognized in the Balance Sheet</b>		
Present Value of defined benefit obligation at the end of the year	(122.54)	(105.10)
Fair Value of plan assets at the end of the year	96.52	84.38
Amount recognized in the balance sheet	(26.02)	(20.72)
Net Liability - non current	(9.02)	(5.72)
Net Liability - current	(17.00)	(15.00)

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>iv) Expense recognized in the statement of profit and loss for the year</b>		
Current service cost	17.00	14.35
Net interest cost	1.46	1.14
<b>Total expenses included in employee benefit expenses*</b>	<b>18.46</b>	<b>15.49</b>
* In PY ₹1.19 Crores Included in capital work in progress		
<b>v) Recognized in Other Comprehensive Income for the year</b>		
Actuarial changes arising from changes in financial assumptions	3.40	(3.57)
Actuarial changes arising from experience adjustment	4.18	2.53
Return on plan assets excluding amounts included in interest income	(5.75)	1.75
Recognized in other comprehensive income	1.84	0.71
<b>vi) Actuarial Assumptions</b>		
Rate of Discounting	7.10%	7.40%
Rate of Salary Increase	5.50%	5.50%
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)
<b>vii) Composition of the plan assets</b>		
Policy of insurance	100%	100%

### viii) Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Cash Flow	As at 31 <sup>st</sup> March, 2024
Year 1	23.58
Year 2	6.51
Year 3	8.25
Year 4	6.74
Year 5	6.79
Year 6 to Year 10 Cash flow	53.60
The future accrual is not considered in arriving at the above cash-flows.	



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

- ix) The Expected contribution for the next year is ₹17.00 Crores and the average outstanding term of the obligations (years) as at valuation date is 12.61 years.

- x) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions (₹ in Crores)

Sensitivity Analysis	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Delta Effect of +0.5% Change in Rate of Discounting	116.95	100.29
Delta Effect of -0.5% Change in Rate of Discounting	128.60	110.32
Delta Effect of +0.5% Change in Rate of Salary Increase	128.67	110.39
Delta Effect of -0.5% Change in Rate of Salary Increase	116.85	100.18
Delta Effect of +0.5% Change in Rate of Employee Turnover	123.36	105.95
Delta Effect of -0.5% Change in Rate of Employee Turnover	121.66	104.19

- b) The following table sets out the non funded status of the Privilege Leave benefits and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>i) Change in present value of defined benefit obligation</b>		
<b>Present Value of defined benefit obligation at the beginning of the year</b>	53.66	50.91
Current service cost	6.85	5.85
Interest Cost	3.81	3.77
Components of actuarial gain/losses on obligations:		
-Due to Change in financial assumptions	2.01	(2.16)
-Due to experience adjustments	4.71	5.65
Benefits paid	(10.11)	(10.35)
Present Value of defined benefit obligation at the end of the year	<b>60.94</b>	<b>53.66</b>
Present Value of defined benefit obligation of sick leave at the end of the year	<b>3.57</b>	<b>3.29</b>
	<b>64.51</b>	<b>56.95</b>

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ii) Net asset / (liability) recognized in the Balance Sheet</b>		
Amount recognized in the balance sheet	(64.51)	(56.95)
Net Liability - non current	(57.05)	(50.27)
Net Liability - current	(7.46)	(6.68)

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>iii) Expense recognized in the statement of profit and loss for the year*</b>		
Current service cost	6.85	5.85
Past service cost and loss/(gain) on		
Net interest cost	3.81	3.77
Net value of measurements on the obligation	6.73	3.49
<b>Total Charge to statement of profit and loss</b>	<b>17.39</b>	<b>13.10</b>
* ₹0.02 Crores (PY ₹0.52 Crores) Included in capital work in progress		
<b>iv) Actuarial Assumptions</b>		
Rate of Discounting	7.10%	7.40%
Rate of Salary Increase	5.50%	5.50%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

**v) Maturity profile of Defined Benefit Obligation** (₹ in Crores)

Cash Flow	As at 31 <sup>st</sup> March, 2024
Year 1	6.96
Year 2	3.18
Year 3	3.84
Year 4	3.41
Year 5	3.05
Year 6 to Year 10 Cash flow	8.20
The future accrual is not considered in arriving at the above cash-flows.	
The average outstanding term of the obligations (years) as at valuation date is 12.24 years.	



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### vi) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Crores)

Sensitivity Analysis	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Delta Effect of +0.5% Change in Rate of Discounting	57.64	50.77
Delta Effect of -0.5% Change in Rate of Discounting	64.54	56.82
Delta Effect of +0.5% Change in Rate of Salary Increase	64.58	56.86
Delta Effect of -0.5% Change in Rate of Salary Increase	57.58	50.71
Delta Effect of +0.5% Change in Rate of Employee Turnover	61.46	54.22
Delta Effect of -0.5% Change in Rate of Employee Turnover	60.38	53.07

#### 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 31<sup>st</sup> March, 2024

- 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. There is no such shortfall during the year & in previous year. Contribution to Provident fund trust and ESIC ₹36.99 Crores (PY ₹31.09 Crores).

### 7. Disclosures in respect of Related Parties transactions

**A. Controlling Company:** Nirayu Limited

**B. Subsidiaries including step down subsidiaries:**

1	Alembic Pharmaceuticals Inc.	(Subsidiary of Alembic Pharmaceuticals Limited)
2	Alembic Global Holding SA	(Subsidiary of Alembic Pharmaceuticals Limited)
3	Alembic Pharmaceuticals Chile SpA	(Subsidiary of Alembic Pharmaceuticals Limited)
4	Alembic Pharmaceuticals S.A de C.V	(Subsidiary of Alembic Pharmaceuticals Limited)
5	Alembic Pharmaceuticals Australia Pty Ltd.	(Subsidiary of Alembic Global Holding SA)
6	Alembic Pharmaceuticals Europe Ltd.	(Subsidiary of Alembic Global Holding SA)
7	Alnova Pharmaceuticals SA	(Subsidiary of Alembic Global Holding SA)
8	Alembic Pharmaceuticals Canada Ltd.	(Subsidiary of Alembic Global Holding SA)
9	Genius LLC	(Subsidiary of Alembic Global Holding SA)
10	Alembic Labs LLC	(Subsidiary of Alembic Pharmaceuticals Inc.)
11	Okner Realty LLC	(Subsidiary of Alembic Pharmaceuticals Inc.)

**C. Associates:**

1	Incozen Therapeutics Pvt. Ltd.	(Associate of Alembic Pharmaceuticals Limited)
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	(Associate of Alembic Global Holding SA)
3	Dahlia Therapeutics SA	(Subsidiary of Rhizen Pharmaceuticals AG)
4	Rhizen Pharmaceuticals Inc.	(Subsidiary of Rhizen Pharmaceuticals AG)

**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 31<sup>st</sup> March, 2024

### E. Other Related Parties:

1	Alembic Limited	8	Rakshak Services Pvt. Ltd.
2	Shreno Limited	9	Alembic City Limited
3	Paushak Limited	10	Shreno Engineering Ltd
4	Viramy Packlight LLP	11	Alembic Pharmaceuticals Limited Provident Fund
5	Bhailal Amin General Hospital	12	Alembic Pharmaceuticals Limited Superannuation Scheme
6	Alembic CSR Foundation	13	Alembic Pharmaceuticals Limited EGG
7	Shreno Publications Limited		

### 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 (upto 1 <sup>st</sup> April, 2024)
6	Mr. Pranav Parikh	Non-Executive Director (upto 1 <sup>st</sup> April, 2024)
7	Mr. Paresh Saraiya	Non-Executive Director (upto 1 <sup>st</sup> April, 2024)
8	Ms. Archana Hingorani	Non-Executive Director
9	Mr. Ashok Barat	Non-Executive Director
10	Mr. Jai Diwanji	Non-Executive Director (w.e.f 5 <sup>th</sup> May, 2023)
11	Mr. Manish Kejriwal	Non-Executive Director (w.e.f 31 <sup>st</sup> March, 2024)
12	Mrs. Manisha Saraf	Company Secretary

### G. Close Member of Key Management Personnel:

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

### H. Key Managerial Personnel Remuneration

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Short Term Employment Benefits	63.09	37.27
Post Employment Benefits	2.09	1.94
Other	1.36	0.93

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### I. Transactions with Related parties:

During the year, the following transactions were carried out with related parties in the ordinary course of the business:

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>(a) Sale of Goods (Net)</b>		
<b>Subsidiaries including step down subsidiaries</b>		
Alembic Pharmaceuticals Inc.	1,158.67	820.05
Alembic Global Holding SA	226.86	5.50
Others	17.59	-
<b>Associates</b>	0.04	0.01
<b>Other Related Parties</b>	0.06	0.27
<b>(b) Purchase of Goods/ Others</b>		
<b>Other Related Parties</b>		
Shreno Publications Limited	50.95	43.31
Alembic Limited	6.84	4.71
Others	1.39	2.40
<b>(c) Corporate Guarantee Given</b>		
<b>Subsidiaries including step down subsidiaries</b>		
Alembic Pharmaceuticals Chile SpA	16.68	8.22
<b>(d) Reimbursement of expenses Paid</b>		
<b>Subsidiaries including step down subsidiaries</b>		
Alembic Pharmaceuticals Inc.	12.15	26.69
Others	3.02	2.89
<b>Other Related Parties</b>		
Alembic Limited	5.42	4.27
<b>(e) Reimbursement of expenses Received</b>		
<b>Associates</b>	0.04	0.21
<b>Other Related Parties</b>		
Paushak Limited	0.96	0.58
<b>(f) Rent / Lease liability paid</b>		
<b>Other Related Parties</b>		
Alembic Limited	11.47	9.91
Others	0.73	0.70
<b>(g) Guarantee Commission Received</b>		
<b>Subsidiaries including step down subsidiaries</b>		
Alembic Pharmaceuticals Chile SpA	0.04	0.01
Alembic Pharmaceuticals Inc.	0.21	0.21



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>(h) Receiving of Services</b>		
<b>Associates</b>		
Rhizen Pharmaceuticals AG	25.84	-
<b>Other Related Parties</b>		
Alembic Limited	19.42	14.38
Others	6.42	6.85
<b>(i) Purchase of Property, Plant and Equipment</b>		
<b>Associates</b>	0.00	-
<b>Other Related Parties</b>		
Shreno Engineering Ltd.	5.13	17.41
Others	-	1.86
<b>(j) Sales of Property, Plant and Equipment</b>		
<b>Other Related Parties</b>		
Shreno Limited	0.11	-
<b>(k) Deposit Given</b>		
<b>Other Related Parties</b>		
Alembic Limited	0.48	-
Shreno Limited	0.08	-
<b>(l) Dividend Paid</b>		
<b>Controlling Company</b>	56.03	70.04
<b>Other Related Parties</b>		
Alembic Limited	44.88	56.10
Others	0.00	0.00
<b>Close Member of Key Management Personnel</b>	5.20	6.50
<b>Key Management Personnel</b>	4.97	6.56
<b>(m) CSR Contribution</b>		
<b>Other Related Parties</b>		
Alembic CSR Foundation	13.19	21.30
<b>(n) Post Retirement benefits</b>		
<b>Other Related Parties</b>		
Alembic Pharmaceuticals Limited Provident Fund	97.36	84.99
Alembic Pharmaceuticals Limited EGGs	15.00	11.43
Others	2.75	2.99
<b>(o) Remuneration</b>		
<b>Key Management Personnel</b>	66.55	40.13

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>(p) Loan Given to</b>		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	-	9.57
<b>(p) Interest Income</b>		
<b>Subsidiaries including step down subsidiaries</b>		
Alembic Global Holding SA	0.71	0.43
<b>(q) Investment made</b>		
<b>Subsidiaries including step down subsidiaries</b>		
Alembic Pharmaceuticals Chile SpA	-	2.40

### J. Balance Outstanding as at the end of the year - Consider Good

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Receivables ( Unsecured)</b>		
Subsidiaries including step down subsidiaries	1,092.93	960.65
Associates	0.04	-
Other Related Parties	2.48	-
<b>Payables</b>		
Key Management personnel	21.08	8.60
Associates	0.88	28.85
Other Related Parties	18.73	19.52
Subsidiaries including step down subsidiaries	3.02	2.89
<b>Loan (Unsecured)</b>		
Subsidiaries including step down subsidiaries	11.16	10.29
<b>Investments (Unsecured)</b>		
Subsidiaries including step down subsidiaries	155.07	155.07
Associates	3.00	3.00
<b>Corporate Guarantee</b>		
Subsidiaries including step down subsidiaries	108.42	90.38
<b>Deposit Given (Unsecured)</b>		
Other Related Parties	3.35	2.78



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 8. Auditors Fees and Expenses

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>(a) Statutory Auditor:-</b>		
As Auditor	0.44	0.33
In Other Capacity:-		
(i) Other Services		
Limited Review	0.27	0.26
Others	0.07	0.06
(ii) Reimbursement of expenses	0.00	0.00
<b>(b) Tax Auditor:-</b>		
As Auditor	0.11	0.11
In Other Capacity:-		
Other Services	-	0.01
<b>(c) Cost Auditor:-</b>		
As Auditors	0.02	0.02
In Other Capacity:-		
(i) Other Services	0.06	0.04
(ii) Reimbursement of expenses	0.00	0.00
<b>(d) Secretarial Auditor:-</b>		
As Auditors		
Secretarial Audit Fee	0.07	0.06

### 9. Income Taxes

#### a. Income tax expense

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Current Tax</b>		
Current tax expense	41.50	-
<b>Deferred Tax</b>		
Decrease (increase) in deferred tax assets	(48.14)	(10.21)
(Decrease) increase in deferred tax liabilities	48.14	10.21
Total deferred tax expenses (benefit)	-	-
Total Income tax expenses *	41.50	-

\*This excludes tax benefit on other comprehensive income of ₹0.99 Crore (PY ₹ Nil Crores), reversal of DTA on intangibles against general reserve of ₹ Nil Crores (PY ₹0.21 Crores) and DTA impact on Identified CWIP ₹Nil (PY ₹124.77 Crores).

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

**b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Profit before Income tax expense	704.23	345.93
Tax at the Indian Tax Rate*	123.04	60.44
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect of Deductible Tax Expense	(82.25)	(60.41)
Others (including deferred tax)	0.71	(0.03)
<b>Income Tax Expense</b>	<b>41.50</b>	<b>-</b>

\*The company falls under the MAT provision of Indian Income Tax Act and the applicable Indian statutory tax rate for year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, is 17.472%.

**c. Current tax (liabilities)/assets** (₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Opening balance	76.70	22.12
Income tax paid (net)	10.03	53.78
Current income tax payable for the year	(41.18)	-
Write back of income tax provision of earlier years	3.75	0.79
<b>Net current income tax asset/ (liability) at the end</b>	<b>49.30</b>	<b>76.70</b>
Current income tax asset at the end	49.30	76.70
Current income tax liability at the end	-	-

**d. Unrecognised deferred tax assets**

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

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Deductible temporary differences, net	110.79	161.59

During the year ended 31<sup>st</sup> March, 2024, the Company did not recognise deferred tax assets of ₹110.79 Crores on account of MAT credit entitlement, as the Company believes that utilization of same is not probable. The above MAT credit will expire at various dates ranging from 2032 through 2037.



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 10. Research and Development Expenses

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Material Consumption	53.97	58.77
Employees Benefit Expenses	146.90	186.60
Utilities	18.83	23.10
Depreciation and Amortization Expense	36.36	99.52
Others	216.57	331.39
Research and Development Expenses (included in Profit and Loss) *	472.62	699.39

\* Included non-recurring non-cash Expenses ₹155.13 Crores in previous year.

### 11. Provision for Non-Saleable return of goods

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	98.49	89.54
Increase during the year	24.27	50.21
Reduction during year	(38.90)	(41.26)
<b>Closing Balance</b>	<b>83.86</b>	<b>98.49</b>
Net (Liability) - non current	43.44	50.21
Net (Liability) - current	40.42	48.28
	<b>83.86</b>	<b>98.49</b>

### 12. 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)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
a) Gross amount required to be spent by the Company	16.13	21.56
b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	13.19	21.58
	<b>13.19</b>	<b>21.58</b>
c) Shortfall at the end of the year	-	-
d) Total of previous years Shortfall	-	-
e) Nature of CSR activities	Note (i)	Note (i)
f) Provision of CSR	-	-

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	-	-
Addition	2.94	-
Withdrawal	-	-
<b>Closing Balance</b>	2.94	-

**Notes:**

- i The Company directly and through Alembic CSR Foundation, Implementing Agency has spent the amount referred in (b) above on CSR activities such as Healthcare including preventive healthcare, Education, Sanitation, Promotion and development of traditional arts and handicrafts, Adoption of Schools in tribal/backward areas, Rural development projects, Livelihood Enhancement, Reducing Inequality and Environmental Sustainability.
- ii The Amount of ₹2.94 Crores transferred to Unspent CSR Account as per section 135(6) on 24<sup>th</sup> April, 2024.
- iii Refer Note 26 (7) for related party transactions.

### 13. Financial instruments

**Category of Financial Instrument**

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	Fair value through other comprehensive income	Fair value through Profit and loss	Amortised cost	Fair value through other comprehensive income	Fair value through Profit and loss	Amortised cost
<b>Financial assets</b>						
Investment in Preference shares	20.13	-	0.45	22.99	-	0.45
Investments in Promissory Note	-	8.42	-	-	-	-
Investment in LLP	29.72	-	-	40.62	-	-
Investment in Alternative Investment Equity Fund	-	9.90	-	-	7.14	-
Loan to Subsidiary (Refer Note 26 (7)J)	-	-	11.16	-	-	10.29
Trade Receivables	-	-	1,340.12	-	-	1,201.20
Cash and cash equivalents	-	-	20.13	-	-	21.67
Bank balances other than cash and cash equivalents	-	-	6.36	-	-	6.79
Derivatives not designated as Hedge	-	-	3.09	-	-	-
Others	-	-	17.18	-	-	9.33
<b>Total</b>	<b>49.84</b>	<b>18.32</b>	<b>1,398.49</b>	<b>63.61</b>	<b>7.14</b>	<b>1,249.74</b>
<b>Financial liabilities</b>						
Borrowings	-	-	420.04	-	-	635.07
Lease liabilities	-	-	71.94	-	-	74.86
Trade Payables	-	-	619.96	-	-	595.85
Other Financial liabilities	-	-	143.62	-	-	148.73
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,255.56</b>	<b>-</b>	<b>-</b>	<b>1,454.52</b>



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### Fair value measurement hierarchy

Particulars	As at 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Investment in Alternative Investment Equity Fund	-	9.90	-	-	7.14	-
Investments in Promissory Note	-	-	8.42	-	-	-
Investments in Preference share	-	-	20.13	-	-	22.99
Investments in LLP	-	-	29.72	-	-	40.62

Refer Note No 4,6,7,8,9,26(20),15,16,17,26(7)J.

**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.

- (i) The Fair value of unquoted investment in Limited liability partnerships is arrived by CCM under market Approach and 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 31<sup>st</sup> December, 2023.

The following Table represent the changes in the Level 3 items (₹ in Crores)

As on 1 <sup>st</sup> April 2022	40.25
Gain / (losses) recognised in other comprehensive income	0.36
As on 31 <sup>st</sup> March 2023	40.62
Gain / (losses) recognised in other comprehensive income	(10.90)
<b>As on 31<sup>st</sup> March 2024</b>	<b>29.72</b>

- ii) The Fair value of unquoted investment in 5% Convertible Preference Shares of Rigimmune. Inc., is arrived by Income Approach-Discounted Cash Flow (DCF) method by external valuation agency.

As on 1 <sup>st</sup> April 2023	22.99
Gain / (losses) recognised in other comprehensive income	(2.86)
<b>As on 31<sup>st</sup> March 2024</b>	<b>20.13</b>

In the previous year due to insignificant change in fair valuation, transaction price is considered as fair value as at 31<sup>st</sup> March, 2023.

- iii) With respect of fair value of Investments in Promissory Note 6% - Rigimmune. Inc., transaction price is considered as fair value as at 31<sup>st</sup> March, 2024.

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 14. a) Capital - Work - in Progress (CWIP)

Aging 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 31 <sup>st</sup> March, 2024	227.34	109.76	48.86	138.41	524.36
Project In progress As at 31 <sup>st</sup> March, 2023	36.12	59.06	89.28	416.82	601.28

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

There is neither project which is temporarily suspended nor cost over run.

In previous year Borrowing cost capitalised @ 8.88% ₹1.13 Crores.

### b) Other Intangible Assets

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Carrying Amount</b>	-	<b>164.41</b>
Addition	-	-
<b>Closing Gross Carrying Amount</b>	-	<b>164.41</b>
Accumulated Amortisation	-	108.03
Amortisation	-	56.38
<b>Closing Accumulated Amortisation</b>	-	<b>164.41</b>
<b>Net Carrying Amount</b>	-	-

### 15. 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.



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Trade Receivables	1,340.12	1,201.20
Allowance for doubtful debts (expected credit loss allowance)	6.81	2.18
Percentage	0.51%	0.18%

### Reconciliation of loss allowance provision – Trade receivables

(₹ in Crores)

Loss allowance As at 1 <sup>st</sup> April, 2022	2.48
Changes in loss allowance	(0.30)
Loss allowance As at 31 <sup>st</sup> March, 2023	2.18
Changes in loss allowance	4.63
<b>Loss allowance As at 31<sup>st</sup> March, 2024</b>	<b>6.81</b>

### Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹20.13 Crores (PY ₹21.67 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 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Non derivative Borrowings	420.04	-	420.04	635.07	-	635.07
Trade payables	612.87	7.09	619.96	588.40	7.45	595.85
Other financial liabilities	162.65	52.91	215.56	164.96	58.63	223.59

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 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 31 <sup>st</sup> March, 2024	US Dollars	Euro	Others	Total
<b>Financial assets</b>				
Trade receivables (net)	998.71	65.87	71.24	1135.82
Loan to Subsidiary - Refer Note 26(7)J	11.16	-	-	11.16
<b>Financial liabilities</b>				
Trade payables	116.96	9.05	2.36	128.38
As at 31 <sup>st</sup> March, 2023	US Dollars	Euro	Others	Total
<b>Financial assets</b>				
Trade receivables (net)	833.37	86.43	63.78	983.58
Loan to Subsidiary - Refer Note 26(7)J	10.30	-	-	10.30
Cash and cash equivalents	0.12	-	-	0.12
<b>Financial liabilities</b>				
Trade payables	114.49	15.53	4.22	134.24

#### Sensitivity analysis

For the year ended 31<sup>st</sup> March, 2024 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 ₹47.49 Crores (PY ₹40.01 Crores). A 5% strengthening of the Indian Rupee as compare to the respective major currencies would lead to an equal but opposite effect.

#### Interest rate risk and Exposure to interest rate risk

The Company has loan facilities on floating interest rate, which exposes the company to risk of changes in interest rates.

For the year ended 31<sup>st</sup> March, 2024 every 50 basis point decrease in the floating interest rate component applicable to its borrowings would decrease the Company's interest cost by approximately ₹1.60 Crores (PY ₹2.68 Crores) on a yearly basis. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

#### Commodity rate risk

The Company's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies.



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 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.

### 16. 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 ₹ 11/- per equity share i.e. 550% for the financial year 2023-24 as against dividend of ₹ 8/- per equity share i.e. 400% per equity share for financial year 2022-23.

### 17. Key Ratios

Particulars	Notes	2023-24	2022-23	% Change
<b>1. Current Ratio (in times)*</b> (Current Asset / Current Liabilities)	5,6,7,8,9,26(9),10,15,26 (20),16,17,18,19	2.25	1.79	26%
<b>2. Debt-Equity Ratio (in times)*</b> (Debt / Net Worth [Debt : Total Debt ( Short term + Long term) Net worth : Share Capital + Other Equity])	15,11,12	0.09	0.14	41%
<b>3. Debt Service Coverage Ratio (in times)#**</b> (Profit Before Tax + Interest) / (Interest + schedule principal repayments of Long Term Debt)	15	13.93	2.20	533%
<b>4. Return on Equity Ratio #<sup>5</sup></b> (Net Income / Average Shareholders' Equity)	11,12	14.30%	10.34%	38%
<b>5. Inventory Turnover (in times)</b> (Sale of products / Average WIP, FG and Stock in trade Inventory) Annualised	20,22	7.16	6.24	15%
<b>6. Trade Receivables turnover ratio (in times)</b> (Value of Sales and Service / Average Trade Receivables)	20,6	4.55	4.67	-3%
<b>7. Trade Payable Turnover Ratio (in times)</b> (All Purchase of Goods & Services / Average Trade Payable)	16,22,24	5.91	5.55	7%

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	Notes	2023-24	2022-23	% Change
<b>8. Net Capital Turnover Ratio (in times)</b> (Net Annual Sales /Average Working Capital)	20,5,6,7,8,9,26(9),10,15,26(20),16,17,18,19	4.06	4.30	-6%
<b>9. Net Profit Ratio <sup>5</sup></b> (Profit After Tax / Turnover)	20	11.35%	9.75%	16%
<b>10. Return on Capital Employed <sup>#5</sup></b> (Earning Before Interest and Tax /Capital Employed Capital Employed = Total Asset - Current liability)	3,26(14)(a),4,26(7) J,14,5,6,7,8,9,26(9),10, 15,26 (20),16,17,18,19	14.96%	12.01%	25%
<b>11. Return on Investment <sup>#5</sup></b> (Profit Before Tax/ Total Asset)	3,26(14)(a),4,26(7) J,14,5,6,7,8,9,26(9),10	11.01%	8.17%	35%
<b>12. Interest Service Coverage Ratio (in times) <sup>#5</sup></b> (Profit before tax+interest)/ Interest		13.93	10.97	27%
<b>13. Operating Margin <sup>5</sup></b> (EBITDA / Revenue from Operations)	3 & 26(14)(b),26(9),20	17.53%	14.88%	18%

<sup>5</sup> Ratios are calculated before non-cash non-recurring expenses as mentioned in Note No. 26(10)

Explanation for changes by more than 25% as compared to the preceding year

\* Repayment of debt.

# Higher profit compared to last year.

### 18. Disaggregation of revenue

The Company is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business ₹1232.37 Crores (PY ₹1165.16 Crores) and ₹4641.69 Crores (PY ₹3983.84 Crores) respectively, and considering Geographical business, revenue can be disaggregated as in India ₹2444.4 Crores (PY ₹2312.2 Crores) and out side India ₹3429.66 Crores (PY ₹2836.8 Crores).

19. The Donation includes political contributions of ₹0.50 Crores (PY ₹9.70 Crores) through Electoral Bond and ₹4.00 Crores (PY ₹ Nil) through Electoral Trust.

### 20. Lease

#### A) The following is the movement in lease liabilities

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	<b>74.86</b>	<b>76.12</b>
Additions	14.59	15.10
Derecognise	-	(1.46)
Finance cost accrued during the period	6.75	6.65
Payment of lease liabilities	(24.25)	(21.56)
<b>Closing Balance</b>	<b>71.94</b>	<b>74.86</b>



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### B) Maturity Analysis of Lease Liabilities

(₹ in Crores)

	31 <sup>st</sup> March 2024
<b>Maturity Analysis - Contractual undiscounted Cash Flows</b>	
Less than one year	24.74
One to five years	61.24
More than five years	1.11
<b>Total Undiscounted Lease Liabilities</b>	<b>87.10</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>	
Non Current	52.91
Current	19.04
<b>Total</b>	<b>71.94</b>

### C) Amount Recognized in the Statement of Profit & Loss

(₹ in Crores)

	For the year ended 31 <sup>st</sup> March, 2024
Interest on Lease Liabilities	6.75
Depreciation on Lease Asset	17.46

- 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 24).

### 21. Details of Investment, Loans and Guarantee given to Subsidiaries for business purpose

(₹ in Crores)

Name of Company	Nature	As at 31 <sup>st</sup> March, 2024	Maximum balance during the year	As at 31 <sup>st</sup> March, 2023	Maximum balance during the year
Alembic Global Holding SA	Loan	11.16	11.16	10.29	10.29
Alembic Pharmaceutical Inc.	Guarantee	83.40	83.40	82.17	82.17
Alembic Pharmaceuticals Chile SpA	Guarantee	25.02	25.02	8.22	8.22
For Investment made kindly refer Note 4.					

## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 22. Relationship with Struck off Companies

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

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

Name of Struck off company	Balance outstanding	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Share Holder Name	Amount in ₹	Amount in ₹
1. Unickon Fincap Private Limited	450.00	450.00
2. Vaishak Shares Limited	2.00	2.00
3. Synectic Management Services Pvt Ltd	2.00	2.00
4. Canny Securities Private Limited	300.00	300.00
Trade Payable	₹ in Crores	₹ in Crores
1. Advanced Micro Devices Private Limited	-	0.10
2. Subham Pharmachem Private Limited	-	0.20

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

### 24. 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.



## Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2024

- vi The company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vii The company holds all the title deeds of immovable properties in its name.
- viii The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

**25.** The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**For and on behalf of the Board**

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

# Independent Auditors' Report

To the Members of  
**Alembic Pharmaceuticals Limited**

## Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

We have audited the accompanying consolidated financial statements of **Alembic Pharmaceuticals Limited** ("the Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its share of the net loss after tax and total comprehensive income of its Associate, which comprise of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the Subsidiaries and Associate as referred to in the "Other Matters" section and except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph of our report pertaining to comparative figures for the year ended March 31, 2023, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associate as at March 31, 2024, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated

changes in equity and their consolidated cash flows for the year ended on that date

### Basis for Qualified Opinion

During the previous year i.e. F.Y. 2022-2023, the Holding Company had withdrawn INR 1,025.66 Crores from General Reserve and transferred the same to the Statement of Profit and Loss of that year under the head "Exceptional Items" and not agreeing to the Holding Company's accounting treatment, we issued a qualified opinion on the consolidated financial statements of the Holding Company for the year ended March 31, 2023 vide our audit report dated May 5, 2023. Our audit opinion on the current year's consolidated financial statements is qualified because of the effect of this matter on the comparability of the current year's figures with the corresponding figures for the year ended on March 31, 2023. The aforesaid qualification does not have any impact on current year's financial figures presented in consolidated financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Provision for return of non-saleable goods (Expiry, Breakage and Spoilage) in the market in India:</b></p> <p>As referred to Note No. 27(13) to the consolidated financial statements, the Holding Company, under the prevailing trade practice, has an obligation to accept returns of expiry, breakage and spoilage (EBS) products, from the customers in India. This results in deductions to gross amounts invoiced. The methodology and assumptions used to estimate the accruals of EBS are monitored and adjusted regularly by the management of the Holding Company in the light of the obligations, historical trends, past experience and prevailing market conditions.</p> <p>This is considered as key audit matter in view of significant estimates and judgements made by the management for recognition and measurement for the same.</p>	<p>Our audit procedures consisted of following:</p> <ol style="list-style-type: none"> <li>1. Assessed the appropriateness of the accounting policy in respect of recognition of provision of EBS estimated in future out of the sales effected during the current period;</li> <li>2. Tested the operating effectiveness of controls over Company's review of recognition of provision for accrual of EBS;</li> <li>3. Obtained management 's calculations for accruals and assessed management's analysis of the historical pattern of accruals to validate management's assumptions for creation of such provisions;</li> <li>4. Examined the historical trend of the Company's estimates to assess the assumptions and judgements used by the Company in accrual of provisions.</li> </ol> <p>Conclusion:</p> <p>We did not find any material exceptions to the calculations made and estimates, assumptions and judgements used by the management of the Holding Company on the subject matter.</p>

## Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Management Discussion and Analysis but does not include the consolidated financial statements and our Auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other

information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated

financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its Associate are responsible for Assessing the ability of the Group and its Associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Associate are also responsible for overseeing the financial reporting process of the Group and its Associate.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group and its Associate incorporated in India have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions



may cause the Group and its Associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- (i) (a) We did not audit the financial statements of 4 subsidiaries included in the consolidated financial statements, whose financial statements for the year ended March 31, 2024 reflect as follows:

(Amount in ₹ Crores)

Particulars	Year ended March 31, 2024
Total Assets	1,500.26
Total Revenues	1,913.80
Total Net profit/(loss) after tax	57.36
Total Comprehensive Income	61.14
Total Cash Inflow / (Outflow) (net)	46.27

The financial statements of these 4 subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

- (b) Certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in its respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (ii) The consolidated financial statements also include the Group's share of net loss after tax, and total comprehensive income for the year ended March 31, 2024 as mentioned below, in respect of 1 Associate based on their financial statements which have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Associate, is based solely on the report of the other auditor.

(Amount in INR Crores)

Particulars	Year ended March 31, 2024
Total Net profit/(loss) after tax	(0.13)
Total Comprehensive Income	(0.13)

Our opinion on the consolidated financial statements is not modified in respect of the above Other Matters with respect to our reliance on the work done and the reports of the other auditors. Refer Annexure 1 for entities included in the consolidated financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and on the other financial information of subsidiaries and Associate, as noted in "Other Matters" paragraph 2 and 3 above, we report, to the extent applicable, that:
  - a. We/the other auditors have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its Associate company incorporated in India, none of the directors of the Group companies and its Associate company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.;
- f. the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, prima facie, does not appear to have any adverse effects on the functioning of the Group;
- g. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and its Associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- h. in respect of comparative figures for the year ended on March 31, 2023, are as stated in the Basis for Qualified Opinion paragraph;
- i. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

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



and based on the consideration of reports of other auditors on separate financial statements, the remuneration paid by the Holding Company and its Associate incorporated in India to whom section 197 is applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act: and

- j. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and based on the consideration of the report of the other auditors on separate financial information of the subsidiaries as noted in "Other matters" paragraph:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associate – Refer Note No. 27(2) to the consolidated financial statements;
  - ii. the Group and its Associate have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate incorporated in India.
  - iv. (a) the respective managements of the Holding Company and its Associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the

Holding Company or any of such subsidiaries or Associates to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries or Associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective managements of the Holding Company and its Associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries or Associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or Associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us/the other auditor on the Holding Company and its Associate which are companies incorporated in India whose financial statements have been audited under

the Act, nothing has come to our/the other auditor notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note No. 27(18) to the consolidated financial statements
- (a) The final dividend proposed for the Financial Year 2022-2023, and declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks and that performed by the other auditor of Associate company which is company incorporated in India whose financial statements have been audited under the Act, the Holding Company and Associate company have used an accounting software for maintaining its books of account which has a feature of

recoding audit trail (edit log) facility and the same has operated through the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the auditor of Associate company did not come across any instance of audit trail feature being tampered with.

2. With respect to the matters specified in paragraph 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us and the auditor of the Associate included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

UDIN: 24101533BKGZRH8740

Place: Jamnagar

Date: May 9, 2024



## Annexure 1

Sr. No.	Name of Entity	Relation	Consolidated/ Standalone	Included in Consolidation	Whether audited/ reviewed by other auditors
1	Alembic Pharmaceutical Inc.	Subsidiary	Consolidated	Yes	Audited
	a. Okner Realty LLC	Step down Subsidiary			
	b. Alembic Labs LLC	Step down Subsidiary			
2	Alembic Global Holding SA (AGH)*	Subsidiary	Standalone	Yes	Audited
	a. Alembic Pharmaceuticals Australia Pty Ltd	Step down Subsidiary			
	b. Alembic Pharmaceuticals Canada Ltd	Step down Subsidiary			
	c. Alembic Pharmaceuticals Europe Ltd	Step down Subsidiary			
	d. Alnova Pharmaceuticals SA	Step down Subsidiary			
	e. Genius LLC**	Step down Subsidiary			
	f. Rhizen Pharmaceuticals AG	Associate of AGH			
	g. Dahlia Therapeutics SA	Associate as a Subsidiary of Rhizen Pharmaceuticals AG			
	h. Rhizen Pharmaceuticals Inc.***	Associate as a Subsidiary of Rhizen Pharmaceuticals AG			
	i. Alembic Mami SPA****	Joint Venture			
	j. SPH Sine Alembic (Shanghai) Pharmaceutical Technology Limited*****	Joint Venture			
3	Alembic Pharmaceuticals SPA	Subsidiary	Standalone	Yes	Audited
4	Alembic Pharmaceuticals S.A. de C.V.	Subsidiary	Standalone	Yes	Audited
5	Incozen Therapeutics Private Limited	Associate	Standalone	Yes	Audited

\*Consolidated Financial Statements of Alembic Global Holding SA (AGH) is prepared by the management of the company based on audited financials statement received from subsidiary, step down subsidiaries, associate and joint ventures.

\*\*Genius LLC is based out in Ukraine. The investment value in Genius LLC is already provided for by AGH during the previous year. As at March 31, 2024, Genius LLC does not have any asset/liability and no transaction is entered during the current year. Formal legal process for liquidation is yet to be initiated by the Parent Company.

\*\*\*The entity is dissolved during the previous year. The Parent Company has written off the investments during March 2023 quarter. Accordingly, the same is not required to be consolidated as at March 31, 2024.

\*\*\*\*The consolidated audited financial results do not include share of profit or loss as the financial statements of the same have not been received or prepared by the Alembic Global Holdings SA and no further share of loss is required to be borne by the Group as the entire Equity capital and loan given to it is fully provided for in earlier year. Formal legal process for dis-association is still to be initiated by the Parent Company.

\*\*\*\*\* The consolidated audited financial results do not include share of profit or loss in respect of a joint venture, agreement of which was entered into on 7<sup>th</sup> May 2019. We are informed that the Group has invested INR 0.46 Crores and the operations have not started till March 31, 2024 and therefore, there are no transactions for the year. The Joint Venture is in the process of product registration and will take due course of time for registration and operations way forward.

## Annexure A to The Independent Auditors' Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Alembic Pharmaceuticals Limited** on the consolidated financial statements of even date)

### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.**

We have audited the internal financial controls with reference to consolidated financial statements of **Alembic Pharmaceuticals Limited** ("the Holding Company" or "the Company") and its Associate which are companies incorporated in India as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate which are companies incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and

deemed to be prescribed under section 143(10) of the Companies Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's



internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its Associate has, in all material respects, adequate internal financial controls with reference to consolidated financial statements in place and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to an Associate Company, which is company incorporated in India, is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

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

**Vishal P. Doshi**  
Partner  
Membership No. 101533  
UDIN: 24101533BKGZRH8740

Place: Jamnagar  
Date: May 9, 2024

# Consolidated Balance Sheet

as on 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	Notes	As at	As at
		31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>I. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	2,546.71	2,398.45
(b) Capital work-in-progress	27(16)(a)	524.36	601.28
(c) Other Intangible assets	27(16)(b)	-	-
(d) Financial Assets			
(i) Investments	4	68.61	71.20
(ii) Investment accounted for using Equity Method	5	24.41	25.13
(e) Deferred tax assets (net)	15	169.64	123.01
(f) Other Non-Current Assets- Capital Advance		33.30	53.74
<b>Total non-current assets</b>		<b>3,367.02</b>	<b>3,272.81</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	1,643.54	1,475.27
(b) Financial Assets			
(i) Trade receivables	7	1,024.84	1,046.40
(ii) Cash and cash equivalents	8	120.21	75.48
(iii) Bank balances other than cash and cash equivalents	9	6.36	6.79
(iv) Other financial assets	10	20.77	9.85
(c) Current Tax Assets (Net)	27(10)	41.03	82.71
(d) Other current assets	11	221.81	213.52
<b>Total current assets</b>		<b>3,078.56</b>	<b>2,910.02</b>
<b>TOTAL ASSETS</b>		<b>6,445.58</b>	<b>6,182.83</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	12	39.31	39.31
(b) Other Equity	13	4,778.89	4,331.16
<b>Total equity</b>		<b>4,818.20</b>	<b>4,370.47</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease liabilities	27(20)	62.88	69.23
(b) Provisions	14	109.51	106.20
<b>Total non-current liabilities</b>		<b>172.39</b>	<b>175.43</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	430.45	635.87
(ia) Lease liabilities	27(20)	19.83	16.92
(ii) Trade payables	17		
A) Total outstanding dues of Micro and Small enterprises		25.44	23.14
B) Total outstanding dues of others		710.20	656.67
(iii) Other financial liabilities	18	143.87	148.73
(b) Other current liabilities	19	59.95	85.54
(c) Provisions	20	65.25	70.06
<b>Total current liabilities</b>		<b>1,455.00</b>	<b>1,636.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,445.58</b>	<b>6,182.83</b>

The accompanying notes form an integral part of these Consolidated financial statements Notes 1 to 27.

As per our report of even date

**For and on behalf of the Board**

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024



# Consolidated Statement of Profit & Loss

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	Notes	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>I Revenue from Operations</b>	21	6,228.63	5,652.62
<b>II Other Income</b>	22	28.31	2.74
<b>III Total Income</b>		<b>6,256.93</b>	<b>5,655.36</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	23	1,403.01	1,250.08
Purchase of Stock-in-Trade		454.91	380.09
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	23	(142.84)	78.65
Employee Benefits Expense	24	1,446.29	1,169.13
Finance Costs		56.19	50.17
Depreciation and Amortization Expense	3 & 27(16)(b)	272.67	275.43
Other Expenses	25	2,133.90	2,066.33
<b>Total Expense (IV)</b>		<b>5,624.13</b>	<b>5,269.86</b>
<b>V Profit Before Share of Profit / (Loss) of Associates and Joint Ventures, Exceptional Item and Tax (III-IV)</b>		<b>632.80</b>	<b>385.50</b>
<b>VI Share of Profit/(Loss) of an associate and a joint venture</b>		(0.98)	(30.92)
<b>VII Profit Before Exceptional Item and Tax (V-VI)</b>		<b>631.83</b>	<b>354.59</b>
<b>VIII Exceptional Item (Net of Tax)</b>	26	-	-
<b>IX Profit Before Tax (VII-VIII)</b>		631.83	354.59
<b>X Tax Expense</b>	27(10)		
(i) Current Tax		65.81	4.20
(ii) Deferred Tax		(46.06)	9.20
(iii) Short/Excess Tax Provision		(3.75)	(0.79)
<b>IX Profit for the year (V-VI)</b>		<b>615.82</b>	<b>341.99</b>
<b>X Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to Profit / (Loss)		(15.60)	(0.35)
(ii) Income tax relating to items that will not be reclassified to Profit / (Loss)		0.99	-
		(14.62)	(0.35)
B. Items that will be reclassified to Profit or Loss		3.77	13.71
		3.77	13.71
<b>Total Other Comprehensive Income (VIII)</b>		<b>(10.84)</b>	<b>13.37</b>
<b>XI Total Comprehensive Income for the year (VII+VIII)</b>		<b>604.98</b>	<b>355.36</b>
<b>XII Earnings per equity share (FV ₹2/- per share) :</b>	27(1)		
Basic & Diluted (in ₹)		31.33	17.40

The accompanying notes form an integral part of these Consolidated financial statements Notes 1 to 27.

As per our report of even date

**For and on behalf of the Board**

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**Archana Hingorani**

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Mumbai

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Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

## Consolidated Statement of Changes in Equity

as on 31<sup>st</sup> March, 2024

### A. Equity Share Capital

Equity shares of ₹2/- each issued, subscribed and fully paid

#### (1) Current reporting period

(₹ in Crores)

Balance As at 1 <sup>st</sup> April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1 <sup>st</sup> April, 2023	Changes in equity share capital during the current year	Balance As at 31 <sup>st</sup> March, 2024
39.31	-	39.31	-	39.31

#### (2) Previous reporting period

(₹ in Crores)

Balance As at 1 <sup>st</sup> April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance As at 1 <sup>st</sup> April, 2022	Changes in equity share capital during the previous year	Balance As at 31 <sup>st</sup> March, 2023
39.31	-	39.31	-	39.31

### B. Other Equity - Attributable to owners

#### (1) Current reporting period

(₹ in Crores)

Particulars	Reserves and Surplus				Other comprehensive income (OCI)			Total
	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained earnings	Financial Instruments through OCI	Exchange difference on translating the financial statements of a foreign operation	Remeasurements of the net Defined Benefit Plan	
Balance As at 1 <sup>st</sup> April, 2023	748.39	0.24	-	3,568.44	0.57	39.17	(25.66)	4,331.16
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance As at 1<sup>st</sup> April, 2023</b>	<b>748.39</b>	<b>0.24</b>	<b>-</b>	<b>3,568.44</b>	<b>0.57</b>	<b>39.17</b>	<b>(25.66)</b>	<b>4,331.16</b>
Total Comprehensive Income for the current year	-	-	-	615.82	(13.10)	3.77	(1.52)	604.98
Dividend	-	-	-	(157.25)	-	-	-	(157.25)
<b>Balance As at 31<sup>st</sup> March, 2024#</b>	<b>748.39</b>	<b>0.24</b>	<b>-</b>	<b>4,027.01</b>	<b>(12.52)</b>	<b>42.94</b>	<b>(27.18)</b>	<b>4,778.89</b>



## Consolidated Statement of Changes in Equity (Contd.)

as on 31<sup>st</sup> March, 2024

(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	Exchange difference on translating the financial statements of a foreign operation	Remeasurements of the net Defined Benefit Plan	
Balance As at 1 <sup>st</sup> April, 2022	748.39	1,844.74	50.00	2,554.39	0.21	25.46	(24.95)	5,198.23
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance As at 1<sup>st</sup> April, 2022</b>	<b>748.39</b>	<b>1,844.74</b>	<b>50.00</b>	<b>2,554.39</b>	<b>0.21</b>	<b>25.46</b>	<b>(24.95)</b>	<b>5,198.23</b>
Total Comprehensive Income for the previous year	-	-	-	341.99	0.36	13.71	(0.71)	355.36
Dividend	-	-	-	(196.56)	-	-	-	(196.56)
Reversal of Deferred Tax Asset	-	(0.21)	-	-	-	-	-	(0.21)
Transfer from Debenture Redemption Reserve	-	50.00	(50.00)	-	-	-	-	-
Transferred from General Reserve #	-	(1,894.29)	-	868.63	-	-	-	(1,025.66)
<b>Balance As at 31<sup>st</sup> March, 2023</b>	<b>748.39</b>	<b>0.24</b>	<b>-</b>	<b>3,568.44</b>	<b>0.57</b>	<b>39.17</b>	<b>(25.66)</b>	<b>4,331.16</b>

# The Holding Company received a letter from Stock Exchanges returning the Draft Scheme of Arrangement between the Company and the Shareholders for re-organisation of General Reserve approved by the Board of Directors at its meeting held on 2<sup>nd</sup> March, 2023. The Company decided not to pursue the matter any further. Accordingly, a sum of ₹1894.29 Crores included in retained earnings will be available for distribution as dividend in compliance with the provisions of The Companies (Declaration and Payment of Dividend) Rules, 2014.

The accompanying notes form an integral part of these Consolidated financial statements Notes 1 to 27.

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**For and on behalf of the Board**

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

## Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>A CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss (After Exceptional item and Tax thereon)</b>	631.83	354.59
<b>Adjustments for:</b>		
Share of (Profit) / Loss of Associates and Joint Ventures	0.98	30.92
Depreciation and amortisation	272.67	275.43
Interest Expense	56.19	50.17
Interest Income	(2.09)	(0.33)
Dividend Income / Gain on Sale of Investments	(1.64)	(0.61)
Unrealised foreign exchange (gain) / loss (net)	(40.15)	29.06
Fair value (gain)/ loss on financial instruments at fair value through profit or loss	(2.76)	(0.14)
Provision / write off for doubtful trade receivables	5.36	-
Sundry balances written off / written-back (net)	0.01	(0.01)
Loss/(Profit) on sale of Property, Plant & Equipments	(1.70)	4.70
Product development expenses	-	98.44
<b>Operating Profit before change in working capital</b>	<b>918.69</b>	<b>842.20</b>
<b>Working capital changes:</b>		
(Increase)/Decrease In Inventories	(168.28)	134.44
(Increase)/Decrease In Trade Receivables	39.05	(222.88)
(Increase)/Decrease In Other Assets	(17.58)	127.14
Increase/(Decrease) In Trade Payables	56.04	(28.17)
(Decrease) In Other Liabilities	(1.54)	(84.18)
Increase/(Decrease) In Provisions	(3.34)	16.09
<b>Cash generated from operations</b>	<b>823.05</b>	<b>784.64</b>
Direct taxes paid (Net)	(19.85)	(60.70)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>803.20</b>	<b>723.95</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Property, Plant & Equipments	11.56	1.87
Interest received	1.99	0.33
Dividend / Gain on Sale of Investments received	1.64	0.61
Purchase of Property, Plant & Equipments, Intangible Assets and Capital Advance	(327.47)	(443.41)
Investment in Alternative Investment Equity Fund	-	(7.00)
Investment in Promissory Note	(8.32)	
<b>Net Cash inflow from Investing Activities (B)</b>	<b>(320.61)</b>	<b>(447.59)</b>



## Consolidated Statement of Cash Flows (Contd..)

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>C CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long term borrowings	-	(200.00)
Net Increase / (Decrease) in short term borrowings	(205.41)	205.87
Payment of lease liabilities	(25.82)	(23.10)
Change in Restricted Bank Balances other than Cash & Cash Equivalents	(0.01)	1.53
Dividends paid	(157.25)	(196.56)
Interest and other finance costs (including borrowing cost capitalised)	(49.37)	(49.70)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>(437.87)</b>	<b>(261.96)</b>
<b>I Net (Decrease)/Increase in cash and cash equivalents (A+B+C)</b>	<b>44.73</b>	<b>14.39</b>
<b>II.</b>		
a) Cash and cash equivalents at the beginning of the Year	75.48	61.09
b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	(0.00)
<b>III. Cash and cash equivalents at the end of the period (I+II)</b>	<b>120.21</b>	<b>75.48</b>
<b>IV. Cash and cash equivalents at the end of the period</b>		
Balances with Banks	119.17	75.20
Cash on hand	1.04	0.28
<b>Cash and cash equivalents</b>	<b>120.21</b>	<b>75.48</b>

Note :

Change in liability arising from financing activities

Borrowings	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	<b>635.87</b>	<b>629.99</b>
Changes from financing cash flow	(205.41)	5.87
Other changes	-	0.01
<b>Closing Balance</b>	<b>430.45</b>	<b>635.87</b>

The accompanying notes form an integral part of these Consolidated financial statements notes 1 to 27

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024**For and on behalf of the Board****Chirayu Amin**

Chairman &amp; CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance &amp; CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

# Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## 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 9<sup>th</sup> May, 2024.

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 31<sup>st</sup> March, 2024.

## 2. Material accounting policies

The accounting policies of the parent company and that of its subsidiaries, associates and joint venture are similar and as per generally accepted accounting principles in India.

### 2.00 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2024 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time together with the comparative period data as at and for the year ended March 31, 2023.

### 2.01 Principles of Consolidation:

The Consolidated Financial Statements consist of Alembic Pharmaceuticals Limited ("the Holding Company") and its Subsidiaries (collectively referred to as "the Group"), Associates and Joint Venture. The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Holding Company and its subsidiaries have been consolidated

on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits as per Ind AS 110 "Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2015 as amended from time to time.

Investment and share of profit of associate and Joint Venture have been consolidated as per the equity method as per Ind AS 28 – "Investments in Associates" and "Ind AS 111 Joint Arrangements" respectively specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules 2015 as amended from time to time.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are 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 31<sup>st</sup> March, 2024

### 2.02 Companies Included in Consolidation:

Name	Country of Incorporation	Nature	Proportion of Ownership Interest As on 31 <sup>st</sup> March, 2024
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
Alembic Pharmaceuticals Chile Spa	Chile	Subsidiary	100% subsidiary of APL from 5 <sup>th</sup> January, 2023
Alembic Pharmaceuticals S.A de C.V	Mexico	Subsidiary	99% Alembic Pharmaceuticals Limited, 1% Alembic Global Holding SA from 31 <sup>st</sup> March, 2023
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		
Alnova Pharmaceuticals SA	Switzerland		
Alembic Pharmaceuticals Canada Ltd	Canada		
Genius LLC	Ukraine		
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 Therapeutics SA	Switzerland	Subsidiary of Associate	100% subsidiary of RP AG

### 2.03 Material 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 168.

### 2.04 Translation of Accounts:

In Consolidated Financial Statements, the Financial Statements of subsidiary companies and proportionate share of associates and Joint Venture have been translated into INR as prescribed under Ind AS 21 the Effects of Changes in Foreign Exchange Rates specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2015 as amended from time to time.

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 3. Property, Plant and Equipment (PPE):

Property, Plant and Equipment	(₹ in Crores)										
	Free Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Lease Hold Improvements	Right to Use Building #	Right to Use Land #	Total
<b>Gross Carrying amount</b>											
Carrying Amount As at 1 <sup>st</sup> April, 2022	93.14	527.65	1,353.83	404.52	33.57	20.42	16.72	0.73	115.68	34.71	2,600.96
Additions	8.46	178.49	632.16	31.13	4.32	0.84	11.39	-	15.10	-	881.89
Disposals	-	-	(11.60)	(1.42)	(0.01)	(0.35)	(0.28)	-	(4.32)	-	(17.99)
Foreign Exchange Adjustments	0.13	0.70	0.68	-	0.17	-	(0.03)	0.06	0.92	-	2.63
<b>Closing Gross Carrying Amount</b>	<b>101.73</b>	<b>706.83</b>	<b>1,975.07</b>	<b>434.23</b>	<b>38.06</b>	<b>20.91</b>	<b>27.79</b>	<b>0.79</b>	<b>127.38</b>	<b>34.71</b>	<b>3,467.49</b>
<b>Accumulated Depreciation</b>											
Depreciation charge during the year	-	97.97	522.43	151.84	12.64	11.40	8.96	0.04	42.19	12.02	859.49
Disposals	-	21.83	130.64	40.89	3.37	1.84	3.35	0.07	16.32	0.73	219.04
Foreign Exchange Adjustments	-	-	(5.27)	(1.26)	(0.01)	(0.32)	(0.02)	(0.11)	(2.88)	-	(9.88)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>119.92</b>	<b>648.00</b>	<b>191.47</b>	<b>15.96</b>	<b>12.92</b>	<b>12.25</b>	<b>0.08</b>	<b>55.70</b>	<b>12.75</b>	<b>1,069.04</b>
Net Carrying Amount As at 1 <sup>st</sup> April, 2022	93.14	429.67	831.40	252.67	20.93	9.02	7.76	0.69	73.49	22.69	1,741.47
<b>Net Carrying Amount As at 31<sup>st</sup> March, 2023</b>	<b>101.73</b>	<b>586.92</b>	<b>1,327.07</b>	<b>242.76</b>	<b>22.09</b>	<b>7.99</b>	<b>15.54</b>	<b>0.71</b>	<b>71.67</b>	<b>21.96</b>	<b>2,398.45</b>
<b>Gross Carrying amount</b>											
Carrying Amount As at 1 <sup>st</sup> April, 2023	101.73	706.83	1,975.07	434.23	38.06	20.91	27.79	0.79	127.38	34.71	3,467.49
Additions	1.22	50.97	354.44	3.38	1.72	7.14	1.91	1.04	14.59	-	436.42
Disposals**	(1.64)	(11.29)	(14.26)	(0.39)	(0.37)	(0.43)	(0.52)	-	-	-	(28.90)
Foreign Exchange Adjustments	-	0.00	-	-	0.09	(0.03)	(0.05)	0.01	0.18	-	0.20
<b>Closing Gross Carrying Amount</b>	<b>101.31</b>	<b>746.52</b>	<b>2,315.25</b>	<b>437.22</b>	<b>39.49</b>	<b>27.58</b>	<b>29.14</b>	<b>1.83</b>	<b>142.14</b>	<b>34.71</b>	<b>3,875.20</b>
<b>Accumulated Depreciation</b>											
Depreciation charge during the year	-	119.92	648.00	191.47	15.96	12.92	12.25	0.08	55.70	12.75	1,069.04
Disposals	-	26.16	174.65	41.58	3.73	1.90	4.99	0.33	18.60	0.73	272.67
Foreign Exchange Adjustments	-	(3.37)	(8.80)	(0.18)	(0.28)	(0.37)	(0.23)	-	-	-	(13.23)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>142.70</b>	<b>813.84</b>	<b>232.87</b>	<b>19.50</b>	<b>14.45</b>	<b>16.93</b>	<b>0.45</b>	<b>74.28</b>	<b>13.48</b>	<b>1,328.49</b>
Net Carrying Amount As at 1 <sup>st</sup> April, 2023	101.73	586.92	1,327.07	242.76	22.09	7.99	15.54	0.71	71.67	21.96	2,398.45
<b>Net Carrying Amount As at 31<sup>st</sup> March, 2024</b>	<b>101.31</b>	<b>603.82</b>	<b>1,501.41</b>	<b>204.36</b>	<b>19.99</b>	<b>13.14</b>	<b>12.21</b>	<b>1.38</b>	<b>67.86</b>	<b>21.23</b>	<b>2,546.71</b>

#### Note:

- The Company does not have any restrictions on the title of its property, plant and equipment.
- # Please Refer Note 2.13.
- \*\*Please Refer Note 26(B)



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 4. Non-Current Financial Investment

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Investments in Equity Instruments-Unquoted</b>		
<b>Valued at Cost</b>		
<b>Investment in Wholly Owned Subsidiaries</b>		
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
<b>Valued at Fair value through other comprehensive income</b>		
5% Convertible Preference Shares 2875491 (PY: 2875491) of USD 1.0433 each fully paid up in Rigimmune. Inc.	20.13	22.99
<b>Investments in Limited liability partnership -Unquoted</b>		
<b>Valued at Fair value through other comprehensive income</b>		
ABCD Technologies LLP - Pofit/ loss Sharing & Voting Ratio 6.45%	29.72	40.62
<b>Valued at Fair value through Profit and Loss</b>		
Investment in Alternative Investment Equity Fund (Unquoted) units 700,000 (PY: 700,000)	9.90	7.14
Investments in Promissory Note 6% - Rigimmune. Inc.	8.42	-
	<b>68.61</b>	<b>71.20</b>

### 5. Investment accounted for using Equity Method

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Investments in Equity Instruments-Unquoted</b>		
<b>Valued at Cost</b>		
<b>(i) Investment in Associates</b>		
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 Add: Share in Profit for the period	2.35	2.18
	(0.13)	0.17
	<b>2.23</b>	<b>2.35</b>
62,000 (PY: 62,000) equity shares of CHF 1 each fully paid up in Rhizen Pharmaceuticals SA (Including ₹14.18 Crores Good will) Add: Share in Profit / (loss) for the period Add: Impact of Foreign Currency translations	22.27	52.06
	(0.85)	(31.08)
	0.25	1.29
	<b>21.66</b>	<b>22.27</b>
<b>(ii) Investment in Joint Venture</b>		
34,297 (PY 34,297) equity shares of DZD 1000 each fully paid up representing 49% of equity in Alembic Mami SPA, Algeria Add: Provision for Impairment Loss	36.89	36.89
	(36.89)	(36.89)
	-	-
4,40,000 (PY 4,40,000) equity share of RMB 1 each fully paid up representing 44% of equity in SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd. Add: Impact of Foreign Currency translations	0.51	0.47
	0.01	0.04
	0.52	0.51
<b>Aggregate amount of unquoted Investments</b> (a+b+c+d)	<b>24.41</b>	<b>25.13</b>

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 6. Inventories (Basis of Valuation - Refer Note 2.07)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Raw Materials	375.54	383.27
Packing Materials	93.57	68.92
Work-in-Process	69.52	75.07
Finished Goods	886.11	796.10
Stock-in-trade	84.74	55.02
Goods in Transit - Finished Goods	81.26	52.60
Goods in Transit - Raw Materials	10.37	6.61
Stores and Spares	42.43	37.67
	<b>1,643.54</b>	<b>1,475.27</b>

**Note:**

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

### 7. Trade Receivables

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Unsecured, Considered good	1,024.84	1,046.40
Trade Receivables which have significant increase in credit Risk	35.59	28.42
Less Allowance for doubtful debts (expected credit loss allowance)	35.59	28.42
	-	-
(a+b)	<b>1,024.84</b>	<b>1,046.40</b>

**Note:**

Out of above Receivables of Alembic Pharmaceuticals Limited are hypothecated as security for working capital borrowings.

Refer Note 27 (8)I for related party receivables.

#### Trade Receivables Ageing

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Consider Good	939.13	76.29	6.67	1.82	0.33	0.59	1,024.84
- which have significant increase in credit risk	-	17.69	11.30	4.47	0.81	0.85	35.12
<b>Disputed Trade Receivables</b>							
- Consider Good	-	-	-	-	-	0.47	0.47
	<b>939.13</b>	<b>93.98</b>	<b>17.98</b>	<b>6.28</b>	<b>1.14</b>	<b>1.91</b>	<b>1,060.43</b>
Less: Expected Credit loss allowance							35.59
<b>As at 31<sup>st</sup> March, 2024</b>							<b>1,024.84</b>



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	Outstanding for following periods from due date of Payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Consider Good	964.49	73.92	6.06	1.39	0.02	0.53	1,046.40
- which have significant increase in credit risk	-	13.77	13.12	0.63	0.08	0.35	27.95
<b>Disputed Trade Receivables</b>							
- Consider Good	-	-	-	-	-	0.47	0.47
	<b>964.49</b>	<b>87.69</b>	<b>19.18</b>	<b>2.02</b>	<b>0.10</b>	<b>1.35</b>	<b>1,074.82</b>
Less: Expected Credit loss allowance							28.42
<b>As at 31<sup>st</sup> March, 2023</b>							<b>1,046.40</b>

### 8. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Balances with Banks	119.17	75.20
Cash on hand	1.04	0.28
	<b>120.21</b>	<b>75.48</b>

### 9. Bank Balances Other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Earmarked Balance with Bank</b>		
Unpaid Dividend	5.95	6.39
Margin Money Deposit	0.41	0.40
	<b>6.36</b>	<b>6.79</b>

### 10. Other Financial Assets (Current)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Security Deposits	10.96	9.85
Fair valuation of Foreign currency derivative contracts	3.09	-
Insurance Receivable (Refer Note 26(B))	6.72	-
	<b>20.77</b>	<b>9.85</b>

Refer Note 27(8)I for related party deposits

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 11. Other Current Assets (Unsecured, considered good)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Advance to Employees	6.88	4.95
Advance to Suppliers	58.29	53.50
Pre-paid Expense	50.05	55.32
Balances with Government Authorities	106.59	99.75
	<b>221.81</b>	<b>213.52</b>

### 12. Equity Share Capital

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Authorised</b>		
20,25,00,000 (PY 20,25,00,000) - Equity shares of ₹2/- each	<b>40.50</b>	<b>40.50</b>
<b>Shares issued, subscribed and fully paid</b>		
19,65,63,124 (PY 19,65,63,124) - Equity shares of ₹2/- each	39.31	39.31
	<b>39.31</b>	<b>39.31</b>

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

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	19,65,63,124	39.31	19,65,63,124	39.31
Issued, subscribed and paid up during the year	-	-	-	-
Outstanding at the end of the year	19,65,63,124	39.31	19,65,63,124	39.31

#### The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital

The Company is having only one class of shares i.e. Equity carrying a nominal value of ₹2/- per share. Every holder of the equity share of the Company is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

#### Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Numbers	% held	Numbers	% held
1 Alembic Limited	5,60,97,544	28.54%	5,60,97,544	28.54%
2 Nirayu Limited	7,00,35,435	35.63%	7,00,35,435	35.63%



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### Shareholding of Promoters

Sr. No	Promoter Name	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023		% Changes during the year
		No of Shares	% of Total Shares	No of Shares	% of Total Shares	
i	Chirayu Ramanbhai Amin	41,92,529	2.13%	42,42,529	2.16%	-1.18%
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%	5,60,97,544	28.54%	0.00%

### 13. Other Equity

(₹ in Crores)

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

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(a) General Reserve	0.24	0.24
(b) Securities Premium	748.39	748.39
(c) Retained Earnings	4,027.01	3,568.44
(d) Remeasurements of the net defined benefit plan through OCI	(27.18)	(25.66)
(e) Financial Instruments through OCI	(12.52)	0.57
(f) Debenture Redemption Reserve	-	-
(g) Foreign Currency Translation reserve	42.94	39.17
<b>Total Other Equity</b>	<b>4,778.89</b>	<b>4,331.16</b>

#### Nature and purpose of each Reserve

**General Reserve :** The reserve was created by transfer of a portion of the net profit.

**Debenture redemption reserve :** The company has created debenture redemption reserve out of the profits as prudent practice in accordance with erstwhile provision of Companies Act, 2013.

**Securities Premium :** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

**Foreign Currency Translation reserve :** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation Currency (i.e. INR) are recognised in the other comprehensive income and accumulated in foreign currency translation reserve.

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

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 14. Provisions (Non-Current)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Provision for Employee Benefits</b> (Refer Note 27(4))		
Provision for Gratuity	9.02	5.72
Provision for Leave benefits	57.05	50.27
<b>Provision for Non-Saleable return of goods</b> (Refer Note 27(13))	43.44	50.21
	<b>109.51</b>	<b>106.20</b>

### 15. Deferred Tax Liabilities / (Deferred Tax Assets) (Net)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Deferred Tax Liabilities</b>		
Depreciation a	131.28	83.14
<b>Deferred Tax Assets</b>		
Provision for Expected credit loss	2.38	0.77
MAT Credit Entitlement	169.81	125.90
Intangible Asset	-	0.62
Expenses claimed for tax purpose on payment basis	33.10	29.82
Others	95.64	49.03
b	300.92	206.15
(a-b)	<b>(169.64)</b>	<b>(123.01)</b>

### 16. Borrowings (Current)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
Working Capital Loan	100.04	165.07
First charge on Pari-Passu basis by hypothecation of current assets at interest rates below 10% repayable on demand		
<b>Unsecured</b>		
Working Capital Loan, Interest rates below 7.90%	230.41	370.79
<b>From Other Parties</b>		
<b>Unsecured</b>		
Commercial Paper - Carrying interest rates below 7.70%	100.00	100.00
	<b>430.45</b>	<b>635.87</b>



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 17. Trade Payables

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Due to Micro and Small Enterprises (Refer Note 27(12))	25.44	23.14
Others	710.20	656.67
	<b>735.64</b>	<b>679.80</b>

Refer Note 27 (8) I for related party payables.

#### Trade Payable Ageing

Particulars	Outstanding for following periods from Due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 Years	
<b>Undisputed trade payables</b>						
i) Micro, Small & Medium Enterprise	39.90	-	-	-	-	39.90
ii) Others	439.35	211.64	3.88	1.89	1.33	658.07
	<b>479.24</b>	<b>211.64</b>	<b>3.88</b>	<b>1.89</b>	<b>1.33</b>	<b>697.97</b>
iii) Unbilled Dues						37.67
<b>As at 31<sup>st</sup> March, 2024</b>						<b>735.64</b>
<b>Undisputed trade payables</b>						
i) Micro, Small & Medium Enterprise	44.27	0.76	-	-	-	45.03
ii) Others	435.16	141.77	3.97	3.35	0.13	584.38
	479.43	142.53	3.97	3.35	0.13	629.41
iii) Unbilled Dues						50.39
<b>As at 31<sup>st</sup> March, 2023</b>						<b>679.80</b>

### 18. Other Financial Liabilities

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Payables on purchase of property, plant and equipment	37.29	37.73
Interest accrued but not due on borrowings	0.88	0.27
Unpaid dividends	5.95	6.39
Trade Deposits	11.45	11.27
Unpaid / Unclaimed matured deposits and interest accrued thereon	-	0.01
Payables for Employee benefits	85.36	73.84
Fair valuation of Foreign currency contracts	-	19.22
CSR Expenses Payable	2.94	-
	<b>143.87</b>	<b>148.73</b>

Refer Note No27(8)I for related party payables.

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 19. Other Current Liabilities

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Statutory payable	44.20	45.92
Advance from Customers	15.76	39.62
	<b>59.95</b>	<b>85.54</b>

Refer Note No27(8)I for related party payables.

### 20. Provisions (Current)

(₹ in Crores)

Particulars		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Provision for Employee Benefits</b>	(Refer Note 27(4))		
Provision for Gratuity		17.00	15.00
Provision for Leave benefits		7.83	6.78
<b>Provision for Non-Saleable return of goods</b>	(Refer Note 27(13))	40.42	48.28
		<b>65.25</b>	<b>70.06</b>

### 21. Revenue from Operations

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Sale of products</b>		
- Domestic	2,435.21	2,302.12
- Exports	3,676.90	3,197.65
	<b>6,112.11</b>	<b>5,499.77</b>
<b>Other Operating Revenues</b>		
- Export Incentives	51.16	35.33
- Royalty	12.41	24.58
- Government Incentive	42.48	21.39
- Miscellaneous	10.46	71.55
	<b>6,228.63</b>	<b>5,652.62</b>



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 22. Other Income

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Dividend	0.01	0.00
Insurance Claims	1.98	1.38
Lease Rent Income	0.05	0.08
Profit /(Loss) on Sales of Assets	1.70	-
Profit On Sales Of Investment	1.63	0.61
Net gain arising on financial assets measured at fair value through profit or loss	2.76	0.14
Interest Income	2.09	0.33
Exchange Difference (net)	17.69	-
Miscellaneous income	0.40	0.19
	<b>28.31</b>	<b>2.74</b>

### 23. Cost of Material Consumed

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Raw materials and packing materials</b>		
Inventory at the beginning of the year	458.80	516.61
Add : Purchases	1,423.69	1,192.28
	<b>1,882.50</b>	<b>1,708.88</b>
Less : Inventory at the end of the year	479.48	458.80
	<b>1,403.01</b>	<b>1,250.08</b>

### Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Work in Process	69.52	75.07
Finished Goods	967.37	848.70
Stock-in-Trade	84.74	55.02
<b>Inventory at the end of the year</b>	<b>1,121.63</b>	<b>978.79</b>
Work in Process	75.07	88.68
Finished Goods	848.70	900.78
Stock-in-Trade	55.02	67.97
<b>Inventory at the beginning of the year</b>	<b>978.79</b>	<b>1,057.44</b>
(b-a)	<b>(142.84)</b>	<b>78.65</b>

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 24. Employee Benefits Expense

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Salaries and Wages	1,330.01	1,072.13
Contribution to Provident and Other funds	81.08	67.51
Staff welfare expense	35.20	29.49
	<b>1,446.29</b>	<b>1,169.13</b>

### 25. Other Expenses

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	217.46	263.44
Power and Fuel	173.37	151.54
Manufacturing and Labour Charges	68.16	50.90
Repairs and Maintenance		
Machinery	59.39	41.56
Buildings	7.38	6.36
Others	14.34	18.04
Freight and Forwarding Charges	264.35	271.29
Sales Promotion, Service Fees and Commission	732.53	681.01
Rates and Taxes	18.15	16.69
Insurance	20.87	19.12
Travelling Expense	201.71	171.30
Communication Expenses	83.97	73.65
Legal & Professional Fees	145.48	146.75
Payment to Auditors (Refer Note No.27(9))	1.65	1.53
Exchange Difference (net)	-	0.09
Bad Debts written off	2.86	6.35
Less : Bad Debts Provision Utilised	(0.73)	(0.30)
Provision for Doubtful Debts	5.36	-
Expenses on CSR Activities	16.13	21.58
Donation	5.04	10.39
Patent Filing & Registration Fees	54.01	63.59
External Research & Development	20.98	29.07
Loss /(Profit) on sale of property, plant and equipment (net)	-	4.70
Miscellaneous Expenses	21.44	17.65
	<b>2,133.90</b>	<b>2,066.33</b>



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 26. Exceptional Items (Net of Tax)

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. Impairment</b>		
a. Identified CWIP		
i) Write-off of Impaired Asset	473.56	676.87
ii) Provision for Impairment of Asset	(473.56)	473.56
<b>Sub-total [ i) + ii)]</b>	-	<b>1,150.43</b>
b. Deferred Tax Asset [due to Identified CWIP]	-	(124.77)
<b>Sub-total [ a) + b)]</b>	-	<b>1,025.66</b>
c. Withdrawal from General Reserve	-	(1,025.66)
	-	-

On commissioning of various new manufacturing facilities or part thereof, an identified CWIP ₹473.56 Crores for the year ended on 31<sup>st</sup> March, 2024 are being written off as exceptional items against the provision of impairment already created in the financial year 2022-23 by charging off ₹1025.66 Crores (₹676.87 Crores as written-off and ₹473.56 Crores as provision for impairment of assets net of deferred tax of ₹124.77 Crores) in the Statement of Profit and Loss and the equivalent amount was transferred from the General Reserve to the Statement of Profit and Loss and shown as exceptional items. There is no impact on the current period's profit.

### B. Sikkim Insurance claim

Due to flash floods in river Teesta on 4<sup>th</sup> October, 2023, the company's manufacturing operations at Sikkim had got disrupted. The Company has fully resumed its manufacturing operations of the said facility in the month of February 2024. The Company is adequately insured. The Company estimated and lodged an claim of ₹56.06 Crores upto March 2024. This claim comprises ₹5.92 Crores towards damages to Property, Plant and Equipment, ₹34.72 Crores for lost inventories and ₹15.42 Crores for restoration and other expenditure upto 31<sup>st</sup> March 2024. The Company has received, in the interim settlement, a reimbursement of ₹49.35 Crores upto 31<sup>st</sup> March, 2024 towards the Company's claim against above-referred items. Accordingly, the Company has recognised the losses, and restricted the claim receivable to the above extent as prudent practice and the same is disclosed as the exceptional item. The final accounting treatment will be done once the assessment of final loss is over and the claim in respect of final loss becomes receivable (Refer Note 10).

## 27. Other explanatory Notes to the Standalone Financial Statement

### 1. Earning Per Share (EPS)

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
a) Net Profit attributable to equity shareholders (₹ in Crores)	615.82	341.99
b) Weighted average numbers of equity shares	19,65,63,124	19,65,63,124
c) Basic and diluted Earnings per share -Before Exceptional Items (Face Value per share ₹2/- each)	31.33	17.40

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 2. Contingent Liabilities, Contingent Asset and Commitments (To The Extent Not Provided For) (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>i Estimated amount of contracts net of advances remaining to be executed on capital accounts and not provided for:</b>	128.52	208.73
<b>ii Contingent liabilities</b>		
(a) Letters of credit and Guarantees	40.69	106.72
(b) Liabilities Disputed in appeals filed with respect to Indirect tax	13.22	1.77
(c) Claims against the group not acknowledged as debt	0.35	0.35
(d) Export obligation against advance license	-	0.04
(e) Disputed liability in respect of Ministry of Industry, Department of Chemicals and Petrochemicals in respect of price of Rifampicin allowed in formulations and landed cost of import.	0.35	0.35
(f) Disputed cases under Industrial Dispute Act, 1947 and other forums.	Amount not ascertainable	Amount not ascertainable

### 3. Additional Information

For the year ended and As at 31<sup>st</sup> March, 2024

(₹ 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
<b>Parent :</b>								
Alembic Pharmaceuticals Limited	101.88%	4,908.91	108.23%	666.48	134.80%	(14.62)	107.75%	651.87
<b>Subsidiaries :</b>								
1. Indian: NA								
2. Foreign :								
- Alembic Global Holding SA	0.75%	36.17	2.06%	12.66	(2.84%)	0.31	2.14%	12.97



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

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	4.71%	226.86	8.30%	51.13	(27.35%)	2.97	8.94%	54.10
- Alembic Pharmaceuticals Chile Spa	(0.11%)	(5.40)	(1.01%)	(6.22)	(4.70%)	0.51	(0.94%)	(5.71)
- Alembic Pharmaceuticals S.A de C.V (Wholly owned subsidiary of Alembic Pharmaceuticals Limited )	0.00%	(0.23)	(0.04%)	(0.22)	0.10%	(0.01)	(0.0%)	(0.23)
<b>Associates :</b> (Investment as per the equity method)								
1. Indian : Incozen Therapeutics Pvt. Limited	(0.02)%	(0.77)	(0.02)%	(0.13)	Nil	Nil	(0.02)%	(0.13)
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Joint Venture:</b> (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	(7.2%)	(347.35)	(17.52%)	(107.89)	-	-	(17.83%)	(107.89)
	<b>100.00%</b>	<b>4,818.20</b>	<b>100.00%</b>	<b>615.82</b>	<b>100.00%</b>	<b>(10.84)</b>	<b>100.00%</b>	<b>604.98</b>

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

For the year ended and As at 31<sup>st</sup> March, 2023

(₹ in Crores)

Particulars	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent :</b>								
Alembic Pharmaceuticals Limited	101.00%	4,414.30	101.38%	346.73	(2.59%)	(0.35)	97.47%	346.38
<b>Subsidiaries :</b>								
1. Indian: NA								
2. Foreign :								
- Alembic Global Holding SA	0.53%	23.20	(13.41)%	(45.84)	12.31%	1.64	(12.44)%	(44.20)
- Alembic Pharmaceuticals, INC	3.95%	172.76	8.63%	29.52	87.86%	11.74	11.61%	41.26
- Alembic Pharmaceuticals Chile Spa (Wholly owned subsidiary of Alembic Pharmaceuticals Limited )	0.01%	0.31	(0.70)%	(2.41)	2.42%	0.32	(0.59)%	(2.09)
<b>Associates :</b>								
(Investment as per the equity method)								
1. Indian : Incozen Therapeutics Pvt. Limited	(0.01%)	(0.65)	0.05%	0.17	Nil	Nil	0.05%	0.17
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Joint Venture:</b>								
(As per proportionate consolidation / investment as per equity method)								
1. Indian : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Intercompany Elimination and Consolidation Adjustments	(5.48%)	(239.46)	4.05%	13.83	0.00%	-	3.89%	13.83
	<b>100.00%</b>	<b>4,370.47</b>	<b>100.00%</b>	<b>341.99</b>	<b>100.00%</b>	<b>13.37</b>	<b>100.00%</b>	<b>355.36</b>



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

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

- a) The following table sets out the funded status of the gratuity plan and the amounts recognized in the Group financial statements as at 31<sup>th</sup> March, 2024 (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>i) Change in present value of defined benefit obligation</b>		
Present Value of defined benefit obligation at the beginning of the year	105.10	95.29
Current service cost	17.00	14.35
Interest Cost	7.46	7.05
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	3.40	(3.57)
- Due to experience adjustments	4.18	2.53
Benefits paid	(14.62)	(10.55)
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>122.54</b>	<b>105.10</b>
<b>ii) Change in fair value of plan assets</b>		
Fair Value of plan assets at the beginning of the year	84.38	79.42
Expenses deducted from the fund		
- Interest Income	6.00	5.91
- Actuarial (losses) / gains	5.75	(1.75)
- Contributions paid by the employer	15.00	11.35
- Benefits paid from the fund	(14.62)	(10.55)
<b>Fair Value of plan assets at the end of the year</b>	<b>96.52</b>	<b>84.38</b>

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>iii) Net asset / (liability) recognized in the Balance Sheet</b>		
Present Value of defined benefit obligation at the end of the year	(122.54)	(105.10)
Fair Value of plan assets at the end of the year	96.52	84.38
Amount recognized in the balance sheet	(26.02)	(20.72)
Net Liability - non current	(9.02)	(5.72)
Net Liability - current	(17.00)	(15.00)

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>iv) Expense recognized in the statement of profit and loss for the year</b>		
Current service cost	17.00	14.35
Net interest cost	1.46	1.14
<b>Total expenses included in employee benefit expenses*</b>	<b>18.46</b>	<b>15.49</b>
* In PY ₹ 1.19 Crores Included in capital work in progress		
<b>v) Recognized in Other Comprehensive Income for the year</b>		
Actuarial changes arising from changes in financial assumptions	3.40	(3.57)
Actuarial changes arising from experience assumptions	4.18	2.53
Return on plan assets excluding amounts included in interest income	(5.75)	1.75
Recognized in other comprehensive income	1.84	0.71
<b>vi) Actuarial Assumptions</b>		
Rate of Discounting	7.10%	7.40%
Rate of Salary Increase	5.50%	5.50%
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)
<b>vii) Composition of the plan assets</b>		
Policy of insurance	100%	100%

### viii) Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Cash Flow	As at 31 <sup>st</sup> March, 2024
Year 1	23.58
Year 2	6.51
Year 3	8.25
Year 4	6.74
Year 5	6.79
Year 6 to Year 10 Cash flow	53.60
The future accrual is not considered in arriving at the above cash-flows.	
Expected Contribution for the Next year (₹ in Crores)	15.00
Average Outstanding Terms of obligation (years)	12.24



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

**ix) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions** (₹ in Crores)

Sensitivity Analysis	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Delta Effect of +0.5% Change in Rate of Discounting	116.95	100.29
Delta Effect of -0.5% Change in Rate of Discounting	128.60	110.32
Delta Effect of +0.5% Change in Rate of Salary Increase	128.67	110.39
Delta Effect of -0.5% Change in Rate of Salary Increase	116.85	100.18
Delta Effect of +101% Change in Rate of Employee Turnover	123.36	105.95
Delta Effect of -101% Change in Rate of Employee Turnover	121.66	104.19

**b) The following table sets out the non funded status of the Privilege Leave benefits and the amounts recognized in the Group financial statements as at 31<sup>th</sup> March, 2024**

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>i) Change in present value of defined benefit obligation</b>		
<b>Present Value of defined benefit obligation at the beginning of the year</b>	53.77	50.91
Current service cost	7.12	5.95
Interest Cost	3.81	3.77
Components of actuarial gain/losses on obligations:		
-Due to Change in financial assumptions	2.01	(2.16)
-Due to experience adjustments	4.71	5.65
Benefits paid	(10.11)	(10.35)
Present Value of defined benefit obligation at the end of the year	<b>61.31</b>	<b>53.77</b>
Present Value of defined benefit obligation of sick leave at the end of the year	<b>3.57</b>	<b>3.29</b>
	<b>64.88</b>	<b>57.06</b>

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ii) Net asset / (liability) recognized in the Balance Sheet</b>		
Amount recognized in the balance sheet	(64.88)	(57.06)
Net Liability - non current	(57.05)	(50.27)
Net Liability - current	(7.83)	(6.78)

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>iii) Expense recognized in the statement of profit and loss for the year*</b>		
Current service cost	7.12	5.95
Past service cost and loss/(gain) on		
Net interest cost	3.81	3.77
Net value of measurements on the obligation	6.73	3.49
<b>Total Charge to statement of profit and loss</b>	<b>17.65</b>	<b>13.21</b>
* ₹0.02 Crores (PY ₹0.52 Crores) Included in capital work in progress		
<b>iv) Actuarial Assumptions</b>		
Rate of Discounting	7.10%	7.40%
Rate of Salary Increase	5.50%	5.50%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

**v) Maturity profile of Defined Benefit Obligation** (₹ in Crores)

Cash Flow	As at 31 <sup>st</sup> March, 2024
Year 1	6.96
Year 2	3.18
Year 3	3.84
Year 4	3.41
Year 5	3.05
Year 6 to Year 10 Cash flow	8.20
The future accrual is not considered in arriving at the above cash-flows.	



# Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## vi) Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Crores)

Sensitivity Analysis	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Delta Effect of +0.5% Change in Rate of Discounting	57.64	50.77
Delta Effect of -0.5% Change in Rate of Discounting	64.54	56.82
Delta Effect of +0.5% Change in Rate of Salary Increase	64.58	56.86
Delta Effect of -0.5% Change in Rate of Salary Increase	57.58	50.71
Delta Effect of +0.5% Change in Rate of Employee Turnover	61.46	54.22
Delta Effect of -0.5% Change in Rate of Employee Turnover	60.38	53.07

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

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

### Major risk to the plan

- A. Actuarial Risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
- B. Investment Risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- C. Liquidity Risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.
- D. Market Risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

- 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. There is no such shortfall during the year and in the previous year. Contribution to Provident fund trust and Employee Provident Fund trust and ESIC ₹36.99 Crores (P.Y. ₹31.09 Crores).

### 6. Research and Development Expenses:

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Material Consumption	53.97	58.77
Employees Benefit Expenses	146.90	200.79
Utilities	18.83	23.10
Depreciation and Amortization Expense	36.36	100.10
Others	218.87	339.07
Research and Development Expenses (included in Profit and Loss)*	474.92	721.84

\* Included non-recurring non-cash Expenses ₹155.13 Crores in previous year.

### 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	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
a) API	1,246.22	1165.51
b) Formulations	4,982.41	4487.10
<b>Information about Geographical Areas</b>		
a) Revenue from External Customers		
In India	2,483.87	2313.67
Outside India	3,744.76	3338.95
b) Non-Current Assets		
In India	3,183.31	3120.93
Outside India	90.70	55.55
<b>Information about major customers</b>		
Consolidated Revenue – exceeding 10% from each single external customer.	NIL	NIL



# Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## 8. Disclosures in respect of Related Parties transactions

### A. Controlling Company: Nirayu Limited

### B. Associates:

1	Incozen Therapeutics Pvt. Ltd.	(Associate of Alembic Pharmaceuticals Limited)
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	(Associate of Alembic Global Holding SA)
3	Dahlia Therapeutics SA	(Subsidiary of Rhizen Pharmaceuticals AG)
4	Rhizen Pharmaceuticals Inc.	(Subsidiary of Rhizen Pharmaceuticals AG)

### C. Joint Ventures:

1	Alembic Mami SPA	(Joint venture of Alembic Global Holding SA)
2	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co. Ltd	(Joint venture of Alembic Global Holding SA)

### D. Other Related Parties:

1	Alembic Limited	8	Rakshak Services Pvt. Ltd.
2	Shreno Limited	9	Alembic City Limited
3	Paushak Limited	10	Shreno Engineering Ltd
4	Viramya Packlight LLP	11	Alembic Pharmaceuticals Limited Provident Fund
5	Bhailal Amin General Hospital	12	Alembic Pharmaceuticals Limited Superannuation Scheme
6	Alembic CSR Foundation	13	Alembic Pharmaceuticals Limited EGG5
7	Shreno Publications Limited		

### 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 (upto 1 <sup>st</sup> April, 2024)
6	Mr. Pranav Parikh	Non-Executive Director (upto 1 <sup>st</sup> April, 2024)
7	Mr. Paresh Saraiya	Non-Executive Director (upto 1 <sup>st</sup> April, 2024)
8	Ms. Archana Hingorani	Non-Executive Director
9	Mr. Ashok Barat	Non-Executive Director
10	Mr. Jai Diwanji	Non-Executive Director (w.e.f 5 <sup>th</sup> May, 2023)
11	Mr. Manish Kejriwal	Non-Executive Director (w.e.f 31 <sup>st</sup> March, 2024)
12	Mrs. Manisha Saraf	Company Secretary

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### G. Close Member of Key Management Personnel:

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

### H. Key Managerial Personnel Remuneration

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Short Term Employment Benefits	63.09	37.27
Post Employment Benefits	2.09	1.94
Other	1.36	0.93

### I. Transactions with Related parties:

During the year, the following transactions were carried out with related parties in the ordinary course of the business:

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>(a) Sale of Goods</b>		
<b>Associates</b>		
Incozen Therapeutics Pvt. Ltd.	0.04	-
Others	-	0.01
<b>Other Related Parties</b>		
Alembic Limited	0.06	0.22
Others	-	0.05
<b>(b) Purchase of Goods</b>		
<b>Other Related Parties</b>		
Shreno Publications Limited	50.95	43.31
Alembic Limited	6.84	4.71
Others	1.39	2.40
<b>(c) Reimbursement of expenses Paid</b>		
<b>Other Related Parties</b>		
Alembic Limited	5.42	4.27
<b>(d) Reimbursement of expenses Received</b>		
<b>Associates</b>		
Rhizen Pharmaceuticals AG	0.04	0.21
<b>Other Related Parties</b>		
Paushak Limited	0.96	0.58
<b>(e) Rent / Lease liability paid</b>		
<b>Other Related Parties</b>		



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Alembic Limited	11.47	9.91
Others	0.73	0.70
<b>(f) Receiving of Services</b>		
<b>Associates</b>		
Rhizen Pharmaceuticals AG	25.84	-
<b>Other Related Parties</b>		
Alembic Limited	19.42	14.38
Others	6.42	6.85
<b>(g) Purchase of Property, Plant and Equipment</b>		
<b>Other Related Parties</b>		
Shreno Engineering Ltd	5.13	17.41
Others	-	1.86
<b>(h) Sales of Property, Plant and Equipment</b>		
<b>Other Related Parties</b>		
Shreno Limited	0.11	-
<b>(i) Deposit Given</b>		
<b>Other Related Parties</b>		
Alembic Limited	0.48	-
Shreno Limited	0.08	-
<b>(j) Dividend Paid</b>		
<b>Controlling Company</b>	56.03	70.04
<b>Other Related Parties</b>		
Alembic Limited	44.88	56.10
Others	0.00	0.00
<b>Close Member of Key Management Personnel</b>	5.20	6.50
<b>Key Management Personnel</b>	4.97	6.56
<b>(k) CSR Contribution</b>		
<b>Other Related Parties</b>		
Alembic CSR Foundation	13.19	21.30
<b>(l) Post Retirement benefits</b>		
<b>Other Related Parties</b>		
Alembic Pharmaceuticals Limited Provident Fund	97.36	84.99
Alembic Pharmaceuticals Limited EGGs (Gratuity Fund)	15.00	11.43
Others	2.75	2.99
<b>(m) Remuneration</b>		
<b>Key Management Personnel</b>	66.55	40.13
<b>Close Member of Key Management Personnel</b>	8.28	8.03

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### J. Balance Outstanding as at the end of the year - Consider Good

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Receivables ( Unsecured)</b>		
Associates	0.04	-
Other Related Parties	2.48	-
<b>Payables</b>		
Key Management personnel	21.08	8.60
Associates	0.88	28.85
Other Related Parties	18.73	19.52
<b>Deposit Given (Unsecured)</b>		
Other Related Parties	3.35	2.78

### 9. Auditors Fees and Expenses

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>(a) Statutory Auditor:-</b>		
As Auditor	1.05	0.98
In Other Capacity:-		
(i) Other Services		
Limited Review	0.27	0.26
Others	0.07	0.06
(ii) Reimbursement of expenses	0.00	0.00
<b>(b) Tax Auditor:-</b>		
As Auditor	0.11	0.11
In Other Capacity:-		
Other Services	-	0.01
<b>(c) Cost Auditor:-</b>		
As Auditors	0.02	0.02
In Other Capacity:-		
(i) Other Services	0.06	0.04
(ii) Reimbursement of expenses	0.00	0.00
<b>(d) Secretarial Auditor:-</b>		
As Auditors		
Secretarial Audit Fee	0.07	0.06



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 10. Income Taxes

#### a. Income tax expense

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Current Tax</b>		
Current tax expense	65.81	4.20
<b>Deferred Tax</b>		
Decrease (increase) in deferred tax assets	(94.20)	(1.02)
(Decrease) increase in deferred tax liabilities	48.14	10.21
Total deferred tax expenses (benefit)	(46.06)	9.20
<b>Total Income tax expenses *</b>	<b>19.75</b>	<b>13.39</b>

\*This excludes tax benefit on other comprehensive income of ₹0.99 Crore (PY ₹ Nil Crores), reversal of DTA on intangibles against general reserve of ₹ Nil Crores (PY ₹0.21 Crores) and DTA impact on Identified CWIP ₹Nil (PY ₹124.77 Crores).

#### b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Profit before Income tax expense	632.80	385.50
Tax at the Indian Tax Rate*	110.56	67.36
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Effect of Deductible Tax Expense	(82.25)	(60.41)
Effect on account of overseas tax	29.25	4.20
Deferred tax	(46.06)	9.20
Others	8.25	(6.94)
<b>Income Tax Expense</b>	<b>19.75</b>	<b>13.39</b>

\*The company falls under the MAT provision of Indian Income Tax Act and the applicable Indian statutory tax rate for year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, is 17.472% .

#### c. Current tax (liabilities)/assets

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Opening balance	82.71	25.08
Income tax paid (net)	19.85	60.70
Current income tax payable for the year	(65.28)	(3.87)
Write back of income tax provision of earlier years	3.75	0.79
<b>Net current income tax asset/ (liability) at the end</b>	<b>41.03</b>	<b>82.71</b>
Current income tax asset at the end	41.03	82.71
Current income tax liability at the end	-	-

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### d. Unrecognised deferred tax assets

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

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Deductible temporary differences, net	110.79	161.59

During the year ended 31<sup>st</sup> March, 2024, the Company did not recognise deferred tax assets of ₹ 110.79 Crores on account of MAT credit entitlement, as the Company believes that utilization of same is not probable. The above MAT credit will expire at various dates ranging from 2032 through 2037.

### 11. Financial instruments

Category of Financial Instrument (₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	Fair value through other comprehensive income	Fair value through Profit and loss	Amortised cost	Fair value through other comprehensive income	Fair value through Profit and loss	Amortised cost
<b>Financial assets</b>						
Investment in Preference shares	20.13	-	0.45	22.99	-	0.45
Investments in Promissory Note	-	8.42	-	-	-	-
Investment in LLP	29.72	-	-	40.62	-	-
Investment in Alternative Investment Equity Fund	-	9.90	-	-	7.14	-
Trade Receivables	-	-	1,024.84	-	-	1,046.40
Cash and cash equivalents	-	-	120.21	-	-	75.48
Bank balances other than cash and cash equivalents	-	-	6.36	-	-	6.79
Derivatives not designated as Hedge	-	-	3.09	-	-	-
Others	-	-	17.68	-	-	9.85
<b>Total</b>	<b>49.84</b>	<b>18.32</b>	<b>1,172.62</b>	<b>63.61</b>	<b>7.14</b>	<b>1,138.98</b>
<b>Financial liabilities</b>						
Borrowings	-	-	430.45	-	-	635.87
Trade Payables	-	-	735.64	-	-	679.80
Other Financial liabilities	-	-	226.58	-	-	234.89
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,392.67</b>	<b>-</b>	<b>-</b>	<b>1,550.56</b>



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### Fair value measurement hierarchy

Particulars	As at 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Investment in Alternative Investment Equity Fund	-	9.90	-	-	7.14	-
Investments in Promissory Note	-	-	8.42	-	-	-
Investments in Preference share	-	-	20.13	-	-	22.99
Investments in LLP	-	-	29.72	-	-	40.62

Refer Note No 4,5,7,8,9,10,27(20),16,17,18.

**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.

- i) The Fair value of unquoted investment in Limited liability partnerships is arrived by CCM under market Approach and 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 31<sup>st</sup> December, 2023.

The following Table represent the changes in the Level 3 items (₹ in Crores)

As on 1 <sup>st</sup> April 2022	40.25
Gain / (losses) recognised in other comprehensive income	0.36
As on 31 <sup>st</sup> March 2023	40.62
Gain / (losses) recognised in other comprehensive income	(10.90)
<b>As on 31<sup>st</sup> March 2024</b>	<b>29.72</b>

- ii) The Fair value of unquoted investment in 5% Convertible Preference Shares of Rigimmune. Inc., is arrived by Income Approach-Discounted Cash Flow (DCF) method by external valuation agency.

As on 1 <sup>st</sup> April 2023	22.99
Gain / (losses) recognised in other comprehensive income	(2.86)
<b>As on 31<sup>st</sup> March 2024</b>	<b>20.13</b>

In the previous year due to insignificant change in fair valuation, transaction price is considered as fair value as at 31<sup>st</sup> March, 2023.

- iii) With respect of fair value of Investments in Promissory Note 6% - Rigimmune. Inc., transaction price is considered as fair value as at 31<sup>st</sup> March, 2024.

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 12. Disclosure required under Micro, Small and Medium Enterprise Development Act 2006

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), details are as below.

#### Total outstanding dues of Micro, Small and Medium Enterprises (₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
a The principal amount remaining unpaid to any supplier at the end of the year:	25.44	23.14
- Micro & Small enterprise		
- Medium enterprise	14.45	21.89
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	-	-
	<b>39.90</b>	<b>45.03</b>

### 13. Provision for Non-Saleable return of goods (₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	<b>98.49</b>	<b>89.54</b>
Increase during the year	24.27	50.21
Reduction during year	(38.90)	(41.26)
<b>Closing Balance</b>	<b>83.86</b>	<b>98.49</b>
Net (Liability) - non current	43.44	50.21
Net (Liability) - current	40.42	48.28
	<b>83.86</b>	<b>98.49</b>

14. The Donation includes political contributions of Rs 0.50 Crores (PY Rs 9.70 Crores) through Electoral Bond and Rs 4.00 Crores (PY Rs Nil) through Electoral Trust.

### 15. Disaggregation of revenue

The Group is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business Rs. 1246.22 Crores (PY Rs.1165.51 Crores) and Rs. 4982.41 Crores (PY Rs.4487.10 Crores) respectively, and considering Geographical business, revenue can be disaggregated as in India Rs.2483.87 Crores (PY Rs.2313.67 Crores) and outside India Rs. 3744.76 Crores (PY Rs.3338.95 Crores).



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 16. Capital - Work - in Progress (CWIP)

#### a) Aging 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 31 <sup>st</sup> March, 2024	227.34	109.76	48.86	138.41	524.36
Project In progress As at 31 <sup>st</sup> March, 2023	36.12	59.06	89.28	416.82	601.28

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

There is neither project which is temporarily suspended nor cost over run.

In the previous year Borrowing cost capitalised @ 8.88% Rs 1.13 Crores.

#### b) Other Intangible Assets

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Carrying Amount</b>	-	<b>239.37</b>
Addition	-	-
<b>Closing Gross Carrying Amount</b>	-	<b>239.37</b>
Accumulated Amortisation	-	182.99
Amortisation	-	56.38
<b>Closing Accumulated Amortisation</b>	-	<b>239.37</b>
<b>Net Carrying Amount</b>	-	-

### 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 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.

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crores)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Trade Receivables	1,024.84	1,046.40
Allowance for doubtful debts (expected credit loss allowance)	35.59	28.42
Percentage	3.5%	2.7%

### Reconciliation of loss allowance provision – Trade receivables

(₹ in Crores)

Loss allowance As at 1 <sup>st</sup> April, 2022	33.33
Changes in loss allowance	(4.91)
Loss allowance As at 31 <sup>st</sup> March, 2023	28.42
Changes in loss allowance	7.17
<b>Loss allowance As at 31<sup>st</sup> March, 2024</b>	<b>35.59</b>

### Cash and cash equivalents

As at the year end, the Group held cash and cash equivalents of ₹120.21 Crores (PY ₹75.48 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 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Non derivative						
Borrowings	430.45	-	430.45	635.87	-	635.87
Trade payables	728.55	7.09	735.64	672.35	7.45	679.80
Other financial liabilities	163.70	62.88	226.58	165.65	69.23	234.89



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 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 Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(₹ in Crores)

As at 31 <sup>st</sup> March, 2024	US Dollars	Euro	Others	Total
<b>Financial assets</b>				
Trade receivables (net)	998.71	65.87	71.24	1135.82
<b>Financial liabilities</b>				
Trade payables	116.96	9.05	2.36	128.38
As at 31 <sup>st</sup> March, 2023	US Dollars	Euro	Others	Total
<b>Financial assets</b>				
Trade receivables (net)	833.37	86.43	63.78	983.58
Cash and cash equivalents	0.12	-	-	0.12
<b>Financial liabilities</b>				
Trade payables	114.49	15.53	4.22	134.24

#### Sensitivity analysis

For the year ended For the year ended 31<sup>st</sup> March, 2024 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 ₹46.93 Crores (PY ₹39.50 Crores). A 5% strengthening of the Indian Rupee as compare to the respective major currencies would lead to an equal but opposite effect.

#### Interest rate risk and Exposure to interest rate risk

The Group has loan facilities on floating interest rate, which exposes the group to risk of changes in interest rates.

For the year ended 31<sup>st</sup> March, 2024 every 50 basis point decrease in the floating interest rate component applicable to its borrowings would decrease the Group's interest cost by approximately ₹1.65 (PY ₹2.68 Crores) on a yearly basis. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

#### Commodity rate risk

The Group's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies.

#### Other Risk

Since Group significantly dealing in regulatory market, continuous compliance of all manufacturing facilities is pre requisite, any adverse action by regulatory authority of the group's target market can adversely affect Group operation.

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### 18. Capital Management

The Group 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 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 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 ₹ 11/- per equity share i.e. 550% for the financial year 2023-24 as against dividend of ₹ 8/- per equity share i.e. 400% per equity share for financial year 2022-23.

### 19. Key Ratios

Particulars	Notes	2023-24	2022-23	% Change
<b>1. Current Ratio (in times)</b> (Current Asset / Current Liabilities)	6,7,8,9,10,27(10),11,16,27(20),17,18,19,20	2.12	1.78	19%
<b>2. Debt-Equity Ratio (in times)*</b> (Debt / Net Worth [Debt : Total Debt ( Short term + Long term) Net worth : Share Capital + Other Equity])	12,13,16	0.09	0.15	39%
<b>3. Debt Service Coverage Ratio (in times) #5*</b> (Profit Before Tax + Interest) / (Interest + schedule principal repayments of Long Term Debt)	16	12.24	2.23	450%
<b>4. Return on Equity Ratio #5</b> (Net Income / Average Shareholders' Equity)	12,13	13.40%	10.35%	30%
<b>5. Inventory Turnover (in times)</b> (Sale of products / Average WIP, FG and Stock in trade Inventory) Annualised	21,23	5.83	5.49	6%
<b>6. Trade Receivables turnover ratio (in times)</b> (Value of Sales and Service / Average Trade Receivables)	7,21	5.92	6.06	-2%
<b>7. Trade Payable Turnover Ratio (in times)</b> (All Purchase of Goods & Services / Average Trade Payable)	17,23,25	5.63	5.20	8%
<b>8. Net Capital Turnover Ratio (in times)</b> (Net Annual Sales / Average Working Capital)	21,6,7,8,9,10,27(10),11,16,27(20),17,18,19,20	4.30	4.68	-8%
<b>9. Net Profit Ratio <sup>5</sup></b> (Profit After Tax / Turnover)	21	9.89%	8.79%	12%



## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

Particulars	Notes	2023-24	2022-23	% Change
<b>10. Return on Capital Employed #<sup>5</sup></b> (Earning Before Interest and Tax /Capital Employed Capital Employed = Total Asset - Current liability)	27(10),3,27(16)(a),27(16) (b),4,5,15,6,7,8,9,10,11, 16,27(20),17,18,19,20	13.79%	12.32%	12%
<b>11. Return on Investment #<sup>5</sup></b> (Profit Before Tax/ Total Asset)	3, 27(16)(a), 27(16)(b), 4, 5,15,6, 7,8,9,10,27(10),11	9.80%	8.24%	19%
<b>12. Interest Service Coverage Ratio (in times) #<sup>5</sup></b> (Profit before tax+interest)/ Interest		12.24	10.91	12%
<b>13. Operating Margin <sup>5</sup></b> (EBITDA / Revenue from Operations)	3 & 27(16)(b),27(10),21	15.42%	13.77%	12%

<sup>5</sup> Ratios are calculated before non-cash non-recurring expenses as mentioned in Note No. 27(6)

Explanation for changes by more than 25% as compared to the preceding year

\* Repayment of debt.

# Higher profit compared to last year.

### 20. Lease

#### A) The following is the movement in lease liabilities

(₹ in Crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Opening Balance</b>	<b>86.16</b>	<b>87.11</b>
Additions	14.59	15.10
Derecognise	-	(1.46)
Finance cost accrued during the period	7.79	8.50
Payment of lease liabilities	(25.82)	(23.10)
<b>Closing Balance</b>	<b>82.71</b>	<b>86.16</b>

#### B) Maturity Analysis of Lease Liabilities

(₹ in Crores)

	31 <sup>st</sup> March 2024
<b>Maturity Analysis - Contractual undiscounted Cash Flows</b>	
Less than one year	26.37
One to five years	68.63
More than five years	6.81
<b>Total Undiscounted Lease Liabilities</b>	<b>101.81</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>	
Non Current	62.88
Current	19.83
<b>Total</b>	<b>82.71</b>

## Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

### C) Amount Recognized in the Statement of Profit & Loss

(₹ in Crores)

	For the year ended 31 <sup>st</sup> March, 2024
Interest on Lease Liabilities	7.69
Depreciation on Lease Asset	18.60

- D) The Group has obtained certain premises for its business operations under short-term leases or leases of low-value leases. These are generally not non-cancellable and are renewable by mutual consent on mutually agreeable terms. (Refer Note 25).

### 21. Relationship with Struck off Companies

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

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

Name of Struck off company	Balance outstanding	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Share Holder Name</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>
1. Unickon Fincap Private Limited	450.00	450.00
2. Vaishak Shares Limited	2.00	2.00
3. Synectic Management Services Pvt Ltd	2.00	2.00
4. Canny Securities Private Limited	300.00	300.00
5. Victor Properties Private Limited	-	2,290.00
<b>Trade Payable</b>	<b>₹ in Crores</b>	<b>₹ in Crores</b>
1. Advanced Micro Devices Private Limited	-	0.10
2. Subham Pharmachem Private Limited	-	0.20

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

### 23. 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 account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - vii The company holds all the title deeds of immovable properties in its name.
  - viii The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- 24.** The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

As per our report of even date

For **K C Mehta & Co LLP**

Chartered Accountants

Firm's Registration No. 106237W/W100829

**Vishal P. Doshi**

Partner

Membership No. 101533

Jamnagar : 9<sup>th</sup> May, 2024

**For and on behalf of the Board**

**Chirayu Amin**

Chairman & CEO

(DIN: 00242549)

Vadodara

**Archana Hingorani**

Director

(DIN: 00028037)

Mumbai

**R. K. Baheti**

Director - Finance & CFO

(DIN: 00332079)

Vadodara

**Manisha Saraf**

Company Secretary

Vadodara

9<sup>th</sup> May, 2024

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Part "A": Subsidiaries

		(₹ In Crores)													
Sr. No	Name of the subsidiary	Date of acquisition	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of shareholding
1	Alembic Global Holding SA	14.12.2007	USD	83.40	30.31	17.86	192.37	144.20	38.67	262.38	14.26	-	14.26	-	100
2	Alnova Pharmaceuticals SA	17.12.2012	USD	83.40	1.63	(0.42)	1.42	0.19	-	-	(0.12)	0.00	(0.12)	-	100
3	Alembic Pharmaceuticals Australia Pty Ltd	18.01.2013	AUD	54.09	4.38	(2.21)	2.17	-	-	-	(0.22)	-	(0.22)	-	100
4	Alembic Pharmaceuticals Canada Ltd	23.04.2014	CAD	61.25	0.06	(2.17)	0.63	2.73	-	-	0.53	-	0.53	-	100
5	Alembic Pharmaceuticals Europe Limited	23.08.2012	EUR	89.84	14.31	(10.62)	3.75	-	-	-	0.12	-	0.12	-	100
6	Alembic Pharmaceutical Inc.	18.06.2015	USD	83.40	31.15	299.92	1,410.37	1,079.31	104.25	1,644.93	67.93	18.63	49.30	-	100
7	Okner Realty LLC	31.10.2017	USD	83.40	8.22	(7.86)	0.77	0.29	-	-	3.88	-	3.88	-	100
8	Alembic Labs LLC (formerly known as Orit Laboratories LLC)	31.10.2017	USD	83.40	94.50	(95.50)	0.41	-	-	-	(1.75)	-	(1.75)	-	100
9	Alembic Pharmaceuticals Chile SpA	13.07.2022	CLP	0.09	2.40	(7.80)	24.37	29.76	2.40	6.49	(8.58)	(2.36)	(6.22)	-	100
10	Alembic Pharmaceuticals S.A de C.V	31.03.2023	MXP	5.03	-	(0.23)	0.79	1.02	-	-	(0.22)	-	(0.22)	-	99

#### Notes:

- Names of subsidiaries which are yet to commence operations - Alembic Pharmaceuticals S.A de C.V
- Names of subsidiaries which have been liquidated or sold during the year - Genius LLC, the subsidiary company is based out in Ukraine & a formal legal process for liquidation is yet to be initiated by the Parent Company.
- Reporting period for all the above subsidiaries is same as that of Holding company.



## Part "B": Associates And Joint Ventures

(₹ In Crores)

Sr. No	Name of Associates	Date of acquisition	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year	
				No.	Amount of Investment in Associates	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Incozen Therapeutics Pvt. Ltd.	29.10.2008	31.03.2024	10,00,000	3.00	50%	NA	NA	2.23	(0.13)	(0.13)
2	Rhizen Pharmaceuticals AG (Formerly known as Rhizen Pharmaceuticals SA)	06.11.2008	31.03.2024	62,000	15.38	50%	NA	NA	5.55	(0.61)	(0.61)
3	Dahlia Therapeutics SA	26.11.2014	31.03.2024	50,000	0.38	50%	NA	NA	(0.82)	(0.24)	(0.24)
4	Alembic Mami SPA	17.10.2014	31.03.2019	34,297	49.95	49%	NA	NA	(14.74)	-	-

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.

## For and on behalf of the Board

**Chirayu Amin**  
Chairman & CEO  
(DIN: 00242549)  
Vadodara  
9<sup>th</sup> May, 2024

**Archana Hingorani**  
Director  
(DIN: 00028037)  
Mumbai  
9<sup>th</sup> May, 2024

**R. K. Baheti**  
Director - Finance & CFO  
(DIN: 00332079)  
Vadodara  
9<sup>th</sup> May, 2024

**Manisha Saraf**  
Company Secretary  
Vadodara  
9<sup>th</sup> May, 2024

### Alembic Pharmaceuticals Limited

CIN: L24230GJ2010PLC061123

Regd. Office: Alembic Road, Vadodara - 390 003

Tel: +91 265 6637000

Website: [www.alembicpharmaceuticals.com](http://www.alembicpharmaceuticals.com) | E-mail: [apl.investors@alembic.co.in](mailto:apl.investors@alembic.co.in)

## Notice

Notice is hereby given that the **14<sup>th</sup> Annual General Meeting ("AGM")** of the Members of **Alembic Pharmaceuticals Limited** will be held on **Monday, the 22<sup>nd</sup> July, 2024 at 3:00 p.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Business

- To receive, consider and adopt:
  - the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the Reports of the Board of Directors and the Auditors thereon.
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the Reports of the Auditors thereon.
- To declare Dividend on equity shares for the financial year 2023-24.
- To appoint a Director in place of Mr. R. K. Baheti (DIN: 00332079), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

- Ratification of Remuneration to the Cost Auditors for the financial year 2024-25:**

**To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof), the remuneration payable to M/s. Diwanji & Co., Cost & Management Accountants having Firm Registration No. 000339, appointed by the Board of Directors of the Company to conduct the audit of the cost

records of the Company for the financial year 2024-25 amounting to ₹ 2.30 Lacs plus applicable tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

### NOTES:

- Pursuant to the General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020, 02/2021 dated 13<sup>th</sup> January, 2021, 19/2021 dated 8<sup>th</sup> December, 2021, 21/2021 dated 14<sup>th</sup> December, 2021, 02/2022 dated 5<sup>th</sup> May, 2022, 10/2022 dated 28<sup>th</sup> December, 2022 and 09/2023 dated 25<sup>th</sup> September, 2023 issued by the Ministry of Corporate Affairs ("MCA") and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October, 2023 issued by Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as the "Circulars"), companies are allowed to hold the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company will be held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- Since this AGM is being held through VC/OAVM, pursuant to the Circulars, physical attendance of the members has been dispensed with. **Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**
- In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those



- members whose E-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website at [www.alembicpharmaceuticals.com](http://www.alembicpharmaceuticals.com), website of stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  5. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to special business set out under Item no. 4 of the accompanying Notice is annexed hereto.
  6. The details of the Director seeking re-appointment at the AGM, pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of the Secretarial Standards on General Meetings (SS-2) and other applicable provisions, are provided in Annexure – A to this Notice.
  7. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send a request from their registered E-mail Id mentioning their name, DP ID and Client ID / Folio No., PAN and Mobile No. to the Company at [apl.investors@alembic.co.in](mailto:apl.investors@alembic.co.in).
  8. The Company has fixed Monday, 15<sup>th</sup> July, 2024 as the "record date" for determining the entitlement of Members to final dividend for the financial year ended 31<sup>st</sup> March, 2024, if approved at the AGM.
  9. The dividend when sanctioned will be made payable on or from 26<sup>th</sup> July, 2024, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be dispatched to the registered addresses. To avoid delay in receiving the dividend, members are requested to update their bank details by following the process mentioned at point no. 11 below.
  10. Please note that SEBI has mandated that the security holders holding securities in physical form, whose folio(s) do not have the prescribed KYC, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1<sup>st</sup> April 2024, only upon furnishing all the mentioned details. Therefore, Members holding shares in physical form are requested to update the prescribed details by completing the appropriate ISR forms with the Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. ("LI IPL" or "RTA") by Monday, 15<sup>th</sup> July, 2024, to ensure receipt of dividend.  
  
Relevant FAQs published by SEBI on its website can be viewed at the following link : [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)
  11. Process for registration/updation, pertaining to the name, postal address, E-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc:
    - i) In case shares are held in physical mode, members are requested to submit their service requests in the forms prescribed under SEBI Master Circular for Registrars to an Issue and Share Transfer Agents bearing no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May, 2024.  
  
The form(s) are available on the website of the Company at <https://www.alembicpharmaceuticals.com/investor-related-forms/> and on the website of LI IPL at <https://liiplweb.linkintime.co.in/KYC-downloads.html>.
    - ii) In case shares are held in electronic mode, members are requested to update the details with their respective Depository Participants.
  12. In accordance with the prevailing provisions of the Income Tax Act, 1961, the Company is required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Therefore, the members are requested to update their PAN to avoid deduction of tax at higher rate by complying with the

process mentioned

<https://liiplweb.linkintime.co.in/KYC-downloads.html>

Members are requested to visit the website of LI IPL and upload applicable documents such as Form 15G/15H, documents u/s. 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax Certificate at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> in order to enable the Company to determine the appropriate TDS withholding tax rate applicable.

13. As per the provisions of Section 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF"), a fund constituted by the Government of India under Section 125 of the Act.

Further, in accordance with the provisions of Section 124(6) of the Act and IEPF Rules, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to IEPF.

Members who have not claimed dividend for previous year(s) are requested to claim the same by approaching the Company or LI IPL.

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as under:

<b>Date of Declaration of Dividend</b>	<b>Dividend for Financial Year</b>	<b>Proposed Month and Year of Transfer to IEPF</b>
20 <sup>th</sup> July, 2017	2016-17	August, 2024
27 <sup>th</sup> July, 2018	2017-18	August, 2025
29 <sup>th</sup> July, 2019	2018-19	August, 2026
6 <sup>th</sup> March, 2020	2019-20 (Interim)	April, 2027
27 <sup>th</sup> July, 2021	2020-21	August, 2028
4 <sup>th</sup> August, 2022	2021-22 (Interim)	September, 2029
4 <sup>th</sup> August, 2023	2022-23	September, 2030

14. All the work related to share registry in terms of both physical and electronic, are being conducted

by LI IPL at "Geetakunj", 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara – 390015; Tel: +91 265 3566768; E-mail Id: [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). The members are requested to send their communication to the aforesaid address.

15. The Company has designated an exclusive E-mail Id: [apl.investors@alembic.co.in](mailto:apl.investors@alembic.co.in) for redressal of Shareholders'/Investors' complaints/grievances. In case you have any queries, complaints or grievances, then please write to us at the above mentioned E-mail Id.
16. Members may kindly note that in accordance with SEBI Master Circular for Online Resolution of Disputes in the Indian Securities Market bearing no. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated 31<sup>st</sup> July, 2023 (as amended from time to time), the Company has registered on the SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). SEBI has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity or its RTA and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the SMART ODR Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA). Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login> and the same can be accessed through Company's Website at <https://alembicpharmaceuticals.com/investor-relations>.
17. Pursuant to SEBI Master Circular for Registrars to an Issue and Share Transfer Agents bearing no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May, 2024, the Company shall issue the securities in dematerialized form only while processing the service request(s)



in the form(s) prescribed therein. The form(s) are available on the website of the Company at <https://alembicpharmaceuticals.com/investor-related-forms/> and on the website of LIPL at <https://liiplweb.linkintime.co.in/KYC-downloads.html>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

#### 18. **Voting through Electronic Means and Declaration of Results:**

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, 2015 and in terms of SEBI Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities bearing no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July, 2023 in relation to e-Voting facility provided by Listed Companies, the Company is pleased to provide its members the facility of casting votes electronically viz. "remote e-voting" (e-Voting from a place other than venue of the AGM), through the e-Voting services provided by NSDL on all the resolutions set forth in this Notice.

Mr. Chirayu Amin, Chairman & CEO of the Company and in his absence, Mr. Pranav Amin, Managing Director or Mr. R. K. Baheti, Director - Finance & CFO will declare the e-voting results based on the Scrutinizer's Report. The e-Voting results along with Scrutinizer's Report will be displayed on the:

- (i) Notice Board of the Company at its Registered Office;
- (ii) Company's website [www.alembicpharmaceuticals.com](http://www.alembicpharmaceuticals.com);
- (iii) NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com); and
- (iv) Stock exchanges' website [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

The instructions for casting your vote electronically are as under:

- i. The remote e-Voting period begins on Friday, the 19<sup>th</sup> July, 2024 (9:00 a.m. IST) and ends on Sunday, the 21<sup>st</sup> July, 2024 (5:00 p.m. IST). During this period, members of the Company, holding

shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, the 15<sup>th</sup> July, 2024 may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL thereafter.

- ii. The facility for electronic voting system ("e-voting"), shall also be made available at the AGM. The members attending the AGM, who have not cast their votes through remote e-voting, shall be able to exercise their voting rights at the AGM. The members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.
- iii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of this Notice and holding shares as of the cut-off date, may obtain the User ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if they are already registered with NSDL for remote e-voting then they can use their existing User ID and password for casting the vote.

In case of Individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of this Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode". A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

- iv. M/s. Samdani Shah & Kabra, Practicing Company Secretaries, Vadodara, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- v. The details of the process and manner for remote e-Voting and e-Voting during the AGM are as under:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and E-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method				
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App available on</b></p> <table border="1" data-bbox="523 1466 1062 1705"> <tr> <td data-bbox="523 1466 801 1520">  <b>App Store</b> </td> <td data-bbox="801 1466 1062 1520">  <b>Google Play</b> </td> </tr> <tr> <td data-bbox="523 1520 801 1705">  </td> <td data-bbox="801 1520 1062 1705">  </td> </tr> </table>	 <b>App Store</b>	 <b>Google Play</b>		
 <b>App Store</b>	 <b>Google Play</b>				
					



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user may use their existing myeasi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual AGM &amp; e-Voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at +91 22 48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member/Creditor’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your E-mail ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your E-mail ID. Trace the E-mail sent to you from NSDL in your mailbox. Open the E-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your E-mail ID is not registered, please follow steps mentioned in this Notice.
7. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:



- a) Click on “[Forgot User Details/Password?](#)” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) Click on “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name, your registered address and such other documents required by NSDL.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  9. Now, you will have to click on “Login” button.
  10. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN 128671” of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

- i. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to upload their Board Resolution/Authority Letter by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab on this screen or send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter authorizing person(s) to vote, through their registered E-mail Id to the Scrutinizer at [cssamdani@gmail.com](mailto:cssamdani@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com), atleast 48 hours before the meeting.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. In case of any queries/grievances connected with e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on +91 22 48867000 or send a request to Ms. Pallavi Mhatre: Sr. Manager at [evoting@nsdl.com](mailto:evoting@nsdl.com).

### **19. Instructions for members for attending the AGM through VC / OAVM:**

- i. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned above for access to NSDL

e-Voting system. After successful login, you can see link of VC/OAVM, placed under 'Join General Meeting' menu against company name. You are requested to click on VC/OAVM link placed under 'Join General Meeting' menu.

Members who do not have the User ID and password for e-Voting or have forgotten the User ID and password may retrieve the same by following the e-Voting instructions mentioned in this Notice.

- ii. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for members on first come first served basis.
- iii. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered E-mail Id mentioning their name, DP ID and Client ID/ Folio No., PAN, Mobile No. to the Company at [apl.investors@alembic.co.in](mailto:apl.investors@alembic.co.in) from 12<sup>th</sup> July, 2024 to 18<sup>th</sup> July, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Further, Members who would like to have their questions/queries responded to during the AGM, are requested to send

such questions/queries in advance within the aforesaid date, by following similar process as mentioned above. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

- iv. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL on [evoting@nsdl.com](mailto:evoting@nsdl.com) / +91 22 48867000.

#### **20. Recommendation to the Members:**

It is recommended to join the AGM through laptop for better experience. Members are requested to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their data network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

By Order of the Board,

**Manisha Saraf**  
Company Secretary

Date: 9<sup>th</sup> May, 2024  
Place: Vadodara



## Explanatory Statement as required under Section 102 of the Companies Act, 2013

### Item No. 4

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost records audited from a qualified Cost Accountant. The Board of Directors at its meeting held on 9<sup>th</sup> May, 2024, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Diwanji & Co., Cost & Management Accountants, to conduct the audit of the cost records of the Company for the financial year 2024-25.

In terms of the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the members of the Company.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors of the Company

for the financial year 2024-25 as set out in the resolution for aforesaid services to be rendered by them.

The Board of Directors recommends the resolution set forth at Item No. 4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution set forth at Item No. 4 of this Notice.

By Order of the Board,

**Manisha Saraf**  
Company Secretary

Date: 9<sup>th</sup> May, 2024

Place: Vadodara

**Annexure – A**

**Details of the Director seeking re-appointment at the AGM, pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of SS-2 and other applicable provisions are as under:**

<b>Name of the Director</b>	<b>Mr. R. K. Baheti</b>
Age	64 years
Qualifications	B. Com. (Hon.), FCA & FCS
Brief Resume	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.
Experience	42 years
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	On the same terms and condition as approved by the shareholders at the 11 <sup>th</sup> Annual General Meeting held on 27 <sup>th</sup> July, 2021.
Remuneration last drawn during the financial year 2023-24	Please refer Corporate Governance Report which is part of this Annual Report.
Nature of expertise in specific functional areas	Finance, Taxation & Management
Date of first appointment on to the Board	16 <sup>th</sup> June, 2010
Directorship in unlisted companies as on 9 <sup>th</sup> May, 2023	Nil
Name of the listed entities from which he resigned in the past three years	Nil
Chairmanship/Membership of Committees of other Board	Nil

For other details such as No. of Shares held in a Company as on the date of this Notice (including shareholding as a beneficial owner), Relationship with other Directors/Key Managerial Personnel of the Company, No. of Board Meeting(s) attended during the financial year 2023-24 and Directorship in Listed Companies as on 9<sup>th</sup> May, 2024, please refer Corporate Governance Report which is a part of this Annual Report.



