



Quality



Capability



Customer-centricity



Diversity

Our engines of growth

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Corporate Information

Auditors

Statutory auditor

M/s. K.S. Aiyar & Co.

Internal auditor

M/s. Ernst and Young LLP

Plant Address

Panelav

Village Panelav, PO Tajpura,
Near Baska, Taluka Halol,
Panchmahal - 389 350, Gujarat, India

Karkhadi

Village Karkhadi, Padra Taluka,
Vadodara - 331 440, Gujarat, India

Jarod

Plot 401, 406-408, 410-412, 415,
Halol Road, Jarod, Taluka Vaghodiya,
Vadodara - 391 510, Gujarat, India

Sikkim

Samardung Busty, Namthang South,
Sikkim - 737 132, India

Principle Banks

Axis Bank Limited

Bank of Baroda

BNP Paribas

Citibank N.A.

HDFC Bank Limited

IDBI Bank Limited

Standard Chartered Bank

The Hongkong and
Shanghai Banking
Corporation Limited

Yes Bank Limited

Rating

Long Term: Crisil AA+/stable

Short Term: Crisil A1+

Listing

BSE & NSE: APLLTD

Debenture Trustee

Axis Trustee Services Limited

Contact Person: Chief Operating Officer

Axis House, Wadia International Centre,

Pandurang Budhkar Marg,

Worli, Mumbai - 400 025

Tel. No.: +91 22 62300451

Fax No.: +91 22 43253000

Email Id: debenturetrustee@axistrustee.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Limited

B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank, Near
Radhakrishna Char Rasta,

Akota, Vadodara – 390 020

Tel: +91 265 2356573, 2356794

E-mail ID: vadodara@linkintime.co.in

Registered Office

Alembic Pharmaceuticals Limited

Alembic Road, Vadodara - 390 003

Tel: +91 265 2280550

Fax: +91 265 2282506

E-mail ID: apl.investors@alembic.co.in

Website: www.alembicpharmaceuticals.com

CIN: L24230GJ2010PLC061123



Who We Are

A legacy of innovation



We are a vertically integrated pharmaceutical company committed to deliver high-quality healthcare access to patients across the world.

Founded in 1907, our legacy dates back to over a century. We manufacture branded formulations, international generics and APIs for the global market. Headquartered in Vadodara, we have three R&D centres in Vadodara, Hyderabad and USA and five state-of-the-art manufacturing facilities (including Dermatology) in Gujarat and Sikkim to which we shall be adding three new plants i.e. oncology oral solids and injectibles, general injectibles, ophthalmic and new oral solid plant.

Having established a marketing and distribution office in the US in 2015, we have steadily improved our market share. Our key strengths include our advanced research and development capabilities, state-of-the-art manufacturing facilities and a diverse portfolio with a steady pipeline of specialty medicines.

Our manufacturing facilities are approved by regulatory authorities of many developed countries including the USFDA. Our domestic branded business are marketed through a marketing team of over 5,000 field colleagues and are well recognised by doctors and patients.



1 Research Centre Vadodara

2 Research Centre, Hyderabad

Key financial highlights of FY19

Total revenue

₹3,935
Crores

EBITDA

₹875
Crores

PAT

₹584
Crores

Market Cap

As on 31st March, 2019

₹10,138
Crores

EPS

₹31
per share



Our mission

To improve healthcare with innovation, commitment & trust.








Business Overview

Our value-creating businesses



International Generics

Products

Existing	Soon to be launched		
 Oral Solids Panelav	 Dermatology Karkhadi	 Oncology OSD* Panelav	 New Oral Solids** Jarod
	 General Injectables*** Karkhadi	 Ophthalmic*** Karkhadi	 Oncology Injectables*** Panelav

Manufacturing facilities

Panelav, Karkhadi, Jarod



GUJARAT

R&D facilities

Vadodara in Gujarat
Hyderabad in Telangana
New Jersey, USA

* ANDA filed in H2 FY19

** Expected PAS filing by H2 FY20

*** Expected ANDA filing by H2 FY20

54 products launched through the US front-end (9 launched in FY19)
USFDA approved Aleor Derma JV plant
Around 20 new launches planned in FY20

Total Revenue	ANDA filings in FY19	Total ANDA filings	Approvals received in FY19	Total approvals
₹1,782 Crores	29	161	16	89 (including 12 tentative approvals)

API

New filings
8 DMF
 applications











Total filings
100 DMF
 applications

Manufacturing facilities
Panelav, Karkhadi

Total revenue
₹771
 Crores

Domestic Branded Business

Therapies

- | | |
|--|--|
|  Cardiology |  Orthopaedic |
|  Anti-Diabetic |  Ophthalmology |
|  Gynaecology |  Nephro/Uro |
|  Gastrology |  Anti-Infective |
|  Dermatological |  Cold & Cough |

Our market share is 1.6% of the Indian Pharma space

93% new launches in specialty

5 brands in top 300

Brands
185
 14% of products in NLEM

Marketing divisions
17

Total revenue
₹1,382
 Crores

Marketing team
5,000+

Manufacturing facility
Sikkim

Highlights of FY19

Charting a growth story



1 Oncology plant, Panelav

2 R&D Centre (ORIT), NJ, USA

International Generics
business grew by

48%

₹ 1,782 Crores

Domestic branded
business grew by

9%

₹ 1,382 Crores

USA business grew by

40%

₹ 1,288 Crores

FDA compliant plants
(EIRs for all plants in place)

EROW business grew by

73%

₹ 494 Crores

API business grew by

18%

₹ 771 Crores



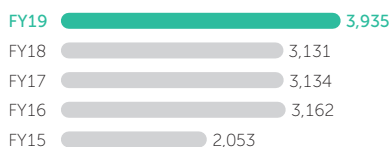
Key Performance Indicators

Creating consistent value

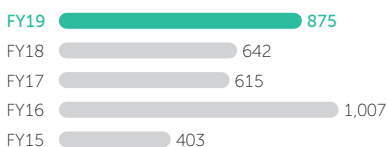


Profit and Loss

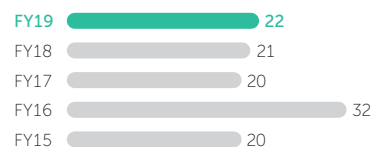
Revenue (₹ in Crores)



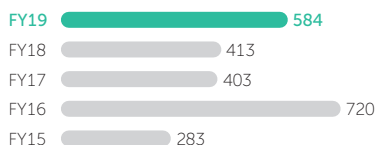
EBIDTA (₹ in Crores)



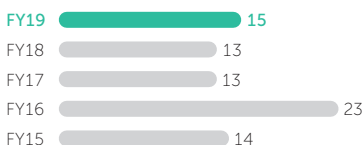
EBIDTA margin (%)



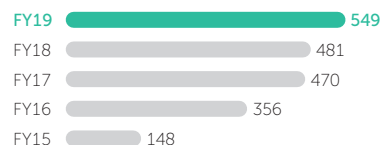
PAT (₹ in Crores)



PAT margin (%)

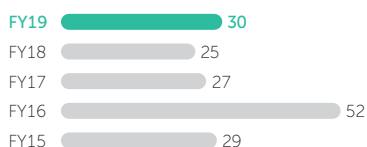


R&D spend (₹ in Crores)



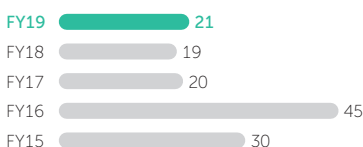
Balance Sheet

ROCE (%)*



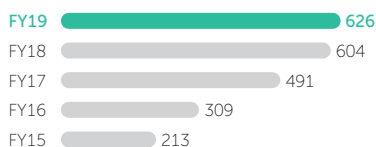
*Capital excluding new projects

ROE (%)**

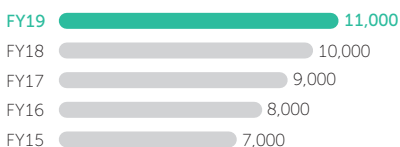


**Better product mix resulted in higher return on equity

Gross Capex spend (₹ in Crores)



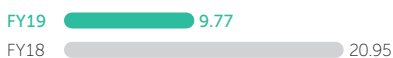
Total employees



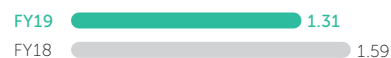
Debt equity ratio* (%)



Interest coverage ratio* (%)



Current ratio (%)



Operating margin ratio (%)



Debt turnover ratio (%)



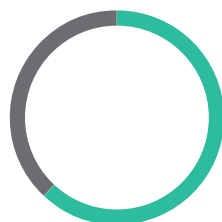
Inventory turnover ratio (%)



*There is a change of more than 25% in the debt equity ratio and interest coverage ratio due to increase in debt from ₹ 708 Crores in FY18 to ₹ 1129 Crores in FY19 to fund our capex programme.

Sales breakup (%)

Exports 62
Domestic 38



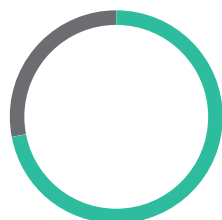
Business segment breakup (%)

IG 45
Branded 35
API 20



Revenue breakup (International generics) (%)

USA 72
Others 28



Domestic branded business – Therapy-wise breakup (%)

Chronic 68
Acute 32



Chairman's Message

We remain committed to customer satisfaction

Dear Shareholders,

I am delighted to write to you at the end of what has been a satisfying financial year for Alembic Pharmaceuticals Limited. Amid an uncertain global environment and challenging industry dynamics, we have continued to grow.

This encouraging performance has been supported by our commitment to quality, adherence to compliance, manufacturing excellence and strong supply chain capabilities.

The global pharmaceutical market is expected to exceed \$1.5 trillion by 2023 and the key growth drivers will continue to be the US and India. India's pharma spends are expected to increase to \$28-32 Billion by 2023. Last year, the Government of India launched the National Health Protection Scheme (NHPS), with a vision to provide insurance cover to an estimated 50 Crores individuals from

nearly 10 Crores poor and vulnerable families. With the government having spent half a Billion dollar as funding for the programme, the Finance Minister while presenting the Interim Budget raised the allocation for Ayushman Bharat scheme to ₹ 6,400 Crores for 2019-2020. This will further provide an impetus to the sector and help the patients with better access to medicines.

Currently, the domestic pharma industry contributes to over 4% to the gross domestic product (GDP), against the global average of 9%. However, this is going to improve in the next five years with the estimated rise in domestic pharma spends. Today, close to half a Million people are directly employed by the sector, making India the second highest skilled biotech workforce in the world after China. India is also one of the largest exporters to regulated pharma markets across the globe and Indian pharma firms contribute to over 20% of global generic business.

These positive trends bolster our commitment to ensure that no patient will be denied access to high-quality affordable medicine and medical support.

As an Indian pharma company with over 100 years of expertise, we have progressed on the path to providing high-quality products to patients globally. A strong domestic branded business and steady progress on building capabilities to provide a diversified offering to stable developed markets remain our competitive advantage. This provides us the window to leverage more growth opportunities.

Like the earlier years, we remain committed to strengthening our R&D capabilities, in FY19 our investment in R&D was around 13% of our total revenue. Our combined R&D strength today stands at 1,100 employees. This talent pool enables us to leverage our huge investments in manufacturing capabilities for general



As an Indian pharma company with over 100 years of expertise, we have progressed on the path to providing high-quality products to patients globally.

Chirayu Amin
Chairman and CEO

injectables, oncology injectables, oncology solids and ophthalmic.

This year we filed 29 Abbreviated New Drug Applications (ANDAs) in the US, which take our cumulative filings to 161 ANDAs. Our new launches in US during the fiscal were nine, reaffirming our promise of consistently offering innovative and differentiated products to our patients.

We are continuously investing in the Company's complex manufacturing capability and fortifying our supply chain management practises to achieve operational excellence. Our capacity expansion plan is on track. Our Indian formulations business added substantial prescriber base in FY19, reaffirming our brand's position.

Aleor, our joint venture for dermatology products, filed eight ANDAs in the fiscal and received two ANDA approvals. Coupled with a US front-end and a diversified product

portfolio with improving market share in the Indian market, your Company is on a steady path of growth and is inching closer to becoming a strong pharma player with a long-term growth vision both in the international and domestic market.

As a company with a rich legacy of serving the global pharma market, we remain focussed on complete compliance to regulatory norms and have integrated our human resources management processes to drive a culture of integrity.

Better access to affordable healthcare remains one of the biggest global challenges and at Alembic we are working towards meeting this global priority. Our efforts are underpinned by steady production of high-quality products, an agile supply chain and a proactive marketing team that leverages opportunities to reach more patients across geographies.

On behalf of the Board, I would like to express my heart-felt appreciation to our employees, our business partners and our wide stakeholder community for their guidance and support. I remain confident that we are well positioned to continue in our strategic direction; delivering sustainable value to all our stakeholders.

Best regards,

Chirayu Amin
Chairman and CEO

Management Message

Growing with integrity and business prudence

Our domestic branded business bounced back with a 9% growth.

Dear Shareholders,

In 2018, the global economy witnessed slowdown owing to the US-China trade dispute and deceleration across some developed economies.

Expanding market share

Despite global slowdown, the Indian industry registered a growth of 9.4% after having declined to an eight-year low of 5.5% in 2017. This growth was majorly driven by the declining impact of GST and other macro drivers like demonetisation, better purchasing power and the steady evolution of disease diagnosis. According to industry data, the growth drivers included therapeutic areas like anti-diabetes, cardiovascular, respiratory, and dermatology.

Our Indian branded business also recorded a rise in performance in both chronic and acute therapies and we closed the fiscal with revenue growth of 26% compared to previous year. We also improved our prescriber base and our specialty segment continued to improve its market share. Further, we launched 15 new brands (43 SKUs). The chronic therapy

portfolio is now at 68% while the products for acute therapy contributes 32% to branded business.

Growth momentum

The global pharma industry is seeing stability; though, competition continues to intensify and pose pressure on pricing. Moreover, with the implementation of Generic Drug User Fee Act (GDUFA), the pace of ANDA approvals by USFDA has improved significantly. However, despite certain challenges, your Company's international generics business recorded sales of ₹ 1,782 Crores and USA accounted 72% of sales at ₹ 1,288 Crores.

This growth was largely contributed by a short-term supply opportunity that we leveraged in the second quarter of the fiscal. Our agile and nimble supply chain and high-quality products helped us deliver the required quantities, ensuring quick turnaround and opening avenues to forge deeper relationships with our customers.

With the support of our front-end in the US and long-term relationships with key clients across the globe, our international generics business has been on an upward trajectory. Our US

front-end achieved its sales target of \$159 Million, with a growth of 40%.

The API business continues to grow and export to regulated markets across the globe and enjoys a premium owing to the quality of our products. We filed 8 DMFs during the year and our API plants underwent USFDA audit during the year and cleared without any 483 observations.

Future-ready capabilities

Our capacity building initiatives continued full throttle and our state-of-the art manufacturing facilities for the new oral solid plant, ophthalmic, general injectables, oncology OSD and injectables will be ready to file ANDAs in FY20.

The dermatology business shall start commercial production in FY20 for the US market. We are very enthused about this opportunity, as our dermatology facility has been designed to enable production of multiple dosage forms under a single roof. Our acquisition of Orit Laboratories LLC has further bolstered our capabilities in the US with a competent R&D team bringing complementary skill sets in soft gelatin based oral solids and oral liquids.



Pranav Amin
Managing Director

Shaunak Amin
Managing Director

Our Sikkim manufacturing facility which is dedicated to our domestic branded business ran to full capacity. We intend to increase capacity by investing online extensions and optimising production activities.

Quality at the core

Compliance to Good Manufacturing Practices (GMP) continues to remain a focus area for us. We are committed to act as a responsible business and it is our constant endeavour to strengthen our quality-control mechanisms. In FY19, we introduced several technological tools like Laboratory Information Management System (LIMS) and initiated Quality by Design (QBD) approach to conform to higher quality benchmarks.

Diversity that unites

As one of the leading pharma companies in the country, we continue to build and nurture our talent. We also undertook several employee training and development initiatives to incorporate integrity as a core ingredient of our work culture. Our passionate workforce is our biggest asset and we have introduced learning and development measures like the virtual training programmes to improve their efficiency. Our field force which

consists of over 5,000 employees, continues to enthusiastically work towards improving our domestic market presence. Our workforce is a combination of diverse skills, which provides us the necessary agility and acumen to respond to market dynamics.

Our associate Rhizen Pharmaceuticals SA has out licenced novel molecule (Umbralicib i.e. TGR 1202) to TG Therapeutics, USA and the recent clinical data is very robust.

The molecule is for the treatment of rare forms of blood cancer.

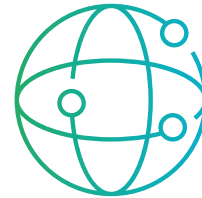
Best regards,

Pranav Amin and Shaunak Amin
Managing Directors

We would like to take this opportunity to express our gratitude to the Board, the management team, and every Alembian for their hard work and dedication to the Company. Our efforts have put us on a steady course in building Alembic as a global pharmaceutical company, ready to take on future challenges and opportunities.

Operational Review

International generics



Our flagship vertical, the business enables our presence across USA, Canada, Europe, Australia, South Africa and Brazil. As a growth strategy, we have aggressively started investing in the international generics market with successful ANDA and DMF filings. With additional capacities being built, the business aims to explore opportunities in the therapeutic areas such as Dermatology, Ophthalmology, Oncology and Injectable Formulations.

Key highlights for FY19

- International generics contributes ~45% to our revenues. In FY19, our revenues from this business improved to ₹ 1,782 Crores from ₹ 1,206 Crores in FY18.
- With our own US front end, we achieved sales above budget performance in FY19. Alongwith a 40% growth in sales, we reached a new high in selling more units that ever before. Our US operations contributed around 73% to our overall international generics business.
- Our international generics business now touches regulated geographies in the US, Europe, Canada, South Africa and Australia. Outside the US our formulations business has grown remarkably; and the major growth drivers have been new product launches, increase in the customer base and improved success rate in terms of tender applications especially in Europe.
- We are making steady progress on our multi year capex plan of ₹ 2,000 Crores and our manufacturing unit



for ophthalmology, general injectables, oncology injectables and oral solids for the US market and would be filing ANDAs in these product categories in second half of FY20.

- During the year, we launched 9 new products in the US which helped us lower our exposure to top five products. This was possible since we were able to spot opportunities.

- Our long-term focus of the business is to build a stronger product pipeline for the US market for which we are working hard and have been able to ramp up our research product pipeline from 45 to 235 plus products.

Risks and challenges

- The introduction of serialisation for identification of individual packs of medicine in the EU poses some manufacturing challenges as it needs specific IT infrastructure.
- As competition intensifies, it is imperative to focus on building better efficiencies in terms of supply-chain.
- The business remains exposed to risks arising out of currency movements, regulatory changes and geo-political events.

Priorities for future

- The business will focus on new launches across key markets and offer more value on existing products.
- It will continue building a strong team with a diverse set of skills and expertise to service the additional capacities being built for the future.

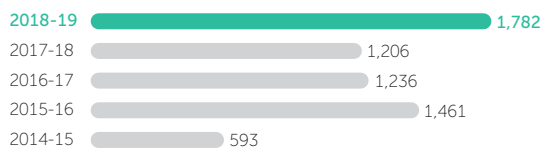
2



3



International generics sales (₹ in Crores)



- 1 General Injectables, Karkhadi
- 2 Aleor Dermaceutical Plant, Karkhadi
- 3 New Oral Solid Plant, Jarod

Operational Review

Domestic branded business



On the domestic front, we have an extensive range of branded and generic formulations which enjoy extensive market share. Currently, we have well-established brands under therapies like Cardiology, Anti Diabetic, Gynaecology, Gastrology, Dermatological, Orthopaedic, Ophthalmology, Nephro / Uro, Anti Infective and Cold & Cough.



1 Branded Formulations Plant, Sikkim

Key highlights of FY19

- After witnessing a slowdown in 2017, India's pharmaceutical market witnessed an upswing in 2018 and grew by 9.4%. Our branded business performance was in line with the market growth
- The vertical contributes ~35% to our revenues. In FY19, our revenues from this business improved to ₹ 1,382 from ₹ 1,274 Crores in FY18.
- The rise in revenue was driven by increasing our prescriber base from 1.68 Lakhs in March 18 to 1.79 Lakhs in March 19. We acquired customer in all major therapeutic segments and added a remarkable number in specialty segment.
- In the speciality segment, we maintain a strong focus on cardiology, diabetes, gynaecology and ophthalmology.
- The business is poised for growth with a strong field force, the right mix of products in its portfolio and more product launches including line extensions are in the offing.
- We have also increased the contribution of the chronic disease portfolio to 68%.
- Our large product portfolio comprises 185 products and are manufactured at our Sikkim facility.



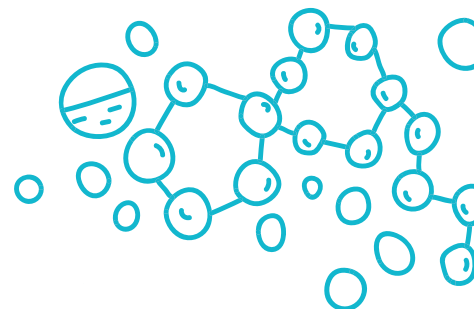
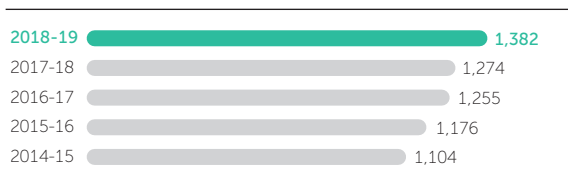
Risks and challenges

- India's drug price control regime is inconsistent in its implementation. The National List of Essential Medicines (NLEM) has drugs whose prices are decided by the government, but without any industry representation.
- With competition intensifying the business has to constantly focus on stronger outreach initiatives and a robust supply chain management to ensure the product is accessible across the country.

Priorities for future

- The business will continue to focus on maintaining product efficiency and consistently work towards meeting the medical needs of Indian population.
- We also aim to improve the productivity of our field force to further expand the customer base and make our products more accessible.

Branded business sales (₹ in Crores)



Financial Review

Continued financial discipline

During FY2018-19 our performance was impressive. Our US generics business grew better than expected and our domestic branded business grew in line with the industry growth.

In FY19, our revenue from operations on a consolidated basis amounted to ₹ 3,935 Crores vis-à-vis ₹ 3,131 Crores in FY18, recording a 14% CAGR over the last five years. The net profit after tax was recorded as ₹ 584 Crores compared to ₹ 413 Crores in the previous year. Our PAT has grown at a CAGR of 16% in the last five years.

EBITDA has grown at a CAGR of 17% over the last five years and was recorded at ₹ 875 Crores vis-à-vis

₹ 642 Crores in FY18. Average return on equity was 21% in the current year compared to 19% in the previous year. The Company's current market capitalisation stands at ₹ 10,138 Crores.

We have invested ₹ 626 Crores in FY19 towards capacity building initiatives and are geared for long-term growth opportunities. We have been able to maintain a reasonable debt profile and healthy cash inflows.

As a century-old company, we have consistently tried to achieve a stable and continuous increase in dividends based on the medium- to long-term growth prospects for consolidated earnings. For FY19, Alembic has proposed a dividend of ₹ 5.5 per share (275%).

We continued to strengthen our capabilities by investing close to 13% of revenues in R&D. This is going

to support our capacity building initiatives and help us reap benefits for the long-term. We have made steady progress in building a robust pipeline, strengthening capabilities and consolidating processes to build faster delivery.

Our concentrated efforts for cost reduction in key molecules helped us to win tenders in ROW markets and we grew the business by 73%.

We are further working on optimising batch sizes of large volume APIs which will translate into lower cost and better profitability in future.



We are able to maintain reasonable debt profile and healthy cash flows. Post FY21, lower capex intensity would drive further improvement in the Company's free cash flow generation.

Raj Kumar Baheti
Director – Finance and CFO

CFO commentary

In FY19, we continued to grow at a market-leading pace. This performance has been supported by the agility of our supply chain and quality excellence of our products. Moreover, we undertook several initiatives to optimise processes in our existing manufacturing units to improve production.

R&D investments remain a high priority for us; and we expect it to help us leverage the opportunity arising out of our capacity expansions.

We remain focussed on organic growth to drive sustainable value creation. In FY19, we concentrated our efforts in building market share for our established products and improving our product pipeline for the future.

We expect significant ramp up in the coming years in our USA international generics business backed by product launches from our new facilities.

Capital investment is expected to significantly come down from FY21 onwards since all new facilities will be commissioned. These facilities would be sufficient to address the Company's needs for the next 3-4 years. Lower capex intensity should drive improvement in the Company's free cash flow generation over next few years. The Company also maintained a strong Return on Equity (ROE) of over 20% despite significant increase in R&D spend and expects ROE to further improve once product commercialisation begins from new facilities.

The debt on our books is reasonable and we have undertaken several measures to create room for capitalising on future long-term growth opportunities. This is further validated by the fact that the short-term debt raised by the Company is rated A1+ and the long-term debt raise is rated AA+ by CRISIL. During the year we raised ₹ 500 Crores through NCD and locked ourselves at extremely attractive rate. Overall borrowing remains comfortable at 0.42 debt-equity ratio. Prudent financial management and protection of margins remain the focus area for the business.

Best regards,

Raj Kumar Baheti
Director – Finance and CFO

Megatrends

Our operating environment



As a global pharma company with an expanding footprint, we operate in a complex working environment. Our business remains exposed to dynamic shifts in technology, demographic trends, changes in healthcare budgets and an ever-changing regulatory environment.



1

Dynamic global economy

According to the World Economic Outlook by IMF, the global economic growth in 2018 is estimated to be around 3.7%. Going forward, the global growth is expected to slow further. Growth projections for the US remains unchanged at 2.5% and India, Japan and Sub-Saharan Africa are projected to grow to 6.3% and 3.5% respectively. Indian GDP is expected to grow at 7% in FY19.

Source: International Monetary Fund and Central Statistics Office

2

Demographic shifts

The global population (7.7 Billion) is expected to reach 8.5 Billion in 2030. More than half of the anticipated growth in global population is expected to be in Africa, with Asia being the second largest contributor to this growth.

Moreover, global ageing is expected to rise owing to improving life expectancy rates and declining fertility rates. The world population is projected to increase and reach 8.5 Billion in 2030 and increase further

to 9.7 Billion in 2050 and 11.2 Billion by 2100. Global fertility is projected to fall from 2.5 children per woman in 2010-2015 to 2.4 in 2025-2030. Number of persons aged 80 or over is projected to increase from 137 Million in 2017 to 425 Million in 2050 across the world.

Source: <https://www.un.org/en/sections/issues-depth/population/>

3

Serialisation requirements

Serialisation policy introduced by the EU region involves complex changes to manufacturing and overall distribution systems. It also requires pharma companies to be equipped with the necessary technology and expertise to meet the norms. All licenced drug products in the European Union ("EU") require serialisation from February 2019.

4

Growing pressure on pricing

The increasing demand for healthcare continues to be a burden for economies across the globe and their public healthcare systems. Many countries have introduced several measures requiring government to introduce measures to make medicines more accessible and affordable. In India, 851 medicines are regulated under Government of India's National List of Essential Medicines, 2015.

source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=180915> and <https://www.healthissuesindia.com/2019/03/19/pharma-fears-over-jan-aushadhi/>

5

Prevalence of chronic diseases

The proliferation of chronic diseases is having serious repercussions in both developed and emerging countries. Obesity, cardiovascular diseases, hypertension and diabetes are now common. Going forward, growing health hazards will challenge public health systems to meet the increasing demand for drugs and treatments.

Quality

The cornerstone of our growth

(Read more on page 24)



Capability

Growing impact

(Read more on page 25)



Our engines of growth

Reaching patients with safe and impactful medical solutions is the Company's focus. We are able to fulfill this commitment due to our growth engines.





Customer-centricity

Driving accessibility and reach

(Read more on page 26)



Diversity

A rich mix for growth

(Read more on page 27)



Quality

The cornerstone of our growth

At Alembic, we aim to serve our stakeholders through product quality, absolute compliance with regulations and production excellence. Over the years, we have driven initiatives that has created a work culture that is focussed on quality.

At the organisational level, we have developed a two-pronged approach to quality control that touches upon human expertise and process efficiency.

Training our people

In the last fiscal, we developed several modules to train our workforce across functions to integrate quality processes in day-to-day operations. We have setup a new training lab which reinforces Good Manufacturing Practice (GMP) amongst employees.

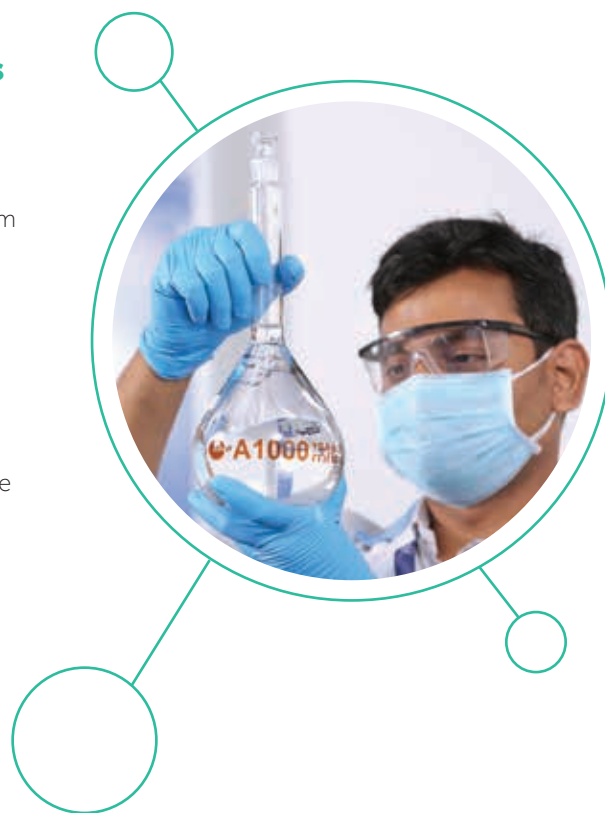
Our talent is also being guided to maintain documentation and provided with need-based technical trainings to understand working with equipment and machines.

A few years back we witnessed high attrition, which is a hurdle when it comes to maintaining high quality standards. However, we launched clear employee engagement initiatives and outlined steady career path, which helped in retaining talent and bring the attrition rate down.

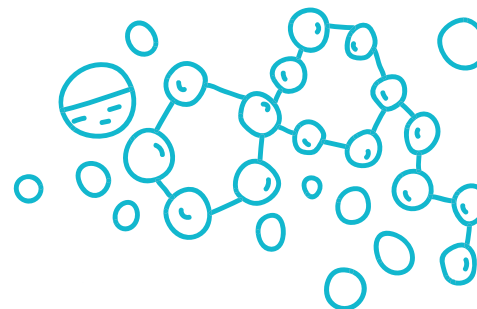
Manufacturing sites with quality standards

We have extensively invested in upgrading our facilities and driven paperless operations. We implemented Laboratory Information Management System (LIMS) in our plants. This has enabled seamless workflow and data tracking support. The system has improved efficiency and enhanced enterprise resource planning.

We have also launched the Quality by Design (QbD) initiative to enhance the assurance of safe, effective drug supply to the consumer and significantly improve manufacturing quality performance.



In FY19, we successfully completed multiple inspections by various regulatory agencies of our plants. We continue to focus on maintaining a solid and sustainable quality compliance foundation, as well as making quality a priority beyond compliance.



Capability

Growing impact

On track expansion

In FY17, we expanded our capabilities to deliver a diverse portfolio to the US market. We have made steady progress in implementing a multi year capex plan of ₹2,000 Crores.

We intend to file ANDAs from ophthalmology, general injectables, oncology injectables and the oral solids plants with the US FDA by H2 FY20 and are geared up to meet these timelines.

We also strengthened production in our general oral solids manufacturing unit at Panelav by increasing capacity through equipment and systems addition. Our Aleor Dermaceuticals JV filed nine products in the year and is expected to launch its first product in the US.

Our plan is clearly focussed on building capacities, ramping up pipelines and adequately prioritising portfolio expansion in line with patient needs.

R&D strength

Drug Research and Development (R&D) is at the heart of every pharmaceutical company and Alembic is no different. Our team of 1,100 R&D employees determinedly work towards finding innovative solutions to meet patient needs across the globe.

In FY19, we spent around 13% of our topline on R&D and the team boasts of expertise across various dosage forms. Our sustained efforts to fortify our research capabilities has led to a pipeline of 235 products which are under development.

International generics

Location	Form	ANDA filing by
Jarod	General oral solids	PAS to be filed by H2 FY20
Panelav	Oncology oral solids	ANDA filed in H2 FY19
	Oncology injectables	H2 FY20
Karkhadi	General injectables	H2 FY20
	Ophthalmic	H2 FY20
Dermatology JV	Ointment, Shampoo, Tube	First product from plant to be launched in H1 FY20

Domestic branded business

Location	Form
Sikkim	Oral solids and liquid dosage

API

Panelav, Karkhadi

The enhanced competence has also resulted in our filing an average of 25 products every year in the US, and we aim to ramp up this in the future.

Among the highest investment in R&D within the Industry
13%
of topline

235
products under development

1,100
R&D employees with diverse skillsets

Filed **29**
ANDAs

72
products await approval

Customer-centricity

Driving accessibility and reach

Agility and reach

In FY19, our US formulations business reflected the agility of our supply and helped us reach our customers at the right time. Thus, ensuring that we could capitalise on short-term market opportunities and leverage the same to build long-term partnerships.

With a well-established US front-end, we have been able to improve market share substantially this year. We have tremendous upside considering the capabilities we are building for the US market and we intend to fortify the same with the might of our supply-chain and the expertise of our team. A good supply chain helps protect margins and also provides us with some room to improve our pricing.

The branded business caters to around 1,75,000 doctors across 17 segments in India. This robust reach of our field force makes our products more accessible to patients across the country.

Stable growth in API business

Our advanced technology and expertise in the field of manufacturing API has enabled us to meet specifications as stated by our customers. In the last fiscal, our API business had grown and we are increasingly referred by our customers for quality products. We have also witnessed a substantial rise in repeat orders and to service the rise in orders we enhanced effective capacity from 400 metric tonnes to 800 metric tonnes. This was achieved through a combined effort of capex spend of around ₹ 300 Crores over the last couple of years and planning and optimising manufacturing processes. We have also autotomised many processes to reduce human intervention and contamination. The API business is on a steady growth path.



Our customer-centric strategy

Build a strong products pipeline

Continue launching new products

Strengthen supply chain with steady focus

Leverage new capacities to capitalise market conditions

Increase marketing goals and achieve them

Maintain execution excellence

Diversity

A rich mix for growth

An expansive portfolio

It has been our aim to improve healthcare by developing products that help patients lead a better life. Over the years, we have substantially fortified our product portfolio.

Today our domestic branded business has products across cardiology, anti-diabetic, gynaecology, gastrology, dermatological, orthopaedic, ophthalmology, nephrology/urology, anti-infective and cold & cough. Our specialty segment has yielded rich dividends and our large product portfolio has helped us maintain our market share. In FY19, we substantially improved our prescriber base in India, thus providing patients with accessibility.

In FY19, our capex plan was on track and we are equipped to manufacture products across various dosage forms.

Our engaged workforce

Our workforce including our senior leadership represent a diverse set of

experiences and opinions to help us achieve our goals and better understand the needs of patients across the globe.

Our commitment to integrity and inclusion begins at the top, with clear leadership from the Board and is embedded at every level of our business. We have consistently worked towards creating a truly inclusive work culture that celebrates and upholds diversity.

Our people management initiatives are focussed on customising knowledge-enhancement modules that cater to diverse needs of each business. We have driven a culture which is based on meritocracy and have a strong reward policy for talent that outshines their set responsibilities. Our HR policies have helped boost innovation and have provided opportunities to learn and grow. This has enabled our team of 11,000 plus employees to consistently contribute to Alembic's growth.



Total strength
11,130

Risk Management

Standing strong

Principal Risks

Quality risk

In case of discrepancies during packaging/ manufacturing, patient safety may be endangered due to failure of collection, review, follow up, or report adverse events from all potential sources.



- Constant quality enhancements across plants to comply with international standards
- Improvements incorporated throughout the organisation and team committed to quality standards and procedures

Mitigation Strategy

Regulatory & Compliance

An unfavourable facility inspection from any major regulatory body, leading to significant delay of product exports.



- Established a strong team of experts with domain expertise
- Robust quality system across the organisation to ensure complete compliance
- Effective training to all technical personnel

Competitive Dynamics

Adverse global and domestic demand-supply dynamics and unfair trade practices can pose competitive risks.



- Continuously monitor and evaluate the market development and competitive landscape
- Nimble supply chain to ensure products being delivered at the place of demand always in time

Currency risk

Our expenses and investments are primarily in Indian currency. However, revenues are spread out across various international currencies. Therefore, our income may be vulnerable to fluctuations in exchange rates.



- Established robust currency hedging strategy and execution capabilities to safeguard ourselves
- Constantly evaluating derivatives to address this concern



Environment, Health, Safety and Sustainability

Any shortcoming in compliance with Company policies on maintaining Environment, Health, Safety and Sustainability standards can erode the brand image and trust



- Greater focus and increased regulatory activity on environmental issues
- Stringent controls and governance framework enabling compliance

Temporary delay

Any delay in approval of new plants will lead to delay in launch of new products, resulting in revenue and opportunity loss



- Stringent monitoring of new plant activities for timely commissioning and completion of audits
- Built strong R&D expertise to leverage manufacturing opportunities on receiving approvals

Intellectual property

The Company may run the risk of running into litigation if company's products and processes infringe patent held by other manufacturers



- Created a vigilance mechanism via an IPR department to check for possible infringement of intellectual property rights of patent holders/innovators

Cyber security

Data protection is of utmost importance and lack of which can lead to tangible and intangible losses



- Strong cyber security infrastructure with a robust data protection policy
- Constant investment in upgrading skills of manpower and systems



Internal control systems and their adequacy

At Alembic, we maintain a system of well-established policies and procedures for internal control of operations and activities. We continuously strive to integrate the entire organisation from strategic support functions like finance, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. Adherence to statutory compliance is a key focus area for entire leadership team of the Company.

The Company had appointed Ernst & Young, LLP, as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

The enterprise-wide risk evaluation and validation process is carried out regularly by the Risk Management Committee and the Board of Directors.

To set the tone for the Company to attain effective and efficient internal control and documentation, we have already institutionalised a document management system for both core and strategic operations. Moreover, the Company has obtained ISO 9001 and ISO 14001 certifications and adheres to the standard operating procedures relevant to our manufacturing and operating activities.

Board of Directors

A team that inspires



1

Mr. Chirayu Amin
Chairman and CEO

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

2

Mr. Pranav Amin
Managing Director

Mr. Pranav Amin heads the International Business Unit of the Organisation. He joined in 2007 as a Director and was elevated to the position of Joint Managing Director in 2015. In April 2016, he took charge as a Managing Director. A graduate in Economics/Industrial Management from Carnegie Mellon University in Pittsburgh, USA, and MBA in International Management from Thunderbird, Arizona State, USA, he is a great people leader and leads his enterprise through involvement, empowerment, and autonomy. He is also a Trustee of Bhailal Amin General Hospital and Uday Education Society, a trust which runs four schools in Vadodara.

3

Mr. Shaunak Amin
Managing Director

Mr. Shaunak Amin has graduated from University of Massachusetts, USA, with Economics as his focus. He has varied work experience with renowned multinationals, including Merrill Lynch, Hong Kong and Shanghai Banking Corporation, etc. His extensive experience in Sales and Marketing has benefited the Company immensely in achieving new heights in sales.

4

Mr. Raj Kumar Baheti
Director - Finance and Chief Financial Officer

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

5

Mr. K.G. Ramanathan
Independent Director

Mr. K.G. Ramanathan is a postgraduate in Physics from University of Madras and is a retired IAS Officer. He has worked in senior administrative positions with the Government of Gujarat and Government of India. He has wide industrial experience particularly in the fields of fertilisers, chemicals and petrochemicals. Before his retirement from government service, he was the Chairman and Managing Director of Indian Petrochemicals Corporation Limited (IPCL). He is the President of Chemical and Petrochemical Manufacturers Association of India. He is also the founder President of Indian Centre for Plastics in the Environment (ICPE).

6

Mr. Pranav Parikh
Independent Director

Mr. Pranav Parikh is a Commerce graduate and has done Business Administration Program from Harvard University, USA. He is an industrialist and is the Chairman of TechNova Imaging Systems (P) Ltd. and Director of Lemuir Group of Companies. He has vast experience as an industrialist and has been an active participant in various industrial fora and organisations.

7

Dr. Archana Hingorani
Independent Director

Dr. Archana Niranjani Hingorani holds a bachelor's degree in arts from the University of Mumbai, a master's degree in business administration from the Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She has been the recipient of various awards such as 'Ten most influential women in private real estate investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today. She has over 32 years' experience in the financial services business, teaching and research.

8

Mr. Paresh Saraiya
Independent Director

Mr. Paresh Saraiya is a senior business leader with over four decades of rich and diverse experience in technical, commercial, corporate leadership, entrepreneurship and corporate governance. He is a graduate in Mechanical Engineering and has undergone various Management Development Programmes. He started his career with Transpek Industry Limited (TIL), and later assumed charge as Managing Director of Transpek Silox Industry Pvt. Ltd. (TSIPL) in 2001. He has held key positions in trade bodies such as Federation of Gujarat Industries (FGI) - Vadodara, CII - Western Region and Gujarat Safety Council.

People with Purpose

United by purpose



At Alembic, we believe that people embody our most fundamental asset. It is our endeavour to offer a fair, transparent and merit-based working environment, which promotes constant learning, individual and organisational development. During 2018-19, the Company inducted additional 3,797 employees. The dedication and expertise of our team has helped us chart a steady growth path. In FY19, we carried out a number of initiatives to develop and engage our workforce.



10,500

Alembians ran together



Learning & Organisation Development

We continued our efforts to drive training and development of our employees. In keeping with the Company's requirements, our people management initiatives were focussed on customising knowledge-

enhancement modules that cater to diverse needs of each business. We launched a Virtual Training Programme designed to enhance practical training solutions and The Oratory Club to enhance and upgrade 'effective communication skills' among our employees. The club

provides a platform to understand, explore and enhance the various nuances of communication. Our 'Good-to-Excellent' programme helps us train, assess and select people for managerial posts from our existing talent-base.

Marathon

Vadodara International Marathon is one of the most awaited events in the city of Vadodara and this year also around 10,500 Alembians ran together on the streets of Vadodara, displaying their team spirit to the entire city. Our employees from the Mumbai corporate office also participated in a Marathon in November. Covering a distance of 5 kms, our team symbolised the zeal and spirit of brand Alembic.

Ratri Before Navratri

Alembic's Ratri before Navratri is a preamble to the Navratri festival. Held on the 9th of October 2018, the Navratri ground was packed to capacity with a turnout of over 35,000 participants. This event was organised exclusively for Alembians and their families and friends.

Technical trainings

Trainings were conducted at Alembic Research Centre by external faculties on understanding various issues and its impact on the pharmaceutical business. External trainings were conducted on Job Safety Analysis, Technical Reporting Writing, Applied Pharma Analysis, Regulatory Compliances etc.

Long Service Awards

Long Service Awards (LSA) is Alembic's way to appreciate the dedication and hard work of the torchbearers of the organisation. In September 2018, the organisation felicitated, 25 employees who crossed milestones of 15, 20 and 25 years of association with the organisation.



Community Impact

Inspiring change



At Alembic, we believe in working together to build a better world. We believe that our position in the community makes us responsible for its well-being and progress. This belief has been a part of our operating system and regular community support and ethical business practices have made Alembic a brand that inspires trust.

In order to centralise our efforts, we have five focus areas through which we initiate various measures and programmes to reach to more and more people.



Education

District Level Teacher Training Programme, Chhota Udepur

For four consecutive years, we have been organising District Level Teacher Training to provide our teachers with educational tools.

Vikas Boys Hostel, Panchmahals

Alembic Foundation runs Vikas Boys Hostel at Panelav. The Hostel was established in the year 2011 with the enrolment of 25 students. At present, the hostel is home to 200 boys.



Skill Development

Vikas Talim Kendra, Panchmahals

Since 2011, Alembic has been overlooking the functioning of Vikas Talim Kendra. The centre has been providing vocational training for free of cost to the community members of 15 villages in and around Panelav plants.





Health

Free Paediatric Cancer Care Centre, Vadodara

The Alembic Foundation offers Free Cancer Care for all its patients in an effort to reduce the burden of this terrible disease. On World Cancer Day, 4th February, 2018, we also opened our newest initiative, a free Paediatric Cancer Care Centre for Children with Acute Lymphoblastic Leukaemia (ALL) at Bhailal Amin General Hospital (BAGH).

Highlights of FY19

- 3 children with ALL and 1 child with AML enrolled for a free 3 years' treatment
- 16 lives benefitted



Community Development

State Home for Women Adoption, Vadodara

State Home for Women is a Government residential home for orphan and destitute women. The Foundation initiated its work in FY19 with interventions to improve the basic amenities at the institution.

Highlights of FY19

- Renovated toilets
- 70 lives were benefitted by the project in 2018-19

Gram Sambandh Setu Programme, Panchmahals

The Foundation is working in 15 villages in and around the Panelav plants since last 40 years. Our efforts are concentrated on various focus areas like health, community development, education, skill development, etc.

Highlights of FY19

- 85+ farmers received training on organic farming at Anand Agriculture University and Amul Dairy
- 175 sapling planted to celebrate Environment Day at Panelav Primary School and Panelav Village



Employee Engagement

Spreading Smiles

Spreading Smiles is an initiative of Alembic CSR Foundation which focusses on integrating employees and their family members with the community. As part of this activity employees spend their weekends with marginalised groups and help them through various initiatives.



Board's Report

Dear Members,

Your Directors have pleasure in presenting their 9th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

1. Operations and State of Affairs of the Company:

Particulars	Standalone Basis		Consolidated Basis	
	2019	2018	2019	2018
₹ In Crores				
For the year ended 31st March				
Revenue from operation	3,660.27	2,945.26	3,934.68	3,130.81
Profit for the year before Interest, Depreciation and Tax	885.10	639.20	882.95	650.13
Less:				
Interest (net)	14.87	2.22	18.41	3.40
Depreciation	105.59	101.76	115.23	105.46
Provision for taxation	153.43	113.23	156.74	120.36
Share of (Profit) / Loss of Associates, Joint Venture	-	-	9.28	8.09
Non-controlling Interest	-	-	(1.08)	0.19
Net Profit for the year	611.21	421.99	584.37	412.63
Retained Earnings – Balance brought forward	919.76	691.58	937.00	718.18
Less:				
Other Comprehensive Income	1.90	3.06	1.92	3.06
Provision for Debenture Redemption	41.67	-	41.67	-
Dividend paid on Equity Shares during the year (for 2017-18)	75.41	75.41	75.41	75.41
Corporate Dividend Tax paid during the year (for 2017-18)	15.50	15.34	15.50	15.34
Transfer to General Reserve	100.00	100.00	100.00	100.00
Balance carried forward	1,296.49	919.76	1,286.87	937.00

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

Particulars	2019		2018	
₹ In Crores				
Formulations	India	1,382.32	1,273.83	
	International	1,782.20	1,206.38	
API	India	122.74	101.56	
	International	647.42	549.03	
Total		3,934.68	3,130.81	

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.

2. Transfer to Reserves:

An amount of ₹ 100 Crores from the net profits for the financial year under review is proposed to be carried to General Reserves.

3. Dividend:

Your Directors recommend Dividend on Equity Shares at ₹ 5.50 per equity share (i.e. 275%) of face value ₹ 2/- each for the financial year ended 31st March, 2019 as against ₹ 4.00 per equity share (i.e. 200%) for the financial year ended 31st March, 2018.

4. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in 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:

During the year under review, our facilities successfully faced multiple USFDA inspection. As on date, Establishment Inspection Report (EIR) is in place for all our USFDA facilities.

6. Issue of Debentures:

During the year under review, the Company has issued and allotted Unsecured Rated Listed Redeemable Non-Convertible Debentures of ₹ 500 Crores in multiple tranches. The proceeds from the said issues were used for refinancing of existing debts and other business requirements of the Company.

7. Subsidiaries, Associates and Joint Venture:

A statement containing the salient features of the financial statements of subsidiary / associates / joint venture companies, as per Section 129(3) of the Companies Act, 2013, are part of the consolidated financial statements.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.alembicpharmaceuticals.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company. Shareholders interested in obtaining a physical copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary requesting for the same.

8. Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shaunak Amin, Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The first term of office of Dr. Archana Hingorani as Independent Director will expire on 3rd February, 2020. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 8th May, 2019, has recommended her re-appointment as Independent Director of the Company for a second term of 5 (five) consecutive years, subject to the approval of the members by way of special resolution at the Annual General Meeting.

During the year under review, Mr. Milin Mehta, Independent Director resigned from the Board of the Company w.e.f. 22nd January, 2019 (close of working hours).

9. Key Managerial Personnel:

Mr. Chirayu Amin, Executive Chairman & CEO, Mr. Pranav Amin, Managing Director, Mr. Shaunak Amin, Managing Director, Mr. R. K. Baheti, Director - Finance & CFO and Mr. Charandeep Singh Saluja, Company Secretary are Key Managerial Personnel of the Company.

During the year, Mr. Charandeep Singh Saluja was appointed as Company Secretary and Compliance Officer of the Company in place of Mr. Ajay Kumar Desai w.e.f. 1st June, 2018.

10. Meetings of the Board:

Six (6) Board Meetings were held during the financial year ended 31st March, 2019. 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 Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

12. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The following were the Evaluation Criteria:

- a) For Independent Directors:
 - Knowledge and Skills
 - Professional conduct
 - Duties, Role and functions
 - Fulfillment of the Independence Criteria and her independence from the management
- b) For Executive Directors:
 - Performance as Team Leader / Member
 - Evaluating Business Opportunity and analysis of Risk Reward Scenarios

Board's Report Contd.

- Key Set Goals and Achievements
- Professional Conduct and Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

13. Audit Committee:

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

14. Vigil Mechanism:

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or Whistle-Blower Policy for directors, employees and other stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company.

15. Internal Control Systems:

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

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 Organisations focussing on three major areas – Education, Healthcare and Rural Development.

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31st March, 2019 in the format prescribed under Rule 9 of 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 Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) 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 Companies Act, 2013 is as under:

<https://www.alembicpharmaceuticals.com/wp-content/uploads/2019/05/Nomination-and-Remuneration-Policy.pdf>

The salient features of the NRC Policy are as under:

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

During the year, the Company has made changes in the policy to bring them in line with the amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. Dividend Distribution Policy:

In compliance with the requirements of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a Dividend Distribution Policy, which is annexed herewith as Annexure B and has been uploaded on the Company's website. The web-link for the same is as under:

<http://www.alembicpharmaceuticals.com/wp-content/uploads/2016/07/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 are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

<http://www.alembicpharmaceuticals.com/wp-content/uploads/2019/05/RPT-Policy.pdf>

20. Corporate Governance:

The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

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

21. Fixed Deposits:

As on 31st March, 2019, there were unclaimed deposits amounting to ₹ 0.05 Crore from 15 deposit holders which have been transferred to current liabilities. There has been no default in repayment of deposits or interest thereon. In the last 5 years, the Company has not accepted/renewed any deposits.

22. Listing of securities:

The Equity Shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with security ID/symbol of APLLT.D.

The Unsecured Rated Listed Redeemable Non-Convertible Debentures of the Company are listed on National Stock Exchange of India Limited (NSE) under separate security ID for each tranche.

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2019-20 have been paid.

23. Loans, Guarantees or Investments:

Details of Loans granted, Guarantees given or Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 is annexed herewith as Annexure C.

24. Auditors:

a) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. K. S. Aiyar & Co., Chartered Accountants, has been appointed as Statutory Auditors of the Company by the

members at their 4th Annual General Meeting held on 28th July, 2014 to hold office till the conclusion of Annual General Meeting ('AGM') for the FY 2018-19.

The Audit Committee and Board of Directors of the Company respectively at their meeting held on 8th May, 2019 proposed, subject to approval of the shareholders, the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants having Firm Registration No. 100186W as Statutory Auditors of the Company to hold office for their second term of only 1 (one) year i.e. from the conclusion of ensuing AGM till the conclusion of AGM for financial year 2019-20.

The Auditor's Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statement in this Annual Report.

b) Secretarial Auditors:

The Board of Directors of the Company appointed M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara, to conduct Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practising Company Secretaries for the financial year 2018-19, is annexed herewith as Annexure D.

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

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

c) Cost Auditors:

M/s. Diwanji & Co., Cost & Management Accountants, Vadodara, Cost Auditor of the Company has been appointed as Cost Auditor for conducting audit of the cost accounts maintained by the Company relating to Bulk Drugs and Formulations for the financial year 2019-20. The Company has made and maintained the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

d) Internal Auditors:

The Board of Directors appointed M/s. Ernst & Young LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2019-20.

Board's Report Contd.

25. Risk Management:

The Company has voluntarily 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. Directors' Responsibility Statement:

In terms of the provisions of Companies Act, 2013, the Directors state that:

- a) in preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies as listed in Note 2 to the financial statements and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2019 and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. Material Changes:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2019. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

28. Extracts of Annual Return:

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is annexed herewith as Annexure E and has been uploaded on the Company's website. The web-link as required under Companies Act, 2013 is as under:

<http://www.alembicpharmaceuticals.com/notices/correspondences/>

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

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure F.

30. Particulars of employees and related disclosures:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure G.

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

31. Details of Unclaimed Suspense Account:

Disclosure pertaining to Unclaimed Suspense Account as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as Annexure H. 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.

32. Other Disclosures:

- a) 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.

- b) Neither the Managing Director nor the Whole-time Directors of the Company have received any remuneration or commission from any of its subsidiaries.
- c) 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.
- d) No fraud has been reported by the Auditors to the Audit Committee or the Board.
- e) The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chairman & Chief Executive Officer
(DIN: 00242549)

Date: 8th May, 2019

Alembic Pharmaceuticals Limited
Regd. Office: Alembic Road, Vadodara - 390 003
Tel: +91 265-2280550 Fax: +91 265-2282506
Web: www.alembicpharmaceuticals.com
E-mail ID: apl.investors@alembic.co.in
CIN: L24230GJ2010PLC061123

Annexure A

Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

The Company's CSR Policy is in adherence to the updated Section 135 of the Companies Act, 2013 read with rules framed thereunder and provides for carrying out CSR activities in the area of Education, Healthcare, Rural Development, Sanitation, etc. through various 'Non-Profit Organisations', viz. Alembic CSR Foundation, Bhailal Amin General Hospital, Rural Development Society, Uday Education Society and others.

The CSR spend may be carried out by way of donation to the corpus of the above 'Non-Profit Organisations' or contribution towards some specific project being undertaken by any of the organisations or directly by the Company. The web-link for the CSR Policy of the Company is as under:

<https://www.alembicpharmaceuticals.com/wp-content/uploads/2019/05/CSR-Policy.pdf>

2. The Composition of CSR Committee:

Mr. Chirayu Amin	-	Chairman
Mr. K. G. Ramanathan	-	Member
Mr. Paresh Saraiya	-	Member

3. Average Net Profit of the Company for the last three financial years: ₹ 714.09 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 14.28 Crores

5. Details of CSR Spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ 14.28 Crores

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and District where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub-heads (1) Direct Expenditure on projects or (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency (IA)
1.	Adoption of School in tribal/ backward areas	Education	Across Gujarat	Multiple Programmes	Direct – ₹0.32 Crore	₹0.32 Crore	Through IA - Alembic CSR Foundation
2.	Community outreach programmes, school education development for students of school, run by Rural Development Society	Education	Panchmahal, Gujarat	Multiple Programmes	Direct – ₹ 2.10 Crores	₹ 2.10 Crores	-do-
3.	Training & Workshop to Childrens & Teachers	Education	Chhota Udepur & Panchmahal, Gujarat	Multiple Programmes	Direct – ₹ 0.05 Crore	₹ 0.05 Crore	-do-
4.	Contribution towards education facilities	Education	Vadodara, Gujarat & Sikkim	Single Program	Direct – ₹ 0.08 Crore	₹ 0.08 Crore	-do-
5.	Building of toilets and educating the community	Sanitation	Vadodara & Panchmahal, Gujarat	Multiple Programmes	Direct – ₹ 1.18 Crores	₹ 1.18 Crores	-do-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and District where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub-heads (1) Direct Expenditure on projects or programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency (IA)
6.	Adoption of Children's homes (orphans & social/ economically backward groups)	Promoting Equality	Vadodara, Gujarat	Multiple Programmes	Direct – ₹ 0.02 Crore	₹ 0.02 Crore	-do-
7.	Adoption of Government Institution for destitutes	Promoting Equality	Vadodara, Gujarat	Multiple Programmes	Direct – ₹ 0.04 Crore	₹ 0.04 Crore	-do-
8.	Village Development Programmes	Rural Development Projects	Vadodara (Karkhadi) & Panchmahal (Panelav), Gujarat	Multiple Programmes	Direct – ₹ 1.04 Crores	₹ 1.04 Crores	-do-
9.	Blood Transfusion Centre	Healthcare	Vadodara, Gujarat	Multiple Programmes	Direct – ₹ 0.30 Crore	₹ 0.30 Crore	-do-
10.	Cancer Care Centre	Healthcare	Vadodara, Gujarat	Multiple Programmes	Direct – ₹ 0.25 Crore	₹ 0.25 Crore	-do-
11.	Contribution towards medical assistance & treatment to socially & economically backward persons	Healthcare	Satna, Madhya Pradesh	Single Program	Direct – ₹ 0.02 Crore	₹ 0.02 Crore	-do-
12.	Contribution towards promotion and development of Arts and Handicrafts	Promotion and Development of Arts and Handicrafts	Vadodara, Panchmahal, Gujarat & Mumbai, Maharashtra	Multiple Programmes	Direct – ₹ 0.46 Crore	₹ 0.46 Crore	-do-
13.	Contribution towards sports promotion	Sports Promotion	Vadodara, Gujarat & Sikkim	Single Program	Direct – ₹ 0.31 Crore	₹ 0.31 Crore	-do-
14.	Contribution towards conservation of natural resources	Natural Resources	Sikkim	Single Program	Direct – ₹ 0.02 Crore	₹ 0.02 Crore	-do-
15.	Flood relief activities	Flood relief activities	Kerala	Single Program	Direct – ₹ 0.11 Crore	₹ 0.11 Crore	-do-
16.	Contribution towards industrial training program	Employment enhancing vocational skills	Panchmahal, Gujarat	Single Program	Direct – ₹ 0.04 Crore	₹ 0.04 Crore	-do-
17.	Contribution towards Women Empowerment	Education, training, awareness	Haridwar, Uttarakhand	Single Program	Direct – ₹ 0.05 Crore	₹ 0.05 Crore	-do-
18.	Contribution towards CSR activities	Various activities covered under Schedule VII of the Companies Act, 2013	Across India	Multiple Programmes	Direct – ₹ 7.89 Crores	₹ 7.89 Crores	-do-
Total					₹ 14.28 Crores	₹ 14.28 Crores	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report:

Not Applicable

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Signing both on behalf of the Company and the Committee,

Sd/-

Chirayu Amin

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

Annexure B

Dividend Distribution Policy

Policy Statement:

The Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The Company shall endeavour to maintain the Dividend Payout Ratio ranging generally between 20%-35% of the Profit after Tax on standalone financials. However, non-recurring profits arising out of one time opportunities will not be considered.

Scope:

The Policy set out herein relate to Equity Share Capital in accordance with the provisions of Section 43 of the Companies Act, 2013. While the Policy generally relate to Final Dividend, it also applies to Interim Dividend declared by the Board of Directors of the Company.

Objectives:

- a) To define the Policy and Procedures of the Company in relation to the calculation, declaration and settlement of Dividends.
- b) To create a transparent and methodological Dividend policy, clearly identified and promptly communicated to appropriate stakeholders.

Applicability and Effective Date:

This Policy shall be applicable to the Company with effect from 29th July, 2016.

Parameters / Factors to be considered:

Financial:

While recommending / declaring dividend, the Board will consider financial parameters, including but not limited to,

- (i) Operating results and overall financial position
- (ii) Working capital
- (iii) Capital expenditure requirement including for inorganic growth, if any
- (iv) Debt servicing requirements of the Company, its Subsidiaries, its Associates and Joint Ventures ('Group').

Internal and External:

While recommending/declaring Dividend, the Board will consider Internal and External Factors such as:

- (i) Possibility of earning consisting profit
- (ii) Global Market Conditions
- (iii) Tax Policy

Dividend Expectations:

The recommendation of Dividend will always be at the sole discretion of the Board. The Board will recommend and/or declare Dividend after reviewing this Policy keeping in mind the business environment and requirements of the Group.

The decision on whether to declare and pay Dividends will be a separate item of agenda at the AGM.

In case of sufficient reasonable profits, the Board may endeavour to declare Dividend in the Dividend Payout Ratio mentioned above. However, in case of the inadequacy of profits in any year, the Board may decide to conserve profits of the Company and utilise them for further business proposes or meeting business exigencies.

Utilisation of Retained Earnings:

The Company will endeavour to utilise Retained Earnings for business requirements including, but not limited to, working capital, investments, expansions, acquisitions, etc.

General Procedure:

- a) The Company's Board of Directors will be responsible for generating all resolutions on the declaration and payment of Dividends.
- b) The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.
- c) The resolution of the Board of Directors for Final Dividend shall be presented in the form of a recommendation to the Shareholders.
- d) The decision on whether to declare and pay Dividends shall be a separate item of agenda at the AGM.
- e) The decision on the Dividend amount payable and the payment procedure shall be made by the Board of Directors at a meeting where the resolution for distribution of the Company's net profit for the financial year is made by the directors and recommended to the Shareholders.
- f) Any declaration to pay Dividends may provide the following:
 - (i) The type and class of shares on which the Dividends have been declared;
 - (ii) The amount of Dividends per share of each type and class;
 - (iii) The period for payment; and
 - (iv) The form of payment.

Persons entitled to receive Dividends:

- a) The list of persons entitled to receive Dividends will be prepared by the Company's Registrar and Transfer Agent (RTA) in accordance with the record date determined by the Company for such purpose.
- b) Such list will include registered shares, and the persons on behalf of whom the nominal holders own the shares as on the record date.
- c) For the preparation of the list of persons entitled to receive Dividends, nominal shareholders will provide information on the persons for whom they hold shares.

Paying Declared Dividends:

- a) In case of Final Dividend, the date on which annual Dividends are paid will be determined by the Directors and mentioned in the Notice convening the AGM. The date of payment of interim dividends will be determined by the Board of Directors.
- b) No interest shall accrue on unclaimed Dividends.
- c) Any matters relating to the payment of Dividends and not governed by the Law, the Company's Articles of

Association and policies, will be decided by the Board of Directors in a manner, which takes into consideration and complies with the rights and legitimate interests of shareholders.

Board Approval:

The Board of Directors of the Company at its meeting held on 29th July, 2016 has approved Dividend Distribution Policy.

Policy Amendments:

The Authorised KMP's (Mr. Chirayu Amin, Chairman & CEO, Mr. Pranav Amin, Managing Director, Mr. Shaunak Amin, Managing Director, Mr. R. K. Baheti, Director – Finance & CFO and Mr. Ajay Kumar Desai, Sr. VP – Finance) may amend or modify this Policy in whole or in part, at any time.

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chairman & Chief Executive Officer
(DIN: 00242549)

Annexure C

Particulars of Loans granted, Guarantees given or Investments made by the Company

Nature of Transaction (whether loan/ guarantee/ investments)	Date of granting loans, giving guarantee or making investments	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired	Amount (₹ in Crores)	Purpose of loan/ guarantee/ investments
Investment in Secured Debentures	04.04.2018	Aleor Dermaceuticals Limited 5 th Floor, Administrative Building, Alembic Limited, Alembic Road, Vadodara - 390 003	15.00	Project under implementation / Research & Development
	30.04.2018		20.00	
Investment in Unsecured Debentures	06.06.2018		20.00	
	16.07.2018		30.00	
	24.08.2018		25.00	
	01.10.2018		30.00	
	03.12.2018		25.00	
	03.01.2019		30.00	
	22.03.2019		12.50	
Investments in liquid scheme of Mutual Fund ¹	12.11.2018	Reliance Nippon Life Asset Management Limited (Reliance Liquid Fund - Treasury Plan - Daily Dividend Option) and Reliance Centre, 7 th Floor South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400 055	20.00	
	25.11.2018		24.00	
	27.11.2018		65.00	
	02.12.2018		10.00	
	04.12.2018		18.00	
	13.12.2018		94.00	
	17.12.2018		20.00	
	20.12.2018		10.00	
	23.12.2018		10.00	
	01.01.2019		10.00	
	10.01.2019		130.00	
	07.01.2019		10.00	
	15.01.2019		45.00	
	20.01.2019		10.00	
	21.01.2019		35.00	
28.01.2019	10.00			
24.02.2019	40.00			
18.03.2019	20.00			
25.03.2019	50.00			
Investments in liquid scheme of Mutual Fund ¹	13.12.2018	Invesco Asset Management (India) Private Limited (Invesco India Liquid Fund - Direct Plan Growth) and Unit No. 2101 A, 21 st Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013	95.00	Temporary parking of surplus funds. Same is also redeemed within the year.
Investments in liquid scheme of Mutual Fund ¹	13.12.2018	Aditya Birla Sun Life Mutual Fund (Aditya Birla Sun Life Liquid Fund – Daily Dividend – Regular Plan) and One India Bulls Centre, Tower 1, 17 th Floor, Senapati Bapat Marg, Prabhadevi (West), Mumbai - 400 013	95.00	Temporary parking of surplus funds. Same is also redeemed within the year.

¹ The above stated investments are gross investments and are invested for short duration and redeemed thereafter.

Nature of Transaction (whether loan/ guarantee/ investments)	Date of granting loans, giving guarantee or making investments	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired	Amount USD Million	Purpose of loan/ guarantee/ investment
Guarantee	30.04.2018	Alembic Pharmaceuticals Inc., 750 Highway 202, Bridgewater, NJ 08807	5.00	To support step down subsidiary of the Company for its business requirements
Guarantees	10.07.2018 20.08.2018 17.12.2018	Alembic Global Holding SA (AGH), Rue Fritz – Courvoisier 40, 2300 La Chaux-de-Fonds, Switzerland	5.00 ¹ 5.00 ² 5.00	To support 100% subsidiary of the Company for its business requirements

¹ Outstanding borrowing by AGH against the said guarantee as on 31st March, 2019 is Nil.

² Outstanding borrowing by AGH against the said guarantee as on 31st March, 2019 is USD 2 Million.

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chairman & Chief Executive Officer
(DIN: 00242549)

Annexure D

Secretarial Audit Report

For the financial year ended 31st March, 2019

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Alembic Pharmaceuticals Limited (the 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 31st March, 2019, 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 Financial Year ended on 31st March, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) 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 Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi. Other sector specific laws as follows:
 - (a) Drugs and Cosmetics Act, 1940;
 - (b) The Narcotic Drugs and Psychotropic Substances Act, 1985;
 - (c) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
 - (d) The Drug Price Control Order, 2013;
 - (e) Food Safety and Standards Act, 2006.

We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 / 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 / 2018.

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) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. 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 period under review, 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. The Company, during the period under review, has issued and allotted Unsecured Rated Listed Redeemable Non-Convertible Debentures on Private Placement, aggregating to ₹ 500 crores in three tranches as per the terms of issue of respective tranche.

Sd/-

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677

CP No. 2863

Place: Vadodara

Date: 22nd April, 2019

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.

Annexure D Contd.

Appendix A

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

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. 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 and happening of events etc.
- iv. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677
CP No. 2863

Place: Vadodara
Date: 22nd April, 2019

Annexure E

Form No. MGT - 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L24230GJ2010PLC061123
ii)	Registration Date	16/06/2010
iii)	Name of the Company	Alembic Pharmaceuticals Limited
iv)	Category/Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered Office and Contact Details	Alembic Road, Vadodara - 390 003 Tel: +91 265 2280550 Fax: +91 265 2282506 Web: www.alembicpharmaceuticals.com E-mail ID: apl.investors@alembic.co.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited B - 102 & 103 Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Tel: +91 265 2356573, 2356794 E-mail ID: vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Pharmaceuticals	210 *	100%

* As per National Industrial Classification (NIC) 2008.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	CIN/GLN	% of shares held (%)	Applicable Section	
1.	Nirayu Private Limited	Holding	U51909GJ1971PTC098778	26.17 ¹	2(46)	
2.	Alembic Global Holding SA (AGH) Rue Fritz-Courvoisier 40 2300 La Chaux-de-Fonds, Switzerland.	Subsidiary	NA	100.00	2(87)(ii)	
3.	Alembic Pharmaceuticals Europe Limited 103 Palazzo Pietro Stiges, Triq id-Dejqa, Valletta VLT 1436, Malta.	Wholly Owned Subsidiaries of AGH	NA			
4.	Alembic Pharmaceuticals Inc. (AP Inc.) 750 Highway 202, Bridgewater, NJ 08807.		NA			
5.	Alembic Pharmaceuticals Canada Limited 12 York St. Suite 2904, Toronto ON M5J 0A9.		NA			
6.	Alembic Pharmaceuticals Australia Pty Limited 2 A Porter Road, Carnegie, VIC 3163, Australia.		NA			
7.	Alnova Pharmaceuticals SA Rue Fritz-Courvoisier 40, 2300 La Chaux-de-Fonds, Switzerland.		NA			
8.	Genius LLC 96 (N/P # 154) Koshitsa Str., Kyiv 02068.		NA			
9.	Orit Laboratories LLC 200 Fairfield Ave, West Caldwell NJ – 07006-6412.		Wholly Owned Subsidiaries of AP Inc.			NA
10.	Okner Realty LLC 200 Fairfield Ave, West Caldwell NJ – 07006-6412.					NA
11.	Aleor Dermaceuticals Limited 5 th Floor, Administrative Building, Alembic Limited, Alembic Road, Vadodara – 390 003.	Subsidiary	U24302GJ2016PLC092131			60.00

¹ Please refer note 27(7)(ii) of notes to standalone financial statements.

Annexure E Contd.

Sl. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	CIN/GLN	% of shares held (%)	Applicable Section
12.	Incozen Therapeutics Private Limited Lab 223, 224, 1 st Flr & 233,234 2 nd Flr, Block-2, Alexandria Knowledge Park, Turkapally, Shameerpet, Hyderabad - 500 078.	Associate	U24239TG2008PTC059967	50.00	2(6)
13.	Rhizen Pharmaceuticals SA (RPSA) Rue Fritz-Courvoisier 40, CH-2300 La Chaux-de-Fonds, Switzerland.	Associate of AGH	NA		
14.	Dahlia Therapeutics SA Rue Fritz-Courvoisier 40, CH-2300 La Chaux-de-Fonds, Switzerland.	Wholly Owned Subsidiaries of RPSA	NA		
15.	Rhizen Pharmaceuticals Inc. 500 W Office Center Dr #400, Fort Washington, PA 19034, USA.		NA		

IV. SHAREHOLDING PATTERN (Equity share Capital Break up as percentage of Total Equity):

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,06,70,955	-	1,06,70,955	5.66	96,63,975	-	96,63,975	5.13	(0.53)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	12,55,07,498	-	12,55,07,498	66.58	12,55,87,818	-	12,55,87,818	66.62	0.04
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...									
• LLP	900	-	900	0.00	900	-	900	0.00	-
• Trusts	12,99,400	-	12,99,400	0.69	12,99,400	-	12,99,400	0.69	-
Sub-total (A)(1):-	13,74,78,753	-	13,74,78,753	72.93	13,65,52,093	-	13,65,52,093	72.44	(0.49)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	10,06,980	-	10,06,980	0.53	0.53
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	13,74,78,753	-	13,74,78,753	72.93	13,75,59,073	-	13,75,59,073	72.97	0.04
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	90,86,820	-	90,86,820	4.82	96,95,449	-	96,95,449	5.14	0.32
b) Banks/FI	5,56,806	15,100	5,71,906	0.30	5,49,661	15,100	5,64,761	0.30	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs/FPI	1,72,69,110	-	1,72,69,110	9.16	1,79,05,412	-	1,79,05,412	9.50	0.34
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
• Alternate Investment Funds	71,621	-	71,621	0.04	71,621	-	71,621	0.04	-
• Foreign Bank	-	-	-	-	3,250	-	3,250	0.00	-
Sub-total (B) (1):-	2,69,84,357	15,100	2,69,99,457	14.32	2,82,25,393	15,100	2,82,40,493	14.98	0.66

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	21,93,119	11,250	22,04,369	1.17	18,65,083	10,500	18,75,583	0.99	(0.18)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals/HUF									
i) Individual	1,19,26,360	28,96,897	1,48,23,257	7.86	1,14,35,497	21,51,236	1,35,86,733	7.21	(0.65)
Shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual	50,88,315	-	50,88,315	2.70	50,55,313	-	50,55,313	2.68	(0.02)
shareholders holding nominal share capital in excess of ₹ 1 Lakh									
Hindu Undivided Family	4,30,035	-	4,30,035	0.23	4,59,870	-	4,59,870	0.24	0.01
c) Others (specify)									
i) Clearing Member	61,741	-	61,741	0.03	60,807	-	60,807	0.03	-
ii) Non-Resident Indians (NRI) – Repat.	2,27,518	-	2,27,518	0.12	1,67,937	-	1,67,937	0.09	(0.03)
iii) Non-Resident Indians (NRI) – Non-Repat.	4,10,739	1,825	4,12,564	0.22	3,07,371	1,675	3,09,046	0.16	(0.06)
iv) Trusts	8,947	2,850	11,797	0.01	6,300	2,850	9,150	0.00	(0.01)
v) Unclaimed Suspense Account	7,78,008	-	7,78,008	0.41	1,76,763	-	1,76,763	0.09	(0.32)
vi) IEPF	-	-	-	-	10,11,586	-	10,11,586	0.54	0.54
vii) Foreign Nationals	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Individual)	100	-	100	0.00	100	-	100	0.00	-
ix) NBFC	-	-	-	-	3,460	-	3,460	0.00	-
Sub-total (B)(2):-	2,11,24,882	29,12,822	2,40,37,704	12.75	2,05,50,087	21,66,261	2,27,16,348	12.03	(0.72)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,81,09,239	29,27,922	5,10,37,161	27.07	4,87,75,480	21,81,361	5,09,56,841	27.03	(0.04)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	18,55,87,992	29,27,922	18,85,15,914	100.00	18,63,34,553	21,81,361	18,85,15,914	100.00	-

(ii) Shareholding of Promoters

Details of Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% shares pledged/ encumbered to total shares	
1.	Alembic Limited	5,54,71,208	29.43	-	5,55,51,528	29.47	-	0.04
2.	Chirayu Amin	45,21,465 ¹	2.40	-	45,21,465 ¹	2.40	-	-
3.	Pranav Amin	10,09,800	0.54	-	10,09,800	0.54	-	-
4.	Shaunak Amin	10,06,980	0.53	-	10,06,980	0.53	-	-

¹ 10,73,250 Equity Shares held in the name of Chirayu Ramanbhai Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF.

Annexure E Contd.

Details of Shareholding of persons and entities of promoter group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the Company	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% shares pledged/ encumbered to total shares	% change in shareholding during the year
1.	Nirayu Private Limited	4,93,36,655	26.17	-	4,93,36,665	26.17	-	-
2.	Shreno Limited	2,06,98,780	10.98	-	2,06,98,780	10.98	-	-
3.	Paushak Limited	855	0.00	-	855	0.00	-	-
4.	Alembic City Limited ¹	-	-	-	-	-	-	-
5.	Shreno Publications Limited ¹	-	-	-	-	-	-	-
6.	Malika Amin	30,05,730	1.59	-	30,05,730	1.59	-	-
7.	Udit Amin	10,06,980	0.53	-	10,06,980	0.53	-	-
8.	Barkha Pranav Amin ¹	-	-	-	-	-	-	-
9.	Krupa Shaunak Amin ¹	-	-	-	-	-	-	-
10.	Tishya Udit Amin ¹	-	-	-	-	-	-	-
11.	Naintara Amin	30,000	0.02	-	30,000	0.02	-	-
12.	Samira Amin	30,000	0.02	-	30,000	0.02	-	-
13.	Ranvir Amin	30,000	0.02	-	30,000	0.02	-	-
14.	Inaaya Amin	30,000	0.02	-	30,000	0.02	-	-
15.	Vidyanidhi Trust	8,09,550	0.43	-	8,09,550	0.43	-	-
16.	Arogyavardhini Society	2,80,950	0.15	-	2,80,950	0.15	-	-
17.	Utkarsh Vidyakendra	1,46,250	0.08	-	1,46,250	0.08	-	-
18.	Ujjwal Vidyalyaya	62,250	0.03	-	62,250	0.03	-	-
19.	Bhailal Amin General Hospital ¹	-	-	-	-	-	-	-
20.	Uday Education Society ¹	-	-	-	-	-	-	-
21.	Laburnum Family Trust ²	200	0.00	-	200	0.00	-	-
22.	Virsad Family Trust ²	200	0.00	-	200	0.00	-	-
23.	Laksh Trust ¹	-	-	-	-	-	-	-
24.	Gallup Trust ¹	-	-	-	-	-	-	-
25.	Grace Star Trust ¹	-	-	-	-	-	-	-
26.	Satori Trust ¹	-	-	-	-	-	-	-
27.	Viramya Packlight LLP	900	0.00	-	900	0.00	-	-

¹ As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoters.

² Equity Shares held in the name of the Trustees on behalf of the Trust.

(iii) Change in Promoter's Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
At the beginning of the year	5,55,00,000	29.44	5,55,00,000	29.44	
Market Purchases by Alembic Limited	21.05.2018	25,000	0.01	5,55,25,000	29.45
	24.05.2018	1,528	0.00	5,55,26,528	29.45
	01.06.2018	10,000	0.01	5,55,36,528	29.46
	04.06.2018	5,000	0.00	5,55,41,528	29.46
	12.02.2019	10,000	0.01	5,55,51,528	29.47
At the end of the year	5,55,51,528	29.47	5,55,51,528	29.47	

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year			Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares				% of total shares of the Company	
1	Shreno Limited	2,06,98,780	10.98	-	-	No change during the year	2,06,98,780	10.98	
2	Nirayu Private Limited	4,93,36,655	26.17	-	-	No change during the year	4,93,36,655	26.17	
3	ICICI Prudential Mutual Fund	57,58,638	3.05	06.04.2018	4,114	Increase	57,62,752	3.06	
				13.04.2018	2,01,646	Increase	59,64,398	3.16	
				20.04.2018	61,734	Increase	60,26,132	3.20	
				27.04.2018	60,829	Increase	60,86,961	3.23	
				04.05.2018	4,07,833	Increase	64,94,794	3.45	
				11.05.2018	86	Increase	64,94,880	3.45	
				25.05.2018	(26)	Decrease	64,94,854	3.45	
				01.06.2018	2,090	Increase	64,96,944	3.45	
				08.06.2018	12,597	Increase	65,09,541	3.45	
				15.06.2018	(18,017)	Decrease	64,91,524	3.44	
				22.06.2018	(35,518)	Decrease	64,56,006	3.42	
				30.06.2018	(28,518)	Decrease	64,27,488	3.41	
				06.07.2018	(16,573)	Decrease	64,10,915	3.40	
				13.07.2018	8,120	Increase	64,19,035	3.41	
				20.07.2018	(2,90,693)	Decrease	61,28,342	3.25	
				27.07.2018	3,718	Increase	61,32,060	3.25	
				03.08.2018	45,807	Increase	61,77,867	3.28	
				10.08.2018	(6,989)	Decrease	61,70,878	3.27	
				17.08.2018	23,492	Increase	61,94,370	3.29	
				24.08.2018	(9,369)	Decrease	61,85,001	3.28	
				31.08.2018	26,823	Increase	62,11,824	3.30	
				07.09.2018	2,366	Increase	62,14,190	3.30	
				29.09.2018	(1)	Decrease	62,14,189	3.30	
				12.10.2018	1,29,513	Increase	63,43,702	3.37	
				19.10.2018	(25,822)	Decrease	63,17,880	3.35	
				26.10.2018	(10,078)	Decrease	63,07,802	3.35	
				02.11.2018	73,974	Increase	63,81,776	3.39	
				09.11.2018	7,846	Increase	63,89,622	3.39	
				16.11.2018	19,667	Increase	64,09,289	3.40	
				23.11.2018	50,427	Increase	64,59,716	3.43	
				30.11.2018	20,298	Increase	64,80,014	3.44	
				07.12.2018	(53,514)	Decrease	64,26,500	3.41	
				14.12.2018	(35,743)	Decrease	63,90,757	3.39	
				21.12.2018	(6,774)	Decrease	63,83,983	3.39	
				18.01.2019	(4,265)	Decrease	63,79,718	3.38	
				25.01.2019	(20,000)	Decrease	63,59,718	3.37	
				08.02.2019	(2,468)	Decrease	63,57,250	3.37	
				15.02.2019	(6,166)	Decrease	63,51,084	3.37	
				08.03.2019	(27,637)	Decrease	63,23,447	3.35	
				15.03.2019	(69,802)	Decrease	62,53,645	3.32	
				29.03.2019	(80,698)	Decrease	61,72,947	3.27	
4	Matthews India Fund	38,80,414	2.06	06.04.2018	10,594	Increase	38,91,008	2.06	
				13.04.2018	2,56,549	Increase	41,47,557	2.20	
5	Malika Amin	30,05,730	1.59	-	-	No change during the year	30,05,730	1.59	

Annexure E Contd.

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Cresta Fund Limited	25,47,710	1.35	18.01.2019	(2,073)	Decrease	25,45,637	1.35
				25.01.2019	(891)	Decrease	25,44,746	1.35
				01.02.2019	(11,591)	Decrease	25,33,155	1.34
				15.02.2019	(1,869)	Decrease	25,31,286	1.34
7	Elara India Opportunities Fund Limited	23,67,979	1.26	15.06.2018	14,711	Increase	23,82,690	1.26
				22.06.2018	(44,200)	Decrease	23,38,490	1.24
				30.06.2018	(25,000)	Decrease	23,13,490	1.23
				12.10.2018	20,300	Increase	23,33,790	1.24
				11.01.2019	(20,000)	Decrease	23,13,790	1.23
				18.01.2019	(3,500)	Decrease	23,10,290	1.23
				01.03.2019	4,312	Increase	23,14,602	1.23
8	SBI Mutual Fund	14,00,000	0.74	08.03.2019	10,000	Increase	23,24,602	1.23
				07.09.2018	(9,00,000)	Decrease	5,00,000	0.27
				21.09.2018	(9,137)	Decrease	4,90,863	0.26
				29.09.2018	(90,863)	Decrease	4,00,000	0.21
				30.11.2018	13,846	Increase	4,13,846	0.22
9	HDFC Standard Life Insurance Company Limited	11,11,915	0.59	07.12.2018	3,079	Increase	4,16,925	0.22
				25.05.2018	11,770	Increase	11,23,685	0.60
				01.06.2018	15,014	Increase	11,38,699	0.60
				08.06.2018	73,216	Increase	12,11,915	0.64
				29.09.2018	(1,30,000)	Decrease	10,81,915	0.57
				23.11.2018	5,799	Increase	10,87,714	0.58
				30.11.2018	101	Increase	10,87,815	0.58
				14.12.2018	67	Increase	10,87,882	0.58
				21.12.2018	23	Increase	10,87,905	0.58
				28.12.2018	9	Increase	10,87,914	0.58
				04.01.2019	51,541	Increase	11,39,455	0.60
				11.01.2019	7,863	Increase	11,47,318	0.61
				18.01.2019	11,693	Increase	11,59,011	0.61
				25.01.2019	4,084	Increase	11,63,095	0.62
				08.02.2019	24	Increase	11,63,119	0.62
15.02.2019	20	Increase	11,63,139	0.62				
22.02.2019	93	Increase	11,63,232	0.62				
01.03.2019	57	Increase	11,63,289	0.62				
08.03.2019	50,000	Increase	12,13,289	0.64				
15.03.2019	42,071	Increase	12,55,360	0.67				
22.03.2019	47,030	Increase	13,02,390	0.69				
29.03.2019	61,125	Increase	13,63,515	0.72				
10	Yeraben Amin	10,80,915	0.57	01.02.2019	(20,000)	Decrease	10,60,915	0.56
				22.02.2019	12,998	Increase	10,73,913	0.57

Note: 1. The above information is based on the weekly beneficiary positions received from Depositories.

2. The details of holding has been clubbed based on PAN.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Chirayu Amin, Chairman & CEO	45,21,465 ¹	2.40	45,21,465 ¹	2.40
2.	Pranav Amin, Managing Director	10,09,800	0.54	10,09,800	0.54
3.	Shaunak Amin, Managing Director	10,06,980	0.53	10,06,980	0.53
4.	Pranav Parikh, Independent Director	6,500	0.00	6,500	0.00

¹ 10,73,250 Equity Shares held in the name of Chirayu Ramanbhai Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF.

Mr. R. K. Baheti, Director-Finance & CFO and Mr. Charandeep Singh Saluja, Company Secretary of the Company do not hold any shares in the Company. None of the Independent Directors except Mr. Pranav Parikh hold any shares in the Company.

(V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46.53	575.00	-	621.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2.79	-	2.79
Total (i+ii+iii)	46.53	577.79	-	624.32
Change in Indebtedness during the financial year				
• Addition	-	765.66	-	765.66
• Reduction	(11.60)	(307.34)	-	(318.94)
Net Change	(11.60)	458.32	-	446.72
Indebtedness at the end of the financial year				
i) Principal Amount	34.93	1,025.05	-	1,059.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	11.06	-	11.06
Total (i+ii+iii)	34.93	1,036.11	-	1,071.04

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Chirayu Amin	Pranav Amin	Shaunak Amin	R. K. Baheti	
	Gross Salary					
1.	(a) Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	4.92	9.43	9.43	3.58	27.36
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	- ¹	- ¹	- ¹	- ¹	0.02
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	16.50	5.70	5.70	-	27.90
	- as % of profit	2.00%	0.69%	0.69%	-	3.38%
5.	Others, please specify	-	-	-	-	-
	Total	21.42	15.13	15.13	3.58	55.28
	Ceiling as per the Act					82.60

¹ Amounts being less than ₹ 1 Lakh.

Annexure E Contd.

B. Remuneration to other Directors

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		K. G. Ramanathan	Pranav Parikh	Paresh Saraiya	Milin Mehta	Archana Hingorani	
1.	Independent Directors						
	• Fee for attending board/committee	0.04	0.03	0.04	0.04	0.04	0.19
	• Commission	0.10	0.10	0.10	0.10	0.10	0.50
	• Others, Please specify	-	-	-	-	-	-
	Total (1)	0.14	0.13	0.14	0.14	0.14	0.69
2.	Other Non-Executive Directors (2)	-	-	-	-	-	-
	Total Managerial Remuneration = (1+2)	0.14	0.13	0.14	0.14	0.14	0.69
	Overall Ceiling as per the Act						8.26

C. Remuneration to Key Managerial Personnel Other Than MD/ MANAGER/ WTD

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chirayu Amin CEO	Charandeep Singh Saluja Company Secretary	R. K. Baheti CFO
1.	Gross Salary			
	(a) Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	Covered at point VI-A above.	0.10	Covered at point VI-A above.
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961		-	
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		-	
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, please specify	-	-	-
	Total	-	0.10	-

Note: The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel and Key Managerial Personnel for the financial year 2018-19. Whereas the figures for the managerial remuneration in Corporate Governance Report are prepared on the basis of accrual accounting principle and hence are not comparable.

(VII) PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES:

There has been no penalty or punishment or compounding of offences against/by the Company, Directors and Other Officers in default under the provisions of the Companies Act, 2013 during the financial year 2018-19.

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chairman & Chief Executive Officer

(DIN: 00242549)

Annexure F

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

(A) Conservation of Energy

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

- (a) CFL bulbs being replaced with LED Lighting with less energy consumption.
- (b) The fixed Speed chillers replaced with Screw variable chillers.
- (c) Steam Operating Pumping Trap (SOPT) for Solvent recovery & MEE plants to enhance condensate recovery & enhance process improvements.
- (d) Energy conservation in water pumping system by replacing old pumps with high energy efficient pumps, motors and cooling tower fans.
- (e) AHU VFD control through velocity measurement – Power reduction.
- (f) RO / HPRO installed to recycle waste water to generate permeate which in-turns used in process thus reducing fresh water.
- (g) Steam Condenser recovery to reduce fresh water.
- (h) Motion / E-sensor for lighting operation.

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

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

(iii) Capital Investment on energy conservation equipments:

The Company continuously endeavours to discover usages on new technologies and tools to save the energy and reduce consumption. The Company has been keen on investing for energy conservation projects as mentioned below:

- (a) Recovery of Solvent in process by use of Rising Film Evaporator (RFE) & Agitated Thin Film Dryer (ATFD). Reduction in Fugitive Emissions.
- (b) MSD for Alcohol Purification. Fully atomised SCADA plant. No Manual Operation. Reduction in Fugitive Emissions.
- (c) Introduction of Scale off Technology in Cooling Tower (CT) to reduce CT blow down with concentrating TDS water.

(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 develops new products with niche technologies in both the APIs and finished doses. The API team develops novel polymorphs having advantages in the product intellectual property and cost of goods and thereby having edge over the peers in the market. The finished dose team develops novel technologies for making drug products thereby having new drug delivery mechanisms. Further, we have a special technology transfer team which has helped us in smooth transfer of the technology from lab to plant which is reflecting in the good number of DMF/ ANDA filing this year.

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 29 ANDAs (including Aleor JV) and 8 DMFs with USFDA in this fiscal year. The cumulative ANDA filings stood at 161 (including Aleor JV) and 89 approvals (including 12 tentative approval) have been received till 31st March, 2019 including 1 NDA and the cumulative DMFs stood at 100. The continuous research activities have led to commercialisation of in-house formulations in the USA market.
- (b) The Company has R&D workforce of 1,100 employees across three development centres.
- (c) Our endeavour to expand our product pipeline and the tenacity of purpose has established itself making us a strongly research-driven organisation.
- (d) Till date 689 patents for Active Pharmaceutical Ingredients (APIs) and Intermediates as well as 285 patents for Formulations have been filed.
- (e) With the increased in thrust on cost optimisation, at Alembic Research Centre, scientists have focussed on specific cost reduction projects for the molecules which are already generic in the regulated market, which has experienced price erosion.

Annexure F Contd.

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

(iv) Expenditure incurred on Research and Development:

Particulars	₹ in Crores	
	2019	2018
(a) Capital	45.03	70.09
(b) Recurring	467.74	388.95
(c) Total	512.77	459.04
(d) Total R&D expenditure as a percentage of total turnover	14%	16%

(C) Foreign Exchange Earnings and Outgo:

Foreign exchange earned in terms of actual inflows during the financial year 2018-19 was ₹ 1,945.27 Crores.

Foreign exchange outgo in terms of actual outflows during the financial year 2018-19 was ₹ 606.48 Crores.

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chairman & Chief Executive Officer

(DIN: 00242549)

Annexure G

As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board's Report.

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

Name	Ratio to Employees
Chirayu Amin - Chairman & CEO	1:0.00141
Pranav Amin - Managing Director	1:0.00206
Shaunak Amin - Managing Director	1:0.00206
R. K. Baheti - Director - Finance & CFO	1:0.00987

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name	% Increase / (Decrease)
Chirayu Amin - Chairman & CEO	15.91
Pranav Amin - Managing Director	11.47
Shaunak Amin - Managing Director	11.43
R. K. Baheti - Director - Finance & CFO	8.92
Charandeep Singh Saluja - Company Secretary	NA ¹

¹ Appointed w.e.f. 1st June, 2018

Percentage increase in the median remuneration of employees in the financial year	10.97%
Number of permanent employees on the rolls of company	11,130

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	10.63% (Non-Managerial Personnel)
	11.93% (Managerial Personnel)

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

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chairman & Chief Executive Officer
(DIN: 00242549)

Annexure H

Details of Unclaimed Suspense Account as per the provisions of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	No. of shareholders: 2,765 Outstanding shares: 7,78,008
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	No. of shareholders: 11 No. of shares: 4,510
Number of shareholders to whom shares were transferred from suspense account during the year	No. of shareholders: 11 No. of shares: 4,510
Number of shareholders whose shares were transferred to the Investor Education and Protection Fund	No. of shareholders: 2,393 No. of shares: 5,96,735
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of shareholders: 361 No. of shares: 1,76,763

On behalf of the Board of Directors,

Sd/-

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 organisation 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 endeavours 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 institutionalised good management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and compliance with all

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

2. Board of Directors

• Composition of the Board

The Board of Directors consist of 3 Promoter Executive Directors, 1 Professional Executive Director and 4 Independent Non-Executive Directors. The Chairman of the Board is an Executive Director. As on 31st March, 2019 and on the date of this report, the Board meets the requirement of having at least one woman director and not less than 50% of the Board strength comprising of Non-Executive Directors as 4 out of 8 Directors are Non-Executive Independent Directors including 1 Woman Director.

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

Six (6) Board Meetings were held during the year ended 31st March, 2019 on 16th May, 2018, 26th July, 2018, 10th September, 2018, 22nd October, 2018, 6th December, 2018 and 22nd January, 2019. The time gap between any two meetings was not exceeding one hundred and twenty days.

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

Name of the Director	Category	No. of Board Meetings held & attended during the Financial Year	Attendance at the last AGM	No. of Equity shares held in the Company #
Mr. Chirayu Amin Chairman & CEO	Promoter Executive	5 out of 6	Yes	45,21,465 [§]
Mr. Pranav Amin Managing Director	Promoter Executive	5 out of 6	Yes	10,09,800
Mr. Shaunak Amin Managing Director	Promoter Executive	6 out of 6	Yes	10,06,980
Mr. R. K. Baheti Director-Finance & CFO	Professional Executive	6 out of 6	Yes	Nil
Mr. K. G. Ramanathan	NED (I)*	6 out of 6	Yes	Nil
Mr. Pranav Parikh	NED (I) *	4 out of 6	No	6,500
Mr. Paresch Saraiya	NED (I) *	4 out of 6	Yes	Nil
Dr. Archana Hingorani	NED (I) *	5 out of 6	Yes	Nil
Mr. Milin Mehta (upto 22 nd January, 2019)	NED (I) *	5 out of 6	Yes	Nil

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

The Company has not issued any convertible instruments.

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

Report on Corporate Governance Contd.

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

Name of the Director	No. of Directorships		No. of Committee Memberships		No. of Committee Chairmanships	
	In all other companies	Excl. Pvt. Ltd., ¹ Foreign & Sec. 8 companies	All committees	Only Audit & Stakeholders Relationship Committee	All committees	Only Audit & Stakeholders Relationship Committee
Mr. Chirayu Amin	5	5	6	1	3	1
Mr. Pranav Amin	1	-	-	-	-	-
Mr. Shaunak Amin	3	2	-	-	-	-
Mr. R. K. Baheti	2	2	-	-	-	-
Mr. K. G. Ramanathan	-	-	-	-	-	-
Mr. Pranav Parikh	5	1	-	-	-	-
Mr. Paresh Saraiya	6	3	4	2	2	1
Dr. Archana Hingorani	5	4	10	5	2	2

¹ Includes directorship in private companies that are either holding or subsidiary company of a public company.

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

Name of the Director	Name of the listed entities and category of directorship
Mr. Chirayu Amin	1. Alembic Limited, Non-Executive Chairman 2. Paushak Limited, Non-Executive Chairman 3. Elecon Engineering Company Limited, Non-Executive Independent Director
Mr. Pranav Amin	-
Mr. Shaunak Amin	-
Mr. R. K. Baheti	-
Mr. K. G. Ramanathan	-
Mr. Pranav Parikh	-
Mr. Paresh Saraiya	-
Dr. Archana Hingorani	1. Den Networks Limited, Non-Executive Independent Director 2. 5Paisa Capital Limited, Non-Executive Independent Director

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

- Disclosure of relationships between directors inter-se**
Mr. Chirayu Amin, Chairman & CEO is father of Mr. Pranav Amin and Mr. Shaunak Amin, Managing Directors of the Company. None of the other Directors are related to each other.

- Familiarisation Programmes for Independent Directors**

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

<http://www.alembicpharmaceuticals.com/familiarization-programme/>

- 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 Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the Management.

- Resignation of Independent Director from the Board of the Company**

During the year under review, Mr. Milin Mehta, Independent Director resigned from the Board of the Company w.e.f. 22nd January, 2019 (close of working hours) for the reasons mentioned in his resignation letter filed with the stock exchanges. The relevant extracts are re-produced as under:

It has come to my attention that the Company and / or its associates may be considering the firm, of which I am a partner, for some professional assignments.

I therefore consider it fit and proper to resign from the Board and do hereby resign from the Board of the Company to enable the management and the said firm

to explore the possibility of professional assignment without any remotest possibility of conflict of interest on either side. My resignation is effective from end of day 22nd January, 2019.

I further confirm that there are no reasons other than those stated in this letter for resigning from the Board.”

- **Matrix setting out the core 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 availability assessment is as under:

Core Skills/Experience/Competence	Actual Availability with current board
Industry knowledge/experience	
(a) Healthcare Industry Knowhow	Available
(b) Creating value through Intellectual Property Rights	Available
(c) Global Operations	Available
(d) Value Spotting and Inorganic Growth	Available
(e) Previous Board Experience on similarly sized or bigger companies	Available
Technical skills/experience	
(a) Strategic planning	Available
(b) Risk and compliance oversight	Available
(c) Marketing	Available
(d) Policy Development	Available
(e) Accounting, Tax, Audit and Finance	Available
(f) Legal	Available
(g) Sales/ Customer Engagement	Available
(h) Public Relations and Liasoning	Available
(i) Information Technology	Available
Behavioural Competencies	
(a) Integrity & ethical standards	Available
(b) Mentoring abilities	Available
(c) Interpersonal relations	Available

3. Audit Committee

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

The Audit Committee comprises of 4 Independent Non-Executive Director viz. Mr. Paresh Saraiya, Mr. K. G. Ramanathan (w.e.f. 23rd January, 2019), Mr. Pranav Parikh and Dr. Archana Hingorani. Mr. Paresh Saraiya is Chairman of the Audit Committee. Mr. Milin Mehta was a member of the Committee upto 22nd January, 2019. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013.

The Statutory Auditors, Internal Auditors, Cost Auditor and other relevant Senior Management Persons are invited to attend the Meetings of Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Paresh Saraiya, Chairman of Audit Committee was present at the last Annual General Meeting held on 27th July, 2018.

- **Meetings and attendance during the year**

There were Five (5) meetings of the Audit Committee held during the year ended 31st March, 2019 on 16th May, 2018, 26th July, 2018, 22nd October, 2018, 22nd December, 2018 and 22nd January, 2019.

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Paresh Saraiya	5	4
Mr. K. G. Ramanathan (w.e.f. 23 rd January, 2019)	-	-
Mr. Pranav Parikh	5	3
Dr. Archana Hingorani	5	5
Mr. Milin Mehta (upto 22 nd January, 2019)	5	5

Report on Corporate Governance Contd.

4. Nomination and Remuneration Committee

• Composition, Name of Chairman and Members & Terms of Reference

The Nomination and Remuneration Committee of Directors comprises of 4 Directors viz. Mr. K. G. Ramanathan, Mr. Chirayu Amin, Mr. Pranav Parikh (w.e.f. 23rd January, 2019) and Mr. Paresch Saraiya. Mr. K. G. Ramanathan is Chairman of the Nomination and Remuneration Committee. Mr. Milin Mehta was a member of the Committee upto 22nd January, 2019. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013. Mr. K. G. Ramanathan, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on 27th July, 2018.

• Meetings and attendance during the year

There were Four (4) meetings of the Nomination and Remuneration Committee held during the year ended

5. Details of Remuneration paid to Directors

• Executive Directors

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid to the Executive Directors for the financial year 2018-19 are given below:

Name & Designation of the Executive Directors		Tenure	Fixed Salary & Perquisites	Variable Performance Bonus	Commission	Total
Mr. Chirayu Amin	Chairman & CEO	5 years w.e.f. 1 st April, 2016	5.50	-	20.00	25.50
Mr. Pranav Amin	Managing Director	5 years w.e.f. 1 st April, 2016	4.95	5.00	7.50	17.45
Mr. Shaunak Amin	Managing Director	5 years w.e.f. 2 nd May, 2018	4.95	5.00	7.50	17.45
Mr. R. K. Baheti	Director-Finance & CFO	5 years w.e.f. 1 st April, 2016	2.97	0.68	-	3.65
Total			18.37	10.68	35.00	64.05

₹ in Crores

Notes:

- The criteria's 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 ₹ 50,000/- as sitting fees for attending Board Meetings, ₹ 25,000/- 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.

31st March, 2019 on 16th May, 2018, 27th July, 2018, 22nd October, 2018 and 22nd January, 2019.

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K. G. Ramanathan	4	4
Mr. Chirayu Amin	4	4
Mr. Pranav Parikh (w.e.f. 23 rd January, 2019)	-	-
Mr. Paresch Saraiya	4	3
Mr. Milin Mehta (upto 22 nd January, 2019)	4	4

• Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria's for Independent Directors are disclosed in the Board's Report.

The details of payment made to Non-Executive Directors during the financial year 2018-19 are as under:

Name of Director	Sitting Fees	Commission	₹ in Crores
			Total
Mr. K. G. Ramanathan	0.04	0.10	0.14
Mr. Pranav Parikh	0.03	0.10	0.13
Mr. Paresh Saraiya	0.04	0.10	0.14
Mr. Milin Mehta	0.04	0.10	0.14
Dr. Archana Hingorani	0.04	0.10	0.14

The Board has approved the payment of commission to Non-Executive Independent Directors for the financial year 2018-19 which is within the limit approved by the members of the Company at the 6th Annual General Meeting of the Company held on 29th July, 2016.

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

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates except Mr. Milin Mehta (resigned w.e.f. 22nd January, 2019, after close of working hours) where two other Companies under same management have paid a total of ₹ 0.02 Crore to M/s. K. C. Mehta & Co. Chartered Accountants as fees for professional services provided by the firm to those Companies. Mr. Milin Mehta is partner of the said firm. In the opinion of the Board, the firm's association with group companies was not of a material nature so as to affect independence of judgement of Mr. Milin Mehta.

7. 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
2015-16	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003.	29 th July, 2016	3.00 p.m.	6
2016-17	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003.	20 th July, 2017	3.00 p.m.	Nil
2017-18	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003.	27 th July, 2018	3.00 p.m.	11

* Whether any special resolution passed last year through postal ballot: No

* Whether any special resolution is proposed to be conducted through postal ballot: No

8. Means of Communication

Quarterly Results

Which Newspapers wherein results normally published

Any website, where displayed

Whether it also displays official news releases and

The presentations made to institutional investors or to the analysts

The results will be published in the newspapers having wide coverage

Will be published normally in - The Economic Times (English), The Economic Times (Gujarati) or any other leading newspapers www.alembicpharmaceuticals.com

Yes

Yes

6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of 3 Directors viz. Mr. Paresh Saraiya, Mr. Pranav Amin and Mr. R. K. Baheti. Mr. Paresh Saraiya, Independent Non-Executive Director is Chairman of the Stakeholders' Relationship Committee. Mr. Paresh Saraiya was present at the last Annual General Meeting held on 27th July, 2018.

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

Details of No. of Shareholders' complaints received: 18

No. not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

Meetings and attendance during the year

There were Four (4) meetings of Stakeholders' Relationship Committee held during the year ended 31st March, 2019 on 16th May, 2018, 27th July, 2018, 22nd October, 2018 and 22nd January, 2019.

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	3
Mr. Pranav Amin	4	4
Mr. R. K. Baheti	4	4

Report on Corporate Governance Contd.

9. General Shareholder Information

a)	Annual General Meeting Date, Time and Venue	Monday, 29 th July, 2019 at 3:00 p.m. "Sanskruti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003.
b)	Financial Year	2018-19
c)	Dividend Payment Date	On or before 5 th August, 2019
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.
e)	Stock Code	The Equity Shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with security ID / symbol of APL LTD. ISIN: INE901L01018 The Unsecured Rated Listed Redeemable Non-Convertible Debentures of the Company are listed on National Stock Exchange of India Limited (NSE) under separate security ID for each tranche.
f)	Market price data – high, low during each month in last financial year	Please see Annexure A
g)	Share Performance of the Company in comparison to BSE Sensex	Please see Annexure B
h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable
i)	Registrar and Share Transfer Agents	Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Tel: +91 265 2356573, 2356794 E-mail ID: vadodara@linkintime.co.in
j)	Share Transfer System	Share transfers will be registered and returned within a period of fifteen days from the date of receipt, if documents are accurate in all respects. Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect transfer/transmission, name deletion, renewal of shares, duplicate, etc. Total number of shares transferred in physical form during the year were 56,785 (previous year 19,200).
k)	Distribution of Shareholding/Shareholding Pattern as on 31 st March, 2019	Please see Annexure C
l)	Dematerialisation of Shares and Liquidity	As on 31 st March, 2019, 18,63,34,553 shares (98.84%) 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"> 1. The Company imports API/Intermediates/Key Starting Material (KSM) which may be prone to commodity price risk. The Company does not do any hedging except strategic procurement at times. 2. The Company is a net foreign exchange earner and like the pharma sector, faces foreign currency fluctuation risk. Looking at the broad long-term trend, the Company hedges a certain percentage of net forex earning and keeps the balance open. <p>The disclosure pertaining to exposure & commodity risks is not applicable to the Company.</p>

- o) Plant Locations
1. Panelav, Tal. Halol, Dist. Panchmahal - 389 350, Gujarat.
 2. Karakhadi, Tal. Padra, Dist. Vadodara.
 3. Jarod, Tal. Vaghodiya, Dist. Vadodara.
 4. Samardung Busty, Namthang, South Sikkim.
- p) Address for Correspondence / Investor Correspondence
1. Company Secretary & Compliance Officer
Alembic Pharmaceuticals Limited
Alembic Road, Vadodara - 390 003
Tel: +91 265 2280550
Fax: +91 265 2282506
E-mail ID: apl.investors@alembic.co.in
 2. Link Intime India Private Ltd
B-102 & 103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Radha Krishna Char Rasta,
Akota - Vadodara - 390 020
Tel: +91 265 2356573, 2356794
Email Id: vadodara@linkintime.co.in
- q) Credit Ratings
- The Credit Rating details are given hereunder:

Instrument	Amount ₹ Cr.	Rating Agency	Rating & Outlook	Remarks
Long-Term Bank Facilities	850.00	CRISIL Limited	CRISIL AA+ /Stable	Reaffirmed - Fund and Non-Fund based facilities and Term Loans
Long-Term Debentures	500.00	CRISIL Limited	CRISIL AA+ /Stable	Assigned - Issue of Non-Convertible Debentures
Commercial Papers	500.00	CRISIL Limited	CRISIL A1+	Re-affirmed - Issue of Commercial Papers
Commercial Papers	500.00	CARE Ratings Limited	CARE A1+	Assigned - Issue of Commercial Papers

10. Other Disclosures

a) Related Party Transactions:

There are no materially significant related party transactions that 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

<http://www.alembicpharmaceuticals.com/wp-content/uploads/2019/05/RPT-Policy.pdf>

b) Compliance:

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

c) Whistle-Blower Policy:

The Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.

The Whistle-Blower Policy is placed on the website of the Company and web-link to the same is as under:

<http://www.alembicpharmaceuticals.com/wp-content/uploads/2016/07/05APL-Whistle-Blower-Policy.pdf>

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

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

Mandatory requirements:

The Company complies with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) 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: Complied as there are no modified opinion in Audit Report
- d) Separate posts of Chairman & CEO: Not complied
- e) Reporting of Internal Auditors directly to Audit Committee: Complied

Report on Corporate Governance Contd.

e) Policy for determining 'material' subsidiaries':

The Company has formed the policy for determining 'material' subsidiaries'. The same has been placed on the website of the Company and web-link to the same is as under:

<http://www.alembicpharmaceuticals.com/wp-content/uploads/2019/05/Policy-on-Material-Subsidiaries.pdf>

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

The details are provided at Point No. 9(n) of this report.

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

Regulation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

*Risk Management Committee has been constituted voluntarily.

h) Independent Directors' Meeting:

The Independent Directors met on 8th May, 2019 to carry out the evaluation for the financial year 2018-19 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 timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

All Independent Directors were present at the meeting.

i) Certificate from Practising Company Secretaries:

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

j) Fees to the Statutory Auditors of the Company:

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

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

The 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.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, no complaint was received by the Company.

l) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

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

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

Annexure A

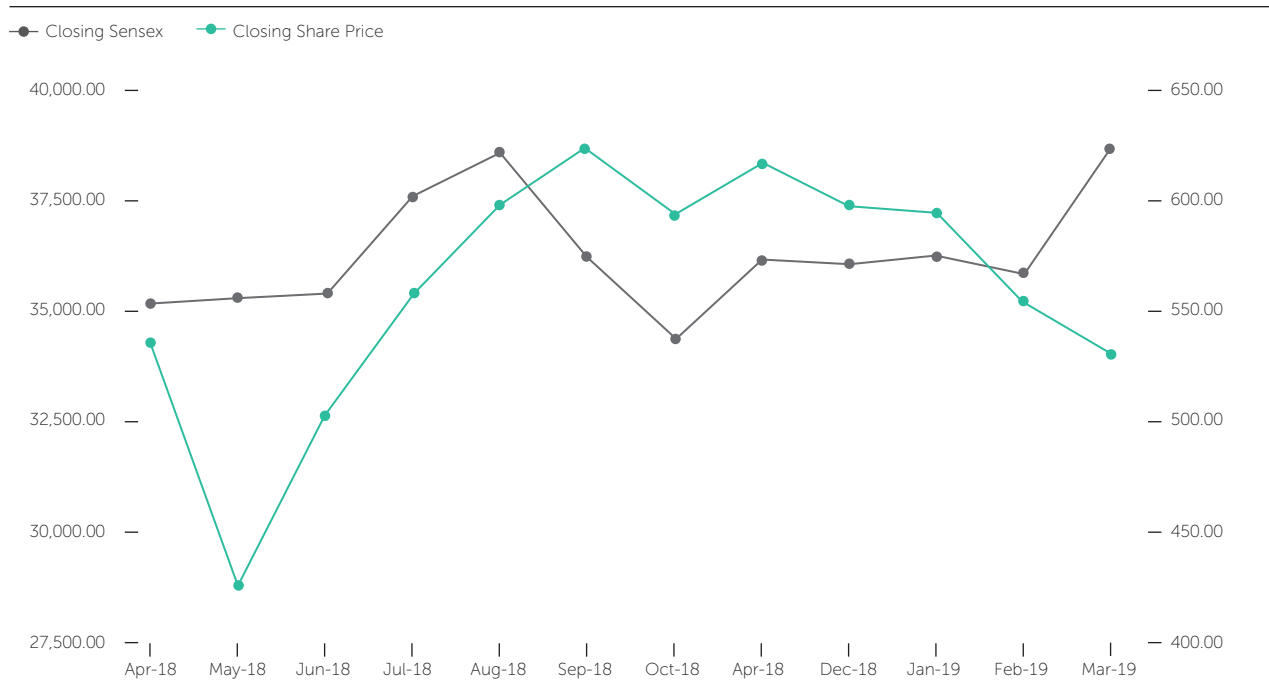
Market price data of the Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the financial year 2018-19:

Month – Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April – 2018	562.70	491.00	570.00	495.55
May – 2018	536.00	412.40	536.50	416.20
June – 2018	540.00	414.55	540.00	414.40
July – 2018	598.00	502.05	597.60	501.00
August – 2018	640.00	550.40	619.00	550.45
September – 2018	664.00	596.65	664.00	599.65
October - 2018	649.90	540.00	651.00	533.70
November – 2018	633.00	549.10	639.90	553.30
December – 2018	636.50	562.00	638.00	560.05
January – 2019	612.75	576.15	614.00	574.00
February – 2019	602.60	516.30	602.90	516.00
March – 2019	561.70	509.00	562.05	509.60

On 31st March, 2019, the closing price of the shares of the Company on BSE was ₹ 530.55 and on NSE was ₹ 537.80.

Annexure B

Share Performance of the Company in comparison to BSE Sensex:



Report on Corporate Governance Contd.

Annexure C

The distribution of shareholdings as on 31st March, 2019 is as under:

Number of Share of Face Value	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
1	2	3	4	5
001-500	37,399	87.87	43,79,416	2.32
501-1000	2,588	6.08	19,99,239	1.06
1001-2000	1,269	2.98	18,95,028	1.01
2001-3000	423	0.99	10,74,517	0.57
3001-4000	192	0.45	6,77,676	0.36
4001-5000	153	0.36	7,03,567	0.37
5001-10000	275	0.65	19,61,142	1.04
10001 and above	261	0.61	17,58,25,329	93.27
Total	47,889	100.00	18,85,15,914	100.00

Shareholding pattern as on 31st March, 2019

Sr. No.	Category	No. of Shares Held	% of Voting Strength
(A)	Shareholding of Promoter & Promoter Group		
(1)	Indian	13,65,52,093	72.44
(2)	Foreign	10,06,980	0.53
	Total Shareholding of Promoter and Promoter Group	13,75,59,073	72.97
(B)	Public Shareholding		
(1)	Institutions	2,82,40,493	14.98
(2)	Non-institutions	2,27,16,348	12.05
	Total Public Shareholding	5,09,56,841	27.03
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
(1)	Promoter and Promoter Group	-	-
(2)	Public	-	-
	Total (A) + (B) + (C)	18,85,15,914	100.00

On behalf of the Board of Directors,

Sd/-

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 (www.alembicpharmaceuticals.com). A declaration signed by the Chief Executive Officer on behalf of the Board of Directors is given below:

We hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the year ended 31st March, 2019 and the copy of the code of conduct is placed on the website of the Company at www.alembicpharmaceuticals.com

On behalf of the Board of Directors,

Sd/-

Chirayu Amin

Chief Executive Officer

Corporate Governance Certificate

To,

The Members

Alembic Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Alembic Pharmaceuticals Limited for the year ended 31st March, 2019 as per the relevant provisions of Securities and Exchange Board of India (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 Governance. It is neither an audit nor an expression of an opinion on the financial statement 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 year ended 31st March, 2019, no investor 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

Place: Vadodara

Date: 22nd April, 2019

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L24230GJ2010PLC061123
2. Name of the Company: Alembic Pharmaceuticals Limited
3. Registered Address: Alembic Road, Vadodara – 390 003
4. Web: www.alembicpharmaceuticals.com
5. E-mail ID: apl.investors@alembic.co.in
6. Financial Year reported: 1st April, 2018 to 31st March, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Industrial Group	Description
210*	Manufacture of Pharmaceuticals

* As per National Industrial Classification (NIC) 2008.

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 1. Azithromycin
 2. Venlafaxine
 3. Valsartan
9. Total number of locations where business activity is undertaken by the Company:
 - (a) Number of International Locations: The Company has 1 foreign subsidiary at Switzerland. Details of step down subsidiaries and joint ventures are provided in Form No. AOC-1 in this Annual Report. The Company also has Representative Offices in various countries.
 - (b) Number of National Locations: The Company has manufacturing facilities situated at Panelav, District Panchmahal, Gujarat; Karakhadi, District Vadodara, Gujarat; and Samardung Basty, Namthang, South Sikkim and R & D Centres situated at Vadodara and Hyderabad.
10. Markets served by the Company – In addition to serving the Indian market, the Company exports to around 79 countries worldwide.

Section B: Financial Details of the Company

1. Paid up Capital (INR): 37.70 Crores
2. Total Turnover (INR): 3,660.27 Crores
3. Total profit after taxes (INR): 611.21 Crores

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.34%
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) Adoption of Schools in tribal/backward areas
 - (b) Community outreach programmes
 - (c) Education
 - (d) Promotion and development of traditional arts and handicrafts
 - (e) Sports Promotion
 - (f) Promoting Equality
 - (g) Healthcare including preventive healthcare
 - (h) Rural development projects
 - (i) Sanitation
 - (j) Employment enhancing vocational skills
 - (k) Conservation of natural resources
 - (l) Flood relief activities

Section C: Other Details

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

Yes.
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

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

No.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number: 00245099
 2. Name: Mr. Pranav Amin
 3. Designation: Managing Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	00245099
2.	Name	Mr. Pranav Amin
3.	Designation	Managing Director
4.	Telephone number	+91 265 2282506
5.	Email id	apl.investors@alembic.co.in

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on the National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies are signed by Mr. Pranav Amin, Managing Director.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	*	*	*	*	*	*	*	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

* <http://www.alembicpharmaceuticals.com/policiescodes/>

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

3. Governance related to BR

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

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

Yes, BR is published annually in the Annual Report and available at <http://www.alembicpharmaceuticals.com/annual-report/>.

Business Responsibility Report Contd.

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

Principle 2: Product Sustainability

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

- (a) Azithromycin
- (b) Venlafaxine
- (c) Modafinil

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

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

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

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

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

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

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

The Company has formulated an operating procedure to approve vendors. Materials are

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

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

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

The Company procures goods and avail services from local and small vendors, particularly those located around its manufacturing locations. As a result of procurement of goods from local vendors, the Company saves on transportation as also on inventory carrying costs. The Company provides technical support and guidance to vendors in developing products wherever possible.

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

Yes. The Company has mechanism for recycling of product as well as waste. 90% of total effluent generation (as most of the units are ZLD) is recycled, recovered and reused in boilers and cooling towers, thereby reducing fresh water consumption. Domestic Effluent is treated in STPs and its outlet is 100% used for gardening in Company campus to reduce fresh water intake.

90% of incinerable waste, generated from production plants, is sent for co processing at cement manufacturing company as a fuel for their Kiln. 60% of spent solvents generated from the production plants are redistilled and reused in the plants.

Principle 3: Employees' Well-Being

1. Please indicate the Total number of employees: 11,130
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis: 2,234
3. Please indicate the Number of permanent women employees: 639
4. Please indicate the Number of permanent employees with disabilities: 8
5. Do you have an employee association that is recognised by management: No

6. What percentage of your permanent employees is members of this recognised employee association? Not Applicable
7. Please indicate the Number of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - (a) Permanent Employees: 90%
 - (b) Permanent Women Employees: 90%
 - (c) Casual/ Temporary/ Contractual Employees: 85%
 - (d) Employees with disabilities: 100%

Principle 4: Stakeholders Engagement

1. Has the Company mapped its internal and external stakeholders?
Yes.
2. Out of above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?
Yes.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

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

Principle 5: Human Rights

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

The Company's policy on human rights covers the entire Alembic Group.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

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

Principle 6: Environment

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

The Company's policy on environment covers the entire Alembic Group.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

No.
3. Does the Company identify and assess potential environmental risks?

Yes. Environment Risk is assessed from the design stage of the project & adequate steps are taken to reduce environmental impact at construction & operational stage.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, Clean Development Mechanism measure has been part of our continuous endeavour of excellence.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for webpage etc.

The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure F to the Board's Report. Solar Power is one of the area where we have leveraging on.

<http://www.alembicpharmaceuticals.com /annual-report/>
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

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

Nil.

Business Responsibility Report Contd.

Principle 7: Advocacy

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

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

- Federation of Gujarat Industries.
 - Federation of Indian Chambers of Commerce & Industry.
 - International Chamber of Commerce.
 - Indian Drug Manufacturers' Association.
 - Indian Chemical Council.
 - Employers' Organisation
 - All India Employers' Organisation of Employers.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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

Principle 8: Community Development

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

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

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

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

The Company undertakes programmes/projects directly/through various Non-Profit Organisations viz. Alembic CSR Foundation, Rural Development

Society, Bhailal Amin General Hospital, Uday Education Society and others.

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

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

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

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

The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken. Various projects are undertaken with Government and Semi-Government agencies that have their monitoring mechanisms and impact assessment systems.

Principle 9: Customer Value

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

Nil.

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

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

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

No.

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

No.

On behalf of the Board of Directors,

Sd/-

Pranav Amin

Managing Director and BR Head
(DIN: 00245099)

Independent Auditor's Report

To the Members of Alembic Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Alembic Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's 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 Companies Act, 2013 and the Rules 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter as Key Audit Matter/s for the year.

1. Provision for return of non-saleable goods (Expiry, Breakage and Spoilage) in the market in India

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.

The Company, under the prevailing trade practice, has an obligation to accept returns of expiry, breakage and spoilage (EBS) products, from the stockiest (customers) in India. 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.

The Company makes provision for accrual of EBS estimated in future out of the sales effected during the current period. The said provision is used for settling claims made by the customers in future. Actual returns on account of EBS can vary materially from period to period based upon actual sales volume, product mix, etc.

Refer accounting policy stated at 2.16 and note 27(11) in the standalone financial statements.

Principal Audit Procedures

We verified management's calculations in respect of estimate made by the management towards provision for accruals of EBS. We have examined the methodology and the assumptions made by the management while making this provision.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Annexures thereto and Report on Corporate Governance but does not include the standalone financial statements and our auditor's 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 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.

We have been provided the aforesaid reports and based on the work we have performed, we did not observe any material misstatement of this other information and accordingly, 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 Companies Act, 2013 ("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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls system with reference to 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 auditor's 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 auditor's 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 auditor's 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 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 Cash Flow Statement 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 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's 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 is not in excess of the limit laid down under this section.
- (h) With respect to the other matters to be included in the Auditor's 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 according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27(2)(ii) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For K.S.Aiyar & Co.

Chartered Accountants
Firm's Registration No. 100186W

Rajesh S. Joshi

Partner
Membership No.38526

Place: Vadodara
Date: 8th May, 2019

Annexure A

(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) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets i.e. Property, Plant and Equipment (PPE).
- (b) These fixed assets (PPE) have been physically verified by the management during the year as per the phased programme of physical verification of fixed assets (PPE). As informed to us the programme is such that all the fixed assets (PPE) will get physically verified once in three year time. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets (PPE). No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company except for Land having book value of ₹1.19 crores still being held in the names of erstwhile demerged companies.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii), are not applicable to the Company.
- (iv) In respect of loans, investments, guarantees and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits during the year. Therefore the question of complying with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder does not arise.
- (vi) The Central Government has specified the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Such accounts and records have been made and maintained by the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax (GST), cess and any other statutory dues to the appropriate authorities. There were no undisputed amounts payable in respect of these dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax (GST) that have not been deposited on account of any dispute are as under:

Nature of dues	Amount not deposited (₹ in Crores)	Forum where dispute is pending	Period
Sales Tax, interest and penalty	0.13	High Court	1999-2000
	1.64	Asst. Commissioner Demand	2003-04
	@	Additional Commissioner	2004-05
	0.02	Revisional Board (Tribunal)	2006-07
	0.21	Jt. Commissioner Appeals	2013-14
	0.08	Jt. Commissioner Appeals	2006-07
	0.08	Tribunal	2009-10
	0.02	Additional Commissioner	1 st April,2006 to 30 th Nov,2008
	0.15	Additional Commissioner	2007-08
	0.11	Deputy Commissioner II	2006-07
	Central Sales Tax	0.02	Addl. Commissioner Sales Tax
0.01		Jt. Commissioner Appeals	2006-07
0.03		Jt. Commissioner Appeals	2010-11
Entry Tax	0.03	Revisional Authority	2013-14
Professional Tax	0.05	Jt. Commissioner	2014-15
Excise duty, interest & penalty	2.14	CESTAT	2005-06
	0.10	CESTAT	2011-12
	@@	Remand Back	2007-08
	0.02	CESTAT	1998-99

Nature of dues	Amount not deposited (₹ in Crores)	Forum where dispute is pending	Period	
	#	Commissioner Appeal	2009-10	
	0.50	Supreme Court	2005-06	
	1.21	Supreme Court	2005-06	
	# #	CESTAT	2008-09	
	0.01	CESTAT	2010-11	
	1.02	CESTAT	2006-11	
	0.24	Commissioner Appeals	2013-14	
	0.04	Commissioner Appeals	2013-14	
	0.03	CESTAT	2012-13	
	\$\$	Commissioner Appeals	2011-12	
	0.01	Commissioner Appeals	2006-11	
	^^	Commissioner (Appeals)	2008-09	
	*	Commissioner (Appeals)	2009	
	**	Commissioner (Appeals)	2009-10	
	+	Commissioner (Appeals)	2007-08	
@ ₹44,830/-	@@ ₹16,091/-	# ₹35,000/-	## ₹55,306/-	\$\$ ₹13,588/-
^^ ₹25,153/-	* ₹25,183/-	** ₹47,936/-	+ ₹11,316/-	

- (viii) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been applied for the purpose for which they were raised.
- (x) Any fraud by the Company or any fraud on the Company by its officers or employees has not been noticed or reported during the year.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore the compliance of the requirement of section 42 of the Companies Act, 2013 are not applicable.
- (xv) Pursuant to the provisions of section 192 of the Companies Act, 2013, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.
- (xvi) The Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934.

For K.S. Aiyar & Co.

Chartered Accountants
Firm's Registration No. 100186W

Rajesh S. Joshi

Partner
Membership No.38526

Place: Vadodara
Date: 8th May, 2019

Annexure B

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Alembic Pharmaceuticals Limited)

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 over financial reporting of Alembic Pharmaceuticals Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to the standalone financial statements of the Company 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 over financial reporting 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an internal financial controls system with reference to the standalone financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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.

For K. S. Aiyar & Co.

Chartered Accountants
Firm's Registration No. 100186W

Rajesh S. Joshi

Partner
Membership No.38526

Place: Vadodara
Date: 8th May, 2019

Balance Sheet

as at 31st March, 2019

Particulars	Note No	₹ in Crores	
		As at 31 st March, 2019	As at 31 st March, 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	1,077.09	918.30
(b) Capital work-in-progress		1,106.89	740.64
(c) Investment Property	4	8.35	–
(d) Financial Assets:			
(i) Investments	5	506.39	298.89
(e) Other Non-Current Assets – Capital Advance		14.31	44.37
(2) Current Assets			
(a) Inventories	6	891.41	669.93
(b) Financial Assets			
(i) Trade receivables	7	539.75	621.66
(ii) Cash and cash equivalents	8	144.25	9.45
(iii) Bank balances other than cash and cash equivalents	9	6.55	6.18
(iv) Others financial assets	10	8.95	29.81
(c) Current Tax Assets (Net)		6.74	1.95
(d) Other current assets	11	238.35	336.71
TOTAL ASSETS		4,549.03	3,677.89
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	37.70	37.70
(b) Other Equity	13	2,674.71	2,156.93
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	499.30	500.00
(b) Provisions	15	51.33	40.43
(c) Deferred tax liabilities (Net)	16	45.27	44.64
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	359.98	121.53
(ii) Trade payables	18		
A) Total outstanding dues of Micro and Small enterprises		4.76	0.20
B) Total outstanding dues of others		525.15	601.78
(iii) Other financial liabilities	19	233.81	19.46
(b) Other current liabilities	20	84.65	120.82
(c) Provisions	21	32.37	34.40
TOTAL EQUITY AND LIABILITIES		4,549.03	3,677.89

See accompanying notes 1 to 27 of Financial Statements.

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in Crores

Particulars	Note No	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
I Revenue from Operations	22	3,660.27	2,945.26
II Other Income	23	6.42	6.67
III Total Income		3,666.69	2,951.93
IV Expenses			
Cost of Materials Consumed	24	850.04	725.75
Purchase of Stock-in-Trade		230.45	203.16
Changes in Inventories of Finished Goods and Work-in-Progress	24	(80.42)	(36.18)
Employee Benefits Expense	25	684.45	582.72
Finance costs		14.87	2.22
Depreciation and amortisation expense	3	105.59	101.76
Other Expenses	26	1,097.06	837.27
Total Expense (IV)		2,902.06	2,416.71
V Profit Before Tax (III-IV)		764.63	535.22
VI Tax Expense			
(i) Current Tax		157.52	114.33
(ii) Short/(Excess) Tax Provision		(4.10)	(1.10)
VII Profit after Tax (V-VI)		611.21	421.99
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to Statement of Profit and Loss			
(a) Re-measurements of post-employment benefit obligations		(2.43)	(3.89)
(b) Income tax relating to Re-measurements of post-employment benefit obligations		0.52	0.83
Total Other Comprehensive Income (VIII)		(1.90)	(3.06)
IX Total Comprehensive Income for the year (VII+VIII)		609.30	418.93
X Earnings per equity share (FV ₹ 2/ – per share):		32.42	22.38
Basic & Diluted (in ₹)	27(1)		

See accompanying notes 1 to 27 of Financial Statements.

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Cash Flow Statement

for the year ended 31st March, 2019

Particulars	₹ in Crores	
	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	764.63	535.22
Adjustments for:		
Depreciation	105.59	101.76
Interest charged	14.87	2.22
Interest Income	(1.43)	(0.61)
Dividend Income	(0.00)	(0.17)
Net unrealised foreign exchange gain	(23.83)	(15.62)
Provision for doubtful trade receivables	0.47	(4.99)
Investment write-off	-	4.13
(Profit) on sale of Asset	(1.18)	(4.82)
Operating Profit before change in working capital	859.12	617.14
Working capital changes:		
(Increase) in Inventories	(221.48)	(95.30)
(Increase) / Decrease in Trade Receivables	96.29	(145.86)
(Increase) / Decrease in Other Assets	119.22	(180.77)
Increase / (Decrease) in Trade Payables	(69.08)	172.12
Increase in Other Liabilities	175.97	59.93
Increase in Provisions	6.45	1.42
Cash generated from operations	966.49	428.68
Direct taxes paid (Net of refunds)	(157.69)	(124.13)
Net Cash inflow from Operating Activities (A)	808.80	304.55
B CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Asset	1.28	14.40
Government assistance	17.15	-
Interest received	1.43	0.61
Dividend received	0.00	0.17
Purchase of PPE and Capital Advance	(565.96)	(608.76)
Long-term investment in subsidiary	(207.50)	(200.00)
Net Cash inflow from Investing Activities (B)	(753.59)	(793.58)

Cash Flow Statement

for the year ended 31st March, 2019

₹ in Crores

Particulars	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	825.05	613.04
Repayment of borrowings	(587.30)	-
Increase / (decrease) in Restricted Bank Balances other than Cash & Cash Equivalents	(0.38)	0.35
Dividends paid (including distribution tax)	(90.91)	(90.76)
Interest and other finance costs (including borrowing cost capitalised)	(66.80)	(24.84)
Net Cash inflow / (outflow) from Financing Activities (C)	79.67	497.80
I. Net (decrease) / increase in cash and cash equivalents (A+B+C)	134.88	8.76
II. (a) Cash and cash equivalents at the beginning of the Year	9.45	0.69
(b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.07)	-
III. Cash and cash equivalents at the end of the Year (I+II)	144.25	9.45
IV. Cash and cash equivalents at the end of the Year		
Balances with Banks	144.03	9.13
Cash on hand	0.22	0.32
Cash and cash equivalents (Refer note 8)	144.25	9.45

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Statement of Changes in Equity

A. Equity Share Capital

	No. of Shares	₹ in Crores
Equity shares of ₹ 2/- each issued, subscribed and fully paid		
Balance at 1st April, 2017		
Equity shares of ₹ 2/- each	188,515,914	37.70
Changes in equity share capital during the year	-	-
Balance at 31st March, 2018	188,515,914	37.70
Balance at 1st April, 2018		
Equity shares of ₹ 2/- each	188,515,914	37.70
Changes in equity share capital during the year	-	-
Balance at 31st March, 2019	188,515,914	37.70

B. Other Equity - Attributable to owners

Particulars	Reserve & Surplus				Total
	Capital Reserve	General Reserve	Debenture Redemption Reserve	Retained earnings	
Balance at 1st April, 2017 (I)	0.30	1,137.74	-	691.58	1,829.62
Other Comprehensive Income	-	-	-	(3.06)*	(3.06)
Profit for the period	-	-	-	421.99	421.99
Total Comprehensive Income for the year (II)	-	-	-	418.93	418.93
Dividends paid including Tax on Dividend	-	-	-	(90.76)	(90.76)
Reversal of Deferred Tax Asset	-	(0.87)	-	-	(0.87)
Profit transferred to General Reserve	-	100.00	-	(100.00)	-
Transaction for the year (III)	-	99.13	-	(190.76)	(91.62)
Balance at 31st March, 2018 (I+II+III)	0.30	1,236.88	-	919.76	2,156.93
Balance at 1st April, 2018 (I)	0.30	1,236.88	-	919.76	2,156.93
Other Comprehensive Income	-	-	-	(1.90)*	(1.90)
Profit for the period	-	-	-	611.21	611.21
Total Comprehensive Income for the year (II)	-	-	-	609.30	609.30
Dividends paid including Tax on Dividend	-	-	-	(90.91)	(90.91)
Reversal of Deferred Tax Asset	-	(0.62)	-	-	(0.62)
Provision for debenture redemption	-	-	41.67	(41.67)	-
Profit transferred to General Reserve	-	100.00	-	(100.00)	-
Transaction for the year (III)	-	99.38	41.67	(232.57)	(91.53)
Balance at 31st March, 2019 (I+II+III)	0.30	1,336.25	41.67	1,296.49	2,674.71

* Represents remeasurements of the defined plans

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
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Paresh Saraiya
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 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Notes to the Financial Statements

Company Overview and Significant Accounting Policies

1. General information

Alembic Pharmaceuticals Limited is principally engaged in the manufacturing and selling 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 8th May, 2019

2. Significant Accounting Policies

2.01 Statement of compliance

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended 31st March, 2019 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended 31st March, 2018

2.02 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended 31st March, 2019 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

The Company has consistently applied accounting policies to all periods presented in these financial statements.

2.03 Basis of Measurement

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz. derivatives, employee benefit plan assets.

Functional and Presentation Currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

2.04 Significant Accounting Judgements, 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 judgements 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 deferred tax assets, Assessment of functional currency, Contingencies.

2.05 Property, Plant and Equipment (PPE)

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price net of eligible input 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 recognised 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.

Notes to the Financial Statements

The Company has adopted, "Cost Model" for accounting of its Property Plant and Equipment.

2.06 Capital Work-in-Progress

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-in-Progress.

2.07 Intangible Assets

Intangible assets are stated at cost less provisions for amortisation and impairments. Software licences fees are charged to statement of profit and loss when incurred.

2.08 Intangible Assets under development

Intangible assets consisting of development expenditure of certain products are amortised on straight-line method from the date they are available for use, over the useful life of the assets (5-20 years), as estimated by the Management.

2.09 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss

2.10 Borrowing Cost

Borrowing costs attributable to the acquisition and/or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

2.11 Inventories

Inventories consist of Raw Materials, Stores and Spares, Packing Materials Work-in-Progress, Goods in Transit and Finished Goods and are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of Finished Goods and Work-in-Progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.12 Trade receivables

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. 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.

2.13 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 recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised 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 purposes 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

Notes to the Financial Statements

measured at amortised cost using the effective interest rate method, less impairment, if any.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition:

The Company derecognises 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.

- **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.

De-recognition

A financial liability (or a part of a financial liability) is derecognised 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.

Notes to the Financial Statements

Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit 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 realised within 12 months after the balance sheet date.

2.14 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.

2.15 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.

2.16 Revenue Recognition

Revenue from contracts with customers is recognised on satisfaction of performance obligation, when control of the goods is passed to customer, at an amount that reflect the consideration the company expects to receive. The point at which control passes is determined based on terms of agreement with customer or as per general market practice.

Estimated future returns are calculated based on specific methodology and assumptions. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in the light of contractual and legal obligations, past trend & experience and projected market conditions. Revenue is recognised net of such future expected return and actual return.

Variable consideration arises on the sale of goods as a result of profit sharing arrangement and various deductions including charge back.

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.

Revenue recognition in case of profit sharing is highly uncertain hence the same is recognised based on reasonable certainty of revenue.

GST and other taxes on sales are excluded from revenue.

The Company has applied Ind As 115 'Revenue from contracts with customers' with effect from 1st April, 2018. Ind As 115 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

The Company has adopted Ind As 115 applying the cumulative catch-up transaction approach. Ind As 115 did not have a material impact on the amount or timing of recognition of reported revenue.

Income from operations includes Export benefits available under prevalent schemes are recognised to the extent considered realisable.

Other income is comprised of interest income, gain / loss on investments, dividend income and Insurance claim. Interest income is recognized using the effective interest method. Dividend income and other income is recognized when the right to receive payment is established.

Notes to the Financial Statements

2.17 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 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.

2.18 Employee benefits

(a) Defined Benefit Obligation Plans

(i) Gratuity

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 Standard Life Insurance. 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 would be 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 recognises 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.

(iii) Leave Liability

The Company has a policy to allow accumulation of leave by employees up to certain days. Accumulated leave liability (other than sick leave) 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 recognises these actuarial gains and losses in the statement of Profit and Loss, as income or expense.

(iv) Sick Leave

Accumulated sick leave is provided for at actual 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.

2.19 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
Goodwill	10 Years
Other Intangible Asset	08 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 amortised over the period of lease.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Notes to the Financial Statements

Depreciation on PPE added during the year is provided on pro rata basis from the month of addition. Depreciation on PPE disposed off/discarded during the year is provided up to the preceding month of disposal/discarding.

Impairment

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.

2.20 Leases

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Finance leases pertaining to certain land are capitalised at the commencement of the lease at fair value.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

2.21 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.

2.22 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 recognised 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 recognised 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 recognised 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

Notes to the Financial Statements

related tax benefit will be realized. The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the Section 115J (AA) of Income Tax Act 1961 over the period of subsequent 15 assessment years 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.

2.23 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 net of any reimbursement.

(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.

2.24 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.

2.25 Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and the Company will comply with conditions attached to the grant. Accordingly, Government grants is deducted to calculate the carrying amount of the asset, and is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense. Government grant related to specific expenses are shown as other income in the Statement of Profit and Loss.

Notes to the Financial Statements

Note 3. Property, Plant and Equipment (PPE):

₹ in Crores

Property, Plant and Equipment	Free Hold Land	Leasehold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross carrying amount									
Carrying Amount as at 1 st April, 2017	1.92	19.49	265.96	510.47	125.57	10.55	11.08	3.59	948.65
Additions/Adjustment	50.07	-	23.52	76.99	70.09	5.91	1.07	2.91	230.56
Disposals	-	(0.90)	(8.87)	(5.80)	(0.50)	(0.13)	(0.03)	(0.38)	(16.60)
Closing Gross Carrying Amount	51.99	18.58	280.61	581.67	195.15	16.33	12.13	6.13	1,162.61
Accumulated Depreciation									
Depreciation charge during the year	-	10.20	12.20	61.25	14.67	1.13	1.47	0.84	101.76
Disposals	-	-	(4.40)	(2.30)	-	(0.08)	(0.01)	(0.29)	(7.08)
Closing Accumulated Depreciation	-	10.72	31.88	158.55	33.34	2.85	5.22	1.75	244.31
Net Carrying Amount as at 1 st April, 2017	1.92	18.98	241.88	410.87	106.90	8.75	7.33	2.39	799.01
Net Carrying Amount as at 31st March, 2018	51.99	7.87	248.73	423.12	161.82	13.48	6.91	4.37	918.30
Gross carrying amount									
Carrying Amount as at 1 st April, 2018	51.99	18.58	280.61	581.67	195.15	16.33	12.13	6.13	1,162.61
Additions/Adjustment	21.27	1.77	22.03	166.81	45.03	4.42	2.45	0.71	264.48
Disposals	-	-	-	(0.33)	-	(0.01)	(0.01)	(0.01)	(0.36)
Closing Gross Carrying Amount	73.26	20.35	302.64	748.15	240.18	20.74	14.57	6.82	1,426.72
Accumulated Depreciation									
As at 1 April, 2018	-	10.72	31.88	158.55	33.34	2.85	5.22	1.75	244.31
Depreciation charge during the year	-	0.21	12.65	66.29	21.78	1.89	1.67	1.11	105.59
Disposals	-	-	-	(0.25)	-	(0.00)	(0.00)	(0.01)	(0.27)
Closing Accumulated Depreciation	-	10.92	44.53	224.59	55.12	4.73	6.88	2.85	349.64
Net Carrying Amount as at 1 st April, 2018	51.99	7.87	248.73	423.12	161.82	13.48	6.91	4.37	918.30
Net Carrying Amount as at 31st March, 2019	73.26	9.43	258.11	523.55	185.07	16.01	7.68	3.97	1,077.09

Notes:

1. The Company does not have any restrictions on the title of its property, plant and equipment.
2. Sales proceeds are deducted from gross cost where cost is unascertainable

Notes to the Financial Statements

4. Investment Property: (Refer Note No 27(13))

	As at 31 st March, 2019	As at 31 st March, 2018
Freehold Land		
Carrying Amount	–	–
Additions	8.35	–
Closing Gross Carrying Amount	8.35	–

5. Non-Current Financial Investment

	As at 31 st March, 2019	As at 31 st March, 2018
Investments in Equity Instruments-Unquoted		
Valued at Cost		
Investment in Wholly Owned Subsidiaries		
45,00,000 (PY: 45,00,000) equity shares of CHF 1 each fully paid up in Alembic Global Holding SA	30.31	30.31
Nil (PY: 41,33,849) equity shares of ₹10 each fully paid up in A G Research Pvt. Ltd.	–	4.13
Less Investment written-off	–	(4.13)
Investment in Subsidiary		
3,00,000 (PY: 3,00,000) equity shares of ₹10 each fully paid up in Aleor Dermaceuticals Limited	0.30	0.30
Investment in Associate		
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.	3.00	3.00
Valued at Amortised Cost		
Investments in Preference Shares		
1% Cumulative Redeemable Non-Convertible Preference Shares 2,25,000 (PY: 2,25,000) of ₹10 each fully paid up in EICL (Redemption date 14.12.2031)	0.23	0.23
Investments in Debentures & Warrants of Subsidiary – Valued at Cost		
Non-Convertible Debentures – Aleor Dermaceuticals Ltd.: Considered good	472.50	265.00
Secured CY 30,000 (PY: 26,500) of ₹1,00,000 each maturing on 14.11.2025 and Unsecured CY 17,250 (PY: Nil) of ₹1,00,000 each maturing on 05.06.2027		
Debenture Carrying coupon rate of 10% to be accrued only when subsidiary start making cash profit		
Warrants – Aleor Dermaceuticals Ltd. 539,200 warrants of ₹ 1/ – each	0.05	0.05
Aggregate amount of unquoted Investments	506.39	298.89

6. Inventories (Basis of Valuation – Refer Note 2.11)

	As at 31 st March, 2019	As at 31 st March, 2018
Raw Materials	300.24	186.21
Packing Materials	46.67	23.80
Work-in-Process	50.02	51.92
Finished Goods	415.67	345.56
Stock-in-trade	43.92	46.66
Goods in Transit	24.28	9.32
Stores and Spares	10.62	6.46
	891.41	669.93

Notes:

- (i) Inventories are hypothecated as security for borrowings.
- (ii) During the year ended 31.03.2019 the Company recorded inventory write-downs of ₹3.51 Crores (PY: ₹3.89 Crores).

Notes to the Financial Statements

7. Trade Receivables

		₹ in Crores
	As at 31st March, 2019	As at 31 st March, 2018
Unsecured, Considered good	a 539.75	621.66
Trade Receivables which have significant increase in credit Risk	2.12	1.96
Less: Impairment Allowance	2.12	1.96
	b —	—
	(a+b) 539.75	621.66

Receivables are hypothecated as security for borrowings
Refer Note No 27(7)(J) for Related Party Receivable

8. Cash and Cash Equivalents

		₹ in Crores
	As at 31st March, 2019	As at 31 st March, 2018
Balances with Banks	144.03	9.13
Cash on hand	0.22	0.32
	144.25	9.45

9. Bank Balances Other than Cash and Cash Equivalents

		₹ in Crores
	As at 31st March, 2019	As at 31 st March, 2018
Earmarked Balance with Bank		
Unpaid Dividend Account	4.79	4.03
Margin Money Deposit Account	1.76	2.14
	6.55	6.18

10. Other Financial Assets (Current)

		₹ in Crores
	As at 31st March, 2019	As at 31 st March, 2018
Security Deposits	8.95	17.63
Unrealised Foreign Exchange Gain	—	12.18
	8.95	29.81

Refer Note No 27(7)(J) for Related Party Deposits

11. Other Current Assets (Unsecured, considered good)

		₹ in Crores
	As at 31st March, 2019	As at 31 st March, 2018
Advance to Employees	4.86	6.11
Advance to Suppliers	44.38	51.69
Pre-paid Expense	13.09	11.18
Balances with Government Authorities	176.02	267.72
	238.35	336.71

Notes to the Financial Statements

12. Equity Share Capital

	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
20,00,00,000 – Equity shares of ₹ 2/ – each	40.00	40.00
	40.00	40.00
Shares issued, subscribed and fully paid		
18,85,15,914 – Equity shares of ₹ 2/ – each	37.70	37.70
	37.70	37.70

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

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	18,85,15,914	37.70	18,85,15,914	37.70
Outstanding at the end of the year	18,85,15,914	37.70	18,85,15,914	37.70

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.

Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	% held	Numbers	% held
1 Alembic Limited	5,55,51,528	29.47%	5,54,71,208	29.43%
2 Nirayu Private Limited	4,93,36,655	26.17%	4,93,36,655	26.17%
3 Shreno Limited	2,06,98,780	10.98%	2,06,98,780	10.98%

13. Other Equity

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

	As at 31 st March, 2019	As at 31 st March, 2018
(a) Capital Reserve	0.30	0.30
(b) General Reserve	1,336.25	1,236.88
(c) Retained Earnings	1,296.49	919.76
(d) Debenture Redemption Reserve	41.67	–
Total Other Equity	2,674.71	2,156.93

Nature and purpose of each Reserve

Capital Reserve: Capital Reserve is created on receipt of Government subsidy for setting up factory in backward area.

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

Debenture redemption reserve: The Company is required to create a debenture redemption reserve out of the profits in accordance with Companies Act, 2013.

Notes to the Financial Statements

14. Borrowings (Non-Current)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Unsecured		
From Bank		
Term Loan (Refer Note No 19)	–	500.00
Non-Convertible debentures	499.30	–
	499.30	500.00

Notes:

- (i) Term loan of ₹ 200 Crores classified as current: payable in January, 2020. Interest @ rate of six months T-Bills plus spread of 87 bps.
- (ii) Term loan of ₹ 300 Crores: Interest @ rate of one year G-sec plus spread of 61 bps repaid during the year.
- (iii) Maturity profile and rate of interest of non-convertible debentures are set out as below.

Effective Rate of Interest	2021-22	2022-23	Total Repayment	Amortised cost adjustment	Closing balance
8.42% to 9.05%	300	200	500	0.70	499.30

15. Provisions (Non-Current)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Provision for Employee Benefits (Refer Note No. 27(5))		
Provision for Gratuity	–	1.68
Provision for Leave benefits	23.39	17.85
Provision for Non-Saleable return of goods (Refer Note No. 27(12))	27.93	20.89
	51.33	40.43

16. Deferred Tax Liabilities (Net)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Deferred Tax Liabilities		
Depreciation	a 140.86	118.50
Deferred Tax Assets		
Provision for Doubtful debts	0.74	0.68
MAT Credit Entitlement	78.40	57.85
Intangible Asset	1.96	2.58
Others	14.50	12.75
	b 95.59	73.86
	(a-b) 45.27	44.64

Notes to the Financial Statements

17. Borrowings (Current)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Loans repayable on demand		
From Banks		
Secured		
Working Capital Demand Loan	34.93	46.53
First charge on <i>pari passu</i> basis by hypothecation of Inventory and Trade Receivables at Interest rates ranging between 7% to 10% repayable on demand		
Unsecured		
Bank overdraft @ 6 month MCLR	75.05	–
Working capital demand loan, Interest @ rate of 7.85%	–	75.00
From Other Parties		
Unsecured		
Commercial Paper	250.00	–
(Carrying interest rates ranging between 7% to 7.5%, Repayable in May 19 & June 19)		
	359.98	121.53

18. Trade Payables

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Due to Micro and Small Enterprises (Refer Note No. 27(3))	4.76	0.20
Others	525.15	601.78
	529.91	601.98

Refer Note No. 27(7)(J) for Related Party Payables.

19. Other Financial Liabilities

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Current maturities of long-term debt (Refer Note No. 14)	200.00	–
Interest accrued but not due on borrowings	11.06	2.79
Unpaid dividends	4.79	4.03
Trade Deposits	11.84	12.58
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.06	0.06
Unrealised Foreign Exchange Loss	6.07	–
	233.81	19.46

20. Other Current Liabilities

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Statutory payable	19.61	68.21
Advance from Customers	3.62	9.47
Employee benefits payables	61.41	43.14
	84.65	120.81

Notes to the Financial Statements

21. Provisions (Current)

	As at 31 st March, 2019	₹ in Crores As at 31 st March, 2018
Provision for Employee Benefits (Refer Note No. 27(5))		
Provision for Gratuity	4.07	6.73
Provision for Leave benefits	7.41	6.76
Provision for Non-Saleable return of goods (Refer Note No. 27(12))	20.90	20.90
	32.37	34.40

22. Revenue from Operations

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Sale of products		
– Domestic*	1,500.02	1,370.24
– Exports	2,033.82	1,481.54
	3,533.84	2,851.78
Other Operating Revenues		
– Export Incentives	88.18	69.73
– Royalty	30.67	18.68
– Miscellaneous	7.59	5.07
	3,660.27	2,945.26

*Revenue from operations upto June 30, 2017 was reported inclusive of excise duty which is now subsumed in GST. Accordingly, figures of revenue from operations for the year ended March 31, 2019 are not comparable with the figures of the previous period.

23. Other Income

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Dividend	0.00	0.17
Insurance Claims	1.68	0.82
Lease Rent Income	0.40	0.26
Profit on Sales of Assets (net)	1.18	4.82
Profit on Sales of Investment	1.52	–
Interest Income	1.43	0.61
Miscellaneous income	0.20	–
	6.42	6.67

24. Cost of Material Consumed

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Inventory at the beginning of the year	210.01	152.70
Add: Purchases	986.94	783.06
	1,196.95	935.76
Less: Inventory at the end of the year	346.90	210.01
	850.04	725.75

Notes to the Financial Statements

24. Cost of Material Consumed (contd.)

₹ in Crores

	For the Year Ended on 31st March, 2019	For the Year Ended on 31 st March, 2018
Changes in inventories of Finished Goods, Work-in-Process		
Work-in-Process	50.02	51.92
Finished Goods	415.67	345.56
Stock-in-Trade	68.20	55.99
Inventory at the end of the year	533.88	453.46
Work-in-Process	51.92	30.72
Finished Goods	345.56	348.47
Stock-in-Trade	55.99	38.09
Inventory at the beginning of the year	453.46	417.28
	(b-a)	(36.18)

25. Employee Benefits Expense

₹ in Crores

	For the Year Ended on 31st March, 2019	For the Year Ended on 31 st March, 2018
Salaries and Wages	627.23	540.33
Contribution to Provident and Other funds	37.39	28.72
Staff welfare expense	19.83	13.67
	684.45	582.72

26. Other Expenses

₹ in Crores

	For the Year Ended on 31st March, 2019	For the Year Ended on 31 st March, 2018
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	177.41	151.87
Power and Fuel	88.44	70.21
Manufacturing and Labour Charges	19.27	17.94
Repairs and Maintenance		
Machinery	24.29	19.61
Buildings	8.34	7.05
Others	4.64	4.21
Freight and Forwarding Charges	80.32	51.27
Sales Promotion, Service Fees and Commission	342.47	222.29
Excise Duty	-	0.63
Rent (Refer Note No. 27(21))	15.78	12.56
Rates and Taxes	9.25	5.61
Insurance	3.79	3.18
Travelling Expense	129.79	112.67
Communication Expenses	26.08	19.70
Legal & Professional Fees	91.80	76.65
Payment to Auditors (Refer Note No. 27(8))	0.75	0.68
Exchange Difference (net)	(19.08)	(28.06)
Bad Debts written-off	0.30	0.87
Less: Bad Debts Provision Utilised	(0.30)	(0.87)
Provision for Doubtful Debts	0.47	(4.99)
Expenses on CSR Activities	14.28	7.14
Donation (Refer Note No. 27(18))	0.60	6.07
Patent Filing & Registration Fees	42.09	38.50
External Research & Development	20.60	25.89
Investment written-off	-	4.13
Miscellaneous Expenses	15.67	12.47
	1,097.06	837.27

Notes to the Financial Statements

27. Other explanatory Notes to the Standalone Financial Statement

	For the Year Ended on 31st March, 2019	For the Year Ended on 31 st March, 2018
1. Earning Per Share (EPS)		
(a) Profit after Tax available for equity shareholders (₹ in Crores)	611.21	421.99
(b) Weighted Average number of equity shares	18,85,15,914	18,85,15,914
(c) Basic and Diluted Earnings per share before exceptional Items in ₹ (Face value per share ₹ 2/- each)	32.42	22.38
	As at 31st March, 2019	₹ in Crores As at 31 st March, 2018
2. Contingent Liabilities, Contingent Asset and Commitments (To The Extent Not Provided For)		
i Estimated amount of contracts net of advances remaining to be executed on capital accounts	149.70	121.71
ii Contingent liabilities		
(a) Letter of credit, Bank Guarantees and Corporate Guarantees	250.10	183.52
(b) Liabilities Disputed in appeals		
Excise duty	5.35	5.93
Sales Tax	3.18	2.57
(c) Claims against the Company not acknowledged as debt	0.37	0.02
(d) Non-fulfilment of export obligation against advance licence	—	3.79
(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

iii Contingent Asset

Interest on Investments made in 10% Secured Redeemable Non-Convertible Debentures of ₹ 300.00 Crores, 10% Unsecured Redeemable Non-Convertible Debentures of ₹172.50 Crores of the 60% Subsidiary Company Aleor Dermaceuticals Limited which are carried at cost as per para 10 of Ind AS 27 'Separate Financial Statements'.

As per terms of the JV agreement and securities subscription agreement entered into between the Company and Aleor Dermaceuticals Limited "no interest shall accrue and be payable unless the subsidiary company earns cash profits". There is a long gestation period involved in the construction and commissioning of manufacturing facility, technology transfer and scale up of R&D projects, filing of ANDA application with USFDA and approval of ANDA's by USFDA before the said subsidiary company can start manufacturing and marketing the products on commercial basis. Even thereafter, as projected, there will be some time before the company can start making cash profits. During the intervening period, there will be many uncertainties which may delay the entire process and start yielding financial and economic benefits that are as intended by the management.

Further, in terms of the said agreements, the tenure of NCD shall be of 9 years from the date of allotment of first tranche and in the event of default, i.e., if Subsidiary Company fails to redeem the NCD, the Company has a right to exercise the warrants held by it and to receive Equity shares of the subsidiary company.

As at the Balance Sheet date, no operational profits have been earned by the subsidiary company. As per the cash flows and profitability projections made by the subsidiary company, no operational profits are envisaged to be earned in a near future of say up to 3 years. Accordingly, there is no certainty of the date of the realization of interest and principal amounts and the net present value of the said receivables cannot be determined with reasonable accuracy.

In view of the aforesaid reasons and on the grounds of prudence, the Company has not recognized the interest income on the said investment. However since Company has a conditional right to receive interest on the above investments at the specified coupon rate amounting to ₹ 40.35 Crores for the year and accumulated till the year-end of ₹61.63 Crores is considered as Contingent asset.

Notes to the Financial Statements

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 and Small Enterprise

	As at 31 st March, 2019	₹ in Crores As at 31 st March, 2018
(a) The principal amount remaining unpaid to any supplier at the end of the year	4.76	0.22
(b) 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	–	–
(c) The amount of interest due and payable for the period of delay in making payment	–	–
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
(e) 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	–	–
	4.76	0.22

4. Segment Reporting

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

5. Defined benefit plans / compensated absences – As per actuarial valuation

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2019

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	39.77	32.31
Current service cost	6.73	5.66
Interest Cost	2.63	2.10
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	0.24	(0.55)
- Due to experience adjustments	3.33	3.03
Benefits paid	(2.65)	(2.78)
Present Value of defined benefit obligation at the end of the year	50.05	39.77
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	31.35	27.37
Expenses deducted from the fund	–	–
Interest Income	2.26	1.95
Return on plan assets excluding amounts included in interest	1.14	(1.41)
Contributions paid by the employer	13.88	6.22
Benefits paid from the fund	(2.65)	(2.78)
Fair Value of plan assets at the end of the year	45.98	31.35
iii) Net asset / (liability) recognised in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(50.05)	(39.77)
Fair Value of plan assets at the end of the year	45.98	31.35
Amount recognised in the balance sheet	(4.07)	(8.42)
Net Liability – non current	–	(1.68)
Net Asset / (Liability) recognised – current	(4.07)	(6.73)
iv) Expense recognised in the statement of profit and loss for the year		
Current service cost	6.73	5.66
Net interest cost	0.37	0.15
Total expenses included in employee benefit expenses	7.11	5.81

Notes to the Financial Statements

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
v) Recognised in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	0.24	(0.55)
Actuarial changes arising from experience adjustment	3.33	3.03
Return on plan assets excluding amounts included in interest income	(1.14)	1.41
Recognised in other comprehensive income	2.43	3.89
vi) Actuarial Assumptions		
Rate of Discounting	7.35%	7.40%
Rate of Salary Increase	4.75%	4.75%
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 (2006-08)	Indian Assured Lives Mortality (2006-08)
vii) Composition of the plan assets		
Policy of insurance	100%	100%

viii) Expected cashflows based on past service liability

	₹ in Crores For the Year Ended on 31 st March, 2019
Year 1	9.29
Year 2	2.29
Year 3	2.79
Year 4	2.82
Year 5	2.65
Year 6	16.18

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

ix) The Expected contribution for the next year is ₹ 4.07 Crores and the average outstanding term of the obligations (years) as at valuation date is 10.76 years.

x) Sensitivity Analysis

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Delta Effect of +0.5% Change in Rate of Discounting	47.54	37.72
Delta Effect of - 0.5% Change in Rate of Discounting	52.28	41.25
Delta Effect of +0.5% Change in Rate of Salary Increase	52.33	41.29
Delta Effect of - 0.5% Change in Rate of Salary Increase	47.48	37.67
Delta Effect of +0.5% Change in Rate of Employee Turnover	51.04	39.96
Delta Effect of - 0.5% Change in Rate of Employee Turnover	48.85	39.56

Notes to the Financial Statements

The following table sets out the non-funded status of the Privilege Leave benefits and the amounts recognised in the Company's financial statements as at 31st March, 2019

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	19.16	16.36
Current service cost	2.63	2.42
Interest Cost	1.37	1.15
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	0.14	(0.37)
- Due to experience adjustments	7.55	7.21
Past service cost	-	-
Benefits paid	(5.51)	(7.63)
Present Value of defined benefit obligation at the end of the year	25.34	19.16
ii) Net asset / (liability) recognised in the Balance Sheet		
Amount recognised in the balance sheet	(25.34)	(19.16)
iii) Expense recognised in the statement of profit and loss for the year		
Current service cost	2.63	2.42
Past service cost and loss/(gain) on		
- Net interest cost	1.37	1.15
- Net value of measurements on the obligation	7.69	6.85
Total Charge to Statement of Profit and Loss	11.69	10.42
iv) Actuarial Assumptions		
Rate of Discounting	7.35%	7.40%
Rate of Salary Increase	4.75%	4.75%
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 (2006-08)	Indian Assured Lives Mortality (2006-08)
v) Expected cashflows based on past service liability		
Cash Flow	For the Year Ended on 31st March, 2019	
Year 1		1.95
Year 2		1.32
Year 3		1.89
Year 4		1.79
Year 5		1.46
Year 6		8.43

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

Notes to the Financial Statements

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
vi) Sensitivity Analysis		
Delta Effect of +0.5% Change in Rate of Discounting	23.85	18.13
Delta Effect of – 0.5% Change in Rate of Discounting	26.68	20.29
Delta Effect of +0.5% Change in Rate of Salary Increase	26.72	20.31
Delta Effect of – 0.5% Change in Rate of Salary Increase	23.81	18.10
Delta Effect of +0.5% Change in Rate of Employee Turnover	26.13	19.87
Delta Effect of – 0.5% Change in Rate of Employee Turnover	24.11	18.33

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.

6. Provident Fund

The Company is liable for any shortfall 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 interest short fall as at 31 March, 2019 and 31st March, 2018.

7. (i) Disclosures in respect of Related Parties transactions

(A) Controlling Companies: Nirayu Pvt. Limited

(B) Subsidiaries including step down subsidiaries

1	Aleor Dermaceuticals Limited	(Subsidiary of Alembic Pharmaceuticals Limited)
2	Alembic Global Holding SA	(Subsidiary of Alembic Pharmaceuticals Limited)
3	AG Research Private Limited	(Subsidiary of Alembic Pharmaceuticals Limited) (up to 22.01.2019)
4	Alembic Pharmaceuticals Australia Pty Ltd.	(Subsidiary of Alembic Global Holding SA)
5	Alembic Pharmaceuticals Europe Ltd.	(Subsidiary of Alembic Global Holding SA)
6	Alnova Pharmaceuticals SA	(Subsidiary of Alembic Global Holding SA)
7	Alembic Pharmaceuticals Inc.	(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	Orit Laboratories LLC	(Subsidiary of Alembic Pharmaceuticals Inc.)
11	Okner Realty LLC	(Subsidiary of Alembic Pharmaceuticals Inc.)

(C) Associate Companies

1	Incozen Therapeutics Pvt. Limited	(Associate of Alembic Pharmaceuticals Limited)
2	Rhizen Pharmaceuticals SA	(Associate of Alembic Global Holding SA)
3	Dahlia Therapeutics SA	(Subsidiary of Rhizen Pharmaceuticals SA)
4	Rhizen Pharmaceuticals Inc.	(Subsidiary of Rhizen Pharmaceuticals SA)

(D) Joint Venture

1	Alembic Mami SPA	(Joint venture of Alembic Global Holding SA)
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(E) Other Related Parties

1	Alembic Limited	4	Viramya Packlight LLP
2	Shreno Limited	5	Shreno Publications Limited
3	Paushak Limited		

Notes to the Financial Statements

(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. Ramnathan	Non-Executive Director
6	Mr. Pranav Parikh	Non-Executive Director
7	Mr. Paresh Saraiya	Non-Executive Director
8	Mr. Milin Mehta	Non-Executive Director (upto 22 nd January, 2019)
9	Ms. Archana Hingorani	Non-Executive Director
10	Mr. Ajay Kumar Desai	Sr. Vice President - Finance & Company Secretary (upto 31 st May, 2018)
11	Mr. Charandeep Singh Saluja	Company Secretary (From 1 st June 2018)

(G) Relatives of Key Management Personnel

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

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
(H) Key Managerial Personal Compensation		
Short Term Employment Benefits	62.51	55.97
Terminal Benefits	1.86	1.93
Others	0.68	0.57

(I) Transactions with Related parties:

During the year, the following transactions were carried out with related parties and relative of Key Management Personnel in the ordinary course of the business:

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
(a) Sale of Goods/MEIS License (Net)		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	870.12	511.29
Alembic global holding SA	160.53	209.42
Others	3.10	1.59
Associates		
Rhizen Pharmaceutical SA	11.41	5.97
Joint Venture	-	4.58
Other Related Parties	3.88	2.48
(b) Purchase of Goods		
Other Related Parties		
Alembic Limited	51.59	50.05
Shreno Publications Limited	23.48	-
Sierra Investments Pvt. Ltd.	-	10.92
Others	2.07	9.23
(c) Investment		
Subsidiaries including step down subsidiaries		
Aleor Dermaceuticals Limited	207.50	200.00
(d) Corporate Guarantee Given		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	69.15	-
Alembic Pharmaceuticals Inc.	34.58	52.17

Notes to the Financial Statements

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
(e) <i>Withdrawal of Corporate Guarantee</i>		
Subsidiaries including step down subsidiaries		
Alembic Global Holding SA	34.58	46.28
(f) <i>Reimbursement of expenses</i>		
Subsidiaries including step down subsidiaries		
Alembic Pharmaceuticals Inc.	12.45	0.01
Others	0.05	-
Other Related Parties		
Alembic Limited	10.50	0.78
Associates	0.12	0.58
(g) <i>Rent Received</i>		
Subsidiaries including step down subsidiaries		
Aleur Dermaceuticals Limited	0.42	0.27
(h) <i>Rent Paid</i>		
Other Related Parties		
Alembic Limited	8.21	6.18
Others	0.63	0.62
(i) <i>Guarantee Commission Received</i>		
Subsidiaries including step down subsidiaries		
Alembic global holding SA	0.05	0.16
Alembic Pharmaceuticals Inc.	0.17	-
(j) <i>Receiving of Services</i>		
Other Related Parties		
Alembic Limited	10.75	7.72
Others	0.02	4.39
(k) <i>Rendering of services</i>		
Associates		
Rhizen Pharmaceutical SA	0.89	-
Subsidiaries including step down subsidiaries	-	0.48
(l) <i>Purchase of Fixed Assets</i>		
Other Related Parties		
Shreno Limited	18.88	3.73
(m) <i>Deposit Given</i>		
Other Related Parties		
Alembic Limited	-	2.84
(n) <i>Deposit Returned</i>		
Other Related Parties		
Alembic Limited	9.92	-
(o) <i>Dividend Paid</i>		
Other Related Parties		
Alembic Limited	22.22	22.00
Nirayu Pvt Limited	19.73	5.49
Whitefield Chemtech Pvt. Limited	-	7.31
Sierra Investments Pvt. Limited	-	6.94
Others	8.28	8.28
Relatives to Key Management Personnel	2.79	2.79
Key Management Personnel	2.62	2.62
(p) <i>Remuneration / Compensation</i>		
Key Management Personnel	65.06	58.46

Notes to the Financial Statements

(J) Balance Outstanding as at the end of the year

	As at 31st March, 2019	₹ in Crores As at 31 st March, 2018
Receivables		
Subsidiaries including step down subsidiaries	278.95	396.86
Associate Companies:	3.86	3.46
Joint Venture	0.24	0.24
Payables		
Key Management personnel	35.50	28.30
Other Related Parties	7.64	11.71
Investments		
Subsidiaries including step down subsidiaries	472.50	265.35
Corporate Guarantee		
Subsidiaries including step down subsidiaries	159.05	91.56
Joint Venture	-	32.59
Deposit Received		
Subsidiaries including step down subsidiaries	0.06	0.06
Deposit Given		
Other Related Parties	2.47	12.41

- ii) Nirayu Private Limited has become holding company of Alembic Pharmaceuticals Limited during the financial year 2017-18 based on clarifications and advice received regarding direct and indirect holding through its subsidiaries and step down subsidiaries. The disclosures made in the financial statements in related party transactions and controlling entity information have been modified accordingly. This does not have any impact on the financials of the Company in any way.

8. Auditors Fees and Expenses :

Particulars	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
(a) Statutory Auditors:		
As Auditors	0.28	0.28
In Other Capacity:		
(i) Other Services		
Limited Review	0.29	0.29
Others	0.11	0.04
(ii) Reimbursement of expenses	0.02	0.01
(b) Cost Auditors:		
Cost Audit Fees	0.02	0.02
(c) Tax Auditor:		
Tax Audit Fees	0.03	0.02
(d) Secretarial Auditor:		
Secretarial Audit Fees	0.02	0.02

Notes to the Financial Statements

9. Income Taxes

a) Income tax expense

Particulars	₹ in Crores	
	31 st March, 2019	31 st March, 2018
Current Tax		
Current tax expense	157.52	114.33
Deferred Tax		
Decrease / (increase) in deferred tax assets	(22.36)	(26.27)
(Decrease) / increase in deferred tax liabilities	22.36	26.27
Total deferred tax expenses (benefit)	–	–
Total Income tax expenses *	157.52	114.33

* This excludes tax benefit on other comprehensive income of ₹ 0.52 Crores for 31st March, 2019 & ₹ 0.83 Crores for 31st March, 2018 respectively.

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	₹ in Crores	
	31 st March, 2019	31 st March, 2018
Profit before Income tax expense	764.63	535.22
Tax at the Indian Tax Rate*	164.77	114.22
Dividend income	(0.00)	(0.04)
Expenditure related to exempt Income	0.01	0.02
Provision for debenture redemption	(8.98)	–
Others (including deferred tax)	1.73	0.13
Income Tax Expense	157.52	114.33

* The Company is covered under the provisions of MAT u/s 115JB and the applicable Indian tax rate for year ended 31st March, 2019 is 21.5488% and 21.3416% for 31st March, 2018.

c) Current tax (liabilities)/assets

Particulars	₹ in Crores	
	31 st March, 2019	31 st March, 2018
Opening balance	1.95	(9.78)
Income tax paid	157.69	124.13
Current income tax payable for the period / year	(157.00)	(113.50)
Write back of income tax provision of earlier years	4.10	1.10
Net current income tax asset/ (liability) at the end	6.74	1.95

d) Unrecognised deferred tax assets

The details of unrecognised deferred tax assets are summarised below:

	₹ in Crores	
	31 st March, 2019	31 st March, 2018
Deductible temporary differences, net	280.59	237.58

During the year ended 31st March, 2019, the Company did not recognise deferred tax assets of ₹ 280.59 Crores on MAT credit entitlement, as the Company believes that utilization of same is not probable. The above MAT credit expire at various dates ranging from 2026 through 2035.

Notes to the Financial Statements

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

₹ in Crores

For the year ended on	As at 31 st March, 2019	As at 31 st March, 2018
Opening Balance	82.30	24.21
Salaries, allowance and contribution to funds	62.15	35.72
Professional Fees	1.58	0.83
Travelling Expenses	5.95	2.49
Others	39.41	19.05
Closing balance	191.39	82.30

11. Research and Development Expenses

₹ in Crores

	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
Material Consumption	80.58	68.16
Employees Benefit Expenses	131.41	99.13
Utilities	17.35	12.21
Depreciation	26.07	17.19
Others	212.33	192.27
Research and Development Expenses (included in Profit and Loss)	467.74	388.95

12. Provision for Non-Salable return of goods

₹ in Crores

	As at 31 st March, 2019
Balance as at 1st April, 2018	41.79
Increase during the year	27.94
Reduction during year	(20.90)
Balance as at 31st March, 2019	48.83

13. Investment Property (Refer Note No. 4)

₹ in Crores

Particular	For the Year Ended on 31 st March, 2019
(i) - Amount Recognised in statement of Profit and loss for investment properties Rental Income	0.42
- Direct operating expenses from property that generated rental income	-
(ii) Fair Value (As at 31 st March, 2019)	13.94

Estimation of fair value: Method of Estimation

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

14. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR Committee has been formed by the Company as per the Act. The company spent ₹ 14.28 crores on various projects during the year refer Annexure - A included in the Board's Report.

Notes to the Financial Statements

15. Financial instruments

Category of Financial Instrument

Particulars	As at 31 st March, 2019			As at 31 st March, 2018		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets						
Investment in Preference shares	-	-	0.23	-	-	0.23
Trade Receivables	-	-	539.75	-	-	621.66
Cash and cash equivalents	-	-	144.25	-	-	9.45
Bank balances	-	-	6.55	-	-	6.18
Derivatives not designated as Hedge	-	-	-	5.53	-	-
Others	-	-	8.95	-	-	24.28
Total	-	-	699.73	5.53	-	661.78
Financial liabilities						
Borrowings	-	-	859.29	-	-	621.53
Trade Payables	-	-	529.91	-	-	601.98
Other Financial liabilities	-	-	230.38	-	-	19.46
Derivatives not designated as Hedge	3.42	-	-	-	-	-
Total	3.42	-	1,619.58	-	-	1,242.97

Fair value measurement hierarchy:

Particulars	As at 31 st March, 2019			As at 31 st March, 2018		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Derivatives not designated as Hedge	-	3.42	-	-	5.53	-

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.

16. 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 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.

	As at 31 st March, 2019	As at 31 st March, 2018
Trade Receivables	539.75	621.66
Allowance for doubtful debts	2.12	1.96
Percentage	0.4%	0.3%

Notes to the Financial Statements

Reconciliation of loss allowance provision – Trade receivables

	₹ in Crores
Loss allowance on 1 st April, 2017	7.82
Changes in loss allowance	(5.86)
Loss allowance on 31 st March, 2018	1.96
Changes in loss allowance	0.16
Loss allowance on 31st March, 2019	2.12

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 144.25 Crores (PY: ₹ 9.45 Crores). The cash and cash equivalents other bank balances and derivatives are held with bank with 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.

	As at 31 st March, 2019			As at 31 st March, 2018		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
	₹ in Crores					
Non-derivative						
Borrowings	359.98	499.30	859.29	121.53	500.00	621.53
Trade payables	529.91	–	529.91	601.98	–	601.98
Other financial liabilities	230.38	–	230.38	19.46	–	19.46
Derivative						
Options contracts	3.42	–	3.42	–	–	–

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 budgeted business transactions and recognised assets and liabilities. The Company enters into foreign currency options contracts which are not intended for trading or speculative purposes but for hedge purposes.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

As at 31 st March, 2019	₹ in Crores			
	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables (net)	381.75	24.49	11.33	417.57
Cash and cash equivalents	138.52	0.00	0.00	138.52
Financial liabilities				
Trade payables	101.67	0.00	0.62	102.29

Notes to the Financial Statements

As at 31 st March, 2018	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables (net)	452.96	26.41	16.75	496.12
Cash and cash equivalents	7.95	0.75		8.70
Financial liabilities				
Trade payables	56.09	2.05	1.15	59.29
Borrowing (PCFC)	32.59	–	–	32.59

Sensitivity analysis

For the years ended 31st March, 2019 and 31st March, 2018 every 5% weakening of Indian Rupee as compared to the respective major currencies for the above-mentioned financial assets/liabilities would increase Company's profit and equity by approximately ₹ 22.15 Crores and ₹ 19.87 Crores respectively. 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 years ended 31st March, 2019 and 31st March, 2018, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would decrease the Company's interest cost by approximately ₹ 5.30 Crores and ₹ 3.11 Crores respectively. 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.

Since company has been significantly dealing in regulatory market, continues 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.

17. 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 paid during the year

The Board of Directors has recommended dividend on Equity Shares at ₹ 5.50 per share i.e. 275% for the year ended on 31st March, 2019. Dividend Proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year dividend of ₹ 75.41 Crores (₹ 4.00 Per Shares i.e. 200%) and corporate tax of ₹ 15.35 Crores paid to the equity shareholders after the AGM approval for financial year 2017-18.

Notes to the Financial Statements

18. Donation includes political contributions of ₹ 0.50 Crores through Electoral Bond.

19. Government Grant

The Company is entitled to subsidy, on its investment in the property, plant and equipment on fulfilment of the conditions stated in those Scheme. During year company has received ₹ 17.15 Crores as subsidy on investment in property, plant and equipment and ₹ 0.06 Crores as reimbursement of expense. The same is accounted as stated in accounting policy on Government Grant (Refer Note No. 2(25)).

20. Revenue Recognition

The company has applied Ind As 115 'Revenue from contracts with customers' with effect from 1st April, 2018. Ind As 115 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

The company has adopted Ind As 115 applying the cumulative catch-up transaction approach. Ind As 115 did not have a material impact on the amount or timing of recognition of reported revenue.

The Company is engaged in Pharmaceuticals business considering nature of products, revenue can be disaggregated as API business and Formulation business ₹ 761.00 Crores and ₹ 2899.27 Crores respectively, and considering Geographical business, Revenue can be disaggregated as in India ₹ 1507.60 Crores and out side India ₹ 2152.67 Crores.

21. The Company has obtained and given certain premises for its business operations under operating lease or leave and licence agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreeable terms.

Lease receipts / payments are recognised in the statement of profit and loss under "Lease Rent Income" & "Rent" in Note 22 and 26 respectively.

22. Borrowing cost of ₹ 60.20 Crores (PY ₹ 22.61 Crores) capitalised @ rate of 7.45%.

22. Recent Accounting Pronouncements

Ind AS 116 Leases : On 30th March, 2019 Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introducing lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is in process of evaluating the impact of the same.

23. 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. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Independent Auditor's Report

To the Members of Alembic Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Alembic Pharmaceuticals Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated Cash Flows Statement 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, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2019, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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. The following Key Audit Matters have been identified by us and as reported by the component Auditors.

1. Provision for return of non-saleable goods (Expiry, Breakage and Spoilage) in the market in India (In the case of Holding Company)

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.

The Company, under the prevailing trade practice, has an obligation to accept returns of expiry, breakage and spoilage (EBS) products, from the stockiest (customers) in India. 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.

The Company makes provision for accrual of EBS estimated in future out of the sales effected during the current period. The said provision is used for settling claims made by the customers in future. Actual returns on account of EBS can vary materially from period to period based upon actual sales volume, product mix, etc.

Principal Audit Procedures

We verified management's calculations in respect of estimate made by the management towards provision for accruals of EBS. We have examined the methodology and the assumptions made by the management while making this provision.

2. Recognition, measurement and impairment testing of "Capital Work in Progress and Intangible Assets under development". (In the case of a Subsidiary Company)

Auditors of Aleor Dermaceuticals Limited ("Aleor"), subsidiary company, have reported the following matter as a key audit matter:

Aleor is in the process of construction of Property, Plant, and Equipment of its project, which is included as Capital Work in Progress. It is also developing various generic products which are included under "Intangible assets under development".

This is a key audit matter because there is use of significant estimates and judgements by the management for recognition, measurement and testing for impairment for the same.

Principal Audit Procedures

Audit approach of the auditors of the Aleor consisted of assessing the entity's process to identify accuracy of recognition and measurement of assets, both tangible and intangible and related direct expenditure (as per principles enunciated under IND AS 16 'Property, Plant and Equipment' and Ind AS 36 'Intangible Assets') as well as testing of design and operative effectiveness of the internal controls for the same. The auditors of Aleor also carried out substantive testing as follows:

- Evaluated the design of internal controls related to recognition and measurement of the said expenditure;

- Selected a sample of agreements and contracts related to the said expenditure which were relevant for the recognition and measurement;
- Performing the following procedures:
 - Verification of costs of materials and services used;
 - Verification of the costs of employee benefits attributable to the assets acquired and for the development of intangible assets;
 - Review of the legal rights as per the related agreements;
 - Review of the directly attributable cost as per allocated cost centre.

In addition of the above the auditors of Aleor have also verified and considered the following to ensure the recoverable value of the capital work in progress and intangible assets under development:

- Considered the recoverable value based on value in use derived from discounted cash flows working provided by the management and certified by the independent external valuer.
- Verified the application made by the subsidiary company to external agencies for approval of its various products and also the approval received by the company for some of the products.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Annexures thereto and Report on Corporate Governance but does not include the consolidated financial statements and our auditor's 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 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.

We have been provided the aforesaid reports and based on the work we have performed, we did not observe any material misstatement of this other information and accordingly, 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 are responsible for the preparation and presentation of these consolidated

financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 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 of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 of its associates and jointly controlled entities is responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 judgement and maintain professional scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 associates and jointly controlled entities to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities 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 associates and jointly controlled entities 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 and such other entities included in the consolidated financial statements of which we are the independent auditors 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 period and are therefore the key audit matters. We describe these matters in our auditor's 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

- (a) We did not audit the financial statements / financial information of 11 subsidiaries whose financial statements / financial information reflect total assets of ₹1079.27 Crores as at 31st March, 2019, total revenues of ₹1310.08 Crores and net cash out-flows amounting to ₹19.48 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹9.28 Crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 1 associate, and 1 jointly controlled entity whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have 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 these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- (b) Re: Subsidiary Company, i.e., Aleor Dermaceuticals Limited. (Aleor)

Aleor's Auditors' have modified their audit opinion regarding the fact that the company has measured its financial liability of Non-convertible Redeemable Debentures (NCRD) at cost and not as per amortised cost as mandated by Ind AS 109-Financial Instruments. Had the NCRD been measured at Amortised Cost, the borrowing cost for the year to be included in the qualifying asset [Capital Work-in Progress (CWIP)] would be higher by ₹ 4,034.72 lakhs and corresponding financial liability for the NCRD and the cumulative capital work-in progress (CWIP) would be higher by ₹ 6,162.72 lakhs.

Corresponding interest income has not been recognized by Holding Company (Alembic Pharmaceuticals Limited - APL) and considered as contingent Assets. The said NCRD have been carried at cost in separate financial statements of APL as per Ind AS 27.

On consolidation of financial statements (a) the said investment by APL and Financial liability of Aleor and (b) borrowing cost of Aleor and interest income of APL gets eliminated. Therefore it does not have any financial impact on the Group's Consolidated Financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) 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 the 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 Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 31st March,

2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's 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 Holding Company to its Directors during the year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down under this section. In the case of a subsidiary company incorporated in India, the managerial remuneration has not been paid or provided and accordingly, the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act are not required;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 32(2)(ii) to the consolidated financial statements.
 - ii. The Group, its associates and jointly controlled entities did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For K.S. Aiyar & Co.

Chartered Accountants
Firm's Registration No. 100186W

Rajesh S. Joshi

Partner
Membership No.38526

Place: Vadodara
Date: 8th May, 2019

Annexure A

to the Independent Auditor's Report

(Referred to in paragraph f under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the Members of Alembic Pharmaceuticals Limited)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Alembic Pharmaceuticals Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the ICAI and the Standards on Auditing, issued by ICAI prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and based on the consideration of the reports of other auditors referred to in the 'Other Matter' paragraph below, the Holding Company, its subsidiary companies, its associates and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an internal financial controls system with reference to consolidated financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For K.S. Aiyar & Co.

Chartered Accountants
Firm's Registration No. 100186W

Rajesh S. Joshi

Partner
Membership No.38526

Place: Vadodara
Date: 8th May, 2019

Consolidated Balance Sheet

as at 31st March, 2019

Particulars	Note No.	₹ in Crores	
		As at 31 st March, 2019	As at 31 st March, 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	6	1,098.41	927.02
(b) Capital work-in-progress		1,341.40	910.76
(c) Goodwill	7	3.61	3.77
(d) Other Intangible assets	7	56.43	62.59
(e) Intangible assets under development		209.83	99.39
(f) Financial Assets :-			
(i) Investments	8	0.45	0.45
(ii) Investment accounted for using Equity Method	9	48.31	41.19
(g) Other non-current assets	10	61.59	71.14
(2) Current Assets			
(a) Inventories	11	967.26	733.93
(b) Financial Assets			
(i) Trade receivables	12	488.89	526.34
(ii) Cash and cash equivalents	13	199.07	83.74
(iii) Bank balances other than cash and cash equivalents	14	6.55	6.18
(iv) Others financial assets	15	9.10	29.97
(c) Current Tax Assets (Net)		-	3.45
(d) Other current assets	16	286.86	441.13
TOTAL ASSETS		4,777.76	3,941.05
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	17	37.70	37.70
(b) Other Equity	18	2,681.12	2,182.44
Equity attributable to owners of the Company		2,718.82	2,220.14
Non-controlling interests		(0.79)	0.31
Total Equity		2,718.04	2,220.45
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	499.30	500.00
(b) Provisions	20	52.03	40.76
(c) Deferred tax liabilities (Net)	21	18.75	35.44
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	429.13	207.78
(ii) Trade payables	23		
A) Total outstanding dues of Micro and Small enterprises		5.09	0.32
B) Total outstanding dues of others		697.23	759.00
(iii) Other financial liabilities	24	234.21	19.59
(b) Other current liabilities	25	87.96	123.29
(c) Provisions	26	32.39	34.41
(d) Current Tax Liabilities (Net)		3.61	-
TOTAL EQUITY AND LIABILITIES		4,777.76	3,941.05

See accompanying notes 1 to 32 of Financial Statements.

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No.: 100186W

Rajesh S. Joshi

Partner

Membership No.: 38526

Vadodara, 8th May, 2019

For and on behalf of the Board

Chirayu Amin

Chairman & CEO

DIN: 00242549

R. K. Baheti

Director Finance & CFO

DIN: 00332079

Paresh Saraiya

Director

DIN: 00063971

Charandeep Singh Saluja

Company Secretary

Vadodara, 8th May, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in Crores

Particulars	Note No.	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
I Revenue from Operations	27	3,934.68	3,130.81
II Other Income	28	9.38	7.03
III Total Income		3,944.06	3,137.84
IV Expenses			
Cost of Materials Consumed	29	850.04	725.75
Purchase of Stock-in-Trade		234.93	201.87
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(92.27)	(42.06)
Employee Benefits Expense	30	746.69	622.81
Finance costs		18.41	3.40
Depreciation and amortisation expense	6	115.23	105.46
Other Expenses	31	1,321.71	979.34
Total Expense (IV)		3,194.74	2,596.74
V Profit Before Tax (III-IV)		749.32	541.27
VI Tax Expense			
(i) Current Tax		178.14	123.61
(ii) Deferred Tax		(17.29)	(2.16)
(iii) Short/(Excess) Tax Provision		(4.10)	(1.10)
VII Profit after Tax Before Share of Profit of Associate and Joint Ventures (V-VI)		592.57	420.91
VIII Share of Profit/(Loss) of an associate and a joint venture		(9.28)	(8.09)
IX Profit for the period before Non controlling Interest(VII+VIII)		583.29	412.82
X Non-controlling Interest		1.08	(0.19)
XI Profit for the period attributable to Owners of the Company		584.37	412.63
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit and Loss			
(i) Re-measurements of post-employment benefit obligations		(2.47)	(3.89)
(ii) Income tax relating to Re-measurements of post-employment benefit obligations		0.53	0.83
		(1.93)	(3.06)
B Items that will be reclassified to Profit or Loss			
(i) Exchange differences in translating the financial statements of a foreign operations		7.76	(0.14)
		7.76	(0.14)
Total Other Comprehensive Income (A+B)		5.83	(3.20)
XIII Total Comprehensive Income for the year (IX+XII)		589.12	409.63
Other Comprehensive Income for the year Attributable to:			
(i) Non- controlling Interest		(0.01)	-
(ii) Owners of the Company		5.84	(3.20)
Total Comprehensive Income for the year Attributable to:			
(i) Non- controlling Interest		(1.09)	0.19
(ii) Owners of the Company		590.21	409.43
XIV Earnings per equity share (FV ₹ 2/- per share):		31.00	21.89
Basic & Diluted (in ₹)	32(1)		

See accompanying notes 1 to 32 of Financial Statements.

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

Particulars	₹ in Crores	
	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	749.32	541.27
Adjustments for:		
Depreciation	115.23	105.46
Interest charged	18.41	3.40
Interest Income	(2.58)	(0.62)
Dividend Income	(2.12)	(0.75)
Unrealised foreign exchange gain (net)	(23.83)	(15.62)
Provision / write-off for doubtful trade receivables	16.69	0.07
Loss/(Profit) on sale of Asset	(1.18)	(4.82)
Operating Profit before change in working capital	869.93	628.39
Working capital changes:		
(Increase) In Inventories	(233.33)	(101.18)
(Increase) / Decrease in Trade Receivables	35.61	(184.18)
(Increase) / Decrease In Other Assets	175.13	(217.64)
Increase / (Decrease) in Trade Payables	(52.77)	258.84
Increase in Other Liabilities	177.09	61.60
Increase In Provisions	6.79	1.71
Cash generated from operations	978.45	447.53
Direct taxes paid (Net of refunds)	(166.48)	(135.11)
Net Cash inflow from Operating Activities (A)	811.96	312.42
B CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from Sale Asset	1.28	14.40
Government assistance	17.15	-
Interest received	2.58	0.62
Dividend received	2.12	0.75
Purchase of property, plant & equipments, intangible assets and Capital Advance	(653.93)	(749.36)
Investment in Associate	(14.36)	-
Intangible assets under development	(110.44)	(72.39)
Net cash outflow on acquisition of Subsidiary	-	(78.41)
Net Cash inflow from Investing Activities (B)	(755.60)	(884.38)

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

₹ in Crores

Particulars	For the Year Ended on 31 st March, 2019	For the Year Ended on 31 st March, 2018
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	825.05	619.05
Repayment of borrowings	(604.39)	-
Increase in Restricted Bank Balances other than Cash & Cash Equivalents	(0.38)	0.35
Dividends paid (including distribution tax)	(90.91)	(90.76)
Interest and other finance costs (including borrowing cost capitalised)	(70.34)	(26.02)
Net Cash inflow / (outflow) from Financing Activities (C)	59.04	502.63
I. Net (decrease) / increase in cash and cash equivalents (A+B+C)	115.40	(69.34)
II. (a) Cash and cash equivalents at the beginning of the Year	83.74	153.08
(b) Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.07)	-
III. Cash and cash equivalents at the end of the Year (I+II)	199.07	83.74
IV. Cash and cash equivalents at the end of the Year		
Balances with Banks	198.84	83.41
Cash on hand	0.23	0.34
Cash and cash equivalents (Refer note 13)	199.07	83.74

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Statement of Changes in Equity

A. Equity Share Capital

	No. of Shares	₹ in Crores
Equity shares of ₹ 2/- each issued, subscribed and fully paid		
Balance at 1st April, 2017		
Equity shares of ₹ 2/- each	18,85,15,914	37.70
Changes in equity share capital during the year	-	-
Balance at 31st March, 2018	18,85,15,914	37.70
Balance at 1st April, 2018		
Equity shares of ₹ 2/- each	18,85,15,914	37.70
Changes in equity share capital during the year	-	-
Balance at 31st March, 2019	18,85,15,914	37.70

B. Other Equity

Particulars	Reserve & Surplus				OCI	Attributable to owners of Parent Company	Non-controlling interests	Total
	Capital Reserve	General Reserve	Debenture Redemption Reserve	Retained earnings	Foreign Currency Translation reserve			
Balance at 1st April, 2017 (I)	0.30	1,137.98		718.18	8.16	1,864.63	(0.09)	1,864.54
Other Comprehensive Income*				(3.06)*	(0.14)	(3.20)		(3.20)
Profit for the period				412.63		412.63	0.19	412.82
Total Comprehensive Income for the year (II)	-	-	-	409.57	(0.14)	409.43	0.19	409.63
Dividends paid including Tax on Dividend				(90.76)		(90.76)		(90.76)
Reversal of Deferred Tax Asset		(0.87)				(0.87)		(0.87)
Profit transferred to General Reserve		100.00		(100.00)		-		-
Transaction for the year (III)	-	99.13	-	(190.76)	-	(91.62)	-	(91.62)
Balance at 31st March, 2018 (I+II+III)	0.30	1,237.12	-	937.00	8.03	2,182.44	0.11	2,182.55
Balance at 1st April, 2018 (I)	0.30	1,237.12	-	937.00	8.03	2,182.44	0.11	2,182.55
Other Comprehensive Income				(1.92)*	7.76	5.84	(0.01)	5.83
Profit for the period				584.37		584.37	(1.08)	583.29
Total Comprehensive Income for the year (II)	-	-	-	582.45	7.76	590.21	(1.09)	589.12
Dividends paid including Tax on Dividend				(90.91)		(90.91)		(90.91)
Reversal of Deferred Tax Asset		(0.62)				(0.62)		(0.62)
Provision for debenture redemption			41.67	(41.67)		-		-
Profit transferred to General Reserve		100		(100)		-		-
Transaction for the year (III)	-	99.38	41.67	(232.57)	-	(91.53)	-	(91.53)
Balance at 31st March, 2019 (I+II+III)	0.30	1,336.50	41.67	1,286.87	15.79	2,681.12	(0.99)	2,680.13

* Represents remeasurements of the defined plans

As per our report of even date
For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526

Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Notes to the Consolidated Financial Statements

1. General information:

The Financial Statement of the subsidiaries, associates and Joint Venture used in the consolidation is drawn up to the same reporting date as that of the Alembic Pharmaceuticals Limited ("the Holding Company"), namely 31st March, 2019.

2. Significant Accounting Policies:

Statement of compliance

The Group has prepared its consolidated financial statements for the year ended 31st March, 2019 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended 31st March, 2018

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.

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.

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.

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.

3. Companies Included in Consolidation:

Name	Country of Incorporation	Nature	Proportion of Ownership Interest As on 31.03.2019
Alembic Global Holding SA (AGH SA)	Switzerland	Subsidiary	100% subsidiary of Alembic Pharmaceuticals Limited India. (APL)
AG Research Private Limited	India	Subsidiary	60% subsidiary of APL
Aleor Dermaceuticals Limited	India	Subsidiary	50% shareholding of APL
Incozen Therapeutics Pvt Limited	India	Associate	
Alembic Pharmaceuticals Australia Pty Ltd	Australia	Subsidiary	} 100% subsidiary of AGH SA
Alembic Pharmaceutical Inc.(AP Inc)	U.S.A	Subsidiary	
Alembic Pharmaceuticals Europe Limited	Malta	Subsidiary	
Alnova Pharmaceuticals SA	Switzerland	Subsidiary	
Alembic Pharmaceuticals Canada Ltd	Canada	Subsidiary	
Genius LLC	Ukraine	Subsidiary	
Orit Laboratories LLC	USA	Subsidiary	
Okner Realty LLC	USA	Subsidiary	
Alembic Mami SPA	Algeria	Joint Venture	49% shareholding of AGH SA
Rhizen Pharmaceuticals SA (RP SA)	Switzerland	Associate	50% shareholding of AGH SA
Dahlia Therapeutics SA	Switzerland	Subsidiary of	
Rhizen Pharmaceuticals Inc	USA	Associate	100% subsidiary of RP SA

Notes to the Consolidated Financial Statements

4. Significant Accounting Policies:

The accounting policies of the Group and that of its subsidiaries, associates and Joint Venture are similar and as per generally accepted accounting principles in India please refer page no 13.

5. Translation of Accounts:

In Consolidated Financial Statements, the Financial Statements of subsidiary companies and proportionate

share of associates and Joint Venture have been translated into INR as prescribed under Ind AS 21 the Effects of Changes in Foreign Exchange Rates specified under Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules 2015.

Notes to the Consolidated Financial Statements

6. Property, Plant and Equipment:

₹ In Crores

Property, Plant and Equipment	Freehold Land	Leasehold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross Carrying amount									
Carrying Amount as at 1 st April, 2017	1.92	19.49	265.96	511.43	125.57	10.95	11.08	3.67	950.09
Additions	50.07	-	23.52	76.99	70.09	5.91	1.07	2.91	230.56
Acquisition of a subsidiary	1.30	-	6.98	0.03	-	-	-	-	8.31
Disposals	-	(0.90)	(8.87)	(5.80)	(0.50)	(0.13)	(0.03)	(0.38)	(16.60)
Foreign Exchange Adjustments	0.02	-	0.18	0.00	-	0.00	-	-	0.20
Closing Gross Carrying Amount	53.31	18.58	287.77	582.66	195.15	16.73	12.13	6.21	1,172.56
Accumulated Depreciation									
Depreciation charge during the year	-	0.51	24.09	100.52	18.67	1.90	3.75	1.24	150.68
Disposals	-	-	(4.40)	(2.30)	-	(0.08)	(0.01)	(0.29)	(7.08)
Foreign Exchange Adjustments	-	-	0.01	0.00	-	0.00	-	-	0.01
Closing Accumulated Depreciation	-	10.72	31.99	159.49	33.34	2.98	5.22	1.81	245.53
Net Carrying Amount as at 1 st April, 2017	1.92	18.98	241.88	410.91	106.90	9.06	7.33	2.43	799.40
Net Carrying Amount as at 31st March, 2018	53.31	7.87	255.79	423.17	161.82	13.75	6.91	4.40	927.02
Gross Carrying amount									
Carrying Amount as at 1 st April, 2018	53.31	18.58	287.77	582.66	195.15	16.73	12.13	6.21	1,172.56
Additions	29.62	1.77	22.03	171.09	45.03	4.42	2.45	0.78	277.19
Disposals	-	-	-	(0.33)	-	(0.02)	(0.01)	(0.07)	(0.43)
Foreign Exchange Adjustments	0.06	-	0.51	(0.10)	-	0.00	-	0.00	0.47
Closing Gross Carrying Amount	83.00	20.35	310.31	753.32	240.18	21.14	14.57	6.92	1,449.78
Accumulated Depreciation									
As at 1 st April, 2018	-	10.72	31.99	159.49	33.34	2.98	5.22	1.81	245.53
Depreciation charge during the year	-	0.21	12.92	66.50	21.78	1.94	1.67	1.13	106.14
Disposals	-	-	-	(0.25)	-	(0.00)	(0.00)	(0.04)	(0.30)
Foreign Exchange Adjustments	-	-	0.00	(0.05)	-	0.05	-	(0.00)	0.00
Closing Accumulated Depreciation	-	10.92	44.91	225.69	55.12	4.97	6.88	2.89	351.38
Net Carrying Amount as at 1 st April, 2018	53.31	7.87	255.79	423.17	161.82	13.75	6.91	4.40	927.02
Net Carrying Amount as at 31st March, 2019	83.00	9.43	265.40	527.63	185.07	16.16	7.68	4.03	1,098.41

Notes:

1. During the previous year, the Company, through its wholly owned subsidiary Alembic Pharmaceuticals Inc., acquired USA based generic drug developer Orit Laboratories LLC along with Okner Realty LLC with effect from 1st November, 2017.
2. The Company does not have any restrictions on the title of its property, plant and equipment
3. Sales proceeds are deducted from gross cost where cost is unascertainable

Notes to the Consolidated Financial Statements

7. Goodwill and Other Intangible Assets

	₹ in Crores			
	Goodwill		Other Intangible Assets	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
Carrying Amount	3.94	-	65.95	-
Acquisition of a subsidiary	-	3.84	-	65.55
Foreign Exchange Adjustments	0.26	0.10	2.62	0.40
Closing Gross Carrying Amount	4.20	3.94	68.58	65.95
Accumulated Amortisation	(0.17)	-	(3.37)	-
Amortisation expense	(0.42)	(0.15)	(8.66)	(3.34)
Foreign Exchange Adjustments	(0.01)	(0.02)	(0.12)	(0.03)
Closing Accumulated Amortisation	(0.60)	(0.17)	(12.14)	(3.37)
Net Carrying Amount	3.61	3.77	56.43	62.59

8. Non-Current Financial Investment

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Investments in Preference Shares		
Valued at Amortised cost		
1% Cumulative Redeemable Non-Convertible Preference Shares 4,50,000 (PY: 4,50,000) of ₹ 10 each fully paid up in EICL (Redemption date 14.12.2031)	0.45	0.45
Aggregate amount of unquoted Investments	0.45	0.45

9. Non-Current Financial Investment

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Investments in Equity Instruments - Unquoted		
Valued at Cost		
(i) Investment in Associates		
10,00,000 (PY: 10,00,000) equity shares of ₹ 10 each at a premium of ₹ 20 each fully paid up in Incozen Therapeutics Pvt. Ltd.	1.65	1.72
Add Share in Profit / (loss) for the period	0.03	(0.06)
a	1.68	1.65
62,000 (PY: 50,000) equity shares of CHF 1 each fully paid up in Rhizen Pharmaceuticals SA (Good will ₹ 14.18 Crores)	14.69	0.21
Add Share in Profit / (loss) for the period	0.10	0.12
Add Impact of Foreign Currency translations	(0.66)	0.02
b	14.13	0.34
(ii) Investment in Joint Venture		
34,297 (PY: 34,297) equity shares of DZD 1,000 each fully paid up representing 49% of equity in Alembic Mami SPA, Algeria	39.19	47.48
Add /(Less) : Share in Profit / (loss) for the period	(9.40)	(8.14)
Add/(Less): Impact of Foreign Currency translations	2.71	(0.15)
c	32.50	39.19
Aggregate amount of unquoted Investments	48.31	41.19
	(a+b+c)	

Notes to the Consolidated Financial Statements

10. Other Non-Current Assets

	As at 31 st March, 2019	As at 31 st March, 2018
Capital Advances	14.85	44.96
Balance with Government Authorities	46.73	26.17
	61.59	71.14

₹ in Crores

11. Inventories (Refer Note 4)

	As at 31 st March, 2019	As at 31 st March, 2018
Raw Materials	300.24	186.21
Packing Materials	46.67	23.80
Work-in-Process	50.02	51.92
Finished Goods	415.67	345.56
Stock-in-trade	102.34	110.66
Goods in Transit	41.71	9.32
Stores and Spares	10.62	6.46
	967.26	733.93

₹ in Crores

Notes:

- (i) Inventories are hypothecated as security for borrowings.
- (ii) During the year ended 31.03.2019 the Company recorded inventory write-downs of ₹3.51 Crores (PY: ₹3.89 Crores).

12. Trade Receivables

	As at 31 st March, 2019	As at 31 st March, 2018
Unsecured, Considered good	a 488.89	526.34
Trade Receivables which have significant increase in credit Risk	2.12	1.96
Less: Impairment Allowance	(2.12)	(1.96)
	b -	-
	(a+b) 488.89	526.34

₹ in Crores

Notes:

Receivables are hypothecated as security for working capital borrowings.
Refer Note No. 32(6) (I) for Related Party Receivable.

13. Cash and Cash Equivalents

	As at 31 st March, 2019	As at 31 st March, 2018
Balances with Banks	198.84	83.41
Cash on hand	0.23	0.34
	199.07	83.74

₹ in Crores

Notes to the Consolidated Financial Statements

14. Bank Balances Other than Cash and Cash Equivalents

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Earmarked Balance with Bank		
Unpaid Dividend Account	4.79	4.03
Margin Money Deposit Account	1.76	2.14
	6.55	6.18

15. Other Financial Assets (Current)

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Security Deposits	9.10	17.79
Unrealised Foreign Exchange Gain	-	12.18
	9.10	29.97

Refer note No 32(6)(I) for Related Party Deposits

16. Other Current Assets (Unsecured, considered good)

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Advance to Employees	5.60	5.80
Advance to Suppliers	86.88	151.94
Pre-paid Expense	18.24	15.32
Balances with Government Authorities	176.14	268.08
	286.86	441.13

17. Equity Share Capital

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
20,00,00,000 – Equity shares of ₹ 2/ – each	40.00	40.00
	40.00	40.00
Shares issued, subscribed and fully paid		
18,85,15,914 – Equity shares of ₹ 2/ – each	37.70	37.70
	37.70	37.70

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

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	₹ in Crores	Numbers	₹ in Crores
At the beginning of the year	18,85,15,914	37.70	18,85,15,914	37.70
Outstanding at the end of the year	18,85,15,914	37.70	18,85,15,914	37.70

Notes to the Consolidated Financial Statements

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.

Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Numbers	% held	Numbers	% held
1 Alembic Limited	5,55,51,528	29.47%	5,54,71,208	29.43%
2 Nirayu Private Limited	4,93,36,655	26.17%	4,93,36,655	26.17%
3 Shreno Limited	2,06,98,780	10.98%	2,06,98,780	10.98%

18. Other Equity

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

	₹ in Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
(a) Capital Reserve	0.30	0.30
(b) General Reserve	1,336.50	1,237.12
(c) Retained Earnings	1,286.87	937.00
(d) Debenture Redemption Reserve	41.67	-
(e) Foreign Currency Translation reserve	15.79	8.03
Total Other Equity	2,681.12	2,182.44

Nature and purpose of each Reserve

Capital Reserve: Capital Reserve is created on receipt of Government subsidy for setting up factory in backward area.

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

Debenture redemption reserve: The Company is required to create a debenture redemption reserve out of the profits in accordance with Companies Act, 2013.

Foreign Currency Translation reserve: Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation Currency (i.e. INR) are recognised in the other comprehensive income and accumulated in foreign currency translation reserve.

Notes to the Consolidated Financial Statements

19. Borrowings (Non-Current)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Unsecured		
From Bank		
Term Loan (Refer Note No 24)	–	500.00
Non-Convertible debentures	499.30	–
	499.30	500.00

Notes:

- (i) Term loan of ₹ 200 Crores classified as current: payable in January, 2020. Interest @ rate of six months T-Bills plus spread of 87 bps.
- (ii) Term loan of ₹ 300 Crores: Interest @ rate of one year G-sec plus spread of 61 bps repaid during the year.
- (iii) Maturity profile and rate of interest of non-convertible debentures are set out as below.

Effective Rate of Interest	2021-22	2022-23	Total Repayment	Amortised cost adjustment	Closing balance
8.42% to 9.05%	300	200	500	0.70	499.30

20. Provisions (Non-Current)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Provision for Employee Benefits		
Provision for Gratuity	0.36	1.84
Provision for Leave benefits	23.74	18.03
Provision for Non-Saleable return of goods	27.93	20.89
	52.03	40.76

21. Deferred Tax Liabilities (Net)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Deferred Tax Liabilities		
Depreciation	140.86	118.50
Deferred Tax Assets		
Provision for Doubtful debts	0.74	0.68
MAT Credit Entitlement	78.40	57.85
Intangible Asset	1.96	2.58
Others	41.02	21.95
	122.11	83.06
(a – b)	18.75	35.44

Notes to the Consolidated Financial Statements

22. Borrowings (Current)

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Loans repayable on demand		
From Banks		
Secured		
Working Capital Demand Loan	34.93	46.53
First charge on <i>pari passu</i> basis by hypothecation of Inventory and Trade Receivables at Interest rates ranging between 7% to 10% repayable on demand		
Unsecured		
Working Capital Demand Loan, interest @ 3-month LIBOR plus 1%	69.15	86.25
Overdraft facility @ 6 month MCLR	75.05	-
Working capital demand loan, Interest @ rate of 7.85%	-	75.00
From Other Parties		
Unsecured		
Commercial Paper	250.00	-
(Carrying interest rate ranging between 7 % to 7.5%, Repayable in May 19 & June 19)		
	429.13	207.78

23. Trade Payables

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Due to Micro and Small Enterprises	5.09	0.32
Others	697.23	759.00
	702.32	759.32

Refer Note No. 32(6)(I) for Related Party Payables.

24. Other Financial Liabilities

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Current maturities of long-term debt (Refer Note No. 19)	200.00	-
Interest accrued but not due on borrowings	11.46	2.92
Unpaid dividends	4.79	4.03
Trade Deposits	11.84	12.58
Unpaid / Unclaimed matured deposits and interest accrued thereon	0.06	0.06
Unrealised Foreign Exchange Loss	6.07	-
	234.21	19.59

25. Other Current Liabilities

	As at 31 st March, 2019	As at 31 st March, 2018
₹ in Crores		
Statutory dues	21.35	70.36
Advance from Customers	3.62	9.47
Employee benefits payables	62.99	43.46
	87.96	123.29

Notes to the Consolidated Financial Statements

26. Provisions (Current)

	As at 31 st March, 2019	₹ in Crores As at 31 st March, 2018
Provision for Employee Benefits		
Provision for Gratuity	4.07	6.73
Provision for Leave benefits	7.42	6.77
Provision for Non-Saleable return of goods	20.90	20.90
	32.39	34.41

27. Revenue from Operations

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Sale of products		
– Domestic*	1,500.02	1,370.24
– Exports	2,306.60	1,665.42
	3,806.61	3,035.67
– Export Incentives	88.20	69.73
– Royalty	32.28	19.27
Other Operating Revenues		
– Miscellaneous	7.59	6.14
	3,934.68	3,130.81

*Revenue from operations upto 30th June, 2017 was reported inclusive of excise duty which is now subsumed in GST. Accordingly, figures of revenue from operations for the year ended 31st March, 2019 are not comparable with the figures of the previous period.

28. Other Income

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Dividend	2.12	0.75
Insurance Claims	1.68	0.82
Lease Rent Income	0.03	0.03
Profit / (Loss) on Sales of Assets	1.18	4.82
Profit on Sales of Investment	1.57	-
Interest Income	2.58	0.62
Miscellaneous income	0.20	-
	9.38	7.03

Notes to the Consolidated Financial Statements

29. Cost of Material Consumed

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Inventory at the beginning of the year	210.01	152.70
Add: Purchases	986.94	783.06
	1,196.95	935.76
Less: Inventory at the end of the year	346.90	210.01
	850.04	725.75
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Process		
Work-in-Process	50.02	51.92
Finished Goods	457.37	354.88
Stock-in-Trade	102.34	110.66
Inventory at the end of the year	609.74	517.46
Work-in-Process	51.92	30.72
Finished Goods	354.88	364.66
Stock-in-Trade	110.66	80.02
Inventory at the beginning of the year	517.46	475.41
(b-a)	(92.27)	(42.06)

30. Employee Benefits Expense

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Salaries and Wages	688.68	580.31
Contribution to Provident and other funds	37.41	28.73
Staff welfare expense	20.60	13.77
	746.69	622.81

31. Other Expenses

	For the Year Ended on 31 st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Consumption of Stores, Spares, Laboratory Material and Analytical Expense	181.00	158.63
Power and Fuel	88.86	70.35
Manufacturing and Labour Charges	19.68	17.94
Repairs and Maintenance		
Machinery	24.79	19.78
Buildings	8.34	7.05
Others	5.17	4.27
Freight and Forwarding Charges	119.64	64.32
Publicity Expense, Service Fees and Commission	470.40	315.89
Excise Duty	-	0.63
Rent	17.33	14.30
Rates and Taxes	10.23	5.82
Insurance	6.13	5.57
Travelling Expense	133.96	114.61
Communication Expenses	34.39	25.75
Legal & Professional Fees	93.45	77.84
Payment to Auditors	1.10	1.04
Exchange Difference (net)	(17.48)	(27.84)
Bad Debts written-off	16.53	0.07

Notes to the Consolidated Financial Statements

31. Other Expenses (contd.)

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
Provision for Doubtful Debts	0.15	(0.00)
Expenses on CSR Activities	14.28	7.14
Donation	0.60	6.07
Patent Filing & Registration Fees	43.97	38.50
External Research & Development	30.27	36.86
Miscellaneous Expenses	18.90	14.76
	1,321.71	979.34

32. Other explanatory Notes to the Standalone Financial Statement

	For the Year Ended on 31st March, 2019	For the Year Ended on 31 st March, 2018
1. Earning Per Share (EPS)		
(a) Net Profit after non-controlling interest attributable to equity shareholders (₹ in Crores)	584.37	412.63
(b) Weighted average numbers of equity shares	18,85,15,914	18,85,15,914
(c) Basic and diluted Earnings per share before Extra-Ordinary Items in ₹ (Face Value per share ₹ 2/- each)	31.00	21.89

	As at 31st March, 2019	₹ In Crores As at 31 st March, 2018
2. Contingent Liabilities and Commitments (To The Extent Not Provided For)		
i. Estimated amount of contracts net of advances remaining to be executed on capital accounts	156.90	134.49
ii. Contingent liabilities		
(a) Letters of credit, Bank Guarantees and Corporate Guarantees	94.73	81.38
(b) Liabilities Disputed in appeals		
Excise duty	5.35	5.93
Sales Tax	3.18	2.57
(c) Claims against the Company not acknowledged as debt	0.37	0.02
(d) Export obligation against advance licence	-	3.79
(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

Notes to the Consolidated Financial Statements

3. Additional Information

As at and for the year ended 31st March, 2019

₹ In Crores

Particulars	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % of consolidated Net Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other Comprehensive income	Amount	As % of consolidated Total Comprehensive income	Amount
Parent:								
Alembic Pharmaceuticals Limited	99.79%	2712.41	104.59%	611.21	(32.60%)	(1.90)	103.24%	609.30
Subsidiaries:								
1. Indian: A G Research Pvt. Ltd.	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Aleor Dermaceuticals Limited	(0.07%)	(1.91)	(0.46%)	(2.70)	(0.49%)	(0.03)	(0.46%)	(2.73)
2. Foreign:								
Alembic Global Holding SA (wholly owned subsidiary of Alembic Pharmaceuticals Limited)	4.11%	111.63	(2.14%)	(12.53)	136.82%	7.99	(0.77%)	(4.54)
Minority interest in all subsidiaries	(0.03%)	(0.79)	0.18%	1.08	0.20%	0.01	0.18%	1.09
Associates:								
(Investment as per the equity method)								
1. Indian: Incozen Therapeutics Pvt. Limited	(0.05%)	(1.32)	0.00%	0.03	Nil	Nil	0.00%	0.03
2. Foreign: NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joint Venture:								
(As per proportionate consolidation/ investment as per equity method)								
1. Indian : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Intercompany Elimination and Consolidation Adjustments	(3.75%)	(101.97)	(2.18%)	(12.71)	(3.92%)	(0.23)	(2.19%)	(12.94)
	100.00%	2718.04	100.00%	584.37	100.00%	5.84	100.00%	590.21

As at and for the year ended 31st March, 2018

₹ In Crores

Particulars	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As a % of consolidated Net Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other Comprehensive income	Amount	As % of consolidated Total Comprehensive income	Amount
Parent:								
Alembic Pharmaceuticals Limited	98.84%	2194.64	102.27%	421.99	95.71%	(3.06)	102%	418.93
Subsidiaries:								
1. Indian: A G Research Pvt. Ltd.	0.00%	0.00	(0.91%)	(3.74)	0.00%	0.00	(0.91%)	(3.74)
Aleor Dermaceuticals Limited	0.04%	0.82	0.12%	0.49	0.00%	0.00	0.12%	0.49
2. Foreign :								
Alembic Global Holding SA (wholly owned subsidiary of Alembic Pharmaceuticals Limited)	5.24%	116.40	1.77%	7.30	63.81%	(2.04)	1.28%	5.26
Minority interest in all subsidiaries	0.01%	0.31	(0.05%)	(0.19)	0.00%	0.00	(0.05%)	(0.19)

Notes to the Consolidated Financial Statements

3. Additional Information (Contd.)

₹ 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 consoli- dated Net Assets	Amount	As % of consolidat- ed profit or loss	Amount	As % of con- solidated Other Com- prehensive income	Amount	As % of con- solidated Total Com- prehensive income	Amount
Associates: (Investment as per the equity method)								
1. Indian: Incozen Therapeutics Pvt. Limited	(0.06%)	(1.35)	(0.02%)	(0.06)	Nil	Nil	(0.02%)	(0.06)
2. Foreign: NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joint Venture: (As per proportionate consolidation / investment as per equity method)								
1. Indian : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Intercompany Elimination and Consolidation Adjustments	(4.07%)	(90.35)	(3.19%)	(13.15)	(59.53%)	1.90	(2.75%)	(11.25)
	100.00%	2220.45	100.00%	412.63	100.00%	(3.20)	100.00%	409.43

4. Research and Development Expenses:

₹ In Crores

	For the Year Ended on 31st March, 2019	For the Year Ended on 31 st March, 2018
Material Consumption	80.58	68.16
Employees Benefit Expenses	145.61	102.50
Utilities	17.67	12.26
Depreciation	35.50	20.76
Others	224.28	207.61
Research and Development Expenses (included in Consolidated Profit and Loss)	503.64	411.28

5. Operating Segment

The Group Company has only one reportable segment i.e Pharmaceuticals

₹ In Crores

Information about products and services turnover

a) API	770.16
b) Formulations	3,164.52

Information about Geographical Areas

a) Revenue from External Customers	
In India	1,507.60
Outside India	2,427.08
b) Non-Current Assets	
In India	2,693.84
Outside India	126.18
c) Information about major customers	
Consolidated Revenue – exceeding 10% from each single external customer.	NIL

Notes to the Consolidated Financial Statements

6. (i) Disclosures in respect of Related Parties transactions

(A) Controlling Companies: Nirayu Pvt. Limited

(B) Associate Companies:

1	Incozen Therapeutics Pvt. Limited	(Associate of Alembic Pharmaceuticals Limited)
2	Rhizen Pharmaceuticals SA	(Associate of Alembic Global Holding SA)
3	Dahlia Therapeutics SA	(Subsidiary of Rhizen Pharmaceuticals SA)
4	Rhizen Pharmaceuticals Inc	(Subsidiary of Rhizen Pharmaceuticals SA)

(C) Joint Venture

1	Alembic Mami SPA	(Joint venture of Alembic Global Holding SA)
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(D) Other Related Parties

1	Alembic Limited	4	Viramyia Packlight LLP
2	Shreno Limited	5	Shreno Publications Limited
3	Paushak Limited		

(E) Key Management personnel

1	Mr. Chirayu Amin	Chairman & CEO
2	Mr. Pranav Amin	Managing Director
3	Mr. Shaunak Amin	Managing Director
4	Mr. R. K. Baheti	Director Finance & CFO
5	Mr. K. G. Ramnathan	Non-Executive Director
6	Mr. Pranav Parikh	Non-Executive Director
7	Mr. Paresh Saraiya	Non-Executive Director
8	Mr. Milin Mehta	Non-Executive Director (upto 22 nd January, 2019)
9	Ms. Archana Hingorani	Non-Executive Director
10	Mr. Ajay Kumar Desai	Sr. Vice President - Finance & Company Secretary (upto 31 st May, 2018)
11	Mr. Charandeep Singh Saluja	Company Secretary (From 1 st June 2018)

(F) Relatives of Key Management Personnel:

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

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
(G) Key Managerial Personal Compensation		
Short Term Employment Benefits	62.51	55.97
Terminal Benefits	1.86	1.93
Others	0.68	0.57

Notes to the Consolidated Financial Statements

(H) Transactions with Related parties:

During the year, the following transactions were carried out with related parties and relative of Key Management Personnel in the ordinary course of the business:

	For the Year Ended on 31st March, 2019	₹ in Crores For the Year Ended on 31 st March, 2018
<i>(a) Sale of Goods/MEIS License (Net)</i>		
Associates		
Rhizen Pharmaceutical SA	11.41	5.97
Joint Venture	-	4.58
Other Related Parties	3.88	2.48
<i>(b) Purchase of Goods</i>		
Other Related Parties		
Alembic Limited	51.59	50.05
Shreno Publications Limited	23.48	-
Sierra Investments Pvt. Limited	-	10.92
Others	2.07	9.23
<i>(f) Reimbursement of expenses</i>		
Other Related Parties		
Alembic Limited	10.50	0.78
Associates	0.12	0.58
<i>(h) Rent Paid</i>		
Other Related Parties		
Alembic Limited	8.21	6.18
Others	0.63	0.62
<i>(j) Receiving of Services</i>		
Other Related Parties		
Alembic Limited	10.75	7.72
Others	0.02	4.39
<i>(k) Rendering of services</i>		
Associates		
Rhizen Pharmaceutical SA	0.89	-
<i>(l) Purchase of Fixed Assets</i>		
Other Related Parties		
Shreno Limited	18.88	3.73
<i>(m) Deposit Given</i>		
Other Related Parties		
Alembic Limited	-	2.84
<i>(n) Deposit Returned</i>		
Other Related Parties		
Alembic Limited	9.92	-
<i>(o) Dividend Paid</i>		
Other Related Parties		
Alembic Limited	22.22	22.00
Nirayu Pvt. Limited	19.73	5.49
Whitefield Chemtech Pvt. Limited	-	7.31
Sierra Investments Pvt. Limited	-	6.94
Others	8.28	8.28
Relatives to Key Management Personnel	2.79	2.79
Key Management Personnel	2.62	2.62
<i>(p) Remuneration / Compensation</i>		
Key Management Personnel	65.06	58.46
Relatives to Key Management Personnel	3.47	3.11

Notes to the Consolidated Financial Statements

(i) Balance Outstanding as at the end of the year

	As at 31 st March, 2019	₹ in Crores As at 31 st March, 2018
Receivables		
Associate Companies:	3.86	3.71
Joint Venture	0.24	0.24
Payables		
Key Management personnel	35.50	28.30
Other Related Parties	7.64	11.71
Corporate Guarantee		
Joint Venture	-	32.59
Deposit Given		
Other Related Parties	2.47	12.41

- (ii) Nirayu Private Limited has become holding company of Alembic Pharmaceuticals Limited during the financial year 2017-18 based on clarifications and advice received regarding direct and indirect holding through its subsidiaries and step down subsidiaries. The disclosures made in the financial statements in related party transactions and controlling entity information have been modified accordingly. This does not have any impact on the financials of the Company in any way.

7. Income Taxes

a) Income tax expense

Particulars	31 st March, 2019	₹ In Crores 31 st March, 2018
Current Tax		
Current tax expense	178.14	123.61
Deferred Tax		
Decrease / (increase) in deferred tax assets	(39.68)	(28.63)
(Decrease) / increase in deferred tax liabilities	22.36	26.28
Total deferred tax expenses (benefit)	(17.32)	(2.35)
Total Income tax expenses *	160.82	121.27

*This excludes tax benefit on other comprehensive income of ₹0.53 Crores for 31st March, 2019 & ₹0.83 Crores for 31st March, 2018 respectively.

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31 st March, 2019	₹ In Crores 31 st March, 2018
Profit before Income tax expense	749.32	541.27
Tax at the Indian Tax Rate*	161.47	115.52
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Dividend income	(0.00)	(0.04)
Expenditure related to exempt income	0.01	0.02
Provision for debenture redemption	(8.98)	-
Effect on account of overseas tax	23.77	5.85
Deferred tax	(17.32)	(2.35)
Others	1.86	2.27
Income Tax Expense	160.82	121.27

* The Company is covered under the provisions of MAT u/s 115JB and the applicable Indian tax rate for year ended 31st March, 2019 is 21.5488% and 21.3416% for 31st March, 2018.

c) Current tax (liabilities)/assets

Particulars	31 st March, 2019	₹ In Crores 31 st March, 2018
Opening balance	3.45	(9.79)
Income tax paid	166.45	134.92
Current income tax payable for the period / year	(177.61)	(122.78)
Write back of income tax provision of earlier years	4.10	1.10
Net current income tax asset / (liability) at the end	(3.61)	3.45

Notes to the Consolidated Financial Statements

8. Financial instruments

Category of Financial Instrument

₹ In Crores

Particulars	As at 31 st March, 2019			As at 31 st March, 2018		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets						
Investment in Preference shares	-	-	0.45	-	-	0.45
Trade Receivables	-	-	488.89	-	-	526.34
Cash and cash equivalents	-	-	199.07	-	-	83.74
Bank balances other than (iii) above	-	-	6.55	-	-	6.18
Derivatives not designated as Hedge	-	-	-	5.53	-	-
Others	-	-	9.10	-	-	24.44
Total	-	-	704.07	5.53	-	641.15
Financial liabilities						
Borrowings	-	-	928.44	-	-	707.78
Trade Payables	-	-	702.32	-	-	759.32
Other Financial liabilities	-	-	230.79	-	-	19.59
Derivatives not designated as Hedge	3.42	-	-	-	-	-
Total	3.42	-	1,861.54	-	-	1,486.69

Fair value measurement hierarchy:

Particulars	As at 31 st March, 2019			As at 31 st March, 2018		
	Level of input used in			Level of input used in		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Derivatives not designated as Hedge	-	3.42	-	-	5.53	-

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.

In case of investment in equity instruments, cost has been considered as approximate fair value in view of materiality of value of investment.

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

For the year ended on	₹ In Crores	
	As at 31 st March, 2019	As at 31 st March, 2018
Opening Balance	108.89	26.52
Incurred during the current year		
Salaries, allowance and contribution to funds	78.75	46.05
Professional Fees	1.99	1.02
Travelling Expenses	6.46	3.38
Others	60.87	31.92
Closing balance	256.96	108.89

Notes to the Consolidated Financial Statements

10 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 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.

	As at	₹ In Crores
	31st March, 2019	As at 31 st March, 2018
Trade Receivables	488.89	526.34
Allowance for doubtful debts	2.12	1.96
Percentage	0.4%	0.4%

Reconciliation of loss allowance provision – Trade receivables

	₹ In Crores
Loss allowance on 1 st April, 2017	7.82
Changes in loss allowance	(5.86)
Loss allowance on 31 st March, 2018	1.96
Changes in loss allowance	0.16
Loss allowance on 31st March, 2019	2.12

Cash and cash equivalents, Other Bank Balances and Derivatives

As at the year end, the Group held cash and cash equivalents of ₹199.07 Crores (PY: ₹83.74 Crores). The cash and cash equivalents other Bank balances and derivatives are held with bank with good credit rating.

Other financial assets

Other financial assets are neither past over due nor impaired.

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions. The Group has sufficient unutilised fund and non fund based working capital credit limit duly sanctioned by various banks.

The company is rated by leading credit agency CRISIL, the rating "CRISIL A1+" and "AA+/Stable" has been assigned for short-term and long-term facility respectively, indicating high degree of safety regarding timely payment and servicing of financial obligation.

Notes to the Consolidated Financial Statements

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

	As at 31 st March, 2019			As at 31 st March, 2018		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
	₹ In Crores					
Non-Derivative						
Borrowings	429.13	499.30	928.44	207.78	500.00	707.78
Trade payables	702.32	-	702.32	759.32	-	759.32
Other financial liabilities	230.79	-	230.79	19.59	-	19.59
Derivative						
Options contracts	3.42	-	3.42	-	-	-

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 budgeted business transactions and recognised assets and liabilities. The Group enters into foreign currency options contracts which are not intended for trading or speculative purposes but for hedge purposes.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

As at 31 st March, 2019	US Dollars	Euro	Others	₹ In Crores Total
Financial assets				
Trade receivables (net)	381.75	24.49	11.33	417.57
Cash and cash equivalents	138.52	0.00	0.00	138.52
Financial liabilities				
Trade payables	108.40	0.19	1.31	109.89
As at 31st March, 2018	US Dollars	Euro	Others	Total
Financial assets				
Trade receivables	452.96	26.41	16.75	496.12
Cash and cash equivalents	7.95	0.75	-	8.70
Financial liabilities				
Trade payables	59.83	2.05	1.89	63.77
Borrowing (PCFC)	32.59	-	-	32.59

Sensitivity analysis

For the years ended 31st March, 2019 and 31st March, 2018 every 5% weakening of Indian Rupee as compared to the respective major currencies for the above mentioned financial assets/liabilities would increase Company's profit and equity by approximately ₹21.81 Crores and ₹19.68 Crores respectively. 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 years ended 31st March, 2019 and 31st March, 2018, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would decrease the Group's interest cost by approximately ₹5.69 Crores and ₹3.54 Crores respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Notes to the Consolidated Financial Statements

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, continues 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.

11. Capital Management

The Company's capital management objectives are:

- * to ensure the Group's ability to continue as a going concern; and
- * to provide an adequate return to shareholders through optimisation of debts and equity balance.

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

i) Dividend on equity shares paid during the year

The Board of Directors has recommended dividend on Equity Shares at ₹ 5.50 per share i.e. 275% for the year ended on 31st March, 2019. Dividend Proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year dividend of ₹ 75.41 Crores (₹ 4.00 Per Shares i.e. 200%) and corporate tax of ₹ 15.35 Crores paid to the equity shareholders after the AGM approval, for financial year 2017-18.

12. Leases

The future minimum lease payments under non-cancellable operating leases in the aggregate and for not later than one year is ₹0.74 Crores and later than one year and not later than five years is ₹ 0.37 Crores.

13. 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. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No.: 100186W

Rajesh S. Joshi
 Partner
 Membership No.: 38526
 Vadodara, 8th May, 2019

For and on behalf of the Board
Chirayu Amin
 Chairman & CEO
 DIN: 00242549

R. K. Baheti
 Director Finance & CFO
 DIN: 00332079

Paresh Saraiya
 Director
 DIN: 00063971

Charandeep Singh Saluja
 Company Secretary

Vadodara, 8th May, 2019

Notes to the Consolidated Financial Statements

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

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	₹ in Crores
1	Aleor Dermaceuticals Limited	23.05.2016	INR	1.00	0.50	(2.41)	491.64	493.55	0.23	-	(2.78)	(0.08)	(2.70)	NIL	60	
2	Alembic Global Holding SA	14.12.2007	USD	69.15	30.81	94.85	225.37	99.71	109.13	193.34	(5.58)	0.26	(5.84)	NIL	100	
3	Alnova Pharmaceuticals SA	17.12.2012	USD	69.15	1.37	(1.38)	7.90	7.90	-	-	(0.21)	(0.00)	(0.21)	NIL	100	
4	Alembic Pharmaceuticals Australia Pty Ltd	18.01.2013	AUD	49.03	3.97	(3.73)	0.26	0.02	-	0.20	(0.40)	-	(0.40)	NIL	100	
5	Alembic Pharmaceuticals Canada Ltd	23.04.2014	CAD	51.13	0.05	(0.51)	0.14	0.60	-	-	(0.11)	-	(0.11)	NIL	100	
6	Alembic Pharmaceuticals Europe Limited	23.08.2012	EUR	77.65	12.42	(9.12)	3.40	0.09	-	-	(1.51)	-	(1.51)	NIL	100	
7	Alembic Pharmaceutical Inc.	18.06.2015	USD	69.15	28.49	53.16	461.17	379.52	86.44	1,111.78	43.42	2.79	40.62	NIL	100	
8	Genius LLC	26.10.2014	UAH	2.52	0.65	(0.37)	0.21	(0.07)	-	-	1.97	0.35	1.62	NIL	100	
9	Okner Realty LLC	31.10.2017	USD	69.15	6.92	(0.20)	6.89	0.17	-	-	(0.14)	-	(0.14)	NIL	100	
10	Orit Laboratories LLC	31.10.2017	USD	69.15	79.52	(35.56)	61.12	17.16	-	5.40	(29.20)	-	(29.20)	NIL	100	

Notes:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. - AG Research Private Limited (100% subsidiary of the Company) was struck off by the Registrar on 22nd January, 2019

Part "B": Associates and Joint Ventures

Sr. No.	Name of Associates and Joint Ventures	Date of acquisition	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Extent of Holding %	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit/ (Loss) for the year	
				No.	Investment in Associates	Amount of					Considered in Consolidation	Not Considered in Consolidation
1	Incozen Therapeutics Pvt. Ltd.	29.10.2008	31.03.2019	1000000	3.00	50%	50%	NA	NA	1.68	0.03	0.03
2	Rhizen Pharmaceuticals SA	06.11.2008	31.03.2019	62000	14.03	50%	50%	NA	NA	0.80	0.17	0.17
3	Dahlia SA	26.11.2014	31.03.2019	50000	0.34	50%	50%	NA	NA	0.09	(0.08)	(0.08)
4	Rhizen Pharmaceuticals Inc	30.09.2016	31.03.2019	5000	0.03	50%	50%	NA	NA	0.00	-	-
5	Alembic Miami SPA	17.10.2014	31.03.2019	34297	47.24	49%	49%	NA	NA	(6.90)	(9.40)	(9.79)

- Names of associates or joint ventures which are yet to commence operations. - NA
- Names of associates or joint ventures which have been liquidated or sold during the year. - NA

As per our report of even date

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No.: 100186W

Rajesh S. Joshi

Partner

Membership No.: 38526

For and on behalf of the Board

Chirayu Amin

Chairman & CEO

DIN: 00242549

Pareesh Saraiya

Director

DIN: 00063971

R. K. Baheti

Director Finance & CFO

DIN: 00332079

Charandeep Singh Saluja

Company Secretary

Vadodara, 8th May, 2019

Vadodara, 8th May, 2019

Alembic Pharmaceuticals Limited

Regd. Office: Alembic Road, Vadodara – 390 003

Tel: +91 265 2280550 Fax: +91 265 2282506

Website: www.alembicpharmaceuticals.com E-mail ID: apl.investors@alembic.co.in

CIN: L24230GJ2010PLC061123

Notice

Notice is hereby given that the 9th Annual General Meeting of the Members of **Alembic Pharmaceuticals Limited** will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003, on Monday, the 29th July, 2019 at 3:00 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Shaunak Amin (DIN: 00245523), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:**
Re-appointment of Statutory Auditors of the Company:
RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. K. S. Aiyar & Co., Chartered Accountants having Firm Registration No. 100186W be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for their second term of 1 (one) year from the conclusion this Annual General Meeting till the conclusion of Annual General Meeting for the financial year 2019-20 on such remuneration and terms and conditions as set out in the explanatory statement to this Notice."

Special Business

5. **To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:**
Ratification of Remuneration to the Cost Auditor for the F.Y. 2019-20:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. Diwanji & Co, Cost & Management Accountants (FRN: 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 2019-20 amounting to ₹ 1.75 Lakhs 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."

6. **To consider and if thought fit, to pass, the following Resolution as Special Resolution:**
Approval for proposed remuneration to Mr. Chirayu Amin, Executive Chairman & CEO, Promoter of the Company:

"RESOLVED THAT pursuant to the newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') and other applicable regulations, and subject to the maximum remuneration approved by the members at the 6th Annual General Meeting held on 29th July, 2016, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Chirayu Amin, Executive Chairman & CEO, Promoter of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. 1st April, 2019 for the remaining tenure of his appointment i.e., upto 31st March, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

7. **To consider and if thought fit, to pass, the following Resolution as Special Resolution:**
Approval for proposed remuneration to Mr. Pranav Amin, Managing Director, Promoter of the Company:

"RESOLVED THAT pursuant to the newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') and other applicable regulations, and subject to the maximum remuneration approved by the members at the 8th Annual General Meeting held on 27th July, 2018, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Pranav Amin, Managing Director, Promoter of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. 1st April, 2019 for the remaining tenure of his appointment i.e., upto 31st March, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to

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do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass, the following Resolution as Special Resolution:

Approval for proposed remuneration to Mr. Shaunak Amin, Managing Director, Promoter of the Company:

“RESOLVED THAT pursuant to the newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') and other applicable regulations, and subject to the maximum remuneration approved by the members at the 8th Annual General Meeting held on 27th July, 2018, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Shaunak Amin, Managing Director, Promoter of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. 1st April, 2019 for the remaining tenure of his appointment i.e., upto 1st May, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

9. To consider and if thought fit, to pass, the following Resolution as Special Resolution:

Re-appointment of Dr. Archana Hingorani (DIN: 00028037) as an Independent Director of the Company:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), rules framed thereunder and Schedule IV to the Act and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded to the re-appointment of Dr. Archana Hingorani as an Independent Director of the Company, not liable to retire by rotation, for her second term of five consecutive years w.e.f. 4th February, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

NOTES:

1. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of commencement of the meeting.
4. The details of Mr. Shaunak Amin and Dr. Archana Hingorani, Directors seeking re-appointment, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are annexed herewith as Annexure - A.
5. The Register of Members of the Company will remain closed from 22nd July, 2019 to 29th July, 2019 (both days inclusive), for the purpose of payment of dividend.
6. The dividend when sanctioned will be made payable on or before 5th August, 2019, to those members whose names stand on the Register of Members of the Company on 20th July, 2019 in case of physical shares and to those members as per the beneficiary position to be given by NSDL and CDSL. Members are requested to notify promptly any change in their registered addresses.

In order to enable the Company to directly credit the dividend amount in the bank accounts:

- a) Shareholders holding shares in demat accounts are requested to update their bank account details with their respective Depository Participants.
- b) Shareholders holding shares in physical form are requested to provide the following details along with an authorisation letter allowing the Company to directly credit the dividend in their bank accounts:

Name of first account holder (as appearing in the bank account records), bank name, branch name, branch address, account type and account number, IFSC code and MICR code and a copy of cancelled cheque.

7. As per the provisions of Section 125 of the Companies Act, 2013 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 Companies Act, 2013.

Further, in accordance with the provisions of Section 124(6) of the Companies Act, 2013 and IEPF Rules, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to IEPF Suspense Account.

Members who have not claimed dividend for previous year(s) are requested to claim the same by approaching the Company or the R & T Agents of the Company.

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as under:

Date of Declaration of Dividend	Dividend for Financial Year	Proposed Month and Year of Transfer to the Fund
9 th August, 2012	2011-12	September, 2019
7 th August, 2013	2012-13	September, 2020
28 th July, 2014	2013-14	August, 2021
31 st July, 2015	2014-15	August, 2022
29 th July, 2016	2015-16	August, 2023
20 th July, 2017	2016-17	August, 2024
27 th July, 2018	2017-18	August, 2025

8. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting.
9. All the work related to share registry in terms of both physical and electronic, are being conducted by Company's R & T Agents, M/s. Link Intime India Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Tel: +91 265 2356573, 2356794 Email Id: vadodara@linkintime.co.in. The Shareholders are requested to send their communication to the aforesaid address.
10. The Company has designated an exclusive Email Id: apl.investors@alembic.co.in for redressal of Shareholders'/ Investors' complaints/ grievance. In case you have any queries, complaints or grievances, then please write to us at the above mentioned e-mail address.

11. Updation of Email Id: The Shareholders are requested to intimate their Email Id to the Company or update their email registered with Depository Participants, if the same is changed.

12. Voting through Electronic Means and Declaration of Results:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara has been appointed as the Scrutiniser for conducting the e-voting process.

Mr. Chirayu Amin, Chairman & CEO of the Company and in his absence Mr. R. K. Baheti, Director - Finance & CFO, will declare the voting results based on the Scrutiniser's report received on e-voting and voting at the meeting. The voting results along with Scrutiniser's report will be displayed on the:

- (i) Notice Board of the Company at its Registered Office;
- (ii) Company's website www.alembicpharmaceuticals.com;
- (iii) CDSL' website www.evotingindia.com; and
- (iv) Stock exchanges' website www.nseindia.com and www.bseindia.com.

The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

- i. The e-voting period begins on 26th July, 2019 (9:00 a.m.) and ends on 28th July, 2019 (5:00 p.m.). During this period shareholders of

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the Company, holding shares either in physical form or in dematerialised form, as at the cut-off date of 22nd July, 2019 may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on 22nd July, 2019, may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com. The e-voting module shall be disabled by CDSL for voting after 28th July, 2019 (5.00 p.m.).

- ii. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- iii. Next click on "Shareholders" tab to cast your votes.
- vii. If you are a first time user follow the steps given below:

PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/sticker affixed on the back page of the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

please enter DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository or Company, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iv).

- iv. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant Company (**ALEMBIC PHARMACEUTICALS LIMITED - 190523002**) on which you choose to vote.
- xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also use Mobile app. "m-Voting" for e-voting. M-Voting app. is available on IOS, Android & windows based mobile. Shareholders may log into m-Voting using their e-voting credentials to vote for the Company resolution(s).
- xix. Note for Non-Individual Shareholders and Custodians.
- Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the Scrutiniser to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

By Order of the Board,

Sd/-

Charandeep Singh Saluja
Company Secretary

Date: 8th May, 2019

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Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 4

M/s. K. S. Aiyar & Co., Chartered Accountants were appointed as the Statutory Auditors in the financial year 2010-11 i.e. since incorporation of the Company.

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act'), M/s. K. S. Aiyar & Co. were appointed as the Statutory Auditors of the Company at the 4th Annual General Meeting ('AGM') held on 28th July, 2014 for a term of 5 years i.e. to hold office upto the AGM for the financial year 2018-19.

M/s. K. S. Aiyar & Co. would be completing 9 years as the Statutory Auditors of the Company at this AGM. In accordance with Section 139(2) of the Act and the transitional provisions provided under Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. K. S. Aiyar & Co. are eligible for re-appointment for a term of only 1 (one) year.

Terms and Conditions of Re-appointment are as under:

Term of Appointment: 1 year from the conclusion of this AGM till the conclusion of AGM for FY 2019-20.

Proposed Fees: Fixed Remuneration for Statutory Audit ₹ 30 Lakhs plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by M/s. K. S. Aiyar & Co. during their association with the Company. The proposed fees are also in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be decided by the management in consultation with the Auditors.

Credentials

K. S. Aiyar & Co. is an old and well established Chartered Accountancy firm, having been setup in the year 1897.

The firm is head-quartered in Mumbai and has branches in Kolkata, Chennai, Bengaluru, Coimbatore and Hyderabad, with its operations adequately supported by qualified professionals and staff. Apart from statutory audit, the firm also has expertise in other allied areas.

The firm has been statutory auditors of large listed companies to cross section of industries and carries a good professional track-record.

The Board of Directors recommends the resolution 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 at Item No. 4 of this Notice.

Item No. 5

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its Cost Records audited from a qualified Cost Accountant. The Board of Directors at its meeting held on 8th May, 2019, on the recommendation of 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 2019-20.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2019-20 as set out in the resolution for aforesaid services to be rendered by them.

The Board of Directors recommends the resolution at Item No. 5 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 5 of this Notice.

Item Nos. 6, 7 & 8

The Securities and Exchange Board of India ('SEBI') has amended certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'). Pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which are effective from 1st April, 2019, approval of the members by way of special resolution in general meeting shall be required, if the annual remuneration payable to Executive Directors, who are promoters or members of the promoter group, is in excess of the limits prescribed thereunder i.e. (i) where there is one such Director, ₹ 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, 5 per cent of the net profits of the listed entity. It is further prescribed that such approval once obtained shall be valid till the expiry of the term of the respective Executive Director.

The members of the Company had at their previous Annual General Meetings ('AGM') approved the maximum remuneration payable to the respective Executive Promoter Directors, as per the limits mentioned below:

1. Mr. Chirayu Amin: Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of ₹ 12 Crores per annum, as may be decided by the Board of Directors of the Company, from time to time. Additionally, Mr. Chirayu Amin shall also be paid commission. The total remuneration payable to Mr. Chirayu Amin shall not exceed 8% of net profits of the Company for the relevant financial year.
2. Mr. Pranav Amin: Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of ₹ 18 Crores per annum, as may be decided by the Board of Directors of the Company, from time to time. Additionally, Mr. Pranav Amin shall also be paid commission which shall not exceed 1% of net profits of the Company for the relevant financial year.
3. Mr. Shaunak Amin: Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of ₹ 18 Crores per annum as may be decided by the Board of Directors of the Company, from time to time. Additionally, Mr. Shaunak Amin shall also be paid commission which shall not exceed 1% of net profits of the Company for the relevant financial year.

Further, the managerial remuneration payable shall be within the overall ceiling stipulated under Section 197 of the Companies Act, 2013.

Though the remuneration payable to the Executive Promoter Directors shall remain within the limits already approved by the members at their previous AGMs, the same may exceed the ceilings newly prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations, 2015 and hence require approval of the members by way of special resolution.

The Board of Directors recommends the resolution at Item Nos. 6, 7 & 8 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Chirayu Amin, Mr. Pranav Amin and Mr. Shaunak Amin and their relatives, has any concern or interest, financial or otherwise, in the resolution at Item Nos. 6, 7 & 8 of this Notice.

Item No. 9

Dr. Archana Hingorani (DIN 00028037) was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with rules framed thereunder ('the Act') and the Clause 49 of the erstwhile Listing Agreements entered into with the stock exchanges. Dr. Archana Hingorani holds office as an Independent Director of the Company upto 3rd February, 2020 ('first term') in terms of the explanation to Sections 149(10) and 149(11) of the Act.

Dr. Archana Niranjan Hingorani holds a bachelor's degree in arts from the University of Mumbai, a master's degree in business administration from the Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She is currently a Managing Partner at Siana Capital Management LLP, an investment firm focussed on technology and innovation. Prior to that she was associated with IL&FS Group for 23 years and her last position being CEO of IL&FS Investment Managers Limited. She has been the recipient of various awards such as 'Ten most influential women in private real estate investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today. She has over 32 years' experience in the financial services business, teaching and research.

In the opinion of the Board, Dr. Archana Hingorani fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') and is independent of the management.

The Board of Directors at its meeting held on 8th May, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given her background and experience and contributions made by her during her tenure, the association of Dr. Archana Hingorani would be beneficial to the Company and it is desirable to re-appoint Dr. Archana Hingorani as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 4th February, 2020.

Copy of the draft letter of appointment of Dr. Archana Hingorani setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company.

The details of Dr. Archana Hingorani as required under the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015 and other applicable provisions are provided in Annexure - A to this Notice.

The Board of Directors recommends the resolution at Item No. 9 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof except Dr. Archana Hingorani, has any concern or interest, financial or otherwise, in the resolution at Item No. 9 of this Notice.

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Annexure – A

Details of the Directors seeking re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

Name of the Director	Mr. Shaunak Amin	Dr. Archana Hingorani
Age	41 years	53 years
Qualifications	B. A.	B.A., M.B.A & Ph. D
Experience	15 years	32 years
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	N.A.	N.A.
Remuneration last drawn (2018-19)	₹ 17.45 Crores	Nil
Nature of expertise in specific functional Areas	Management & Leadership	Financial Services, Research, Investment & Management
Date of first appointment on to the Board	02/05/2013	04/02/2015
No. of Shares held in the Company as on 31 st March, 2019	10,06,980	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Shaunak Amin is son of Mr. Chirayu Amin and brother of Mr. Pranav Amin.	Dr. Archana Hingorani does not have any relation with other Directors, Manager and other Key Managerial Personnel.
No. of Meetings of the Board attended during the year	6	5
Directorship in other companies as on 31 st March, 2019	<ol style="list-style-type: none"> 1. Shreno Limited 2. Shreno Publications Limited 3. Incozen Therapeutics Private Limited 	<ol style="list-style-type: none"> 1. DEN Networks Limited 2. 5Paisa Capital Limited 3. PNB Metlife India Insurance Company Limited 4. SIDBI Venture Capital Limited 5. Edmobile Labs Private Limited
Chairmanship/Membership of Committees of other Board	Nil	<ol style="list-style-type: none"> 1. DEN Networks Limited Member of Audit Committee 2. 5Paisa Capital Limited Chairperson of Audit Committee, Member of Stakeholders Relationship Committee & Member of Nomination & Remuneration Committee 3. PNB Metlife India Insurance Company Limited Chairperson of Audit Committee, Member of Nomination & Remuneration Committee & Member of Investment Committee 4. SIDBI Venture Capital Limited Member of Audit Committee, Member of Nomination & Remuneration Committee & Member of HR Committee

PROXY FORM

Alembic Pharmaceuticals Limited

Regd. Office: Alembic Road, Vadodara – 390 003

Tel: +91 265 2280550 Fax: +91 265 2282506

Web: www.alembicpharmaceuticals.com Email Id: apl.investors@alembic.co.in

CIN: L24230GJ2010PLC061123

Name of the Member(s):	
Registered Address:	
Email Id:	
Folio No./DP ID:	
Client ID:	

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name:

Address:

Email Id:

Signature, or failing him;

2. Name:

Address:

Email Id:

Signature, or failing him;

3. Name:

Address:

Email Id:

Signature, or failing him;

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Monday, 29th July, 2019 at 3:00 p.m. at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

Ordinary Business

1. Adoption of Financial Statements for the year ended 31st March, 2019.
2. Declaration of dividend on Equity Shares of the Company.
3. Re-appointment of Mr. Shaunak Amin (DIN: 00245523), who retires by rotation.
4. Re-appointment of Statutory Auditors of the Company.

Special Business

5. Ratification of Remuneration to the Cost Auditor for the F. Y. 2019-20.
 6. Approval for proposed remuneration to Mr. Chirayu Amin, Executive Chairman & CEO, Promoter of the Company.
 7. Approval for proposed remuneration to Mr. Pranav Amin, Managing Director, Promoter of the Company.
 8. Approval for proposed remuneration to Mr. Shaunak Amin, Managing Director, Promoter of the Company.
 9. Re-appointment of Dr. Archana Hingorani (DIN: 00028037) as an Independent Director of the Company.
-

Signed this day of..... 20....

Signature of Member(s)

Signature of Proxy holder(s)



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Alembic Pharmaceuticals Limited

Regd. Office: Alembic Road, Vadodara – 390 003

Tel: +91 265 2280550 Fax: +91 265 2282506

Web: www.alembicpharmaceuticals.com Email Id: apl.investors@alembic.co.in

CIN: L24230GJ2010PLC061123

Name of the Member(s) / Proxy* (In Block Letters)	
Folio No.	
DP ID – Client ID	
No. of Shares held	

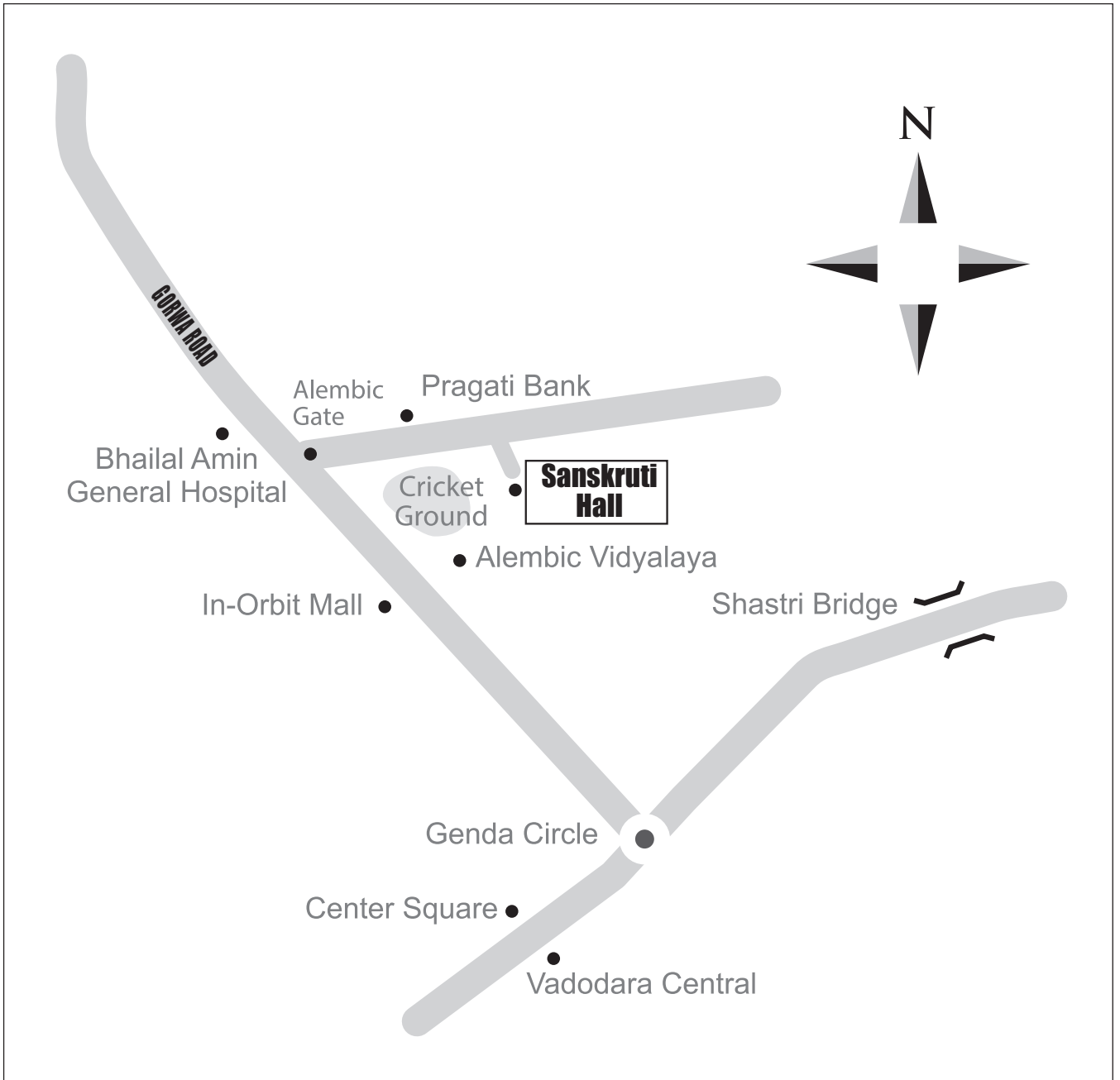
I hereby record my presence at the 9th Annual General Meeting (AGM) of the Company held on Monday, 29th July, 2019 at 3:00 p.m. at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara – 390 003.

.....
Signature of the Member(s) / Proxy*

Notes:

1. Members are requested to bring their copies of Annual Report at the AGM.
2. *Please strike off whichever is not applicable.

Route Map to reach the venue of the Annual General Meeting



CAUTIONARY STATEMENT

The report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking-statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Alembic

Touching Lives over 100 years

