

Date: 28th July, 2017

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

Dear Sir/Madam,

Sub: Submission of Annual Report of the Company for the financial year ended 31st March, 2017

In accordance with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the financial year ended 31st March, 2017.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Alembic Pharmaceuticals Limited

Ajay Kumar Desai
Sr. VP - Finance & Company Secretary

Encl.: A/a.





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3131

Revenue (₹ in crore)
20% growth over five years

615

EBIDTA (₹ in crore)
25% growth over five years

401

Net profit (TCI) (₹ in crore)
25% growth over five years

21.39

Earnings per share (₹)
25% growth over five years



Scan the QR code to visit
Alembic's website and
download pdf version of
annual report

At Alembic, success is about doing more!



For us 'more' means...

More
capability
addition.

More
experts on-
boarding.

More
research and
development
programs.

More
quality
focus.

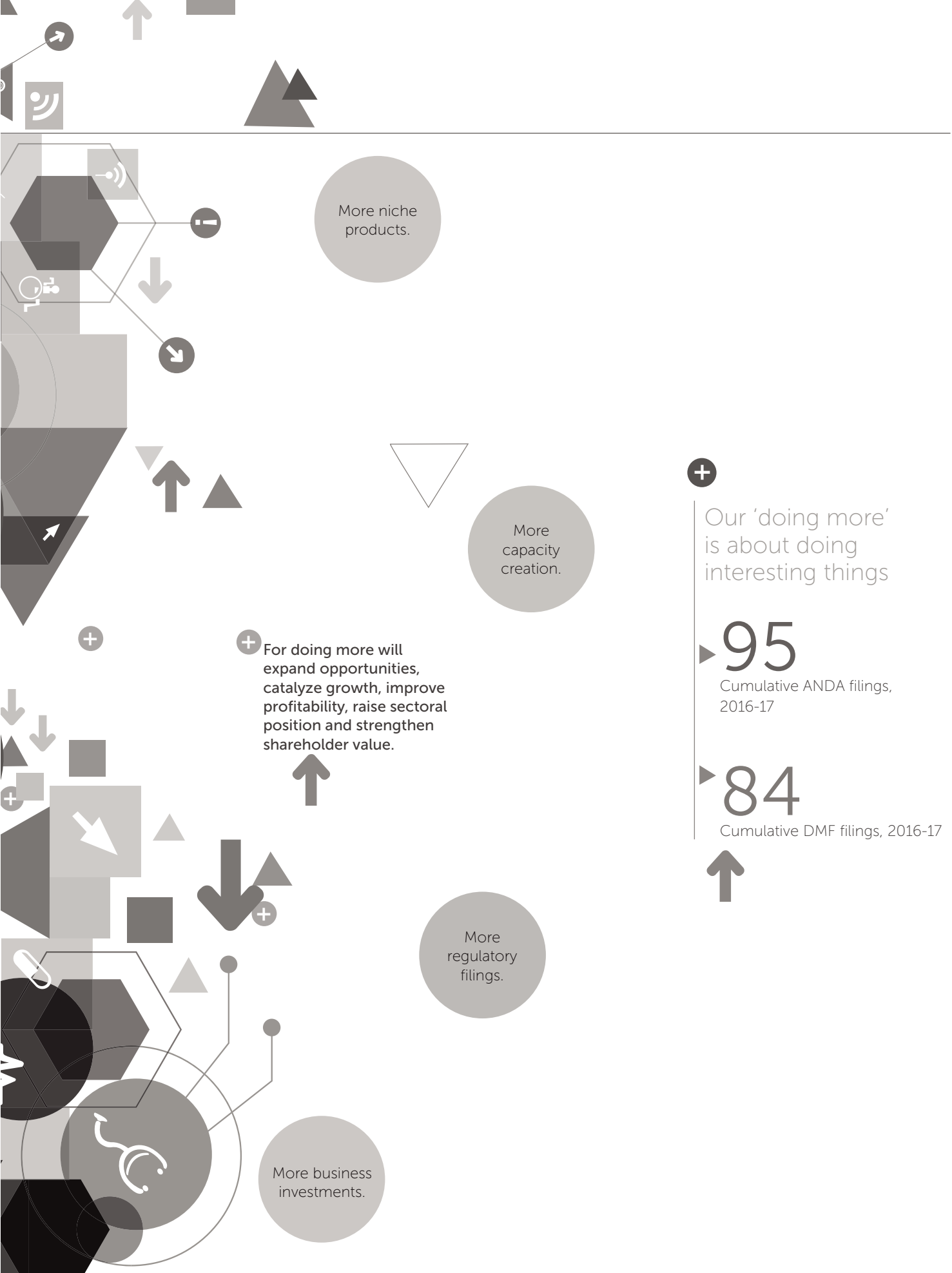


Our 'doing more'
is about doing
interesting things

► **470** Crores
R&D investment, 2016-17

► **260**
Number of R&D projects,
2016-17





More niche products.

More capacity creation.

+ For doing more will expand opportunities, catalyze growth, improve profitability, raise sectoral position and strengthen shareholder value.

More regulatory filings.

More business investments.



Our 'doing more' is about doing interesting things

► 95

Cumulative ANDA filings, 2016-17

► 84

Cumulative DMF filings, 2016-17



more capability building

The rapid transformation of the pharmaceutical space – from curing simple illnesses to addressing challenging ailments – has necessitated the formulation of complex remedies. As a result, enhancing research capability has emerged as the single biggest factor determining a pharmaceutical company's potential and sustainability.

At Alembic, we invested more than ₹450 crore in strengthening our R&D capabilities. This is expected to reinforce our niche molecule development across therapeutic and delivery platforms.

At our R&D unit for formulations development in Vadodara, we extended our product pipeline and increased the capacity of our bioequivalence unit to accelerate product development.

At our R&D unit in Vadodara, we invested in cutting-edge infrastructure for developing complex generics and specialty injectables with niche applications.

At our R&D unit for formulations development in Hyderabad, we set up two new GLP-compliant labs equipped with best-in-class automation (pilot batch-making facilities) that ensure complete data integrity.

We promoted a joint venture (Aleor Dermaceuticals Limited) with Orbicular Pharmaceutical Technologies Private Limited. This alliance increased our dermatology pipeline to 45 molecules, four of which we hope to file during FY18.

We partnered renowned R&D companies to leverage their intellectual capital and extend our product pipeline in the areas of oral solids and injectables.

These investments are expected to generate multiple benefits for Alembic.

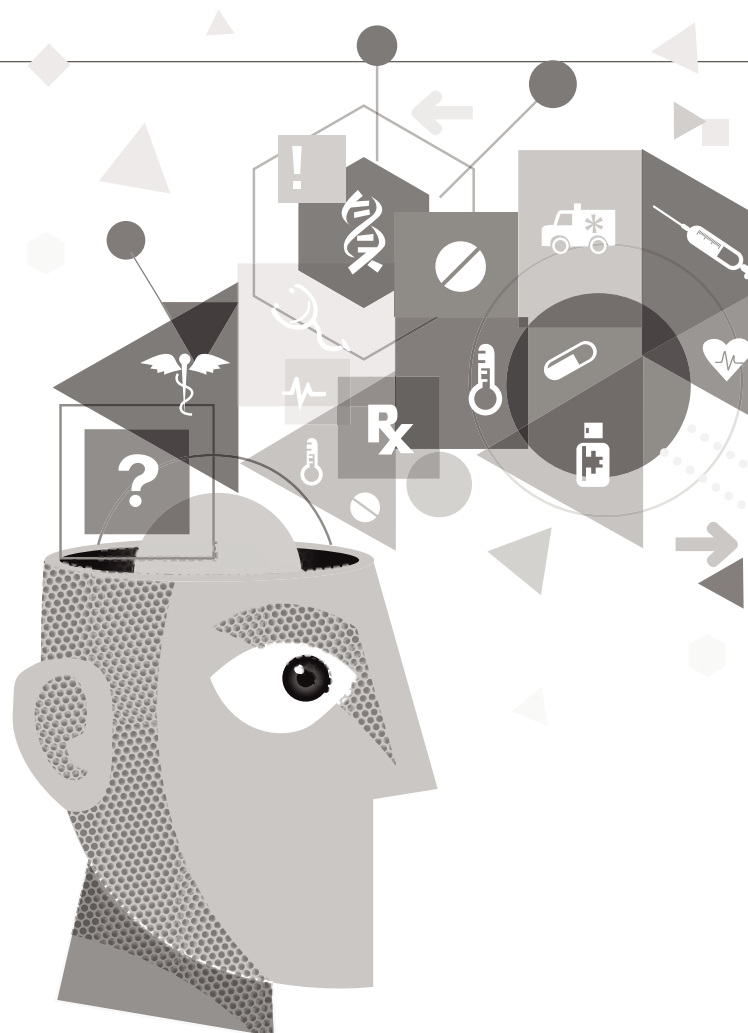
- Strengthen our product basket making it possible to launch 10 products annually in regulated markets.

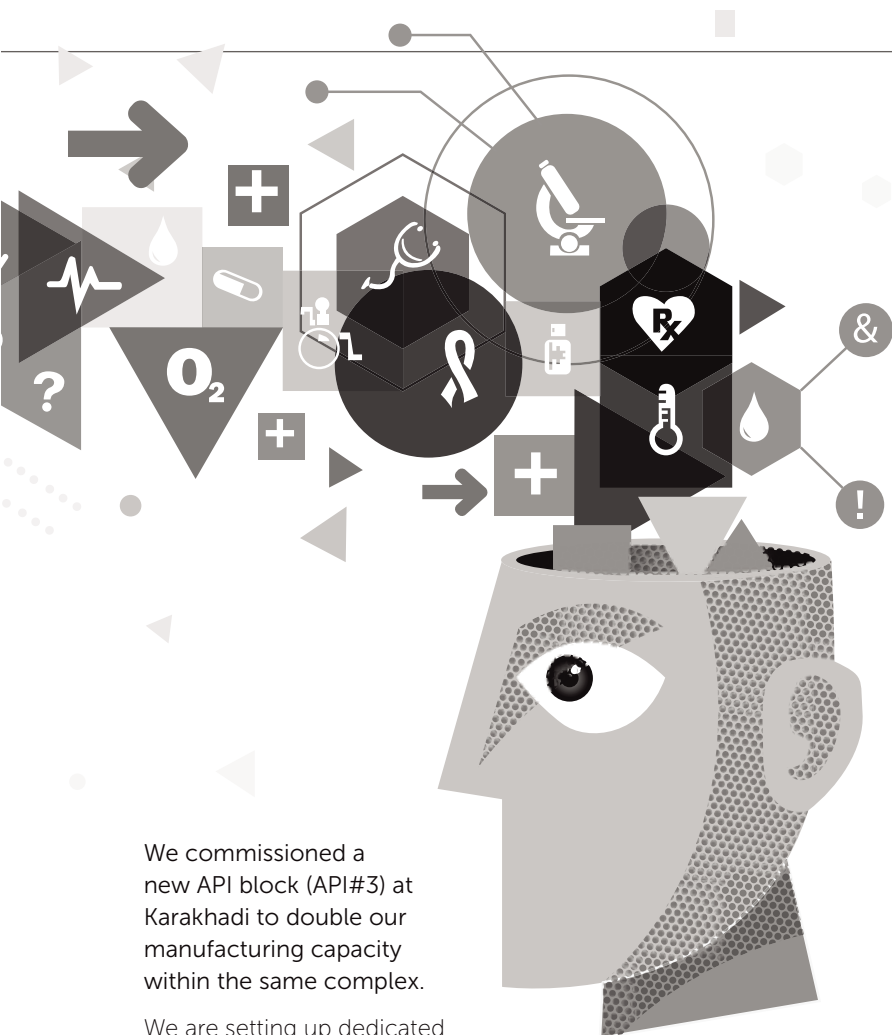
- Facilitate our entry into newer therapeutic spaces.
- Reinforce our presence in oncology, dermatology and ophthalmology segments.
- Broaden our opportunity canvas by allowing us to enter niche injectable spaces (general and oncology).
- Enhance our global sectoral reputation.
- Empower us to file ~100 ANDAs over the next three years (starting FY18).

We should be able to file ~100 ANDAs over the next three years (starting FY18)

R&D investment (₹ crore)

2016-17	470
2015-16	356
2014-15	148
2013-14	136
2012-13	83





capacity building^{more}

At Alembic, we invested more than ₹475 crore during the year under review in world-class manufacturing capacities, accelerating our regulatory filings and ensuring immediate product commercialisation (upon approval).

We commissioned a new API block (API#3) at Karakhadi to double our manufacturing capacity within the same complex.

We are setting up dedicated facilities for manufacturing oncology products across delivery platforms – oral solid dosages and injectables. We expect to commission dedicated facilities for both in the first half of FY18 and we plan to roll out exhibit batches in FY18, triggering ANDA filings.

For Aleor, we are setting up a greenfield manufacturing facility for dermatology products in Karakhadi which should go on stream by the second half of FY18.

We are also building a multi-therapy injectables manufacturing facility to boost our formulations delivery platform in

Karkhadi (expected to be operationalised by the second half of FY18). We plan to start laying the infrastructural foundation of a state-of-the-art greenfield oral solid dosage facility in Jarod in FY18.

Just like our existing units, we will take all steps necessary to ensure that our new units are FDA-compliant.

These investments are expected to make Alembic future-ready by starting to generate returns from ~24 months of receiving the relevant approvals from the regulatory bodies.

These investments are expected to make Alembic future-ready by starting to generate returns from ~24 months of receiving the relevant approvals from the regulatory bodies.

Gross capex (₹ crore)

2016-17	491
2015-16	309
2014-15	213
2013-14	83
2012-13	88

Corporate snapshot

Alembic Pharmaceuticals Limited ...a company that straddles the pharmaceutical value chain ...a formulations manufacturer with a significant presence in the domestic, pharmerging and regulated markets

Headquartered in Vadodara,
Alembic is an integrated pharmaceutical company offering complex APIs, generics and formulations addressing acute and chronic therapies. The Company is counted among India's top 300 healthcare brands.



The Company possesses four state-of-the-art manufacturing facilities and two well-equipped R&D centres (Vadodara and Hyderabad). Having established a front-end setup in 2015, the Company is now eager to grow its American footprint.

Manufacturing facilities

Location	Segment	Regulatory approvals
■ Panelav, Gujarat	Formulations	USFDA, MCC, MHRA, ANVISA & TPD
■ Panelav, Gujarat	API	USFDA, EDQM
■ Karkhadi, Gujarat	API	USFDA, EDQM, TGA, WHO
■ Sikkim	Formulations	-

Mission

Improve healthcare
through innovation,
commitment and trust.

Alembic's across-the-value-chain presence



Revenue breakdown (International generics)



Revenue breakdown (Indian formulations)



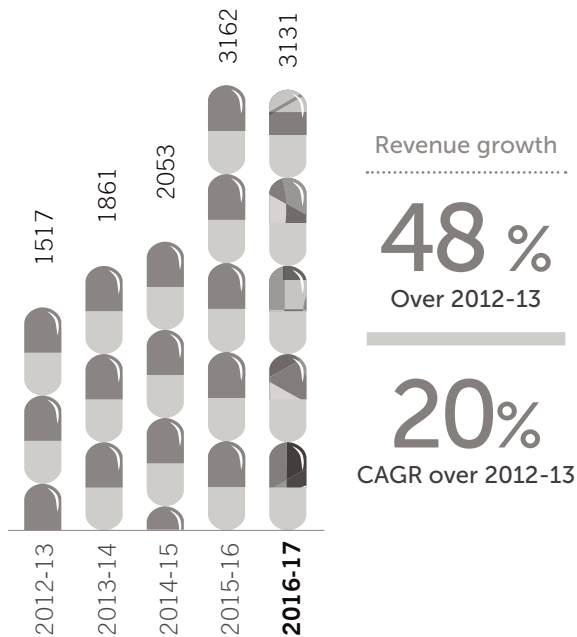
Prominent **brands**

Azithral **ALTHROCIN** **Rekool 40** **ZEET**
ROXiD-M **WIKORYL** **TELLZY** **ULGEL** *Gestofit*

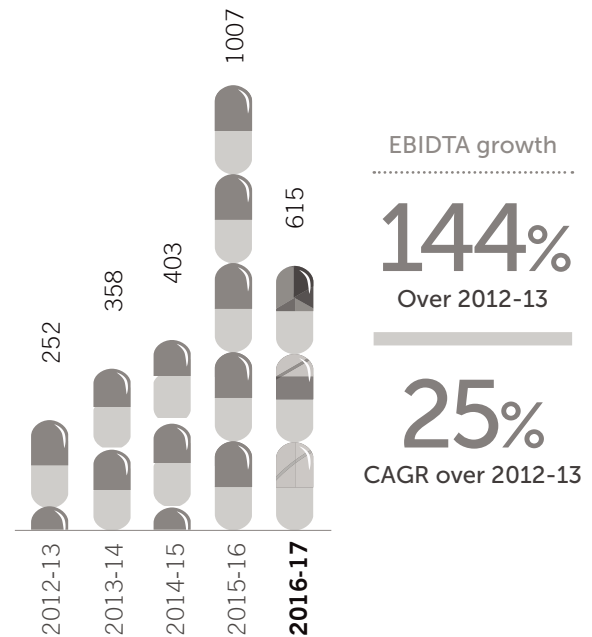
Financial progression

Our report card

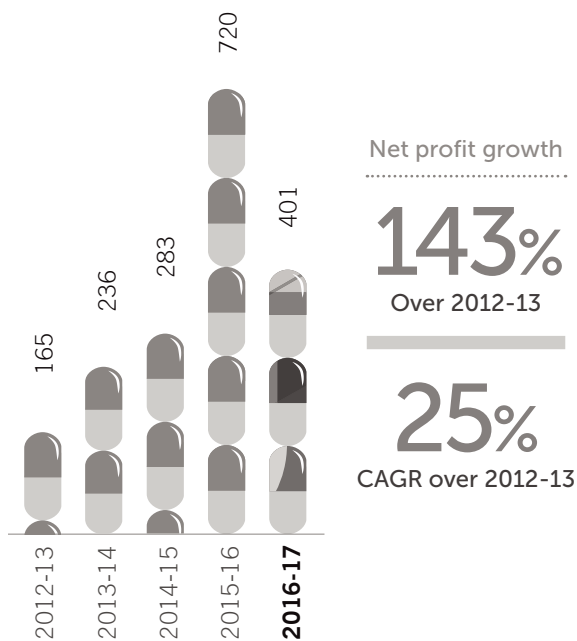
Revenue (₹ in crore)



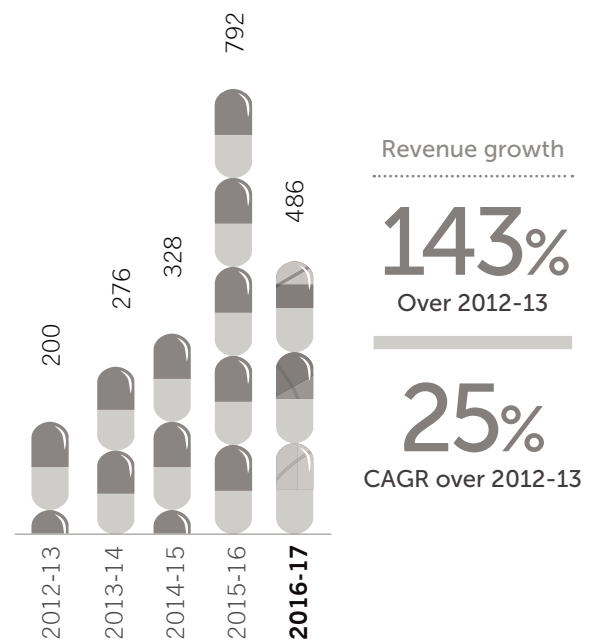
EBIDTA (₹ in crore)



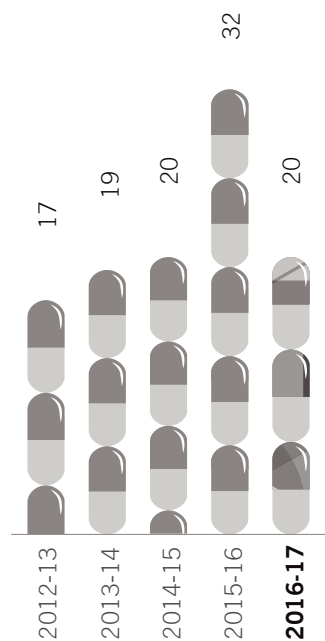
Net profit (₹ in crore)



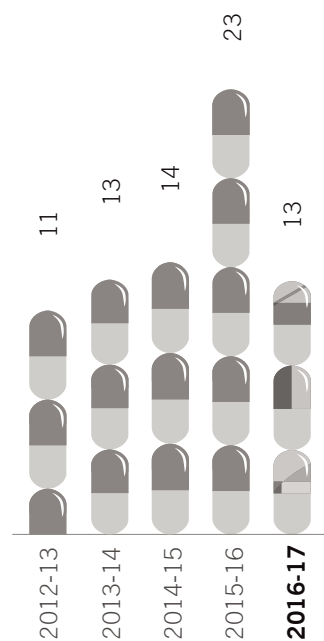
Cash profit (₹ in crore)



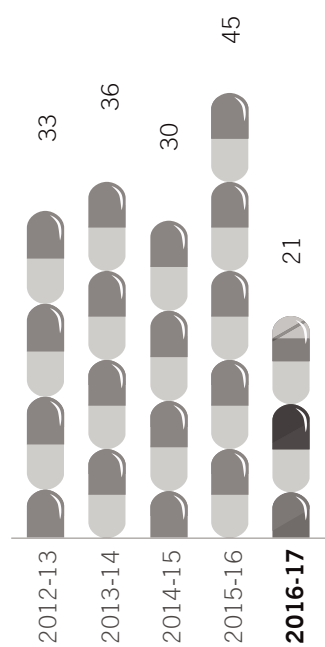
EBIDTA margin (%)



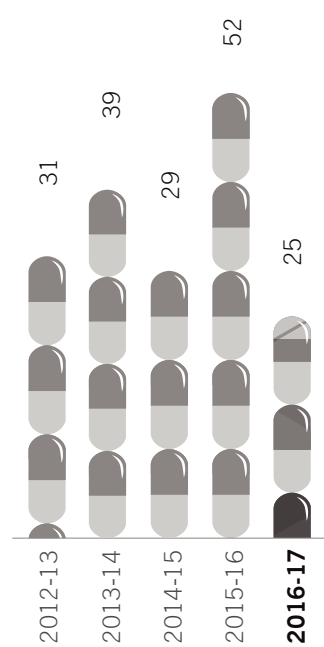
Net profit margin (%)



ROE (%)



ROCE (%)





"In the pharmaceutical space, momentum-building strategies are largely similar between players. The difference lies in execution."



Chirayu Amin,
Chairman, explains the pharmaceutical space and Alembic's growing competitiveness

Convention states that I delve into Company's performance in the previous fiscal before sharing my thoughts on our strategic growth plan. I must tread with convention, but with a difference. Rather than discuss our financial numbers I will take the opportunity to discuss some of our satisfying achievements which hold the promise of us being able to sustain profitable growth across the foreseeable future.

The FDA clearing our API and formulations facilities represents a significant positive considering the number of notices issued to other domestic pharmaceutical players. This not only indicates our alignment with globally-accepted systems and processes, but also enhances our respect in the US market. Our US front-end facility has made a promising start. We secured all state licenses. We created a large product basket. We signed master service agreements. We delivered on the promises we made to our customers. We earned their trust – the most important growth catalyst in this highly-competitive market place. We received a 'Most Reliable Supplier' award from an important customer. In addition, we crossed US\$50 million in revenues. All this, in only the first full year of operations in the US.

The question is how we plan to take things ahead. To get a directional sense of our strategies, it would be relevant

to understand the prevailing sectoral environment. In the contemporary world, compliance, competition and costs have emerged as key growth challenges for any pharmaceutical company. Compliances have become increasingly stringent and regulatory standards determine every single operational aspect – from product quality to systemic accuracy and data integrity (including softer aspects). Regulatory audits can take place at any time as opposed to the earlier practice of them being planned months in advance. This means that quality ceases to be only a product attribute but emerges as an integral component of organisational culture.

Competition continues to grow unabated in the world's largest pharmaceutical market with two ramifications. One, for every ailment there are multiple solutions. Every emerging opportunity open to for several players. Every product moving out of patent protection has numerous



filers. All these realities point to one conclusion – the difference between niche and commodity is declining faster than ever, leading to profit margins for conventional products getting squeezed. Two, each player is increasing the complexity play – increasing the pipeline of complex products that mandate a firm grasp on multi-step, challenging chemistries. This necessitates large investments by corporates in widening their capabilities and growing their intellectual capital bases.

At Alembic, our momentum-building strategy is similar to the other pharmaceutical players. The difference lies in our execution – aggressively moving ahead on multiple fronts at the same time.

Capacities: We made significant investments across the pharmaceutical value chain. Having commissioned our new API facility (API#3) which can accommodate a number of additional blocks as and when the need arises, our project teams are working on setting up sophisticated facilities in the formulations (oral solid dosage and injectables), oncology (oral solid and injectables) and dermatology formulations spaces – all high-growth and high-value therapies. All our facilities should be ready during the current financial year, which means we can commence production the day our products are approved.

Capabilities: We invested in dedicated R&D facilities for developing oncology formulations (oral solid

dosage and injectable) and created R&D capabilities for developing multi-usage injectables and expanded our existing R&D expertise to catalyse the complexity value chain. Our research team is actively working on more than 260 projects (60 in 2014-15) across our two R&D centres. Our filings should improve to about 30 ANDAs annually, compared to seven in 2014-15.

Alliances: At Alembic, we are leaving no stone unturned to catalyse our progress. In 2016-17, we forged a joint venture with Orbicular Pharmaceutical Technologies Private Limited to enter the dermatology segment, thereby gaining a foothold in the US\$ 4.7 billion market. Today, we have a pipeline of 45 molecules at various stages of development.

Outsourcing: We understand that there is rich intellectual capital available outside Alembic's boundaries, which can be leveraged to catalyse our research. Consequently, we partnered with leading research outfits to intensify our R&D. The result: ~25% of our research

programmes are carried out in collaboration with partners.

Quality: We worked patiently in improving quality across the organisation. We challenged the status quo. We worked and re-worked. We institutionalised a 'do-it-right-the-first time' culture as opposed to the 'do-it-fast' philosophy. While we understand that this is an ongoing journey, these initial results provide us with the impetus needed to focus on more such quality-building initiatives.

India formulations: Alembic, over the years, has shifted its focus to chronic segments. This strategic change has yielded rich dividends. We are confident that growth from this vertical will leapfrog past the historical average by clocking healthy double-digit revenue accretion. This optimism stems from some important factors – the launch of several successful products during the current year, our Sikkim plant operating at optimal utilisation and a small tweak in our marketing model which we feel

should improve business profitability.

In conclusion

At Alembic, a number of things are happening all at once, which should result in interesting transformation. Consolidate our presence in the lifestyle therapeutic segment; increase the proportion of complex products in our product basket; expand our delivery platform; skew our revenue mix in favour of high-value products that enjoy global demand. The bottomline is that our business is likely to emerge more profitable and sustainable.



"We invested more than ₹900 crore in 2016-17 in future-focused initiatives. Yet we continue to remain zero-debt."



Mr. Raj Kumar Baheti,
Chief Financial Officer, discusses Alembic's financial performance



How would you rate the Company's performance in 2016-17? Despite a decline in financial numbers you seem satisfied. Could you share your thoughts on this?

I would answer this question in two parts. One, enhance appreciation of the facts that made 2015-16 exceptional and two, analyse the challenging external environment.

2015-16 was an exceptional year for Alembic during which the success of gAbilify, our day-one launch in the US, catalysed a meteoric rise in revenues and profits. Readers need to appreciate that these opportunities do not arise every year. 2016-17, in contrast, was a more challenging year. Our Indian formulations business was impacted by multiple price cut announcements and the FDC ban by the Indian regulatory authorities. The currency demonetisation disrupted trade channels during the last two quarters. Nevertheless, we outperformed our year-start estimates, which is heartening.

Your profitability seems to have dropped. Could you throw some light on this decline?

My understanding is that you are referring to the EBIDTA margin. Contrary to common perception, our profitability has actually improved. For this you need to look at profitability through a slightly different prism. Allow me the opportunity to explain. We made investments amounting to more than ₹450 crore in R&D initiatives, the highest in Alembic's history. Hence, a direct comparison with the previous year numbers would be an apples-and-oranges comparison. Under the circumstances, it would be appropriate to consider our pre-R&D EBIDTA margin to gauge the improvement in terms of business profitability – it improved 740 bps from 25.4% in 2014-15 to 32.8% in 2016-17.

Does the Company possess the requisite infrastructure to manage these products when they see the light of day?

In the last 24 months (FY16 and FY17) we invested ₹800 crore in capacity-building initiatives across the manufacturing continuum. We created a new API manufacturing facility – API#3 – housing four manufacturing blocks. We are creating two facilities for oncology products (one for oral solid dosages and one for injectables). We are investing in a general injectables facility (catering to other therapies). Further, we are creating a dedicated facility for manufacturing dermatology products. These facilities are expected to be commissioned in the current year – coinciding with our product development calendar and filing schedules.

You made investments totaling more than ₹900 crore in 2016-17 in future-focused initiatives. Yet the Company continued to remain zero-debt. How did you fund these investments?

We funded these investments completely out of internal accruals. Let me explain. Our success with gAbilify in 2015-16 enabled us to create a cash balance of more than ₹400 crore as on April 1, 2016. Moreover, in 2016-17 we generated a cash surplus of more than ₹600 crore. We deployed this additional cash towards strengthening our business foundation.

Are these one-off investments for the Company or are they likely to remain in the same orbit?

Investments at Alembic can be compartmentalised into silos – capability (R&D) and capacity creation. In terms of R&D, we expect to sustain the current investment levels over the foreseeable future. On the capacity front, we are creating capacities across the value chain (APIs and finished dosages), therapeutic segments (dermatology, oncology and ophthalmology) and delivery platforms (oral solid dosages, injectables and topicals), which should take

care of our manufacturing aspirations over the medium-term. Coming to 2017-18, we will need about ₹1,000 crore – ₹500 crore to complete the ongoing capacity-building initiatives and ₹500 crore towards driving our R&D projects.

Your capex in 2016-17 exhausted cash reserves. How will you fund the capital investment programmes slated to take place in the current year?

We will source funds from the financial institutions. Our financial statements allow us to do this comfortably, considering that we had a net worth of ₹1,901 crore as on March 31, 2017. This should help us seamlessly manage our repayment obligations.

Considering that your business-critical investments will start generating returns at least two years from now, how do you expect to expand business margins?

We are hopeful that our international business, more specifically our US operations, should make an important contribution towards increasing our business margins – the catalyst being our expanding product basket. In 2016-17,

we transferred 18 products from our partners to our own front-end and added two new products. In 2017-18, we hope to transfer two products from our partners to our own label and add about 10 new products to our product basket. Through product transfers, we will internalise the business margins which we shared earlier with our partners. These new products will help us in growing our business and absorbing fixed costs better.

What, according to you, are the speed-breakers that could impact business estimates?

Essentially two. GST and currency fluctuation. While GST is a great initiative for India, which will emerge as an important facilitator for economic growth over the medium term, its promised launch on July 1, 2017 would lead to supply-chain and operational disruptions in the current year that would impact businesses across sectors.

Alembic will need to face these headwinds too. The Indian rupee started appreciating against the

dollar, impacting our international generics segment. The impact could become more pronounced considering how quickly our US operations are expanding. As a prudent counter-measure, we hedged a part of our exposure. We continue to monitor currency movements closely and will take appropriate measures to de-risk ourselves from the impact of currency devaluation.

What are your final thoughts?

These are exciting times for Alembic because a number of things are happening simultaneously and the aggregate benefits promise to catapult Alembic into the orbit of large, globally-respected pharmaceutical players.

In the last 24 months (FY16 and FY17) we invested ₹800 crore in capacity-building initiatives across the manufacturing continuum.



Global economic overview

Better performance from emerging countries, subsiding geopolitical uncertainties, rising oil prices and a resurgent Chinese economy helped the global economy clock a growth rate of ~3% in 2016.

Global economic outlook:

Economic activity in advanced economies and EMDEs is forecast to accelerate in 2017 and 2018, with global growth projected at 3.5% and 3.6%, respectively. There is an optimism related to the prospects in the US, assuming a fiscal stimulus that could lead to a growth of 2.3% in 2017 and 2.5% in 2018. (Source: IMF, Business Standard)



Year	Estimates (%)		Projection (%)	
	2015	2016	2017	2018
World Output	3.2	3.1	3.4	3.6
Advanced Economies	2.1	1.6	1.9	2.0
Emerging Market and Developing Economies	4.1	4.1	4.5	4.8

Indian economic overview

With a GDP at US\$ 2 trillion, India's economy ranks as the seventh largest in the world.

Outlook: Economy experts and opinion makers are optimistic of India's economic resurgence and expect the nation's GDP growth to rebound in the range of 6.75-7.5% in 2017-18 catalysed by two important triggers – the GST rollout and thrust on infrastructure creation through a large allocation in Union Budget 2017-18. The IMF forecasts India's GDP growth at 7.2% for 2017-18 and 7.7% for the fiscal thereafter. According to this institution, medium-term growth prospects appear favourable, with growth to rise to about 8% over the medium term following the implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies. (Source: Economic Times, Deccan Chronicle, IMF).

Indian pharma players in the US



In a nearly US\$400-billion US pharmaceutical market, generic drugs make up for just about US\$70-80 billion, though generic drugs account for 88% of prescriptions dispensed in the US. India supplies one-third of the generic medications consumed in the US. The Indian pharma industry has contributed significantly to moderate healthcare costs in the US by supplying quality, yet affordable, generic drugs. India-made generics sometimes cost just a tenth of branded drugs sold in the US; between 2005 and 2014, generic drugs saved the US healthcare system US\$1.7 trillion. Indian generic drug companies are facing significant pricing pressure in the US because of consolidation of distribution channels and rising competition. (Source: Livemint)

The pharmaceutical space

Global overview

The growth of the life sciences sector of a country correlates with its general economic strength and healthcare spending levels; both of these vary widely around the globe. While spending growth is expected to pick up, the pressure to reduce costs, increase efficiency, and demonstrate superior value remains intense. Because of these contradictory trends, global healthcare spending is expected to increase in low single digits. Demand for generic drugs should continue to rise as payers pursue avenues to reduce costs. In the United States, generic drugs already

comprise about 70% of the pharma market by volume. Pricing pressures in the United States and unstable economic conditions in Brazil, Russia, and China, which collectively drive 50% of global pharma revenue, have led to a slowdown in the pharma segment. As a result, pharmaceutical companies are adapting to market dynamics and positioning themselves for growth through portfolio transformation, targeted deal-making, cost-cutting measures, and sharpened focus on high-performing therapeutic area and geographic markets.

Outlook through 2021: The total

volume of medicines consumed globally could increase by about 3% annually through 2021. Global medicine spending could reach nearly US\$1.5 trillion by 2021 on an invoice price basis, up nearly US\$370 billion from the 2016 estimated spending level. Importantly spending growth is slowing in 2016, declining from nearly 9% growth in 2014 and 2015 to just 4–7% CAGR over the next five years. Most global spending growth, particularly in developed markets, will be driven by oncology, autoimmune and diabetes treatments where significant innovations are expected. (Source: Pharmtech)

- India is recognised as a major manufacturing hub for generics
- In FY16, of the 546 sites registered at USFDA, India accounted for 22% of them

Domestic overview

The Indian pharmaceutical market accounts for ~2.4% of the global pharmaceutical industry in value terms and 10% in volume terms. India is the third-largest global generic API market, with a 7.2% market share and the largest exporter of formulations in terms of volume, with 14% market share and 12th in terms of export value. Despite a strong global position, the domestic market is significantly underpenetrated. India's healthcare

expenditure is among the lowest among the top 15 pharma markets with the per capita spend being pegged at US\$60-64 per annum (between 2010 and 2014) as per World Bank. In India, public spending on health stood at 1.1% of GDP much lower than the global benchmark. These realities showcase a significant opportunity for Indian pharmaceutical players. (Source: IBEF)

Growth drivers

Demand drivers

- Increasing incidence of fatal diseases
- Improved accessibility to drugs
- Increasing penetration of health insurance
- Growing number of stress-related diseases
- Better diagnostic facilities

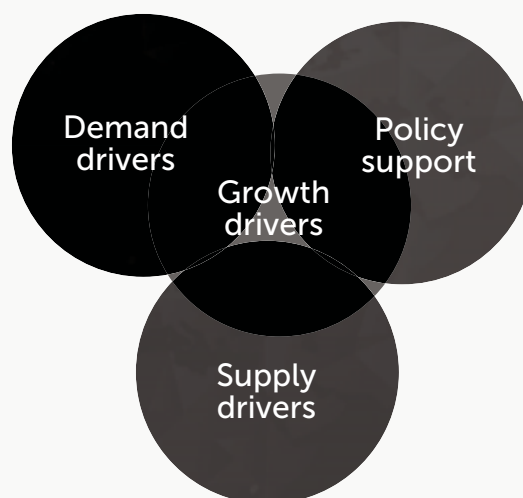
Supply drivers

- Cost advantage
- Skilled manpower

Policy support

- National Health Policy 2015, focuses on increasing public healthcare expenditure
- Reduction in approval time for new facilities

- Plans to set up pharmaceutical education and research institutes
- Exemptions to drugs manufactured through indigenous R&D from price control under NPPP-2012



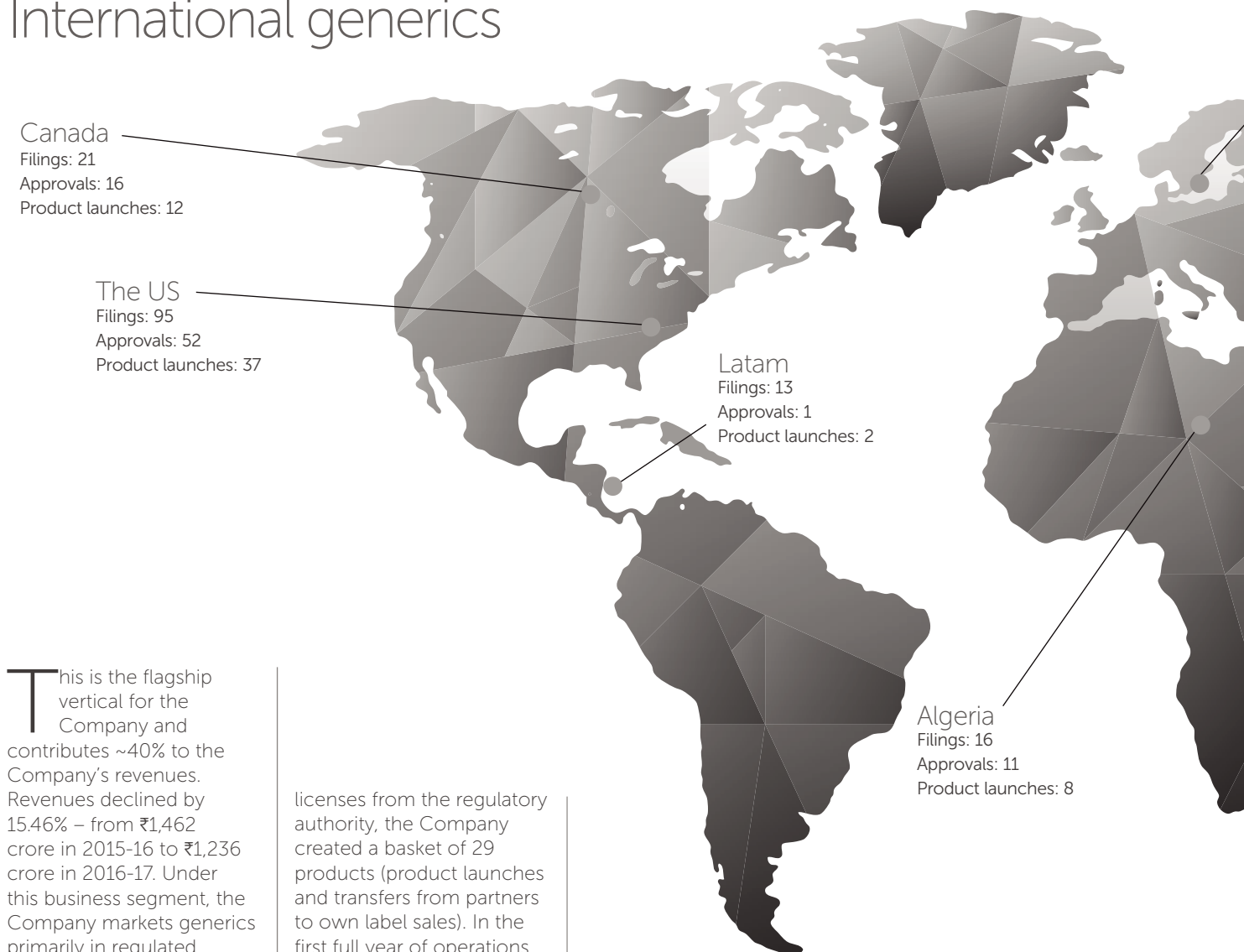
(Source: Hindustan Times, IBEF)

OPERATIONAL OVERVIEW

Business Divisions

Revenue vertical 1

International generics



This is the flagship vertical for the Company and contributes ~40% to the Company's revenues. Revenues declined by 15.46% – from ₹1,462 crore in 2015-16 to ₹1,236 crore in 2016-17. Under this business segment, the Company markets generics primarily in regulated geographies in the US, Europe, Canada, South Africa and Australia. Even as the US market catalyses the growth of the international generics space, other geographies will continue to register healthy annual revenue growth.

The US front-end

The Company has established a front-end marketing office managed by a nine-member team. Having secured all required

licenses from the regulatory authority, the Company created a basket of 29 products (product launches and transfers from partners to own label sales). In the first full year of operations, this outfit generated more than US\$50 million in revenues.

ROW

The Company continued to launch and file new products in Europe, Canada and Australia – in line with the Company's flanking growth strategy.

The Algerian presence

In 2014, Alembic entered into a joint manufacturing venture with Adwiya

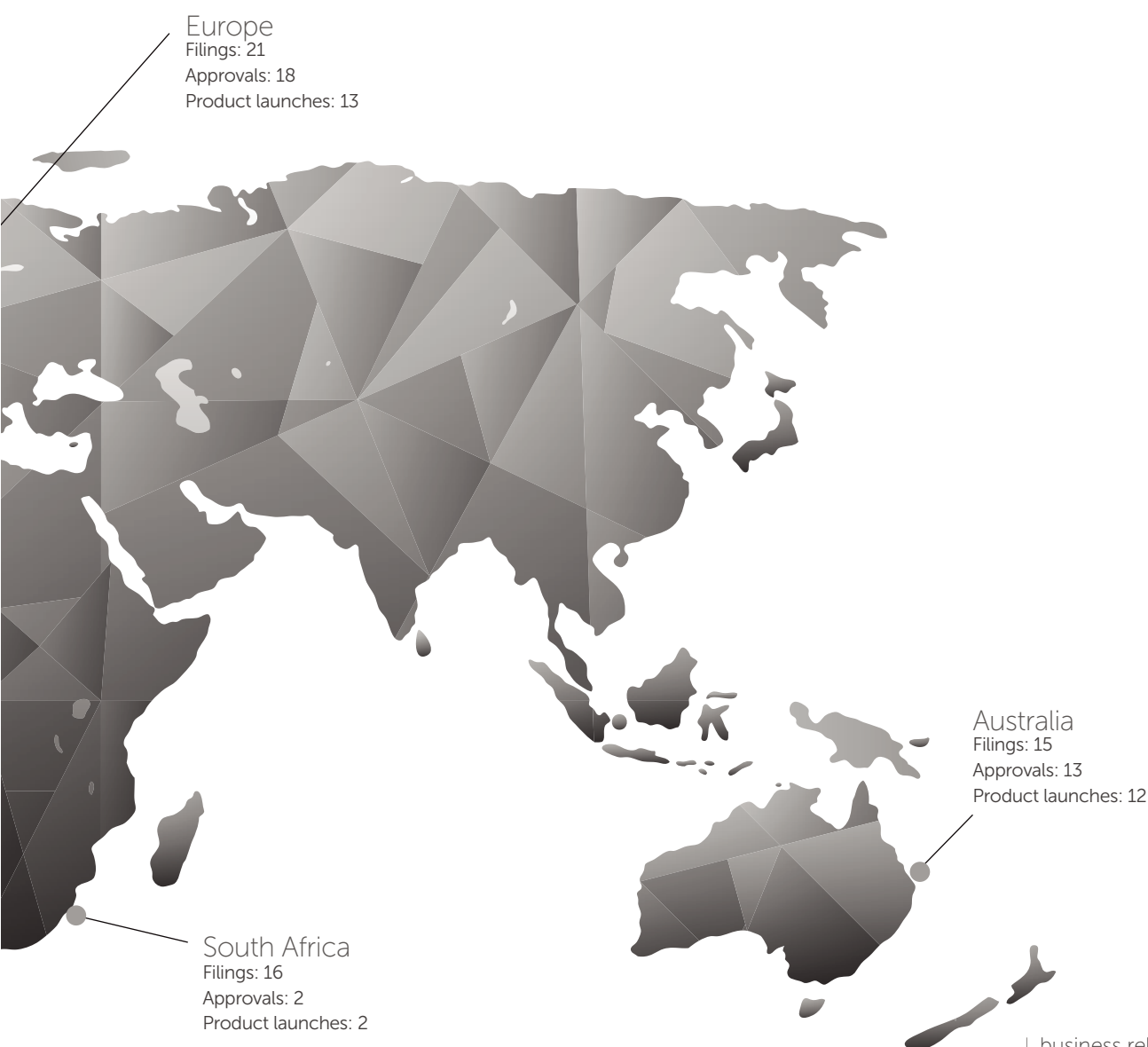
Mami SARL, one of the largest pharmaceutical distributors in Algeria which possesses an oral drug formulation factory. This inorganic initiative enabled the Company to establish a footprint in the US\$3.4 billion Algerian pharmaceutical market (of which generics account for 70%). In 2016-17, the Company received approvals for 11 filings and

launched these products towards the close of the year. The Company filed for 13 products during the year under review, taking its pipeline to 16 filings (March 31, 2017) at various stages of receiving the required approvals.

Competitive advantages

Front-end presence:

Alembic established a visible presence in the world's largest and highly-



competitive pharmaceutical market, thereby gaining respect in the global pharmaceutical space.

Wide footprint: Other than its US operations, the Company enjoys a meaningful presence in other regulated markets like Europe, Australia and Canada.

Compliant infrastructure: The Company cleared USFDA audits for its API, formulations and R&D

units, thereby showcasing the institutionalisation of globally-best systems and processes.

Focused R&D: >90% of the R&D resources are allocated towards developing products for the US markets which, in turn, can be leveraged for strengthening its presence in other regulated markets.

Robust pipeline: The Company has >43 ANDAs pending approval, of which

40% comprise complex and challenging developments as well as >36 filings in other regulated markets at various stages of approval.

Highlights, 2016-17

- Launched three new products in US
- Added 18 products (transfer from partners) to widen our basket to 20 products on own label in US
- Signed 28 master service agreements with distributors and established

business relations with 80+ customers

Priorities, 2017-18

- Successful launch of 8-10 products in the US
- Build a nimble supply chain to cater to market opportunities
- Unrelenting focus on product quality and regulatory compliance
- Timely commissioning of new oral, injectable and dermatological facilities
- Continued focus on improving R&D capabilities and increasing ANDA filings

Revenue vertical 2

APIs

Alembic's API business represents critical backward integration that makes it possible to formulate niche products that find global acceptability.



The Company has three API manufacturing facilities (two at Panelav and one at Karakhadi), which cumulatively manufacture more than 100 APIs that find acceptance with customers globally.

Competitive advantages

Capability: Ability to manufacture products involving complex chemistry, long processes and

difficult-to-handle molecules, representing its competitive advantage.

Compliance: Successfully cleared the USFDA audits for its API units, which showcase the institutionalisation of global best-practices in business systems and processes.

Capacity: Recent investments in creating and unlocking capacity have

created significant capacity headspace to capitalise on global growth opportunities.

Customer: Increase in in-house production of intermediates and APIs, improving business profitability.

Highlights, 2016-17

- Revenues increased by 22% from ₹525 crore in 2015-16 to ₹640 crore in 2016-17.

- Received EIRs from the FDA (on successful audit clearance) for API-1 and API-2 facilities.

- Filed 7 DMFs (the US market) and 3 CEPs (Europe market), taking the cumulative filing count to 123 (84 DMFs and 39 CEPs) as on March 31, 2017.

- Commissioned a state-of-the-art two new API Blocks at Karkhadi and Panelav respectively.

Priorities 2017-18



"We are making significant investments in creating new capacities and strengthening our capabilities matrix."



Mr. Pranav Amin,
Managing Director, addresses about capacity creation and capabilities



Dear friends,

Does one necessarily have to be defensive about financial de-growth? While some may subscribe to this trend, at Alembic we are upbeat about our performance. So even while revenues de-grew 1% and EBIDTA declined 39% over the previous year, there is perceptible excitement in the entire team. We have reasons for this contrarian mindset.

But first allow me to elucidate why the numbers declined. In my earlier communiqué, I had mentioned that 2015-16 was exceptional for our international generics business due to our successful Day-1 launch of gAbilify (Aripiprazole). This achievement facilitated a sharp jump in revenues and profitability. We knew that this windfall would be short-lived. And so it was.

Now I turn to some of the business critical milestones of 2016-17.

One, all our facilities – API units (at Panelav and Karkhadi) and oral solid dosage (OSD) facility (Panelav) – successfully cleared the USFDA audit, a vindication of our alignment with global best-practices and regulatory standards.

Two, our US front-end performed exceedingly well reporting more than US\$50 mn in sales in its first-full year of operation. The pertinent intangible hidden beneath the number is that the team earned the trust of important market participants – which, in a small way indicates a promising future over the coming years.

The immediate question in the mind of readers would be – How are we making our US piece even stronger? We are making significant investments in creating new capacities and strengthening our capabilities. We invested more than ₹900 crore towards this goal in 2016-17, of which about ₹450 crore has been deployed in R&D initiatives and about ₹475 crore has been invested in capacity creation.

OPERATIONAL OVERVIEW

In addition to strengthening our product pipeline in existing business spaces, our R&D investments will widen our therapeutic presence (into high-value, high-growth spaces) and our delivery platforms (injectable) – widening our opportunity canvas.

Our R&D investments were directed towards strengthening business capabilities, which facilitate our entry into high-growth complex therapeutic segments (oncology and dermatology) and widen our presence in challenging delivery platforms (modified release solid dosages and injectables). A presence in these business spaces promise to reduce the competitive clutter leading

to superior business margins, going forward.

The immediate fallout of our R&D efforts is a stronger regulatory filing pace – we hope to file 100 ANDAs in the next three years (starting 2017-18) – a sizeable proportion of which would comprise challenging products (Para IV/FTF opportunities). We target to launch 10-12 products each year in the US market during the same time-frame.

Aligned with our R&D efforts, we are creating the requisite manufacturing infrastructure for ensuring timely supplies upon receiving regulatory approvals. In the interim, we are working with partners for undertaking manufacturing activities necessary for the timely filing of product

dossiers with regulatory authorities.

These efforts, we believe, should strengthen our presence in the US in the medium term.

The other significant milestone was the start of our Algerian Joint Venture where we commenced supplies of 8 products and hope to launch 32 more in the next year. We filed for 13 products in 2016-17, strengthening our pipeline for sustained launches over the medium-term enabling us to establish a strong

presence in this growing market.

While perceptible results from this critical intangible initiative are yet to unfold, some signs of execution excellence are surfacing. For one, we filed 20 ANDAs in 2016-17, the largest filing in our business history.

The bottomline is.... we are looking forward to exciting times over the coming years.



All our facilities – API units (at Panelav and Karkhadi) and oral solid dosage (OSD) facility (Panelav) – successfully cleared the USFDA audit, vindication of our alignment with global best-practices and regulatory standards.

Revenue vertical 3

India formulations

Alembic holds an important position in the Indian pharmaceutical space. The Company is ranked 20th in the Indian formulations market and ranked 18th in the doctor's prescription universe. The Company's five brands feature among the top 300 formulation brands in India.



Once a dominant player only in the acute therapies (anti-infective, analgesic and cough and cold therapies), over the last decade, the Company shifted its focus to chronic segments. The change yielded rich dividends – the chronic segments growth outperformed the broader industry average and business profitability improved. In the speciality segment, the Company maintains a strong focus on cardiology, diabetes, gynaecology and ophthalmology.

The Company's large product portfolio, comprising

40 product brands, are manufactured at its manufacturing facilities at Sikkim (commissioned in 2015-16) and marketed pan-India through its large field force comprising more than 3800 medical representatives.

The Company's prominent brands comprise Azithral, Althrocin, Rekool, Zeet, Roxid, Wikoryl, Tellzy, Ulgel, and Gestofit.

Competitive advantages
Respect: The 'Alembic' brand is highly respected in the Indian pharmaceutical space.

Position: The Company's dominance in acute

therapies facilitates a faster connect with the prescribing fraternity.

Product basket: The Company's expansive product basket, addressing 12 therapeutic segments and continually replenished with more than 20 new annual introductions, opens interesting growth opportunities.

Marketing team: The Company's large marketing team of around 5000, including an energetic field force of 3800+ medical representatives, facilitates a wider reach and deeper penetration.

Highlights, 2016-17

- Launched 40 products across SKUs in the domestic market, majority of which address lifestyle-related ailments.
- Fuller utilisation of the Sikkim facility.
- Proactively aligned with the scientific interactions of the medical fraternity in the area of regulatory compliance.
- Intensified field-force training for strengthening technical (products) and soft (behavioural) skills.

Priorities 2017-18



"Our continued focus on progressively strengthening our expertise in the realm of speciality therapies, should deliver robust business and profitability growth over the coming years"



Mr Shaunak Amin,
Managing Director, reviews the year and talks of the road ahead



Dear friends,

It was a volatile year for India formulations in India per se as business growth was adversely impacted by unfavourable regulatory environment, namely multiple price reductions by the NPPA and ban on fixed dosage combinations by regulatory authorities.



Alembic was no exception to the industry trend. We reported moderate financial performance – revenue stood at ₹1255 crore in 2016-17 against ₹1176 crore in 2015-16.

Business de-risking

The ban on 344 fixed dosage combinations included our three large brands (cold and cough). We were among the first few companies to get a stay on this ban. Despite getting a stay order early, there was considerable confusion in the trade channels across

regions which impacted product off-take. We immediately launched compliant FDC and since we have a large number of SKUs in the cold and cough segment, we focused on aggressively promoting these products. As a result, the impact of the FDC ban was diluted.

On the positive side, our Sikkim facility was put to full capacity utilisation which provided leverage to expand our product portfolio. On the product, side we launched more than 40

products in the domestic market of which 90% address lifestyle ailments. Even as we continued to strengthen the knowledge base of our field-force (imparting technical and behavioural skills), we focused on engaging with the doctor community through scientific knowledge-based platforms.

Looking ahead

With the FDC issue having been resolved and the chance of further price cuts seeming limited, the industry turf seems conducive to healthy business growth. Our

continued focus on progressively strengthening our expertise in the realm of speciality therapies and our efforts in improving our field-force productivity should deliver robust business and profitability growth over the coming years.

Our efforts in improving our field-force productivity should deliver robust business and profitability growth over the coming years.

Business driver

Knowledge capital

Alembic's strong position in the pharmaceutical sector is largely due to the painstaking efforts of its 9000+ strong team. Even as the Company increased its team strength, the management focused on enhancing the knowledge capital residing within the organisation by enriching the capability matrix aligned with dynamic business realities.



In addition to an institutionalised training calendar, the Company encouraged its team members to participate in external knowledge-sharing forums and collaborate with sector experts to gain insights into industry best-practices and governance-driven working. It also facilitated in gaining insights into prevailing trends and emerging opportunities.

The Company has two revenue verticals, namely international generics and India formulations, which need different skill sets for excelling in their areas of operations. In keeping with this requirement, the HR team customised

knowledge-enhancement modules that cater to these diverse needs.

New mantra: At Alembic, the Company is working on a new people management mantra called 'Stay with Alembic. Grow with Alembic' which showcases the Company's intent to create an invigorating work environment that aids people skill and personality development. In keeping with this goal, the Company created a Learning and Development cell with the objective of strengthening the intellectual capital residing within the organisation. The team devised different learning programs for the two core

revenue verticals based on their business needs.

Team development: The HR team has instituted Independent Development Centers (IDC) across the organisation with a goal of identifying star performers who could be groomed into taking up leadership roles over the coming years. This team assesses people competencies and undertakes programs to build them. For the India formulations team, all promotions are granted based on the assessment of the IDC team. For the international generics team, the assessment process was initiated in 2016-17 – this process

should be completed during the current year.

Employee engagement: At Alembic, significant energies are invested in creating a 'fun at work' environment and creating an inclusive culture for our team. The high engagement level within the Company helps stronger people understanding and fosters bonds beyond professional needs which interestingly works as a catalyst in growing the business. Alembic's engagement initiatives include not just its immediate family (employees) but also the extended family (families of employee).



The HR team has instituted Independent Development Centers (IDC) across the organisation with a goal of identifying star performers who could be groomed into taking up leadership roles over the coming years.

Business driver

Information technology

In the pharmaceutical business, where the business environment is fast transforming – regulatory compliances are becoming increasingly stringent, data integrity is considered critical for sustaining operations and business operations are becoming more widespread – investments in cutting-edge IT is emerging as a new business imperative.



At Alembic, the management has proactively invested in creating a robust IT platform that integrates operations and processes across plants, corporate and marketing offices in India and across the globe.

In keeping with prevailing business environment where business operations needs

to be data driven and that data needs to be accurate and available real time, the team focused on revamping its network backbone – akin to creating a completely new one.

The new network enabled integrating data from the machines, quality labs and R&D labs real time without

any human interventions thus ensuring accurate data availability for faster decision-making.

The team is working on automating processes for data collection in the Quality Assurance, Quality control and manufacturing facilities. The Company is also creating a Centralised

Help Desk, Centralised Network Operations Centre and a Centralised System and Security Centre for harmonised operations across the Company.

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.

The Company had appointed M/s. Sharp & Tannan, Chartered Accountants, 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.

Risk management

Addressing shareholder apprehensions

During a corporate's journey, the risk profile changes – from one of surviving the day-to-day travails to one of sustaining its growth momentum. The same holds true for Alembic, which today is one of India's leading pharmaceutical companies.

Risk management at Alembic is an integral part of the business model, focusing to making the business model emerges stronger and profitable business growth becomes sustainable. The Company leverages its rich experience to address shareholder apprehension about its growth prospects.

Making business sustainable



Alembic is focused on establishing an entrenched presence in the pharmaceutical space – across the value chain, multiple therapeutic segments and diverse delivery platform – opening new growth vistas for the Company. For example, presence in injectable-based solutions and widening of the therapeutic basket improve the Company's growth prospects over the foreseeable future.



The Company has engrained a culture of excellence in every member of the Alembic team. The effectiveness of this practice has ensured that the Company's operations, systems and process continue to remain aligned to global regulatory compliances. The Company's facilities have successfully cleared plethora of regulatory and customer audits in the last five years which showcases the Company's ability to sustain business growth in the face of the significantly dynamic business and regulatory spaces.



The Company has made significant investments over ₹800 crore in the last two years – to expand its product pipeline which heartening results. The R&D team is working on more than 260 projects for developing novel solutions (60 projects in 2014-15) that address growth opportunities for the next decade and even more – that promise to sustain the Company's growth momentum over the medium term.



As a future-focused organisation, the Company has invested in land parcels to create additional manufacturing infrastructure as and when required. This proactive investment should enable the Company to capitalise with speed on emerging opportunities in a cost-effective manner.

Alembic CSR Activity:

Touching Lives through Advocacy, Empowerment and Sustainability

The Alembic CSR Foundation provides service to society in the field of education and health for children, women and their families. Selection of projects is made with a vision to improve the quality of life and strive for holistic development and meaningful

impact in the community.

The Alembic CSR Foundation is doing extensive work in the districts of Panchmahals, Chhota Udepur and Vadodara.

Apart from successfully running the

Rural Development Society established in 1980 which operates schools for 300 children and free hostels for 200 boys, it continued working on sanitation projects, Orphanage and beggars home.

The new projects initiated during the year were:

1 Adoption of 8 schools for academic inputs in class IX & X

Alembic CSR Foundation has adopted 8 government secondary schools of Chhota Udepur. These schools showed results below 30% in the board exams conducted by Gujarat Board in March 2015 which is now improved to 70%

2 Adoption of one Kasturba Gandhi Balika Vidyalaya (KGBV)

KGBV is a government run residential primary school for girls who are never enrolled, dropout, are orphans or destitute. It is a facility created by the government to provide shelter and education for these girls under the same roof. 100 girls in the age range of 11-14 years reside in this particular KGBV. The Alembic CSR Foundation with its inclination to provide good quality holistic development opportunities to girls has adopted a KGBV of Zoz village of Chhota Udepur Taluka. Work will include providing basic infrastructure facilities, and recruiting teachers and counselors. It will provide special input for curricular and co-curricular activities thus focusing on their overall development.

3 District Level Teacher Training

The Chhota Udepur District Collector requested the Alembic CSR Foundation to conduct subject wise training for the Secondary teachers of the entire Chhota Udepur district. 463 government teachers of class 9 and 10 of all 108 district schools were covered in the training conducted from 21 to 25 November 2016.

Apart from above various outreach programmes are conducted to support development work in 15 villages of 4 panchayats and various extracurricular activities are carried out in 10 primary schools of these 15 villages to inculcate good human values amongst children. Also in line with '**Swachha Bharat Abhiyan**' vision of our Honourable Prime Minister, Alembic has constructed 133 toilets in Ujeti Village.

Our Awards and Accreditations



Alembic has been acknowledged with 4 different awards

- Alembic Pharmaceuticals Ltd. was selected in the '**Top 50 Super Companies 2016**' list by **Forbes**. Its shift from commodity APIs to higher potential formulations, robust R&D investments and a strong supply chain led to a 3-year average shareholder return of 454%, sales growth of 27% and return on equity of 45%. These factors were the major drivers

which led to Alembic being a part of the coveted list.

- **Thomson Reuters India** has identified the **Top 50 Indian Innovators** and the company also has made it to the list.

- Pranav Amin and Shaunak Amin, the Managing Directors of Alembic Pharmaceuticals Ltd. won the **Forbes India Leadership Awards (FILA) 2016**. They have taken their

family business which had a legacy of making active pharmaceutical ingredients (API) to the international generic formulations space.

- Mr. Pranav Amin was adjudged as one of the **most valuable CEOs of 2017** by **Business World**. Under his leadership, the market value of Alembic Pharmaceuticals has jumped 14 times in four years to ₹12,692 crores in October 2016.

Statutory Section

Board of Directors



Sitting left to right: Mr. Pranav Parikh, *Independent Director*, Dr. Archana Hingorani *Independent Director*, Mr. Chirayu Amin, *Chairman and CEO*, Mr. K. G. Ramanathan, *Independent Director*, Mr. Paresh Saraiya, *Independent Director*.

Standing left to right: Mr. Shaunak Amin, *Managing Director*, Mr. Raj Kumar Baheti, *Chief Financial Officer*, Mr. Milin Mehta, *Independent Director*, Mr. Pranav Amin, *Managing Director*.

Board's Report



Your Directors have pleasure in presenting their 7th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2017.

1. Operations and State of Affairs of the Company:

(₹ In Crores)

Stand Alone basis		Particulars	Consolidated Basis	
2017	2016	For the year ended 31st March	2017	2016
634.84	988.24	Profit for the year before Interest, Depreciation and Tax	616.26	1,012.20
		Adjusting therefrom:		
2.23	2.37	Interest (net)	4.20	3.68
82.90	71.86	Depreciation	82.97	72.21
119.08	215.28	Provision for taxation	122.19	216.12
(2.13)	(0.41)	Share of Loss of Associates, Joint Venture, Non-controlling Interest & Other Comprehensive Income	(5.87)	(0.56)
428.50	698.33	Total Comprehensive Income	401.03	719.63
-	-	Share of Reserves in Associates & Joint Venture	-	(8.26)
		Adding thereto:		
657.69	338.37	Balance brought forward from previous year	713.62	381.26
1,088.32	1,037.10	The amount available is	1,116.69	1,101.30
		Appropriating there from:		
75.41	65.98	Dividend paid on Equity Shares during the year	75.41	65.98
15.35	13.43	Corporate Dividend tax paid during the year	15.35	13.43
300.00	300.00	Transfer to General Reserve	300.00	300.00
697.56	657.69	Balance carried forward to Balance Sheet	726.02	713.62

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

(₹ In Crores)

Particulars		F.Y. 2016-17	F.Y. 2015-16
Formulations	India	1,254.47	1,175.96
	International	1,236.29	1,461.50
API	India	57.66	50.52
	International	582.51	474.42
Total		3,130.93	3,162.40

The Company has prepared the Standalone and Consolidated Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013. The Company has adopted the Indian Accounting Standards (Ind AS) from 1st April, 2016. The comparative financial information of the Company for the year ended 31st March, 2016 have also been restated to comply with Ind AS.

2. Transfer to Reserves:

An amount of ₹300 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 ₹4.00 per share (i.e. 200%) of face value ₹2/- per share for the financial year ended 31st March, 2017 as against ₹4.00 per share (i.e. 200%) for the financial year ended 31st March, 2016.

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. Subsidiaries, Associates and Joint Venture:

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, www.alembicpharmaceuticals.com. Shareholders interested in obtaining a physical copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

6. Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pranav

Amin, Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

7. 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. Ajay Kumar Desai, Vice President - Finance & Company Secretary are Key Managerial Personnel of the Company.

8. Meetings of the Board:

Four (4) Board Meetings were held during the financial year ended 31st March, 2017. 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.

9. Independent Directors:

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as provided in of Section 149(6) of the Companies Act, 2013.

10. 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

(b) For Executive Directors:

- Performance as Team Leader/Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key Set Goals and Achievements
- Professional Conduct and Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

11. Audit Committee:

The Audit Committee consists of Independent Directors with Mr. Paresh Saraiya as Chairman, Mr. Pranav Parikh, Mr. Milin Mehta 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.

12. 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.

13. Internal Control Systems:

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

14. 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 focusing 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, 2017 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure A.

15. Policy on Nomination and Remuneration:

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report.

16. 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/2016/07/05APL-RPT-policy.pdf>

17. 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 attached to the Report on Corporate Governance.

18. Fixed Deposits:

As on 31st March, 2017, there were unclaimed deposits amounting to ₹0.07 Crore from 18 deposit holders which have been transferred to current liabilities. There has been no default in repayment of deposits or interest thereon. In F.Y. 2016-17, the Company has not accepted/renewed any deposits.

19. Listing of shares:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 533573 and on National Stock Exchange of India Limited (NSE) with scrip code of APLTLD. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2017-18 have been paid.

20. Loans, Guarantees or Investments:

Details of Loans granted, Guarantees given and Investments

made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 is annexed herewith as Annexure B.

21. 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 till the conclusion of Annual General Meeting for the F. Y. 2018-19, as approved by the members at their 4th Annual General Meeting held on 28th July, 2014.

Further, pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Members are requested to ratify their appointment for the F. Y. 2017-18.

The Auditor's Report for the financial year 2016-17 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 F.Y. 2017-18.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practising Company Secretaries for the financial year ended 31st March, 2017, is annexed herewith as Annexure C.

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

(c) Cost Auditors:

Mr. H. R. Kapadia, Cost Accountant, 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 F.Y. 2017-18.

(d) Internal Auditors:

The Board of Directors appointed M/s. Ernst & Young LLP, Chartered Accountants as Internal Auditors of the Company for the F. Y. 2017-18.

22. Risk Management

The Company has voluntarily constituted 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.

23. 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, 2017, 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 judgments 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, 2017 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; and
- (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.
- (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.

24. 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, 2017. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

25. 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 D.

26. 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 E.

27. 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 F.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rules 5(2) and 5(3) 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.

28. 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 G. 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.

On behalf of the Board of Directors,

Chirayu Amin
Chairman & CEO
3rd May, 2017

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Web: www.alembicpharmaceuticals.com
Email Id: apl.investors@alembic.co.in
CIN: L24230GJ2010PLC061123

Note: As per the provisions of Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of each of the subsidiaries and associates is included in the financial statements.

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 programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Company's CSR Policy provides for carrying out CSR activities in the area of Education, Healthcare and Rural Development through various 'Non Profit Organisations', including Alembic CSR Foundation, Bhailal Amin General Hospital, Rural Development Society, Uday Education Society, etc.

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.

Web-link to the CSR Policy of the Company:

<http://www.alembicpharmaceuticals.com/wp-content/uploads/2016/07/05APL-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:

₹568.99 Crores

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

₹11.38 Crores

5. Details of CSR Spent during the financial year:

(a) Total amount to be spent for the financial year: ₹11.38 Crores

(b) Amount unspent, if any: ₹7.16 Crores

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (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	Gujarat	Multiple Programs	Direct – ₹1.11 Crores	₹1.11 Crores	Through IA - Alembic CSR Foundation
2.	Building of toilets and educating the community	Sanitation	Local	Multiple Programs	Direct – ₹0.48 Crore	₹0.48 Crore	-do-
3.	Adoption of Children's homes (orphans & social/economically backward groups)	Promoting Equality	Gujarat	Multiple Programs	Direct – ₹0.32 Crore	₹0.32 Crore	-do-
4.	Panelav Region & Dhikla Village Development Program	Rural Development Projects	Gujarat	Multiple Programs	Direct – ₹1.19 Crores	₹1.19 Crores	-do-

STATUTORY SECTION

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency (IA)
5.	Gorwa Lake Project	Environmental sustainability	Local	Single Program	Direct – ₹0.23 Crore	₹0.23 Crore	-do-
6.	Contribution towards CSR activities	Various activities covered under Schedule VII of the Companies Act, 2013	Gujarat	Multiple Programs	Direct – ₹0.08 Crore	₹0.08 Crore	-do-
7.	Contribution towards Promoting & Preventive Healthcare	Preventive Healthcare	New Delhi	Single Program	Direct – ₹0.50 Crore	₹0.50 Crore	Direct
8.	Contribution towards developing vocational skills	Development of Vocational Skills	Local	Single Program	Direct – ₹0.08 Crore	₹0.08 Crore	Direct
9.	Community outreach programs, school education development for students of school, run by Rural Development Society	Education	Gujarat	Single Program	Direct – ₹0.23 Crore	₹0.23 Crore	Through IA – Rural Development Society

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:

The Company believes in following a planned model for CSR activities which are sustainable over long term and has a direct impact on the life of the beneficiaries of such programs. The Company also undertakes some small projects annually, the requirement of which is recognized due to an immediate need of a particular section of the society. However, in all major initiatives pursued by the Company, the underlying objective is to ensure that funds are allocated and utilized in a planned manner, so as to derive sustainable long term benefits to the community at large.

During the previous financial year 2015-16, Company's profit included certain items which are non-recurring in nature,

resulting in a spike in the profits and consequently higher amount available for CSR expenditure. In that circumstance, the Company could not identify and implement the CSR projects utilizing the funds to the full extent prescribed under the Act, resulting in expenditure on CSR being less than the limits prescribed under the Companies Act, 2013.

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 & CEO

and Chairman of CSR Committee

Annexure - B

Particulars of loans, guarantees or investments made by the Company

(₹ In Crores)

Nature of Transaction (whether loan/ guarantee/investments)	Date of making 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	Purpose of loan/ guarantee/investments
Investment in Equity Shares	24.06.2016	Aleor Dermaceuticals Limited 5th Floor, Administrative Building, Alembic Limited, Alembic Road, Vadodara - 390 003	0.30	To promote subsidiary of the Company
Investment in Unsecured Debentures	26.08.2016		1.00	Project under implementation
Investment in Warrants	26.08.2016		0.05	
Investment in Secured Debentures	15.11.2016		50.00	
	03.01.2017		15.00	
Investments in 1% Redeemable Cumulative Preference Shares	25.10.2016	Enviro Infrastructure Company Limited Mazanine Floor, ABS Tower, Old Padra Road, Vadodara - 390 007	0.23	Membership of a common effluent treatment plant through purchase of preference shares
Investments in liquid scheme of Mutual Funds*	27.04.2016	Reliance Mutual Fund (Reliance Liquid Fund -Treasury Plan - Daily Dividend Option) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	4.00	Temporary parking of surplus funds
	22.05.2016		10.00	
	23.05.2016		5.00	
	25.05.2016		3.50	
	20.06.2016		5.00	
	22.06.2016		3.00	
	23.06.2016		11.00	
	22.11.2016		7.00	
	23.11.2016		3.00	
	24.11.2016		3.00	
	28.11.2016		7.00	
	22.01.2017		6.00	
	22.02.2017		12.00	
	27.02.2017		5.00	
	09.03.2017		7.00	
	21.06.2016	Invesco Asset Management (India) Private Limited (Invesco India Liquid Fund - Daily Dividend Option) 3rd Floor, GYS Infinity, Paranjpe "B" Scheme, Subhash Road, Vile Parle (E), Mumbai - 400 057	5.00	
	24.06.2016		11.00	
	25.07.2016		6.00	
	29.07.2016		14.00	
	19.08.2016		6.00	
	24.08.2016		7.00	
	25.08.2016		3.00	
	31.08.2016		6.00	
	02.09.2016		4.50	
	06.09.2016		3.00	
	22.09.2016		12.00	
	23.09.2016		7.00	
	26.09.2016		3.00	
	29.09.2016		3.00	
	25.10.2016		4.00	
	26.10.2016		6.00	

*Note: 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 making 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	Purpose of loan/ guarantee/investments
Guarantee	09.06.2016	Alembic Global Holding SA (AGH), Rue Fritz – Courvoisier 40, 2300 La Chaux-de-Fonds, Switzerland	Euro 2.00 Millions	Business needs of 100% subsidiary of the Company
-do-	10.07.2016	-do-	USD 5.00 Millions	-do-
-do-	04.08.2016	-do-	USD 5.00 Millions	-do-

Annexure - C

Secretarial Audit Report

For the financial year ended March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 (hereinafter referred to as '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 March 31, 2017, 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 March 31, 2017, according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 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;

We further 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:-

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Issue and

Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. Other sector specific laws as follows:

(a) Foods and Drugs Adulteration Act, 1954;

(b) The Drugs and Cosmetics Act, 1940;

(c) National Pharmaceuticals Pricing Policy, 2012;

(d) The Pharmacy Act, 1948;

(e) The Narcotic Drugs and Psychotropic Substances Act, 1985;

(f) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;

(g) The Drug (Prices Control) Order, 2013;

(h) Food Safety and Standards Act, 2006.

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 Ltd. and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that 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, if any, were carried out in compliance with the provisions of the Act.

We further report that 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.

We further report that 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.

We further report that 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.

We further report that during the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs

Sd/-

S. Samdani

Partner

Samdani Shah & Kabra

(Erstwhile Samdani Shah & Asso.)

Company Secretaries

FCS No. 3677

CP No. 2863

Vadodara,

Date: April 17, 2017

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

Appendix - A

To,
The Members,
Alembic Pharmaceuticals Limited
Alembic Road, Vadodara- 390003, Gujarat

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

1. 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.
2. 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.
3. Wherever required, we have obtained the management representation about the Compliance of laws, rules and

regulations and happening of events etc.

4. 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
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Vadodara,
Date: April 17, 2017

Annexure - D

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[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: 0265-2280550 Fax: 0265-2282506, Web: www.alembicpharmaceuticals.com Email 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 Tower, 102 & 103 Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Tel: 0265-2356573 Fax: 0265-2356791 Email 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%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	A G Research Private Limited Lab Suites111 & 112 and 123 & 124, BI-1, 450, AKP, Genome Valley, Shameerpet, Turkapally (V), Hyderabad - 500 078.	U85120TG2014PTC093661	Subsidiary	100	2(87)(ii)
2	Aleor Dermaceuticals Limited 5th Floor, Administrative Building, Alembic Limited, Alembic Road, Vadodara – 390 003.	U24302GJ2016PLC092131		60	
3	Alembic Global Holding SA (AGH) Rue Fritz-Courvoisier 40 2300 La Chaux-de-Fonds, Switzerland.	NA		Wholly Owned Subsidiaries of AGH	
4	Alembic Pharmaceuticals Europe Limited 103 Palazzo Pietro Stiges, Triq id-Dejqa, Valletta VLT 1436, Malta.				
5	Alembic Pharmaceuticals Inc. 750 Highway 202, Bridgewater, NJ 08807.				
6	Alembic Pharmaceuticals Canada Limited 12 York St. Suite 2904, Toronto ON M5J 0A9.				
7	Alembic Pharmaceuticals Australia Pty Limited 2 A Porter Road, Carnegie, VIC 3163, Australia.				
8	Alnova Pharmaceuticals SA Rue Fritz-Courvoisier 40, 2300 La Chaux-de-Fonds, Switzerland.				
9	Genius LLC 96 (N/P # 154) Koshitsa Str., Kyiv 02068.				

STATUTORY SECTION

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
10	Rhizen Pharmaceuticals SA (RPSA) Rue Fritz-Courvoisier 40, CH-2300 La Chaux-de-Fonds, Switzerland.	NA	Associate of AGH	40.30	2(6)
11	Dahlia Therapeutics SA Rue Fritz-Courvoisier 40, CH-2300 La Chaux-de-Fonds, Switzerland.		Wholly Owned Subsidiaries of RPSA		
12	Rhizen Pharmaceuticals Inc 500 W Office Center Dr #400, Fort Washington, PA 19034, USA.				
13	Incozen Therapeutics Private Limited Lab 223, 224, 1st Flr & 233,234 2nd Flr, Block -2, Alexandria Knowledge Park, Turkapally, Shameerpet, Hyderabad - 500 078.	U24239TG2008PTC059967	Associate	50	

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	1,34,02,430	-	1,34,02,430	7.11	1,06,70,955	-	1,06,70,955	5.66	(1.45)*
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	12,50,37,190	-	12,50,37,190	66.33	12,50,36,290	-	12,50,36,290	66.33	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other									
LLP	-	-	-	-	900	-	900	0.00	-
Trusts	12,99,000	-	12,99,000	0.69	12,99,400	-	12,99,400	0.69	-
Sub-total (A)(1):-	13,97,38,620	-	13,97,38,620	74.13	13,70,07,545	-	13,70,07,545	72.68	(1.45)
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
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)	13,97,38,620	-	13,97,38,620	74.13	13,70,07,545	-	13,70,07,545	72.68	(1.45)

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	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32,57,508	-	32,57,508	1.73	53,06,968	-	53,06,968	2.28	1.09
b) Banks/FI	6,92,105	15,100	7,07,205	0.38	5,76,323	15,100	5,91,423	0.31	(0.07)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs/FPI	2,03,89,890	-	2,03,89,890	10.82	2,00,05,997	-	2,00,05,997	10.61	(0.21)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	2,43,39,503	15,100	2,43,54,603	12.92	2,58,89,288	15,100	2,59,04,388	13.74	0.82
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	16,75,644	11,350	16,86,994	0.89	20,26,788	11,350	20,38,138	1.08	0.19
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals/HUF									
i) Individual Shareholders holding nominal share capital upto ₹1 lakh	1,42,27,969	33,05,382	1,75,33,351	9.3	1,30,90,723	30,46,522	1,61,37,245	8.56	(0.74)
ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakh	33,02,947	-	33,02,947	1.75	54,02,685	-	54,02,685	2.87	1.12
Hindu Undivided Family	4,37,620	-	4,37,620	0.23	4,85,426	-	4,85,426	0.26	0.03
c) Others (specify)									
Clearing Member	1,42,254	-	1,42,254	0.08	1,03,788	-	1,03,788	0.06	(0.02)
Non-Resident Indians (NRI) – Repat.	2,79,103	-	2,79,103	0.15	2,41,947	-	2,41,947	0.13	(0.02)
Non-Resident Indians (NRI) – Non-Repatriation	1,66,980	12,475	1,79,455	0.10	3,81,684	12,475	3,94,159	0.21	0.11
Trusts	18,319	2,850	21,169	0.01	7,600	2,850	10,450	0.01	-
Unclaimed Suspense Account	-	8,39,798	8,39,798	0.44	7,89,568	-	7,89,568	0.42	(0.02)
Foreign Nationals	-	-	-	-	100	-	100	0.00	-
Foreign Portfolio Investor (Individual)	-	-	-	-	475	-	475	0.00	-
Sub-total (B)(2):-	2,02,50,836	41,71,855	2,44,22,691	12.95	2,25,30,784	30,73,197	2,56,04,161	13.58	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,45,90,339	41,86,955	4,87,77,294	25.87	4,84,20,072	30,88,297	5,15,08,549	27.32	1.45
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	18,43,28,959	41,86,955	18,85,15,914	100.00	18,54,27,617	30,88,297	18,85,15,914	100.00	-

* Reclassification of status of certain shareholders of the Company from Promoter Category to Public Category.

STATUTORY SECTION

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	5,50,00,000	29.18	-	5,50,00,000	29.18	-	Nil
2.	Chirayu Amin	45,21,465	2.40	-	45,21,465	2.40	-	Nil
3.	Pranav Amin	10,09,800	0.54	-	10,09,800	0.54	-	Nil
4.	Shaunak Amin	10,06,980	0.53	-	10,06,980	0.53	-	Nil

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			% 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.	Shreno Limited	1,83,68,780	9.74	-	2,06,98,780	10.98	-	1.24
2.	Whitefield Chemtech Private Limited	1,82,85,230	9.70	-	1,82,85,230	9.70	-	Nil
3.	Sierra Investments Private Limited	1,71,67,670	9.11	-	1,73,37,670	9.20	-	0.09
4.	Nirayu Private Limited	1,62,13,755	8.60	-	1,37,13,755	7.27	-	(1.33)
5.	Malika Amin	30,05,730	1.59	-	30,05,730	1.59	-	Nil
6.	Udit Amin	10,06,980	0.53	-	10,06,980	0.53	-	Nil
7.	Yera Amin	10,80,915	0.57	-	-	-	-	(0.57)#
8.	Vidyanidhi Trust	8,09,550	0.43	-	8,09,550	0.43	-	Nil
9.	Ninochaka Kothari	6,32,900	0.34	-	-	-	-	(0.34)#
10.	Shreya Mukharjee	3,39,860	0.18	-	-	-	-	(0.18)#
11.	Arogyavardhini Society	2,80,950	0.15	-	2,80,950	0.15	-	Nil
12.	Anup Kothari	1,90,000	0.10	-	-	-	-	(0.10)#
13.	Jyoti Patel	4,87,800	0.27	-	-	-	-	(0.27)#
14.	Utkarsh Vidyakendra	1,46,250	0.08	-	1,46,250	0.08	-	Nil
15.	Ujjwal Vidyalaya	62,250	0.03	-	62,250	0.03	-	Nil
16.	Naintara Amin	30,000	0.02	-	30,000	0.02	-	Nil
17.	Samira Amin	30,000	0.02	-	30,000	0.02	-	Nil
18.	Ranvir Amin	30,000	0.02	-	30,000	0.02	-	Nil
19.	Inaaya Amin	30,000	0.02	-	30,000	0.02	-	Nil
20.	Viramya Packlight LLP	900	0.00	-	900	0.00	-	Nil
21.	Paushak Limited	855	0.00	-	855	0.00	-	Nil
22.	Laburnum Family Trust	-	-	-	200	0.00	-	Nil
23.	Virsad Family Trust	-	-	-	200	0.00	-	Nil

#Reclassification of Shares held by above mentioned persons from Promoter Category to Public Category.

iii) Change in Promoter's Shareholding

Sl. No.			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		13,97,38,620	74.13	13,97,38,620	74.13
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for the increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	26.09.2016	4,23,515 (Transfer)	0.22	14,01,62,135	74.35
		12.01.2017	(31,54,990) (Reclassification of Shares from Promoter to Public Category)	(1.67)	13,70,07,145	72.68
		30.03.2017	400 (Market Purchase)	0.00	13,70,07,545	72.68
	At the end of the year		13,70,07,545	72.68	13,70,07,545	72.68

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

Sl No.	Name	Shareholding at the beginning (01.04.2016)		Date	Increase Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shreno Limited	1,83,68,780	9.7439	During the financial year	23,30,000	Increase	2,06,98,278	10.9799
					-	Decrease		
2	Whitefield Chemtech Private Limited	1,82,85,230	9.6996	During the financial year	-	No change during the year	1,82,85,230	9.6996
3	Sierra Investments Private Limited	1,71,67,670	9.1067	During the financial year	1,70,000	Increase	1,73,37,670	9.1969
					-	Decrease		
4	Nirayu Private Limited	1,62,13,755	8.6007	During the financial year	-	Increase	1,37,13,755	7.2746
					(25,00,000)	Decrease		
5	Elara India Opportunities Fund Limited	33,47,478	1.7757	During the financial year	1,09,190	Increase	26,16,806	1.3881
					(8,39,862)	Decrease		
6	Malika Amin	30,05,730	1.5944	During the financial year	-	No change during the year	30,05,730	1.5944
7	ICICI Prudential Balanced Advantage Fund	27,14,657	1.4400	During the financial year	20,33,433	Increase	44,50,037	2.3606
					(2,98,053)	Decrease		
8	Matthews India Fund	21,52,940	1.1420	During the financial year	4,87,922	Increase	26,40,862	1.4009
					-	Decrease		
9	Lotus Global Investments Limited	17,87,840	0.9484	During the financial year	-	No change during the year	17,87,840	0.9484
10	India Opportunities Growth Fund Limited - Pinewood Strategy	14,93,000	0.7920	During the financial year	2,29,976	Increase	17,12,298	0.9083
					(10678)	Decrease		

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Sl No.	Name	Shareholding at the beginning (01.04.2016)		Date	Increase Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
11	Cresta Fund Limited(*)	21,89,536	1.1615	During the financial year	76,769	Increase	16,47,710	0.8740
					(6,18,595)	Decrease		
12	Viramya Packlight LLP(*)	900	0.0000	During the financial year	25,00,000	Increase	900	0.0000
					(25,00,000)	Decrease		

* Ceased to be a top ten shareholder as on 31st March, 2017.

Note: The date wise increase/ decrease in shareholding of the top ten shareholders is available on the website of the Company.

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 and CEO				
	At the beginning of the year	45,21,465	2.40	45,21,465	2.40
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for the increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	45,21,465	2.40	45,21,465	2.40

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
2	Pranav Amin, Managing Director				
	At the beginning of the year	10,09,800	0.54	10,09,800	0.54
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for the increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	10,09,800	0.54	10,09,800	0.54

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
3	Shaunak Amin, Managing Director				
	At the beginning of the year	10,06,980	0.53	10,06,980	0.53
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for the increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	10,06,980	0.53	10,06,980	0.53

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
4	Pranav Parikh, Independent Director				
	At the beginning of the year	6500	0.003	6500	0.003
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for the increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	6,500	0.003	6,500	0.003

Mr. R. K. Baheti, Director-Finance & CFO and Mr. Ajay Kumar Desai, Vice President - Finance & Company Secretary of the Company does 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)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	55.23	120.98	-	176.21
• Reduction	55.23	120.98	-	176.21
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4.919	6.078	6.078	2.585	19.660
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	0.004	0.004	0.004	0.004	0.016
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit	21.000 (3.56%)	4.883 (0.83%)	4.883 (0.83%)	-	30.766 (5.22%)
5	Others, please specify	-	-	-	-	-
	Total	25.923	10.965	10.965	2.589	50.442
	Ceiling as per the Act					58.95

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	0.03	0.01	0.04	0.03	0.02	0.13
	• Commission	0.07	0.07	0.07	0.07	0.07	0.35
	• Others, Please specify	-	-	-	-	-	-
	Total (1)	0.10	0.08	0.11	0.10	0.09	0.48
2	Other Non-Executive Directors (2)	-	-	-	-	-	-
	Total Managerial Remuneration = (1+2)	0.10	0.08	0.11	0.10	0.09	0.48
	Overall Ceiling as per the Act						5.89

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

(₹ In Crores)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ajay Desai - Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Covered at point VI-A above.	0.92	Covered at point VI-A above.	
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	0.92	-	-

Note: The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel and Key Managerial Personnel for the F.Y. 2016-17. 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/COMPOUNDING 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 F.Y. 2016-17.

Annexure - E

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) Effective Load balancing exercise.
- (b) Shifted from CFL to LED Lighting with less energy consumption.
- (c) Procuring AHUs with VFDs.
- (d) Shifting load of reciprocating refrigeration compressor on screw compressor. Controlling operation of the HVAC resulting in power savings.
- (e) Steam Condensate recovery improvement in plant.
- (f) Energy conservation in water pumping system by replacing old pumps with high energy efficient pumps.
- (g) Optimization of boiler by improving efficiency and performance of boiler.
- (h) Water conservation and thereby energy reduction by water recycling and reuse.
- (i) Installation of online condensor tube cleaner for existing chillers (3 No.) to improve the operational efficiency.

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

The Company initiated installation of wind turbines to be used as alternate source of renewable energy.

(iii) Capital Investment on energy conservation equipments:

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

- (a) Energy efficient pumps and cooling tower fans
- (b) High efficient chiller
- (c) Auto Tube Cleaning System

(d) LED lightings

(e) VFDs for motors

(B) Technology Absorption:

(i) Efforts made towards technology absorption:

Alembic scientists rely heavily on technology to help them to do tasks which are often complex. Alembic has chosen to develop technology- intensive APIs, novel polymorphs, which offer high value advantage. The foundation of competitive advantage in the pharmaceutical industry lies in successful innovation. The pharmaceutical industry spends more as a percentage of sales on Research and Development than any other industry.

We, at Alembic, have chosen to develop techno sensitive niche products which offer high value advantage. 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 filing, which includes few very complex molecules, in this year.

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

- (a) The Company filed 20 ANDAs and 7 DMFs with US FDA in this fiscal year. The cumulative ANDA filings stood at 95 and 46 approvals have been received till 31st March, 2017 including 1NDA and the cumulative DMFs stood at 84. The continuous research activities have led to commercialization of in-house formulations in the USA market.
- (b) The Company has more than 535 scientists working across two development centers.
- (c) Our endeavor to expand our product pipeline and the tenacity of purpose has established itself making us a strongly research-driven Organization.

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- (d) Till date 637 patents for Active Pharmaceutical Ingredients (APIs) and Intermediates as well as 250 patents for formulations have been filed.
- (e) With increase in thrust on cost optimization, at Alembic Research Centre, scientists have focused on specific cost reduction projects for the molecules

which are already generic in the regulated market, which has experienced price erosion.

- (f) Technology for new products have been developed at the lab scale and also on the synthetic front.

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

(iv) Expenditure incurred on Research and Development:

(₹ In Crores)

Particulars		2017	2016
(a)	Capital	43.18	38.92
(b)	Recurring	378.44	225.67
(c)	Total	421.62	264.59
(d)	Total R&D expenditure as a percentage of total turnover	14%	9%

(C) Foreign Exchange Earnings and Outgo:

The details of foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows are as under:

(₹ In Crores)

For the period ended on 31st March,		2017	2016
Income			
Export (FOB basis)		1,562.58	1,755.08
Royalty		17.97	25.97
Expenditure			
Raw Materials (CIF basis)		317.84	328.30
Packing Material, Components and Spare Parts (CIF basis)		2.82	4.81
Stores and Spare Parts (CIF basis)		3.43	2.35
Professional and Consultancy fees		50.83	42.35
Interest		0.75	1.09
Others		153.19	152.91

Annexure - F

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	1:0.00145
Pranav Amin - Managing Director	1:0.00259
Shaunak Amin - Managing Director	1:0.00259
R. K. Baheti - Director-Finance & CFO	1:0.01022

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
Chirayu Amin - Chairman & CEO	(19.61)
Pranav Amin - Managing Director	7.37
Shaunak Amin - Managing Director	8.02
R. K. Baheti - Director - Finance & CFO	8.14
Ajay Desai - Vice President - Finance & Company Secretary	30.30

Percentage increase in the median remuneration of employees in the financial year	15.82%
Number of permanent employees on the rolls of company	8,825

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	12.90% (Non- Managerial Personnel) 0.98% (Managerial Personnel)
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We affirm that the remuneration paid to the Managerial and Non-Managerial Personnel is as per the remuneration policy of the Company.

Annexure - G

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: 2,840 Outstanding shares: 8,39,798
Number of shareholders who approached the company for transfer of shares from suspense account during the year	53
Number of shareholders to whom shares were transferred from suspense account during the year	53
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of shareholders: 2787 Outstanding shares: 7,89,568

Report on Corporate Governance

1. Company's Philosophy

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

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

Alembic, while striving to achieve financial targets, seeks to follow the business principles and ethics in all its dealings and believes in customer orientation, teamwork, commitment, growth and trust as its corporate values. The Board of Directors strives to represent the shareholders' interest to ensure optimal returns. At the same time, it is also responsible to all the other stakeholders including customers, employees, suppliers and to the communities where it operates.

Alembic endeavors to make its management team empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. The Board has also institutionalized good management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk

management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and compliance with all statutory / regulatory requirements not only in the letter of the law but also in its spirit.

2. Board of Directors

• Composition of the Board

The Board of Directors consist of 3 Promoter Executive Directors, 1 Professional Executive Director and 5 Independent Non-Executive Directors. The Chairman of the Board is an Executive Director. As on 31st March, 2017 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 5 out of 9 Directors are Non-Executive Independent Directors including 1 Woman Director.

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

Four (4) Board Meetings were held during the year ended 31st March, 2017 on 27th April, 2016, 29th July, 2016, 25th October, 2016 and 25th January, 2017. 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	4 out of 4	Yes	45,21,465
Mr. Pranav Amin Managing Director	Promoter Executive	4 out of 4	Yes	10,09,800
Mr. Shaunak Amin Managing Director	Promoter Executive	3 out of 4	Yes	10,06,980
Mr. R. K. Baheti Director-Finance & CFO	Professional Executive	4 out of 4	Yes	Nil

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. K. G. Ramanathan	NED (I)*	4 out of 4	Yes	Nil
Mr. Pranav Parikh	NED (I)*	2 out of 4	No	6,500
Mr. Paresh Saraiya	NED (I)*	4 out of 4	Yes	Nil
Mr. Milin Mehta	NED (I)*	4 out of 4	Yes	Nil
Dr. Archana Hingorani	NED (I)*	4 out of 4	Yes	Nil

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

The Company has not issued any convertible instruments.

• **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.,* Foreign & Sec. 8 companies	All committees	Only Audit & Stakeholders Relationship Committee	All committees	Only Audit & Stakeholders Relationship Committee
Mr. Chirayu Amin	7	5	13	3	4	1
Mr. Pranav Amin	2	1	-	-	-	-
Mr. Shaunak Amin	3	2	-	-	-	-
Mr. R. K. Baheti	4	3	1	-	-	-
Mr. K. G. Ramanathan	-	-	-	-	-	-
Mr. Pranav Parikh	5	1	1	1	-	-
Mr. Paresh Saraiya	6	3	4	2	2	1
Mr. Milin Mehta	8	2	7	4	4	3
Dr. Archana Hingorani	10	8	8	3	-	-

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

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 three 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/>

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. Pranav Parikh, Mr. Milin Mehta and Dr. Archana Hingorani. Mr. Paresh Saraiya is Chairman of the Audit Committee. 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 29th July, 2016.

• Meetings and attendance during the year

There were Four (4) meetings of the Audit Committee held during the year ended 31st March, 2017 on 27th April, 2016, 29th July, 2016, 25th October, 2016 and 25th January, 2017.

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	4	4
Mr. Pranav Parikh	4	2
Mr. Milin Mehta	4	4
Dr. Archana Hingorani	4	3

4. Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee comprises of 4 Directors viz. Mr. K. G. Ramanathan, Mr. Chirayu Amin, Mr. Paresh Saraiya and Mr. Milin Mehta. Mr. K. G. Ramanathan is Chairman of the Nomination and Remuneration Committee. 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 29th July, 2016.

• Meetings and attendance during the year

There were Four (4) meetings of the Nomination and

Remuneration Committee held during the year ended 31st March, 2017 on 27th April, 2016, 29th July, 2016, 25th October, 2016 and 25th January, 2017.

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. Paresh Saraiya	4	4
Mr. Milin Mehta	4	4

• Performance Evaluation Criteria for Independent Directors

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

• Policy on Directors' Appointment and Remuneration

1.1 Appointment criteria and qualifications

- A person who is proposed to be appointed as Director of the Company should be eligible to be appointed as Director and must hold Director Identification Number issued by the Central Government and possess such qualification, expertise and experience as prescribed under the Act.
- Without prejudice to generality of the above, a person who is proposed to be appointed as an Independent Director shall also be subject to compliance of provisions of section 149(6).
- KMP or Senior Management personnel shall have adequate qualification, expertise and experience in the relevant field for which the appointment is proposed to be made.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

1.2 Term / Tenure

- Managing Director/Whole-time Director/Manager (Managerial Personnel):

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

1.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at such interval as deemed fit.

1.4 Removal

The Committee may recommend the Board for removal of a Director, KMP or Senior Management Personnel for reasons recorded in writing. The Procedure for removal of any Director shall be as per the provisions of the Act in this regard.

1.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Company will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

2.1 Remuneration Policy

- a) The remuneration / compensation / commission etc. to the Managerial Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managerial Personnel shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act.
- c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the

Shareholders in the case of Managerial Personnel.

- d) Where any insurance is taken by the Company on behalf of its Managerial Personnel, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2.2 Remuneration to Managerial Personnel, KMP, Senior Management Personnel and Other Employees

a) Fixed pay

The Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Companies Act, 2013 and rules made thereunder for the time being in force. The breakup of the pay scale and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees, other non-monetary benefits etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Variable Pay

The Managerial Personnel shall be eligible to a performance linked incentives as may be determined by the Board from time to time.

c) Commission

The Managerial Personnel may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any Managerial Personnel of the Board.

d) Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

e) Provisions for refund of excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such

STATUTORY SECTION

sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- f) The remuneration to Company Secretary, Senior Management Personnel and other employees shall be governed by the HR Policy of the company.

2.3 Remuneration to Non-Executive / Independent Director

a) Remuneration

The remuneration shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder for the time being in force.

b) Sitting Fees

The Non- Executive / Independent Director may receive fees for attending meetings of the Company. Provided that the amount of such fees shall not exceed ₹1 Lac per meeting of the Board or Committee or such amount as may be prescribed under the Act. Additionally the Non-Executive Directors shall be reimbursed traveling and incidental expenses incurred for attending the meeting.

c) Commission

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

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 2016-17 are given below:

(₹ In Crores)				
Name & Designation of the Executive Directors	Fixed Salary & Perquisites	Variable Performance Bonus	Commission	Total
Mr. Chirayu Amin Chairman & CEO	5.50	-	15.00	20.50
Mr. Pranav Amin Managing Director	4.00	2.50	5.00	11.50
Mr. Shaunak Amin Managing Director	4.00	2.50	5.00	11.50
Mr. R. K. Baheti Director-Finance & CFO	2.35	0.56	-	2.91
Total	15.85	5.56	25.00	46.41

Notes:

- Mr. Chirayu Amin, Chairman & CEO: Appointed for a period of 5 years w.e.f. 1st April, 2016.
- Mr. Pranav Amin, Managing Director: Appointed for a period of 5 years w.e.f. 1st April, 2016.
- Mr. Shaunak Amin, Managing Director: Appointed for a period of 5 years w.e.f. 2nd May, 2013.
- Mr. R. K. Baheti, Director-Finance & CFO: Appointed for a period of 5 years w.e.f. 1st April, 2016.
- 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 ₹40,000/- as sitting fees for attending Board Meetings, ₹20,000/- for Audit Committee Meetings and ₹10,000/- for other Committee Meetings. Non-Executive Directors are also paid reimbursement of out of pocket expenses incurred for attending the meetings of the Board of Directors and Committees thereof.

The details of payment made to Non-Executive Directors during the financial year 2016-17 are as under:

(₹ In Crores)			
Name of Director	Sitting Fees	Commission	Total
Mr. K. G. Ramanathan	0.03	0.07	0.10
Mr. Pranav Parikh	0.01	0.07	0.08
Mr. Paresh Saraiya	0.04	0.07	0.11
Mr. Milin Mehta	0.03	0.07	0.10
Dr. Archana Hingorani	0.02	0.07	0.09

The Board has approved the payment of commission to Non-Executive Independent Directors for the year 2016-17 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 Policy for Remuneration given at clause 4.2.3 of this report.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates except Mr. Milin Mehta where two other Companies under same management have paid a total of ₹0.06 Crores 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. The Board does not consider the firm's association with group companies to be of a material nature so as to affect independence of judgment of Mr. Milin Mehta as an Independent Director of the Company.

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 29th July, 2016.

Mr. Ajay Kumar Desai, Vice President - Finance & Company Secretary is the Compliance Officer of the Company.

Details of No. of Shareholders' complaints received: 5

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, 2017 on 27th April, 2016, 29th July, 2016, 25th October, 2016 and 25th January, 2017.

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

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

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
2013-14	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	28th July, 2014	4.00 p.m.	7
2014-15	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	31st July, 2015	3.00 p.m.	2
2015-16	"Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.	29th July, 2016	3.00 p.m.	6

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

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

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8. Means of Communication

Quarterly Results	The results will be published in the newspapers having wide coverage
Which Newspapers wherein results normally published	Will be published normally in- The Economic Times (English), The Economic Times (Gujarati) or any other leading newspapers
Any website, where displayed	www.alembicpharmaceuticals.com
Whether it also displays official news releases and	Yes
The presentations made to institutional investors or to the analysts	Yes

9. General Shareholder Information

a)	Annual General Meeting	Thursday, 20th July, 2017 at 3:00 p.m. "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003.
b)	Financial Year	2016-17
c)	Dividend Payment Date	On or before 26th July, 2017
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	BSE (Security Code: 533573), NSE (Security Code: APLTLD)
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-390020 Tel:0265-2356573, 2356794 Fax:0265-2356791 Email 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 16,005 (previous year 9,36,403).
k)	Distribution of Shareholding/Shareholding Pattern as on 31st March, 2017	Please see Annexure 'C'
l)	Dematerialization of Shares and Liquidity	As on 31st March, 2017, 18,54,27,617 shares (98.36%) 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	<p>The Company's finished goods i.e. Formulations are generally not prone to commodity price risk. They are of course subject to risk of Government's intervention in domestic market and competitive scenario in international markets. However, the Company's API products (both finished goods as well as raw materials) are subject to commodity price risks. The Company does not have any hedging activities for the same.</p> <p>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 keeps its position generally open. However, at times, the Company hedges the risk partially by entering into certain option agreements with banks. Company has created robust SOP of managing such transactions.</p>
o)	Plant Locations	<p>a. Panelav, Tal. Halol, Dist. Panchmahal -389 350, Gujarat.</p> <p>b. Plot No. 21, 22, EPIP Phase I, Jharmajri, Baddi, Tehsil -Nalagarh, Dist. Solan, Himachal Pradesh.</p> <p>c. Village Karakhadi, Tal. Padra, Dist. Vadodara.</p> <p>d. Samardung Busty, Namthang, South Sikkim.</p>
p)	Address for Correspondence / Investor Correspondence	<p>1. Company Secretary & Compliance Officer Alembic Pharmaceuticals Limited Alembic Road, Vadodara-390003 Tel:0265-2280550 Fax: 0265-2282506 Email Id: apl.investors@alembic.co.in</p> <p>2. Link Intime India Private Ltd B-102/103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Radha Krishna Char Rasta, Akota – Vadodara-390020 Tel: 0265-2356573, 2356794 Email Id: vadodara@linkintime.co.in</p>

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 at large.

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/2016/07/05APL-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 behavior, 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

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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

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/2016/07/05APL-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

h) Independent Directors' Meeting:

The Independent Directors met on 3rd May, 2017 to carry out the evaluation for the financial year 2016-17 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.

i) 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.

Annexure – A

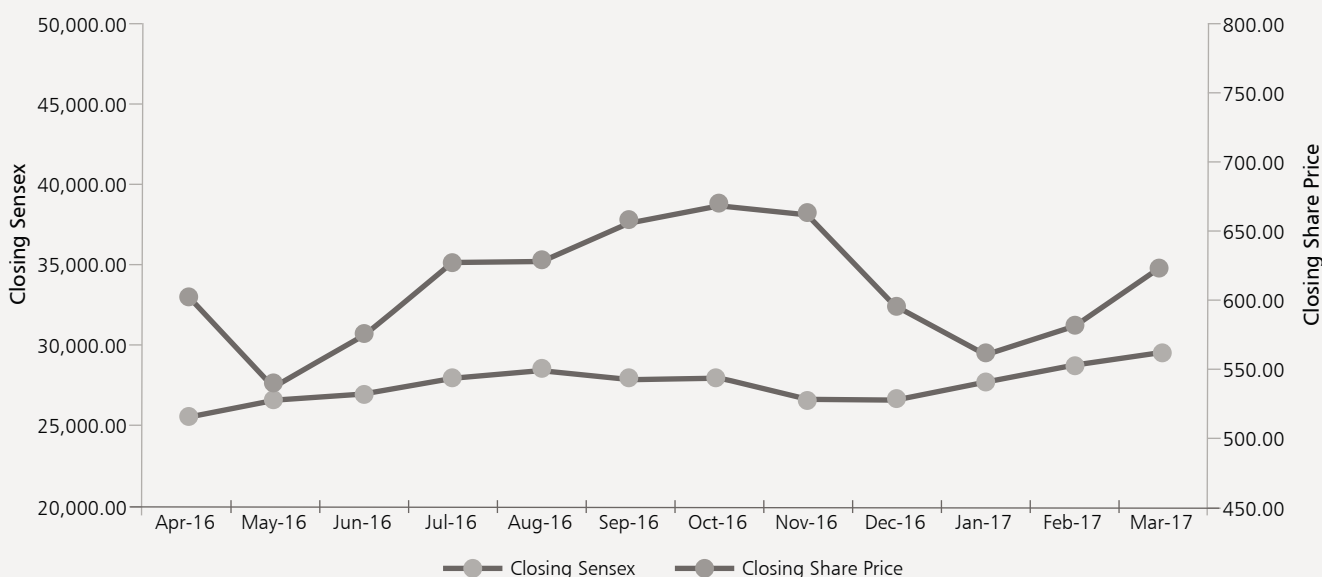
Market price data of the Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the financial year 2016-17:

Month - Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April - 2016	643.00	515.55	642.50	514.50
May - 2016	615.20	523.00	615.55	522.00
June - 2016	595.00	517.90	595.00	514.60
July - 2016	644.65	569.45	644.00	572.00
August - 2016	665.00	617.50	665.10	616.00
September - 2016	695.00	607.00	698.00	612.00
October - 2016	699.50	646.50	699.00	646.10
November - 2016	682.00	590.50	685.05	589.10
December - 2016	671.10	590.00	671.00	588.00
January - 2017	610.00	552.10	614.85	555.60
February - 2017	594.90	540.00	596.05	539.40
March - 2017	709.30	564.50	648.00	564.60

On 31st March, 2017, the closing price of the shares of the Company on BSE was ₹623.65 and on NSE was ₹627.45.

Annexure – B

Share Performance of the Company in comparison to BSE Sensex:



Annexure – C

The distribution of shareholdings as on 31st March, 2017 is as under:

Number of Share of Face Value	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
1-500	44,448	87.80	53,21,800	2.82
501-1000	3,137	6.20	24,18,360	1.28
1001-2000	1,536	3.03	22,96,831	1.22
2001-3000	492	0.97	12,51,928	0.66
3001-4000	243	0.48	8,64,220	0.46
4001-5000	172	0.34	7,89,520	0.42
5001-10000	306	0.60	21,87,476	1.16
10001 and above	291	0.58	17,33,85,779	91.98
Total	50,625	100.00	18,85,15,914	100.00

Shareholding pattern as on 31st March, 2017

Sr. No.	Category	No. of Shares Held	% of Voting Strength
1.	Promoters & Associates	13,70,07,545	72.68
2.	Mutual Funds	53,06,968	2.82
3.	Financial Institutions / Banks	5,91,423	0.31
4.	Foreign Portfolio Investor	2,00,05,997	10.61
5.	Bodies Corporate	20,38,138	1.08
6.	Indian Public	2,15,39,930	11.43
7.	NRIs (Repat. & Non Repat.)	6,36,106	0.34
8.	Others	13,89,807	0.73
	Total	18,85,15,914	100.00

CERTIFICATE

To the Members of
Alembic Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Alembic Pharmaceuticals Limited for the year ended March 31, 2017 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 March 31, 2017, 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
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677 CP No. 2863
Vadodara, April 17, 2017

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 posted on the website of the Company (www.alembicpharmaceuticals.com). A declaration signed by the CEO 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, 2017 and the copy of the code of conduct is put on the website of the Company at www.alembicpharmaceuticals.com

On behalf of the Board of Directors,

Sd/-
Chirayu Amin
CEO

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. Email Id: apl.investors@alembic.co.in
6. Financial Year reported: 1st April, 2016 to 31st March, 2017
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. Azithral
 3. Tetan
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; Baddi, District Solan, Himachal Pradesh and Samardung Basti, 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 72 countries worldwide.

Section B: Financial Details of the Company

1. Paid up Capital (INR): ₹37.70 Crores
2. Total Turnover (INR): ₹2982.61 Crores
3. Total profit after taxes (TCI) (INR): ₹428.50 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (TCI) (%): 1%
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) Adoption of Schools in tribal/backward areas
 - (b) Community outreach programs

- (c) Education
- (d) Employment enhancing vocational skills
- (e) Environmental Sustainability
- (f) Promoting Equality
- (g) Preventive Healthcare
- (h) Rural Development Projects
- (i) Sanitation

Section C: Other Details

- | | |
|--|---|
| <ol style="list-style-type: none"> Does the Company have any Subsidiary Company/Companies?
Yes. 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. Do any other entity/entities (e.g. suppliers, distributors | <p>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.</p> |
|--|---|

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

- DIN Number: 00245099
- Name: Mr. Pranav Amin
- Designation: Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number	00245099
2.	Name	Mr. Pranav Amin
3.	Designation	Managing Director
4.	Telephone number	0265-2282506
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)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	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
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?	*	*	*	*	*	*	*	*	*

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Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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

* <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/>.

Section E: Principle-wise performance

Principle 1

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

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.

89% 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

1. Please indicate the Total number of employees: 8,825
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1,511
3. Please indicate the Number of permanent women employees: 426
4. Please indicate the Number of permanent employees with disabilities: 7
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. 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	Nil	Nil
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - (a) Permanent Employees: 96%
 - (b) Permanent Women Employees: 83%
 - (c) Casual/Temporary/Contractual Employees: 99%
 - (d) Employees with disabilities: 100%

Principle 4

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

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

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

The Company through its Non Profit Organisations viz.

Alembic CSR Foundation, Rural Development Society, Bhailal Amin General Hospital, Uday Education Society, etc. are taking various initiatives in the area of Education, Healthcare, Community outreach programs, Employment enhancing vocational skills to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5

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

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 endeavor of excellence. Furnace Oil Fired Boiler replaced with Coal Boiler to reduce carbon emission rate to environment.

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 E to the Board's Report.

<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.

Principle 7

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

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

- (a) Federation of Gujarat Industries.
- (b) Federation of Indian Chambers of Commerce & Industry.
- (c) International Chamber of Commerce.
- (d) Indian Drug Manufacturers' Association.
- (e) Indian Chemical Council.
- (f) Employers' Organization.
- (g) All India Employers' Organization 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

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 focusing on three major areas – Education, Healthcare and Rural Development. The

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

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

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

The Company undertakes programmes/projects directly/ through various Not for Profit Organisations viz. Alembic CSR Foundation, Rural Development Society, Bhailal Amin Marg, Uday Education Society, etc.

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

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 statutes 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.

Financial Section

Independent Auditor's Report

To The Members of
Alembic Pharmaceuticals Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Alembic Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and Other Explanatory Information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone

Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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 Ind AS financial statements; refer note no 27.2.
 - 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.
- iv The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 at Note No. 38 and these are in accordance with the books of accounts maintained by the Company.

For K.S.AIYAR & Co
Chartered Accountants
Firm Registration Number: 100186W

Mumbai
Date: 3rd May, 2017

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Annexure 'A' to the Independent Auditor's Report

Re: Alembic Pharmaceuticals Limited.

Referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management during the year as per the phased programme of physical verification of fixed assets. As informed to us the programme is such that all the fixed assets will get physically verified 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. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and No material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any secured or unsecured loans to companies, firms, limited liability partnership 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 do 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, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute are on the next page.

Nature of dues	Amount not deposited ₹	Forum where dispute is pending	Period to which the amount relates
Sales Tax, interest and penalty	13,12,295	High Court	1999-2000
	1,63,84,603	Asst. Commissioner Demand	2003-04
	44,830	Additional Commissioner	2004-05
	1,53,406	Revisional Board (Tribunal)	2006-07
	20,92,750	Jt. Commissioner Appeals	2013-14
	7,65,686	Jt. Commissioner Appeals	2006-07
	8,27,211	Tribunal	2009-10
	7,81,346	Tribunal	2009-10
	1,84,321	Additional Commissioner	01-04-2006 to 30-11-2008
	15,06,831	Additional Commissioner	2007-08
	36,46,047	Revisional Authority	2012-13
Central Sales Tax	1,51,971	Additional Commissioner	01-04-2006 to 30-11-2008
	10,93,955	Deputy Commissioner II	2006-07
	4,837	Tribunal	2009-10
	1,23,800	Jt. Commissioner Appeals	2006-07
	3,24,342	Jt. Commissioner Appeals	2010-11
Excise Duty, Interest & Penalty	2,13,95,574	CESTAT	2005-06
	9,85,233	CESTAT	2011-12
	16,091	CESTAT	2007-08
	2,10,579	CESTAT	1998-99
	35,000	Commissioner (Appeal)	2009-10
	50,03,165	High Court	2005-06
	1,20,99,486	High Court	2005-06
	55,306	CESTAT	2008-09
	121,276	CESTAT	2010-11
	10,181,463	CESTAT	2006 to 2011
	24,11,210	Commissioner (Appeals)	2013-14
	2,75,323	CESTAT	2007-08 to July 2011
	56,760	CESTAT	2011-12
	4,12,504	Commissioner (Appeals)	2013-14
	3,45,902	CESTAT	2012-13
	1,18,282	CESTAT	2013-14
	1,26,179	Commissioner Appeals	2006 to 2011
	25,23,209	CESTAT	2011 to 2015
	27,99,431	CESTAT	2015-16
	3,18,507	CESTAT	2014-15
	3,68,256	CESTAT	2014-15
	35,964	CESTAT	2012 to 2014
Stamp duty	5,01,18,535	Supreme Court	2011-12

FINANCIAL STATEMENT

- (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) or any term loans during the year.
- (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 Ind AS financial statements etc. 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 Registration Number: 100186W

Mumbai
Date: 3rd May, 2017

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Annexure 'B' to the Independent Auditor's Report

REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS 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 March 31, 2017 in conjunction with our audit of the standalone Ind AS 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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 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 the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2017, 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 Registration Number: 100186W

Mumbai
Date: 3rd May, 2017

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Balance Sheet

₹ in crores

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
ASSETS				
Non Current Assets				
Property, Plant and Equipment	3	799.01	697.25	488.68
Capital Work-in-Progress	3	347.75	92.34	83.14
Other Non-Current Assets - Capital Advance		36.52	29.96	21.45
Financial Assets - Investments	4	103.04	37.46	33.33
Total Non Current Assets		1,286.32	857.01	626.59
Current Assets				
Inventories	5	574.62	533.72	382.48
Financial Assets				
- Trade Receivables	6	466.06	371.50	337.94
- Cash and Cash Equivalents	7	0.69	280.56	0.99
- Bank Balances other than cash and cash equivalents	8	6.52	4.25	3.41
- Others Financial Assets	9	13.66	11.40	36.19
Other Current Assets	10	159.90	123.28	116.15
Total Current Assets		1,221.46	1,324.70	877.17
Total Assets		2,507.78	2,181.72	1,503.76
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	11	37.70	37.70	37.70
Other Equity		1,829.62	1,493.03	875.54
Total Equity		1,867.33	1,530.74	913.24
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities - Borrowings	12	-	-	18.80
Provisions	13	57.22	28.23	9.36
Deferred Tax Liabilities (Net)	14	43.78	42.63	24.04
Other Non-Current Liabilities	15	12.57	13.05	12.84
Total Non Current Liabilities		113.57	83.91	65.05
Current Liabilities				
Financial Liabilities				
- Borrowings	16	-	-	149.81
- Trade Payables	17	465.82	499.76	316.19
- Other Financial Liabilities	18	11.52	26.50	27.07
Other Current Liabilities	19	27.47	24.82	17.22
Provisions	20	12.29	6.74	7.85
Current Tax Liabilities (Net)		9.78	9.26	7.33
Total Current Liabilities		526.88	567.07	525.47
Total Liabilities		640.45	650.98	590.52
Total Equity and Liabilities		2,507.78	2,181.72	1,503.76

Significant accounting policies (Note 2)

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

Chirayu R. Amin
Chairman & CEO

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

K.G. Ramanathan
Director

R. K. Baheti
Director-Finance & CFO

Raghuvir M. Aiyar
Partner
Membership No 38128
Mumbai: 3rd May, 2017

Pranav Parikh
Director

Paresh Saraiya
Director

Milin Mehta
Director

Dr. Archana Hingorani
Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Statement of Profit and Loss

₹ in crores

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
INCOME			
Revenue from Operations	21	2,985.90	3,009.02
Other Income	22	2.42	6.82
Total Income		2,988.32	3,015.85
EXPENSES			
Cost of Materials Consumed	23	703.87	652.52
Purchase of Stock-in-Trade		230.31	255.13
Changes in Inventories of Finished Goods and Work in Process	23	(47.90)	(95.94)
Employee Benefits Expense	24	527.46	453.32
Finance costs		3.09	3.68
Depreciation and Amortization Expense	3	82.90	71.86
Other Expenses	25	938.86	761.27
Total Expenses		2,438.61	2,101.83
Profit Before Tax		549.71	914.01
Tax Expense			
Current Tax		119.08	198.11
Deferred Tax		-	17.17
Profit for the period		430.63	698.74
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss Acturial Gains / (Losses)		(2.71)	(0.52)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.58	0.11
Total Other Comprehensive Income		(2.13)	(0.41)
Total Comprehensive Income for the period		428.50	698.33
Earnings per equity share (FV ₹ 2/- per share) :			
Basic & Diluted (in ₹)	26	22.84	37.07

Signifiant accounting policies (Note 2)

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

Chirayu R. Amin
Chairman & CEO

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

K.G. Ramanathan
Director

R. K. Baheti
Director-Finance & CFO

Raghuvir M. Aiyar
Partner
Membership No 38128
Mumbai: 3rd May, 2017

Pranav Parikh
Director

Paresh Saraiya
Director

Milin Mehta
Director

Dr. Archana Hingorani
Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Cash Flow Statement

₹ in crores

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016		Year ended 01st April, 2015	
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Net Profit before tax		549.71		914.01		362.86
Add:						
1 Depreciation and Amortisation	82.90		71.86		44.41	
2 Interest charged	3.09		3.68		3.14	
3 Unrealised Foreign Exchange Loss / (Gain)	-		(0.70)		(10.58)	
4 (Gain)/Loss on sale of Property, Plant & Equipment	(0.07)	85.92	0.00	74.85	0.01	36.98
Less:						
1 Interest Income	0.86		1.31		2.03	
2 Dividend Income	0.19	1.05	0.58	1.89	0.11	2.13
Operating Profit before change in working capital		634.58		986.96		397.71
Working capital changes:						
Add / (Less):						
1 (Increase) / Decrease in Inventories	(40.91)		(151.23)		(71.70)	
2 (Increase) / Decrease in Trade Receivables	(94.56)		(34.45)		(70.34)	
3 (Increase) / Decrease in Capital Advances	(6.55)		(8.52)		(13.87)	
4 (Increase) / Decrease in Other Financial Assets	(2.27)		24.79		(2.12)	
5 (Increase) / Decrease in Other Current Assets	(36.62)		(7.21)		(22.95)	
6 Increase / (Decrease) in Trade Payables	(33.94)		184.54		21.24	
7 Increase / (Decrease) in Other Financial Liabilities	(15.63)		23.88		(0.40)	
8 Increase / (Decrease) in Other Current Liabilities	2.65		7.60		4.96	
9 Increase / (Decrease) in Current Provisions	2.85		(1.63)		3.98	
10 Increase / (Decrease) in Non-Current Provisions	28.99	(195.99)	18.87	56.63	2.68	(148.53)
Cash generated from operations		438.58		1,043.60		249.18
Add / (Less):						
Direct taxes paid (Net of refunds)		(117.98)		(196.08)		(69.10)
Net Cash inflow from Operating Activities (A)		320.61		847.52		180.08
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Add:						
1 Proceeds from sale of Property, Plant & Equipment	6.54		0.13		0.05	
2 Interest received	0.86		1.28		2.00	
3 Dividend received	0.19	7.59	0.58	1.99	0.11	2.16
Less:						
1 Purchase of Property, Plant & Equipment / increase in Capital WIP	446.54		289.76		200.67	
2 Purchase of Investments	65.58	512.12	4.13	293.89	-	200.67
Net Cash inflow from Investing Activities (B)		(504.54)		(291.91)		(198.51)

Cash Flow Statement *(contd.)*

₹ in crores

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016		Year ended 01st April, 2015	
C. CASH FLOW FROM FINANCIAL ACTIVITIES:						
Add:						
1 Increase/(Decrease) in other Long Term Liabilities	(0.48)		0.21		0.14	
2 Proceeds from Borrowings (Current)	-	(0.48)	-	0.21	124.38	124.52
Less:						
1 Repayment of Borrowings (Non-current)	-		43.06		37.20	
2 Repayment of Borrowings (Current)	-		149.81		-	
3 Increase in Restricted Bank Balances other than cash & cash equivalents	2.27		0.84		2.22	
4 Dividends paid (including distribution tax)	90.10		78.70		65.50	
5 Interest and other finance costs	3.09	95.47	3.84	276.26	4.34	109.25
Net Cash inflow from Financing Activities (C)		(95.95)		(276.05)		15.27
I Net (decrease)/increase in cash and cash equivalents		(279.88)		279.56		(3.16)
II Add: Cash and cash equivalents at the beginning of the period		280.56		0.99		4.15
III Cash and cash equivalents at the end of the period		0.69		280.56		0.99

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

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Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Statement of Changes in Equity

A Equity Share Capital

Particulars	No. of Shares	Amount in ₹ Crores
Balance as at 1st April, 2015	18,85,15,914	37.70
Changes in equity share capital during FY 2015-16	-	-
Balance as at 31st March, 2016	18,85,15,914	37.70
Balance as at 31st March, 2016	18,85,15,914	37.70
Changes in equity share capital during FY 2016-17	-	-
Balance as at 31st March, 2017	18,85,15,914	37.70

B Other Equity

₹ in crores

Particulars	Reserves and Surplus			Other items of OCI	Total
	Capital Reserve	General Reserve	Retained Earnings		
Restated Balance at 1st April, 2015	0.30	540.31	338.37	(3.44)	875.54
Profit for the period	-	-	698.74	-	698.74
Other Comprehensive Income - Actuarial Gains / (Losses)	-	-	-	(0.41)	(0.41)
Total Comprehensive Income	-	-	-	-	698.33
Dividends paid including Tax on Dividend	-	-	(79.41)	-	(79.41)
Any other change	-	-	-	-	-
- Transfer from Retained Earnings to General Reserve	-	300.00	(300.00)	-	-
- Reversal of Deferred Tax Asset on account of Intangible assets pursuant to the order of Hon'ble Gujarat High Court	-	(1.42)	-	-	(1.42)
Balance at 31st March, 2016	0.30	838.89	657.69	(3.84)	1,493.03
Balance at 1st April, 2016	0.30	838.89	657.69	(3.84)	1,493.03
Profit for the period	-	-	430.63	-	430.63
Other Comprehensive Income - Actuarial Gains / (Losses)	-	-	-	(2.13)	(2.13)
Total Comprehensive Income	-	-	-	-	428.50
Dividends paid including Tax on Dividend	-	-	(90.76)	-	(90.76)
Any other change	-	-	-	-	-
- Transfer from Retained Earnings to General Reserve	-	300.00	(300.00)	-	-
- Reversal of Deferred Tax Asset on account of Intangible assets Pursuant to the order of Hon'ble Gujarat High Court	-	(1.15)	-	-	(1.15)
Balance at 31st March, 2017	0.30	1,137.74	697.56	(5.98)	1,829.62

During the year ended 31st March, 2016 an amount of ₹4.00 (P.Y. ₹3.50) of dividend per equity share was paid to the equity shareholders after the AGM approval. ₹65.98 Cr and corporate tax of ₹13.43 in relation to FY 2014-15

During the year ended 31st March, 2017 an amount of ₹4.00 (P.Y. ₹4.00) of dividend per equity share was paid to the equity shareholders after the AGM approval. ₹75.41 Cr and corporate tax of ₹15.35 in relation to FY 2015-16

The Board of Directors has recommended dividend on Equity Shares at ₹4/- per share i.e 200% for the year ended on 31st March, 2017. Dividend Proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Chirayu R. Amin
Chairman & CEO

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Managing Director

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Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Notes to the Financial Statements

1 Company Overview and Significant Accounting Policies

1.1 Description of Business

Alembic Pharmaceuticals Limited is principally engaged in the manufacturing and selling of Pharmaceuticals products i.e. Active Pharmaceutical Ingredients and Formulations. 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 3rd May, 2017.

1.2 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, 2017 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2015. The financial statements for the year ended 31st March 2017 are the first Financial Statements of the Company prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 "First time adoption of Indian Accounting Standards" in Note No. 39.

Reconciliations and descriptions of the effect of the transition have been summarized in Note No. 39.1

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost convention on the accrual basis, except for Derivative financial instruments which have been measured at fair value.

1.3 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value on reporting date based on an external report.

1.4 Significant Accounting Judgments, Estimates and Assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. 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.

2 Significant Accounting Policies

2.1 Property, Plant and Equipment

Property, Plant and Equipment were carried on historical cost / value transferred as per the scheme of arrangement in the balance sheet as on 31 March 2015 prepared in accordance with Indian GAAP. The Company has elected to regard those values as deemed cost at the date of the transition i.e 1st April, 2015 as permitted under Ind AS 101.

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 Cenvat, Service Tax and Value Added Tax and any attributable cost of bringing the assets to its working condition for its intended use, including the cost of replacing parts, borrowing costs for long-term construction projects if the recognition criteria are met.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.2 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.

Notes to the Financial Statements

2.3 Intangible Assets

Intangible assets are stated at cost less provisions for amortisation and impairments.

2.4 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.

2.5 Borrowing Cost

Borrowing costs directly 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.

2.6 Inventories

All Inventories are valued at the lower of cost and net realisable value.

Raw materials, Stores and Spares & Packing Material are valued at lower of cost determined on weighted average basis and net realisable value.

Work in process is valued at lower of cost and net realisable value.

Finished Goods are valued at lower of cost including excise payable thereon and net realisable value.

Traded Goods are valued at lower of purchase price and net realisable value.

2.7 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 Account.

2.8 Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a. Financial Assets

(i) Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way trade of financial assets are accounted for at trade date.

(ii) Subsequent measurement

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

- Financial assets at fair value through other comprehensive income

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

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

Notes to the Financial Statements

- 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.

- Investment in Subsidiaries

Investment in subsidiaries is carried at cost in the 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.

c. Derivative Financial Instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are not designated as hedges under Ind AS 109, Financial Instruments.

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

2.9 Revenue Recognition

The Company recognises revenue in accordance with Ind AS 18. Revenue from the sale of goods is recognised when (a) It is probable that the economic benefits associated with the transaction will flow to the entity and the amount revenue can be measured reliably. (b) The significant risks and rewards of ownership of the goods have been passed to the buyer; and (c) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue represents net invoice value after the deduction of discounts and allowances given and accruals for estimated future rebates, including for Expiry Breakage and Spoilage (EBS) and returns. The methodology and assumptions used to estimate the allowances and accruals are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience. Revenue is disclosed inclusive of excise duty but net of sales return, service tax, value added tax and CST.

Income from operations includes revenue earned, as per the terms agreed with the customers, from development of products and assignment of patent rights.

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

2.10 Research and Development Expense

All revenue expenses related to research and development including expenses in relation to development of product/processes and expenses incurred in relation to compliances with international regulatory authorities in obtaining of Abbreviated New Drug Applications (ANDA) and Drug Master Files (DMF) are charged to the statement of profit and loss in the year in which it is incurred.

Development expenditure of certain nature is capitalised 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.

Notes to the Financial Statements

2.11 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 recognizes these re-measurements in the Other Comprehensive Income (OCI).

(ii) Provident Fund

The Company's contribution to provident fund, administered through a Company managed trust, is recognised as an expense in the Statement of Profit and Loss.

(iii) Leave Liability

The Company has a policy to allow accumulation of leave by employees up to certain days. The excess leave will either be encashed or funded by the Company to LIC for and on behalf of employees. Accordingly, the excess leave liability is discharged by the Company upon such funding to LIC. Remaining 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. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, 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 Standard Life Insurance Company Ltd. and ICICI Prudential Life Insurance Company Ltd. The contribution to Superannuation fund, Contribution to pension fund, ESIC and Labour Welfare Fund are recognised as an expense in the statement of profit and loss.

2.12 Depreciation / Amortisation

Depreciation is calculated on a straight-line basis as per the specified life of the assets as provided in schedule II to the Companies Act, 2013

Class of Assets	Range of useful life
Building	05 - 60 Years
Plant & Equipment	03 - 22 Years
Furniture & Fixtures	10 Years
Vehicles	08 - 10 Years
Office Equipment	5 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. Certain assets are depreciated on written down value basis. Leasehold Land is amortized over the period of lease.

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

2.13 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.

2.14 Foreign Exchange Transactions

Transactions in foreign currencies are initially recorded by the Company at the rate of exchange prevailing on the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies remaining unsettled at the end of the year are converted at the exchange rate prevailing on the reporting date.

Notes to the Financial Statements

Differences arising on settlement or conversion of monetary items are recognised in statement of profit or 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 for future probable transactions, the mark to market loss as at the reporting date is charged to Statement of Profit and Loss. In respect of options contracts to mitigate the probable foreign exchange fluctuation risk, the options contracts are fair valued and the resultant variation as at the reporting date is charged to Statement of Profit and Loss.

2.15 Taxes:

a. Current income tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115J (AA) of income tax act 1961 over the period of subsequent 15 assessment year and it is recognised to the extent of deferred tax liability in view of the certainty involved of its realisation against reversal of deferred tax liability.

2.16 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented 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.

2.17 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Notes to the Financial Statements

3. Property, Plant and Equipment :											₹ in Crores
Property, Plant and Equipment	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total	Capital work in progress	
Gross carrying amount											
Deemed cost as at 1 April 2015	1.92	16.35	190.31	445.52	105.76	9.67	29.53	3.78	802.85	83.14	
Additions	-	4.15	74.61	156.60	38.92	3.15	1.87	1.26	280.56	91.25	
Disposals	-	-	-	0.69	-	-	0.25	0.02	0.97	-	
Transfer (Rep CWIP Cap during the year)	-	-	-	-	-	-	-	-	-	82.05	
As at 31 March 2016	1.92	20.49	264.93	601.43	144.69	12.82	31.15	5.02	1,082.45	92.34	
Accumulated Depreciation											
As at 1 April 2015	-	1.15	31.42	202.02	62.19	5.03	10.04	2.31	314.17	-	
Depreciation charge for the year	-	0.22	12.21	44.25	7.34	0.79	6.43	0.63	71.86	-	
Disposals	-	-	-	0.66	-	-	0.16	0.02	0.84	-	
As at 31 March 2016	-	1.37	43.63	245.62	69.53	5.82	16.31	2.91	385.19	-	
Net book value											
As at 1st April, 2015	1.92	15.20	158.89	243.49	43.57	4.64	19.49	1.47	488.68	83.14	
As at 31st March, 2016	1.92	19.13	221.30	355.81	75.15	7.00	14.84	2.10	697.25	92.34	
Gross carrying amount											
Deemed cost as at 1 April 2016	1.92	20.49	264.93	601.43	144.69	12.82	31.15	5.02	1,082.45	92.34	
Additions	-	0.14	32.46	101.63	43.18	2.74	0.54	0.69	181.38	328.64	
Acquisition of a subsidiary	-	-	-	9.42	-	0.03	-	0.30	9.75	0.18	
Disposals	-	-	-	1.99	0.55	0.16	16.34	0.20	19.23	-	
Transfer (Rep CWIP Cap during the year)	-	-	-	-	-	-	-	-	-	73.41	
As at 31 March 2017	1.92	20.64	297.39	710.49	187.31	15.43	15.35	5.81	1,254.34	347.75	
Accumulated Depreciation											
As at 1 April 2016	-	1.37	43.63	245.62	69.53	5.82	16.31	2.91	385.19	-	
Depreciation charge for the year	-	0.30	11.88	55.66	11.33	1.00	2.03	0.70	82.90	-	
Disposals	-	-	-	1.66	0.45	0.15	10.32	0.19	12.77	-	
As at 31 March 2017	-	1.66	55.51	299.63	80.41	6.68	8.02	3.42	455.33	-	
Net book value											
As at 31st March, 2016	1.92	19.13	221.30	355.81	75.15	7.00	14.84	2.10	697.25	92.34	
As at 31st March, 2017	1.92	18.98	241.88	410.87	106.90	8.75	7.33	2.39	799.01	347.75	

Note:

- On 30th November 2016, the Company acquired the business of A.G. Research Pvt. Ltd. (100% Subsidiary of APL) on as is where is basis with effect from 1st April, 2016.
- The Company does not have any restrictions on the title of its property, plant and equipment. The Company has hypothecated its all movable PPE for the financial facilities.
- Borrowing cost capitalised during the period amounting to Rs 2.37 crores, with capitalisation rate of 5.7%.
- Sales proceeds are deducted from gross cost where cost is unascertainable.

Notes to the Financial Statements

4. Investments (Non-Current)

₹ in crores

As at	31st March, 2017	31st March, 2016	01st April, 2015
Investments in Equity Instruments			
Unquoted equity instruments			
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	30.31
41,33,849 (PY: 41,33,849) equity shares of ₹10 each fully paid up in A G Research Pvt. Ltd	4.13	4.13	-
Investment in Subsidiary			
300,000 (PY: NIL) equity shares of ₹10 each fully paid up in Aleor Dermaceuticals Limited	0.30	-	-
Others			
18,000 (PY: 18,000) equity shares of ₹1 each fully paid up in Shivalik Solid Waste Management Ltd.	0.02	0.02	0.02
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	3.00
Investments in Preference Shares			
1% Cumulative Redeemable Non-Convertible Preference Shares 225000 (PY: NIL) of ₹10 each fully paid up in EICL to be redemption date 14.12.2031	0.23	-	-
Investments in Subsidiary - Debt Instruments			
10% Secured Non-Convertible Debentures - Aleor Dermaceuticals Ltd 6500 (PY: NIL) of ₹100000 each maturing on 14.11.2025	65.00	-	-
Investments in Subsidiary - Warrants			
539,200 warrants of ₹1/- each in Aleor Dermaceuticals Ltd	0.05	-	-
Aggregate amount of unquoted Investments	103.04	37.46	33.33

5. Inventories ((Basis of Valuation - Refer Note 2.6)

As at	31st March, 2017	31st March, 2016	01st April, 2015
Raw Materials	134.14	138.75	88.29
Packing Materials	18.56	23.26	18.15
Work-in-Process	30.72	24.26	24.16
Finished Goods	345.02	297.96	210.69
Traded Goods	41.53	47.16	38.58
Stores and Spares	4.65	2.32	2.60
	574.62	533.72	382.48

Note:

Total inventories are hypothecated as security for borrowings

Write-down of inventories to net realisable value amounted to ₹3.16 Crores (PY ₹1.10 crores). These were recognised as an expense during the year and included as changes in inventories in statement of profit and loss.

Notes to the Financial Statements

6. Trade Receivables (Current / Unsecured)

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Considered good		466.06		371.50		337.94
Considered Doubtful		7.82		8.51		6.21
Less: Provision for doubtful debts		(7.82)		(8.51)		(6.21)
		466.06		371.50		337.94

Total Receivables are hypothecated as security for borrowings

7. Cash and Cash Equivalents

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Balances with Banks		0.53		280.32		0.65
Cash on hand		0.16		0.24		0.34
		0.69		280.56		0.99

8. Bank balances other than Cash and Cash equivalents

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Unpaid Dividend Account		3.18		2.52		1.81
Margin Money Deposit Account		3.35		1.73		1.60
		6.52		4.25		3.41

9. Others Financial Assets

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Security Deposits		4.16		2.73		2.52
Security Deposits given to related parties		9.51		8.67		33.67
		13.66		11.40		36.19

10. Other Current Assets (Unsecured, considered good)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Advance against Expenses - Employees		4.55		4.62		3.71
Advances other than capital advances		35.82		15.17		25.26
Pre-paid Expense		5.59		5.90		7.65
Others Advances		113.95		97.59		79.54
		159.90		123.28		116.15

11. Equity Share Capital

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Authorized						
20,00,00,000 - Equity shares of Rs. 2/- each		40.00		40.00		40.00
		40.00		40.00		40.00
Shares issued, subscribed and fully paid						
18,85,15,914 - Equity shares of Rs. 2/- each		37.70		37.70		37.70
		37.70		37.70		37.70

Notes to the Financial Statements

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

As at	31st March, 2017		31st March, 2016		01st April, 2015	
	Numbers	₹ in Crs.	Numbers	₹ in Crs.	Numbers	₹ in Crs.
At the beginning of the year	18,85,15,914	37.70	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	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

As at	31st March, 2017		31st March, 2016		01st April, 2015	
	Numbers	% held	Numbers	% held	Numbers	% held
1 Alembic Limited	5,50,00,000	29.18%	5,50,00,000	29.18%	5,50,00,000	29.18%
2 Shreno Limited	2,06,98,780	10.98%	1,83,68,780	9.74%	1,83,68,780	9.74%
3 Whitefield Chemtech Private Limited	1,82,85,230	9.70%	1,82,85,230	9.70%	1,82,85,230	9.70%
4 Sierra Investments Private Limited	1,73,37,670	9.20%	1,71,67,670	9.11%	1,71,67,670	9.11%
5 Nirayu Private Limited	1,37,13,755	7.27%	1,62,13,755	8.60%	1,62,13,755	8.60%

12. Borrowings (Non-Current)

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Term Loan						
From Bank						
Secured Bank Loan (Pre-matured Repaid)		-		-		43.80
Foreign Currency loan from Banks - @ Coupon of LIBOR plus 1.50% p.a. plus proportionate front end fees Secured against first hypothecation charge on all movable plant and machinery ranking pari passu with other lenders Redeemable in 15 equal quarterly installments of USD 1 MN starting from May-13 Effective Rate - Libor + 1.50% - Maturity - Nov-16						
Total Borrowings (Non-Current)		-		-		43.80
Less: Current maturities of long term debt		-		-		25.00
Borrowings (Non-Current) (as per Balance Sheet)		-		-		18.80

13. Provisions (Non-Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Provision for Employee Benefits						
Provision for Leave benefits		15.42		9.43		9.36
Provision for Non-Saleable return of goods		41.79		18.79		-
		57.22		28.23		9.36

Notes to the Financial Statements

14. Deferred Tax Liabilities (Net)

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Deferred Tax Liabilities						
Depreciation		92.22		66.33		47.68
Deferred Tax Assets						
Provision for Doubtful debts		2.71		2.95		2.11
MAT Credit Entilement		29.72		7.39		7.39
Preliminary Expense and Demerger Expense		-		-		0.05
Intangible Asset		3.45		4.59		6.02
Others		12.57		8.77		8.07
		43.78		42.63		24.04

15. Other Non-Current Liabilities

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Trade Deposits		12.57		13.05		12.84
		12.57		13.05		12.84

16. Borrowings (Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
From Banks						
Working Capital facilities (Secured)		-		-		119.81
Secured against first hypothecation on Stocks and Book Debts ranking pari passu						
- @ varying Coupon repayable on demand						
Working Capital Demand Loan (Unsecured)		-		-		30.00
- Coupon Rate 9.70%, Maturity date 06.04.2015		-		-		
		-		-		149.81

17. Trade Payables

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Due to Micro and Small Enterprises		1.15		0.88		0.96
Trade Payables		464.67		498.88		315.22
		465.82		499.76		316.19

18. Other Financial Liabilities

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Current maturities of long-term debt		-		-		25.00
Book Overdraft		8.28		23.90		-
Interest accrued but not due on borrowings		-		-		0.17
Unpaid dividends		3.18		2.52		1.81
Unpaid / Unclaimed matured deposits and interest accrued thereon		0.07		0.07		0.10
		11.52		26.50		27.07

Notes to the Financial Statements

19. Other Current Liabilities

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Statutory dues payable		17.17		13.42		11.66
Others		10.31		11.40		5.56
		27.47		24.82		17.22

20. Provisions (Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Provision for Employee Benefits						
Provision for Gratuity		5.98		1.74		3.57
Provision for Leave benefits		6.32		5.00		4.28
		12.29		6.74		7.85

21. Revenue from Operations

For the period ended	31st March, 2017		31st March, 2016	
Sale of products				
- Domestic	1,318.07		1,236.48	
- Exports	1,593.14	2,911.21	1,685.59	2,922.07
- Export Incentives		53.43		57.42
- Royalty		17.97		25.97
Other Operating Revenues				
- Miscellaneous		3.29		3.55
		2,985.90		3,009.02

22. Other Income

For the period ended	31st March, 2017		31st March, 2016	
Dividend		0.19		0.58
Insurance Claims		1.21		4.93
Lease Rent Income		0.16		-
Interest Income		0.86		1.31
		2.42		6.82

23. Cost of Material Consumed

For the period ended	31st March, 2017		31st March, 2016	
Inventory at the beginning of the year	162.01		106.44	
Add : Purchases	694.55		709.92	
	856.57		816.35	
Less : Inventory at the end of the year	152.70	703.87	162.01	654.34
Less : Insurance claim received		-		1.82
		703.87		652.52

Notes to the Financial Statements

23. Cost of Material Consumed (*contd.*)

₹ in crores

For the period ended	31st March, 2017		31st March, 2016	
Changes in inventories of Finished Goods, Work in process				
Inventory at the end of the year				
Work in Process	30.72		24.26	
Finished Goods	386.56	417.28	345.12	369.38
Inventory at the beginning of the year				
Work in Process	24.26		24.16	
Finished Goods	345.12	369.38	249.28	273.44
		(47.90)		(95.94)

24. Employee Benefits Expense

For the period ended	31st March, 2017		31st March, 2016	
Salaries and Wages		496.96		431.45
Contribution / Provisions for Provident and other funds		18.72		12.49
Staff welfare expense		11.79		9.39
		527.46		453.32

25. Other Expenses

For the period ended	31st March, 2017		31st March, 2016	
Consumption of Stores, Spares, Laboratory Material and Analytical Expense		149.57		121.54
Power and Fuel		64.13		58.84
Manufacturing and Labour Charges		29.55		26.62
Repairs and Maintenance				
Machinery	16.98		12.69	
Buildings	9.43		7.31	
Others	4.54	30.96	3.48	23.49
Freight and Forwarding Charges		37.31		29.52
Publicity Expense, Service Fees and Commission		261.53		237.34
Excise Duty		29.46		42.82
Rent		12.17		6.71
Rates and Taxes		8.74		7.23
Insurance		4.05		3.79
Travelling Expense		111.03		106.80
Communication Expenses		19.98		16.76
Legal & Professional Fees		108.24		77.10
Payment to Auditors		0.67		0.70
Exchange Difference (net)		4.48		(35.18)
Bad Debts written off	0.46		3.07	
Less : Bad Debts Provision Utilised	(0.46)	-	-	3.07
Provision for Doubtful Debts		(0.22)		2.30
Expenses on CSR Activities		4.22		6.30
External Bio-Studies		49.47		13.16
Miscellaneous Expenses		13.54		12.36
		938.86		761.27

Notes to the Financial Statements

26. Earning Per Share (EPS)

For the period ended	31st March, 2017	31st March, 2016
Profit after Tax available for equity shareholders (₹ in crores)	430.63	698.74
Weighted Average number of equity shares	18,85,15,914	18,85,15,914
Basic and Diluted Earnings per share (Face value per share ₹2/- each)	22.84	37.07

27. Capital Commitment and Contingent Liabilities

₹ in crores

As at	31st March, 2017	31st March, 2016	1st April, 2015
27.1 Estimated amount of contracts net of advances remaining to be executed on capital accounts	227.18	197.78	47.66
27.2 Contingent liabilities not provided for			
Letter of credit, Guarantees and counter guarantees	157.94	208.05	88.65
Liabilities Disputed in appeals			
Excise duty	5.99	5.64	5.04
Sales Tax	2.91	5.69	5.03
Income Tax	0.03	0.08	0.08
Claims against the company not acknowledged as debt	0.37	3.43	3.43
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	0.35

28. Defined benefit plans / compensated absences - As per actuarial valuation

As at	Gratuity Funded		
	31st March, 2017	31st March, 2016	1st April, 2015
Expense recognised in the Statement of Profit & Loss			
Current Service Cost	4.88	3.36	2.08
Net Interest Cost	0.18	0.11	(0.14)
Past Service Cost and loss/(gain) on curtailments & settlements	-	-	-
Total included in 'Employee Benefit Expense'	5.06	3.47	1.94
Expenses deducted from the fund	0.05	0.19	0.01
Adjustment to the Opening Fund	-	0.15	-
Total expense charged to P & L	5.11	3.81	1.95
Expense recognised in the Statement of Other Comprehensive Income			
Components of actuarial gain/losses on obligations:			
Due to change in Financial Assumptions	1.47	-	1.97
Due to change in Demographic Assumptions	-	-	-
Due to Experience Adjustments	2.84	1.57	2.16
Return on plan assets excluding amounts included in Interest Income	(1.60)	(1.05)	0.23
Total amount recognized in Other Comprehensive Income	2.71	0.52	4.35

Notes to the Financial Statements

28. Defined benefit plans / compensated absences - As per actuarial valuation (*contd.*)

₹ in crores

As at	Gratuity Funded		
	31st March, 2017	31st March, 2016	1st April, 2015
Net Asset / (Liability) recognised			
Present value of Defined Benefit Obligation	32.31	23.48	18.82
Fair value of plan assets	27.37	21.99	15.81
Funded status [Surplus / (Deficit)]	(4.94)	(1.49)	(3.01)
Net asset / (liability)	(4.94)	(1.49)	(3.01)
Change in Obligation			
Present value of Defined Benefit Obligation at the beginning of the year	23.48	18.82	12.83
Transfer in/(out) Obligation	-	0.30	-
Current Service Cost	4.88	3.36	2.08
Interest Cost	1.88	1.28	1.04
Settlement Cost	-	-	-
Past Service Cost	-	-	-
Employer Contributions	-	-	-
Actuarial (Gains) / Losses due to change in Financial Assumption	1.47	-	-
Actuarial (Gains) / Losses due to change in Demographic Assumption	-	-	1.97
Actuarial (Gains) / Losses due to Experience	2.84	1.57	2.15
Benefits Payments	(2.24)	(1.85)	(1.25)
Present value of Defined Benefit Obligation at the end of the year	32.31	23.48	18.82

As at	Gratuity Funded		
	31st March, 2017	31st March, 2016	1st April, 2015
Change in Assets			
Plan assets at the beginning of the year	21.99	15.81	13.29
Adjustment to the Opening Fund	-	(0.15)	(0.82)
Expenses deducted from the fund	(0.06)	(0.18)	(0.01)
Interest Income	1.71	1.17	1.17
Return on plan assets excluding amounts included in Interest Income	1.60	1.05	(0.23)
Employer Contributions	4.37	6.14	3.65
Settlements	-	-	-
Actual benefits paid	(2.24)	(1.85)	(1.25)
Plan assets at the end of the year	27.37	21.99	15.81
Actuarial Assumptions:			
Discount Rate	7.25%	7.80%	7.80%
Expected rate of return on plan assets	7.25%	7.80%	8.00%
Mortality pre retirement	Indian Assured Lives Mortality (2006-08) Table	Indian Assured Lives Mortality (2006-08) Table	Indian Assured Lives Mortality (2006-08) Table
Mortality post retirement	NA	NA	NA
Turnover rate	5% to 1%	5% to 1%	5% to 1%
Medical premium inflation	NA	NA	NA
Salary growth rate (p.a.)	4.75%	4.75%	4.75%

Notes to the Financial Statements

28. Defined benefit plans / compensated absences - As per actuarial valuation (*contd.*)

₹ in crores

As at	Leave Encashment		
	31st March, 2017	31st March, 2016	1st April, 2015
Expense recognised in the Statement of Profit & Loss			
Current Service Cost	1.68	1.79	1.13
Interest Cost	0.98	0.75	0.64
Employer Contributions	-	-	-
Expected return on plan assets	-	-	-
Actuarial loss/(gain) due to change in financial assumptions	0.94	2.05	3.92
Actuarial loss/ (gain) due to experience adjustments	4.40	-	-
Past Service Cost	1.37	-	-
Settlement Cost	-	-	-
Total expense	9.37	4.59	5.70
Net Asset / (Liability) recognised in the Balance Sheet			
Present value of Defined Benefit Obligation	16.36	10.16	9.93
Fair value of plan assets	-	-	-
Funded status [Surplus / (Deficit)]	(16.36)	(10.16)	(9.93)
Net asset / (liability)	(16.36)	(10.16)	(9.93)
Change in Obligation			
Present value of Defined Benefit Obligation at beginning of the year	10.16	9.93	7.34
Current Service Cost	1.68	1.79	1.13
Interest Cost	0.98	0.75	0.64
Settlement Cost	-	-	-
Past Service Cost	1.37	-	-
Employer Contributions	-	-	-
Actuarial loss/(gain) due to change in financial assumptions	0.94	-	-
Actuarial loss/ (gain) due to experience adjustments	4.40	2.05	3.92
Benefits Payments	(3.17)	(4.36)	(3.10)
Present value of Defined Benefit Obligation at the end of the year	16.36	10.16	9.93

29. The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are as follows:

As at	31st March, 2017			31st March, 2016			1st April, 2015		
	Cur	In Cr.	₹ In Cr.	Cur	In Cr.	₹ In Cr.	Cur	In Cr.	₹ In Cr.
Amount receivable in foreign currency on account of the following									
Export of Goods and Services	USD	5.22	338.57	USD	3.93	260.36	USD	3.52	219.98
	EUR	0.37	25.71	EUR	0.41	30.86	EUR	0.35	23.75
	AUD	0.23	11.61	AUD	0.09	4.59	AUD	0.38	17.83
	GBP	0.04	3.55	GBP	0.02	1.91	GBP	0.01	0.87
	CAD	0.01	0.70	CAD	0.01	0.51	CAD	0.04	2.02

Notes to the Financial Statements

29. The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are as follows:

As at	31st March, 2017			31st March, 2016			1st April, 2015		
	Cur	In Cr.	₹ In Cr.	Cur	In Cr.	₹ In Cr.	Cur	In Cr.	₹ In Cr.
Amount payable in foreign currency on account of the following									
Import of Goods and Services	USD	0.85	55.09	USD	1.20	79.66	USD	4.38	273.84
	EUR	0.14	9.95	EUR	0.06	4.29	EUR	0.01	0.91
	AUD	0.01	0.35	AUD	0.00	0.01	AUD	0.00	0.01
	CHF	0.01	0.48	CHF	0.00	0.11	CHF	0.00	0.01
	GBP	0.01	0.54	GBP	0.00	0.44	GBP	-	-
	JPY	0.01	0.56	JPY	-	-	JPY	-	-
	CAD	-	-	CAD	0.00	0.01	CAD	0.00	0.01

30. Disclosure required under Micro, Small and Medium 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) and based on the information available with the company the following are the details.

₹ in crores

As at	31st March, 2017	31st March, 2016	1st April, 2015
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.04	0.12	0.16
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	-	0.01	0.01
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	-	0.01	0.01

Notes to the Financial Statements

31 Segment Reporting

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

32 Disclosures in respect of Related Parties transactions

List of Related Parties with whom the Company has entered into transactions during the year.

(a) **Controlling Companies:** There is no controlling Company

(b) **Subsidiary and Fellow Subsidiary**

- 1 Alembic Global Holding SA (Subsidiary of Alembic Pharmaceuticals Limited)
- 2 Alembic Pharmaceuticals Australia Pty Ltd. (Subsidiary of Alembic Global Holding SA)
- 3 Alembic Pharmaceuticals Europe Ltd. (Subsidiary of Alembic Global Holding SA)
- 4 Alnova Pharmaceuticals SA (Subsidiary of Alembic Global Holding SA)
- 5 Alembic Pharmaceuticals Inc (Subsidiary of Alembic Global Holding SA)
- 6 Alembic Pharmaceuticals Canada Ltd. (Subsidiary of Alembic Global Holding SA)
- 7 AG Research Private Limited (Subsidiary of Alembic Pharmaceuticals Limited)
- 8 Genius LLC (Subsidiary of Alembic Global Holding SA)
- 9 Aleor Dermaceuticals Limited (Subsidiary of Alembic Pharmaceuticals Limited)

(c) **Associate Companies:**

- | | |
|------------------------------------|---|
| 1 Alembic Limited | 7 Sierra Investments Private Limited |
| 2 Whitefield Chemtech Pvt. Limited | 8 Viramya Packlight LLP |
| 3 Nirayu Pvt.Limited | 9 Incozen Therapeutics Pvt. Limited |
| 4 Quick Flight Limited | 10 Rhizen Pharmaceuticals SA (Associate of Alembic Global Holding SA) |
| 5 Shreno Limited | 11 Dahlia Therapeutics (Subsidiary of Rhizen Pharmaceuticals SA) |
| 6 Paushak Limited | 12 Rhizen Pharmaceuticals Inc (Subsidiary of Rhizen Pharmaceuticals SA) |

(d) **Joint Venture:**

- 1 Alembic Mami SPA (Joint venture of Alembic Global Holding SA)

(e) **Key Management personnel**

- | | |
|---------------------|--|
| 1 Shri C .R. Amin | Chairman & CEO |
| 2 Shri R. K. Baheti | Director - Finance & CFO |
| 3 Shri Pranav Amin | Managing Director |
| 4 Shri Shaunak Amin | Managing Director |
| 5 Shri Ajay Desai | Vice President - Finance & Company Secretary |

(f) **Relatives of Key Management Personnel :**

- 1 Smt. Malika Amin
- 2 Shri Udit Amin
- 3 Ms. Yera Amin
- 4 Ms. Jyoti Patel
- 5 Ms.Ninochaka Kothari
- 6 Ms. Shreya Mukherjee

Notes to the Financial Statements

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

₹ in crores

As at	Associates			Subsidiaries			Key Management Personnel		
	31st Mar., 2017	31st Mar., 2016	1st April, 2015	31st Mar., 2017	31st Mar., 2016	1st April, 2015	31st Mar., 2017	31st Mar., 2016	1st April, 2015
a) Purchase of Goods / DEPB Licence	73.04	79.88	65.94	-	-	-	-	-	-
b) Sale of Goods / DEPB Licence	9.75	6.47	8.94	741.72	955.64	107.27	-	-	-
c) Purchase of Fixed Assets	2.93	14.16	0.15	-	-	-	-	-	-
d) Sale of Fixed Assets	-	0.09	-	-	-	-	-	-	-
e) Rendering of services	-	-	0.04	-	0.19	-	-	-	-
f) Receiving of services	7.41	11.66	11.30	-	-	-	-	-	-
g) Reimbursement of expenses	(0.61)	4.11	3.56	1.16	-	-	-	-	-
h) Rent Paid	5.67	3.70	3.72	-	-	-	-	-	-
i) Rent Received	-	-	-	0.18	-	-	-	-	-
j) Deposit Given	0.88	0.02	2.20	-	-	-	-	-	-
k) Deposit Refunded	-	25.00	-	-	-	-	-	-	-
l) Deposit Received	-	-	-	0.06	-	-	-	-	-
m) Slump Sale	-	-	-	3.79	-	-	-	-	-
n) Guarantee Commission Received	-	-	-	0.55	0.56	-	-	-	-
o) Dividend Paid	50.01	43.76	37.51	-	-	-	2.62	2.29	1.96
p) Corporate Guarantee Given	-	-	10.00	-	88.27	54.77	-	-	-
q) Managerial Remuneration:									
Short-Term Employment	-	-	-	-	-	-	20.64	18.05	13.87
Terminal Benefits	-	-	-	-	-	-	1.78	1.49	1.25
Commission	-	-	-	-	-	-	25.00	30.77	15.13
r) Outstanding balance:									
Creditors	13.79	20.88	20.94	-	-	-	-	-	-
Deposit Given	9.57	8.68	33.67	-	-	-	-	-	-
Deposit Received	-	-	-	0.06	-	-	-	-	-
Investments	-	-	3.00	65.35	-	-	-	-	-
Debtors	3.55	4.32	0.64	252.84	156.60	64.67	-	-	-

For the Year ended on	Relatives of Key Managerial Personnel		
	31st March, 2017	31st March, 2016	1st April, 2015
Dividend Paid			
Individually more than 10%			
Smt. Malika Amin	1.20	1.05	0.90
Shri Udit Amin	0.40	0.35	0.30
Ms. Yera Amin	0.43	0.38	0.32
Others	0.63	0.55	0.53

Notes to the Financial Statements

33. Auditors Fees and Expenses

₹ in crores

For the period ended	31st March, 2017	31st March, 2016
Statutory Auditors		
As Auditors	0.28	0.28
In Other Capacity		
(i) Other Services		
a. Limited Review	0.29	0.29
b. Others	0.04	0.08
(ii) Reimbursement of expenses	0.01	0.01
Cost Auditors		
Cost Audit Fees	0.02	0.02
Tax Auditor		
Tax Audit Fee	0.02	0.02
Secretarial Audit		
Secretarial Audit Fee	0.02	0.02
	0.67	0.70

34. Income Taxes

a. Income tax expense

Particulars	31st March, 2017	31st March, 2016
Current Tax		
Current tax expense	119.08	198.11
Deferred Tax		
Decrease / (increase) in deferred tax assets	(25.89)	(1.49)
(Decrease) / increase in deferred tax liabilities	25.89	18.65
Total deferred tax expenses (benefit)	-	17.17
Total Income tax expenses *	119.08	215.28

*This excludes tax benefit on other comprehensive Income of ₹0.58 cr. & ₹0.11 cr. for 31st March, 2017 & 31st March, 2016 respectively.

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

Particulars	31st March, 2017	31st March, 2016
Profit before Income tax expense	549.71	914.01
Tax at the Indian Tax Rate*	117.32	195.06
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Dividend income	(0.04)	(0.12)
Expenditure related to exempt Income	0.00	0.00
Others (including deferred tax)	1.80	20.33
Income Tax Expense	119.08	215.28

*The company is covered under the provisions of MAT u/s 115JB and the applicable Indian Tax rate for year ended 31st March, 2017 and 31st March, 2016 is 21.3416%.

Notes to the Financial Statements

c. Current tax (liabilities)/assets

₹ in crores

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Opening balance	(9.26)	(7.33)	(0.19)
Income tax paid	117.98	196.08	69.10
Current income tax payable for the period / year	(118.50)	(198.00)	(76.25)
Net current income tax asset/ (liability) at the end	(9.78)	(9.26)	(7.33)

35. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants upto commencement of commercial operation.

For the period ended	31st March, 2017	31st March, 2016	1st April, 2015
Opening Balance	-	3.03	0.25
Incurred during the current year			
Salaries, allowance and contribution to funds	18.45	1.69	0.68
Professional Fees	0.61	0.19	0.07
Travelling Expenses	0.88	0.42	0.29
Others	4.28	2.27	1.75
Total	24.21	7.60	3.03
Less: Capitalised during the year	-	(7.60)	
Closing balance	24.21	-	3.03

36. Research and Development Expenses

For the period ended	31st March, 2017	31st March, 2016
Material Consumption	83.38	49.76
Employee Benefits Expense	75.76	49.53
Utilities	9.69	8.19
Others	195.91	108.67
Depreciation	13.70	9.52
	378.44	225.67

37 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 ₹4.22 crores on various projects during the year, refer Annexure - A (point no. 5) included in the Board's Report.

38 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (i.e. as provided in the notification no. S.O. 3407(E), dated 8th Nov, 2016 issued by the Government of India) or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017, on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in INR

For the period ended	SBNs	Other denomination notes	Total
Closing Cash in hand as on 8th November, 2016	33,27,000	14,32,458	47,57,458
(+) Permitted Receipt	-	59,74,132	59,74,132
(-) Permitted Payment	-	(64,01,121)	(64,01,121)
(-) Amount deposited in Bank	(33,27,000)	-	(33,27,000)
Closing Cash in hand as on 30th December, 2016	-	10,05,469	10,05,469

Notes to the Financial Statements

39. First Time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS

The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016, and in the preparation of an opening Ind AS balance sheet at 1st April, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Act (previous GAAP or Indian GAAP).

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS

A.1. Ind AS optional exemptions

A.1.1 Business Combinations

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

Business Combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates and joint venture.

The Company has elected not to apply Ind AS 21 retroactively to fair value adjustment and goodwill arising in business combination that occurred prior to the transition date

A.1.2 Deemed cost

The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value i.e deemed cost.

A.1.3. Investments in subsidiaries, associates and joint venture

The Company has elected to measure all of its investments in subsidiaries, associates and joint venture at their previous GAAP carrying value.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

39.1 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at 1st April, 2015 and 31st March, 2016
- Net profit for the year ended 31st March, 2016

39.1.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

₹ in crores

Particulars	Notes to first time adoption	As at 1st April, 2015			As at 31st March, 2016		
		Previous GAAP	Effect of Transition	Ind AS	Previous GAAP	Effect of Transition	Ind AS
ASSETS							
Non Current Assets							
Property, Plant and Equipment		488.68	-	488.68	697.25	-	697.25
Capital Work-in-Progress		83.14	-	83.14	92.34	-	92.34
Other Non-Current Assets - Capital Advance		21.45	-	21.45	29.96	-	29.96
Financial Assets - Investments		33.33	-	33.33	37.46	-	37.46
Total Non Current Assets		626.59	-	626.59	857.01	-	857.01
Current Assets							
Inventories		382.48	-	382.48	533.72	-	533.72
Financial Assets							
- Trade Receivables		337.94	-	337.94	371.50	-	371.50

Notes to the Financial Statements

₹ in crores

Particulars	Notes to first time adoption	As at 1st April, 2015			As at 31st March, 2016		
		Previous GAAP	Effect of Transition	Ind AS	Previous GAAP	Effect of Transition	Ind AS
- Cash and Cash Equivalents		0.99	-	0.99	280.56	-	280.56
- Bank Balances other than cash and cash equivalents		3.41	-	3.41	4.25	-	4.25
- Others Financial Assets		36.19	-	36.19	11.40	-	11.40
Other Current Assets		116.15	-	116.15	123.28	-	123.28
Total Current Assets		877.17	-	877.17	1,324.70	-	1,324.70
Total Assets		1,503.76	-	1,503.76	2,181.72	-	2,181.72
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		37.70	-	37.70	37.70	-	37.70
Other Equity	A	795.86	79.68	875.54	1,492.58	0.46	1,493.03
Total Equity		833.57	79.68	913.24	1,530.28	0.46	1,530.74
LIABILITIES							
Non-Current Liabilities							
Financial Liabilities - Borrowings		18.80	-	18.80	-	-	-
Provisions		9.36	-	9.36	28.23	-	28.23
Deferred Tax Liabilities (Net)		24.04	-	24.04	42.63	-	42.63
Other Non-Current Liabilities		12.84	-	12.84	13.05	-	13.05
Total Non Current Liabilities		65.05	-	65.05	83.91	-	83.91
Financial Liabilities							
- Borrowings		149.81	-	149.81	-	-	-
- Trade Payables	B	316.45	(0.26)	316.19	500.21	(0.46)	499.76
- Other Financial Liabilities		27.07	-	27.07	26.50	-	26.50
Other Current Liabilities		17.22	-	17.22	24.82	-	24.82
Provisions	C	87.27	(79.41)	7.85	6.74	-	6.74
Current Tax Liabilities (Net)		7.33	-	7.33	9.26	-	9.26
Total Current Liabilities		605.15	(79.68)	525.47	567.53	(0.46)	567.07
Total Liabilities		670.20	(79.68)	590.52	651.44	(0.46)	650.98
Total Equity and liabilities		1,503.76	-	1,503.76	2,181.72	-	2,181.72

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

A. Other Equity

- Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.
- Adjustments includes impact of fair value of financial instruments i.e options under Ind AS

B. Financial Liabilities

Adjustments includes impact of fair value of financial instruments i.e options under Ind AS

C. Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

Notes to the Financial Statements

39.1.2 Reconciliation Statement of profit and loss as previously reported under IGAAP to Ind AS for the year ended 31st March, 2016

Particulars	Notes to first time adoption	Previous GAAP	Effect of Transition	Ind AS
Income				
Revenue from Operations		3,009.02	-	3,009.02
Other Income		6.82	-	6.82
Total Income		3,015.85	-	3,015.85
Expenses				
Cost of Materials Consumed		652.52	-	652.52
Purchase of Stock-in-Trade		255.13	-	255.13
Changes in Inventories of Finished Goods and Work in Process		(95.94)	-	(95.94)
Employee Benefits Expense	D	453.84	(0.52)	453.32
Finance costs		3.68	-	3.68
Depreciation and Amortization Expense		71.86	-	71.86
Other Expenses	E	761.46	(0.19)	761.27
Total Expenses		2,102.54	(0.71)	2,101.83
Profit Before Tax		913.31	0.71	914.01
Tax Expense				
Current Tax	F	198.00	0.11	198.11
Deferred Tax		17.17	-	17.17
Total Tax Expense		215.17	0.11	215.28
Profit for the period		698.14	0.60	698.74
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability/asset net of tax		-	(0.41)	(0.41)
Total Other Comprehensive Income		-	(0.41)	(0.41)
Total Comprehensive Income for the period		698.14	0.19	698.33

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

D. Employee Benefits Expense

As per Ind-AS 19- Employee Benefits , actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

E. Other Expenses

Adjustments includes impact of fair value of financial instruments i.e options under Ind AS

F. Current Tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS

39.1.3 Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2016

The transition from previous GAAP to Ind AS has not affected the cash flows of the Company.

40 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

Chirayu R. Amin
Chairman & CEO

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

K.G. Ramanathan
Director

R. K. Baheti
Director-Finance & CFO

Raghuvir M. Aiyar
Partner
Membership No 38128
Mumbai: 3rd May, 2017

Pranav Parikh
Director

Pareesh Saraiya
Director

Milin Mehta
Director

Dr. Archana Hingorani
Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Independent Auditor's Report

To The Members of

Alembic Pharmaceuticals Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ALEMBIC PHARMACEUTICALS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture which comprise of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss including Other Comprehensive Income (financial performance), consolidated cash flows of the Company and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the Company, its subsidiaries, its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group, its associates and joint venture as at 31st March, 2017, its consolidated profit or loss including Other Comprehensive Income (financial performance), consolidated cash flows of the Company and the consolidated changes in Equity of the Company for the year ended on that date.

Other Matters

The financial statements of subsidiaries, joint venture and associates have been audited by other auditors or were subjected to a limited

review by other auditors, whose reports have been furnished to us by the Management and our opinion and report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, is based solely on the reports of the other auditors.

- (a) We did not audit the financial statements / financial information of any of subsidiaries whose financial statements / financial information reflect total assets of ₹576.44 Crores as at 31st March, 2017, total revenues of ₹739.47 Crores and net cash outflows amounting to ₹6.37 Crores for the year ended on that date, as considered in the consolidated financial statements.
- (b) The consolidated financial statements also include the Group's share of net loss of ₹3.83 Crores for the year ended 31st March, 2017 as considered in the consolidated financial statements in respect of associates and joint venture whose financial statements / financial information have not been audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the

Company and as per the reports of the statutory auditors of its subsidiaries / associate companies incorporated in India, none of the directors of the Holding Company and its subsidiaries / associate companies and joint venture incorporated in India is disqualified as on 31st March, 2017 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 Group and its Associates 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 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates and joint venture – Refer Note 31.2 to the consolidated Ind AS financial statements.
 - ii. The Group, its associates and joint venture 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, its Subsidiaries, Associates and joint venture incorporated in India.
 - iv. The Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 at Note No. 36 and these are in accordance with the books of account maintained by the Company. Such information and disclosures, in so far as it relates Associate companies, is based solely on the reports of the other auditors.

For K.S.AIYAR & Co
Chartered Accountants
Firm Registration Number: 100186W

Mumbai
Date: 3rd May, 2017

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Annexure 'A' to the Independent Auditor's Report

Re: 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") referred to in Para (g) on Report on Other Legal and Regulatory Requirements in our report.

In conjunction with our audit of the consolidated Ind AS financial statements of the Alembic Pharmaceuticals Limited as of and for the year ended 31st March, 2017, We have audited the internal financial controls over financial reporting of Alembic Pharmaceuticals Limited (hereinafter referred to as "the Holding Company") and in respect of its subsidiaries, associates and joint venture wherein such audit of the internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, associates and joint venture 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding 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 and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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.

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 the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31 March 2017, 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 Company's subsidiaries, associates and joint venture is solely based on the corresponding reports of the auditors of such companies.

For K.S.AIYAR & Co
Chartered Accountants
Firm Registration Number: 100186W

Mumbai
Date: 3rd May, 2017

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Consolidated Balance Sheet

₹ in crores

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
ASSETS				
Non Current Assets				
Property, Plant and Equipment	6	799.40	708.09	488.71
Capital Work-in-Progress	6	369.28	92.52	83.14
Other Non-Current Assets - Capital Advance		69.72	29.96	21.45
Intangible Assets under development		27.00	-	-
Investment accounted for using Equity Method	7	49.69	53.41	53.79
Financial Assets :-				
- Investments	8	0.47	0.02	0.02
- Other financial assets		50.06	33.30	52.17
Total Non Current Assets		1,365.62	917.31	699.27
Current Assets				
Inventories	9	632.75	569.79	382.48
Financial Assets :-				
(i) Investments				
- Trade Receivables	10	337.47	350.48	355.98
- Cash and Cash equivalents	11	153.08	439.32	22.77
- Bank Balances other than cash and cash equivalents	12	6.52	11.51	3.41
- Others Financial Assets	13	14.10	12.74	37.14
Other Current Assets	14	177.13	127.42	119.91
Total Current Assets		1,321.06	1,511.26	921.70
Total Assets		2,686.68	2,428.57	1,620.97
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	15	37.70	37.70	37.70
Other Equity		1,863.40	1,559.66	926.61
Equity attributable to owners of the Company		1,901.11	1,597.37	964.32
Non-Controlling Interests		0.11	-	-
Total Equity		1,901.22	1,597.37	964.32
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities - Borrowings	16	-	-	18.80
Provisions	17	57.22	28.23	9.36
Deferred Tax Liabilities (Net)	18	36.93	42.74	24.04
Other Non-Current Liabilities	19	12.57	13.05	12.84
Total Non Current Liabilities		106.72	84.02	65.05
Current Liabilities				
Financial Liabilities				
- Borrowings	20	80.24	113.71	206.97
- Trade Payables	21	523.22	565.65	324.63
- Other Financial Liabilities	22	25.09	26.88	27.30
Other Current Liabilities	23	28.06	24.92	17.24
Provisions	24	12.36	6.77	7.85
Current Tax Liabilities (Net)		9.79	9.26	7.62
Total Current Liabilities		678.75	747.19	591.61
Total Liabilities		785.47	831.21	656.65
Total Equity and Liabilities		2,686.68	2,428.57	1,620.97

Significant accounting policies (Note 4)

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

Chirayu R. Amin
Chairman & CEO

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

K.G. Ramanathan
Director

R. K. Baheti
Director-Finance & CFO

Raghuvir M. Aiyar
Partner
Membership No 38128
Mumbai: 3rd May, 2017

Pranav Parikh
Director

Paresh Saraiya
Director

Milin Mehta
Director

Dr. Archana Hingorani
Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Consolidated Statement of Profit and Loss

₹ in crores

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
INCOME			
Revenue from Operations	25	3,134.61	3,165.99
Other Income	26	2.47	7.27
Total Income		3,137.08	3,173.26
EXPENSES			
Cost of Materials Consumed	27	703.87	653.94
Purchase of Stock-in-Trade		202.13	223.13
Changes in Inventories of Finished Goods and Work in Process	27	(47.90)	(95.94)
Employee Benefits Expense	28	558.83	472.85
Finance Costs		5.12	5.43
Depreciation and Amortization Expense	6	82.97	72.21
Other Expenses	29	1,102.96	905.32
Total Expense		2,607.99	2,236.95
Profit/(loss) before share of (profit)/loss of an associate and a joint venture exceptional items and tax		529.09	936.31
Share of profit/(loss) of an associate and a joint venture		(3.83)	(0.15)
Share of Non-controlling Interest		0.09	-
Profit Before Tax		525.36	936.16
Tax Expense			
Current Tax		122.40	198.75
Deferred Tax		(0.21)	17.37
Profit for the period		403.16	720.03
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss Actuarial Gains / (Losses)		(2.71)	(0.52)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.58	0.11
Total Other Comprehensive Income		(2.13)	(0.41)
Total Comprehensive Income for the period		401.03	719.63
Earnings per equity share (FV ₹2/- per share) :			
Basic & Diluted (in ₹)	30	21.39	38.19

Significant accounting policies (Note 4)

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

As per our report of even date

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Director

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Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Consolidated Cash Flow Statement

₹ in crores

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016		Year ended 01st April, 2015	
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Net Profit before tax	525.36		936.16		359.07	
Add : Share of Loss from Associates & Joint Venture	(3.83)	521.53	(0.15)	936.01	(1.07)	358.00
Add:						
1 Depreciation	82.97		72.21		44.41	
2 Interest charged	5.12		5.43		3.81	
3 Unrealised Foreign Exchange Loss / (Gain)	-		(3.03)		(10.58)	
4 Foreign Currency Translation Reserve	(5.29)		(2.52)		(4.79)	
5 (Gain) / Loss on sale of Property, Plant & Equipment	0.07	82.87	(0.00)	72.09	0.01	32.86
Less:						
1 Interest Income	0.92		1.75		2.03	
2 Dividend Income	0.19	1.11	0.58	2.34	0.11	2.13
Operating Profit before change in working capital		603.29		1,005.76		388.73
Working capital changes:						
Add / (Less):						
1 (Increase) / Decrease in Inventories	(62.96)		(187.31)		(71.70)	
2 (Increase) / Decrease in Trade Receivables	13.01		4.60		(125.45)	
3 (Increase) / Decrease in Capital Advances	(39.76)		(8.52)		(13.87)	
4 (Increase) / Decrease in Other Financial Assets	(1.36)		24.40		(3.07)	
5 (Increase) / Decrease in Other Current Assets	(49.71)		(7.59)		(26.61)	
6 Increase / (Decrease) in Trade Payables	(87.57)		264.49		73.03	
7 Increase / (Decrease) in other Financial Liabilities	(2.42)		23.88		(0.43)	
8 Increase / (Decrease) in other Current Liabilities	3.14		7.68		4.98	
9 Increase / (Decrease) in Current Provisions	2.11		(1.60)		2.06	
10 Increase / (Decrease) in Non-Current Provisions	28.99	(196.52)	18.87	138.90	2.68	(158.38)
Cash generated from operations		406.77		1,144.67		230.34
Add / (Less):						
Direct Taxes paid (Net of refunds)		(117.96)		(197.01)		(69.42)
Net Cash inflow from Operating Activities (A)		288.80		947.65		160.94
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Add:						
1 Proceeds from sale of Property, Plant & Equipment	19.41		0.13		0.07	
2 Interest Received	1.01		1.72		2.00	
3 Dividend Received	0.19		0.58		0.11	
Less:		20.60		2.43		2.17
1 Purchase of Property, Plant & Equipment / increase in Capital WIP	470.38		301.11		200.68	
2 Purchase of Investments (Net)	(3.60)	466.78	8.13	309.23	34.19	234.87
Net Cash inflow from Investing Activities (B)		(446.18)		(306.80)		(232.70)

Consolidated Cash Flow Statement (contd.)

₹ in crores

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016		Year ended 01st April, 2015	
C. CASH FLOW FROM FINANCIAL ACTIVITIES:						
Add:						
1 Decrease in Restricted Bank Balances other than cash & cash equivalents	4.98		-		-	
2 Increase in other long Term Liabilities	(0.48)		0.21		0.14	
3 Proceeds from Short-Term Borrowings	-	4.50	-	0.21	181.54	181.68
Less:						
1 Repayment of Borrowings (Non-Current)	4.65		39.23		37.20	
2 Repayment of Short-Term Borrowings	33.47		93.26		-	
3 Increase in Restricted Bank Balances other than cash & cash equivalents	-		8.10		2.22	
4 Dividends paid (including distribution tax)	90.10		78.70		65.50	
5 Interest and other Finance Costs	5.16	133.37	5.22	224.51	5.00	109.92
Net Cash inflow from Financing Activities (C)		(128.87)		(224.30)		71.76
I Net (decrease)/increase in cash and cash equivalents		(286.24)		416.55		0.00
II Add: Cash and cash equivalents at the beginning of the period		439.32		22.77		22.77
III Cash and cash equivalents at the end of the period		153.08		439.32		22.77

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

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Chairman & CEO

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

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Partner
Membership No 38128
Mumbai: 3rd May, 2017

Pranav Parikh
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Director

Milin Mehta
Director

Dr. Archana Hingorani
Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Consolidated Statement of Changes in Equity

A Equity Share Capital

Particulars	No. of Shares	Amount in ₹ Crores
Balance as at 1st April, 2015	18,85,15,914	37.70
Changes in equity share capital during FY 2015-16	-	-
Balance as at 31st March, 2016	18,85,15,914	37.70
Balance as at 31st March, 2016	18,85,15,914	37.70
Changes in equity share capital during FY 2016-17	-	-
Balance as at 31st March, 2017	18,85,15,914	37.70

B Other Equity

₹ in crores

Particulars	Reserves and Surplus			Other items of OCI	Exchange differences on translation	Total
	Capital Reserve	General Reserve	Retained Earnings			
Restated Balance at 1st April, 2015	0.30	540.31	381.26	(3.44)	8.18	926.61
Profit for the period		-	720.03			720.03
Other Comprehensive Income - Actuarial Gains/(Losses)			-	(0.41)		(0.41)
Total Comprehensive Income						719.63
Foreign currency translation reserve					2.52	2.52
Dividends paid including Tax on Dividend	-	-	(79.41)	-		(79.41)
Any other change						
- Transfer from Retained Earnings to General Reserve	-	300.00	(300.00)	-		-
- Reversal of Deferred Tax Asset on account of Intangible assets pursuant to the order of Hon'ble Gujarat High Court	-	(1.42)	-	-		(1.42)
- Share of Associate / Joint Venture			(8.26)			(8.26)
Balance at 31st March, 2016	0.30	838.89	713.62	(3.84)	10.70	1,559.66
Balance at 1st April, 2016	0.30	838.89	713.62	(3.84)	10.70	1,559.66
Profit for the period	-	-	403.16	-		403.16
Adjustment for Share of loss of Minority recoverable			(0.09)			(0.09)
Other Comprehensive Income - Actuarial Gains/(Losses)	-	-	-	(2.13)		(2.13)
Total Comprehensive Income						400.94
Foreign currency translation reserve					(5.29)	(5.29)
Dividends paid including Tax on Dividend	-	-	(90.76)	-		(90.76)
Any other change						
- Transfer from Retained Earnings to General Reserve	-	300.00	(300.00)	-		-
- Reversal of Deferred Tax Asset on account of Intangible assets pursuant to the order of Hon'ble Gujarat High Court	-	(1.15)	-	-		(1.15)
Balance at 31st March, 2017	0.30	1,137.74	726.02	(5.98)	5.41	1,863.40

During the year ended 31st March, 2016 an amount of ₹4.00 (P.Y. ₹ 3.50) of dividend per equity share was paid to the equity shareholders after the AGM approval. ₹65.98 Cr and corporate tax of ₹13.43 in relation to FY 2014-15

During the year ended 31st March, 2017 an amount of ₹4.00 (P.Y. ₹4.00) of dividend per equity share was paid to the equity shareholders after the AGM approval. ₹75.41 Cr and corporate tax of ₹15.35 in relation to FY 2015-16

The Board of Directors has recommended dividend on Equity Shares at ₹4/- per share i.e 200% for the year ended on 31st March, 2017. Dividend Proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

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Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Notes to the Consolidated Financial Statements

1 Basis of Preparation:

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, 2017.

2 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 or losses as per Ind AS 27 – "Consolidated and Separate Financial Statements" specified under Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules, 2015.

On consolidation, transactions are recorded by the Company at the rate of exchange prevailing on the date of transaction. All monetary assets and monetary liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

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 and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3 Companies Included in Consolidation:

Name	Nature	Country of incorporation	Proportion of ownership interest as on 31.03.2017
Alembic Global Holding SA	Subsidiary	Switzerland	100% subsidiary of
AG Research Private Limited	Subsidiary	India	Alembic Pharmaceuticals Limited
Aleor Dermaceuticals Limited	Subsidiary	India	60% subsidiary of
			Alembic Pharmaceuticals Limited
Alembic Pharmaceuticals Australia Pty Ltd	Subsidiary	Australia	100% subsidiary of
Alembic Pharmaceutical Inc	Subsidiary	U.S.A	Alembic Global Holding SA
Alembic Pharmaceuticals Europe Limited	Subsidiary	Malta	
Alnova Pharmaceuticals SA	Subsidiary	Switzerland	
Alembic Pharmaceuticals Canada Ltd	Subsidiary	Canada	
Genius LLC	Subsidiary	Ukraine	
Alembic Mami SPA	Joint Venture	Algeria	49% shareholding of
			Alembic Global Holding SA
Rhizen Pharmaceuticals SA	Associate	Switzerland	40.3% shareholding of
			Alembic Global Holding SA
Dahlia Therapeutics SA	Subsidiary of Associate	Switzerland	100% subsidiary of
			Rhizen Pharmaceuticals SA
Incozen Therapeutics Pvt Limited	Associate	India	50% shareholding of
			Alembic Pharmaceuticals Limited

Rhizen Pharmaceuticals Inc, (100% Subsidiary of Rhizen Pharmaceuticals SA) is incorporated by issue of shares but there are no transactions carried out by the Company and therefore its not required to compile the Accounts.

4 Significant Accounting Policies:

The accounting policies of the Company and that of its subsidiaries, associates and Joint Venture are similar and as per Ind AS in India.

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	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total	Capital work in progress	
Gross carrying amount											
Deemed cost as at 1 April 2015	1.92	16.35	190.31	445.54	105.76	9.67	29.53	3.78	802.88	83.14	
Additions	-	4.15	74.61	166.58	38.92	4.20	1.87	1.39	291.72	91.44	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	0.69	-	-	0.25	0.02	0.97	-	
Transfer (Rep CWIP Cap during the year)	-	-	-	-	-	-	-	-	-	82.05	
As at 31 March 2016	1.92	20.49	264.93	611.43	144.69	13.87	31.15	5.15	1,093.63	92.52	
Accumulated Depreciation											
As at 1 April 2015	-	1.15	31.42	202.02	62.19	5.03	10.04	2.31	314.17	-	
Depreciation charge for the year	-	0.22	12.21	44.55	7.34	0.82	6.43	0.65	72.21	-	
Disposals	-	-	-	0.66	-	-	0.16	0.02	0.84	-	
As at 31 March 2016	-	1.37	43.63	245.92	69.53	5.85	16.31	2.93	385.54	-	
Net book value											
As at 1st April, 2015	1.92	15.20	158.89	243.52	43.57	4.64	19.49	1.47	488.71	83.14	
As at 31st March, 2016	1.92	19.13	221.30	365.51	75.15	8.02	14.84	2.22	708.09	92.52	
Gross carrying amount											
Deemed cost as at 1 April 2016	1.92	20.49	264.93	611.43	144.69	13.87	31.15	5.15	1,093.63	92.52	
Additions	-	0.14	32.46	113.53	43.18	2.77	0.54	0.99	193.62	350.36	
Disposals	-	-	-	14.39	0.55	1.05	16.34	0.08	32.41	0.18	
Transfer (Rep CWIP Cap during the year)	-	-	-	-	-	-	-	-	-	73.41	
As at 31 March 2017	1.92	20.64	297.39	710.57	187.31	15.59	15.35	6.07	1,254.84	369.28	
Accumulated Depreciation											
As at 1 April 2016	-	1.37	43.63	245.92	69.53	5.85	16.31	2.93	385.54	-	
Depreciation charge for the year	-	0.30	11.88	55.69	11.33	1.04	2.03	0.71	82.97	-	
Disposals	-	-	-	1.95	0.45	0.15	10.32	0.21	13.07	-	
As at 31 March 2017	-	1.66	55.51	299.66	80.41	6.74	8.02	3.44	455.44	-	
Net book value											
As at 31st March, 2016	1.92	19.13	221.30	365.51	75.15	8.02	14.84	2.22	708.09	92.52	
As at 31st March, 2017	1.92	18.98	241.88	410.91	106.90	8.86	7.33	2.63	799.40	369.28	

Note:

- On 30th November 2016, the Company acquired the business of A.G. Research Pvt. Ltd. (100% Subsidiary of APL) on as is where is basis with effect from 1st April, 2016.
- The Company does not have any restrictions on the title of its property, plant and equipment. The Company has hypothecated its all movable PPE for the financial facilities
- Borrowing cost capitalised during the period amounting to ₹2.37 crores, with capitalisation rate of 5.7%
- Sales proceeds are deducted from gross cost where cost is unascertainable

Notes to the Consolidated Financial Statements

7. Investment accounted for using Equity Method

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Investments in Equity Instruments						
Unquoted Equity Instruments						
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	1.83		1.90		1.90	
Less : Share in Profit / (loss) for the period	(0.12)	1.72	(0.07)	1.83		1.90
50,000 (PY: 50,000) equity shares of CHF 1 each fully paid up in Rhizen Pharmaceuticals SA for drug discovery and clinical development	0.26		0.34		0.34	
Add /(Less) : Share in Profit / (loss) for the period	(0.06)		(0.08)		-	
Add/(Less):Impact of Foreign Currency translations	-	0.20	-	0.26	-	0.34
Investment in Joint Venture						
34,297 (PY 34,297) equity shares of DZD 1000 each fully paid up representing 49% of equity in Alembic Mami SPA, Algeria	51.32		59.82		36.59	
Add /(Less) : Share in Profit / (loss) for the period	(3.65)		(8.50)		14.96	
Add/(Less):Impact of Foreign Currency translations	0.10	47.77	-	51.32	-	51.54
Aggregate amount of Unquoted Investments		49.69		53.41		53.79

8. Investments (Non-Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Unquoted Equity Instruments						
Others						
18,000 (PY: 18,000) equity shares of ₹1 each fully paid up in Shivalik Solid Waste Management Ltd.	0.02		0.02		0.02	
Investments in Preference Shares						
1% Cummulative Redeemable Non-Convertible Preference Shares 4,50,000 (PY: NIL) of ₹10 each fully paid up in EICL to be redemption date 14.12.2031	0.45		-		-	
	0.47		0.02		0.02	

9. Inventories (Basis of Valuation - Refer Note 2.6 of Standalone financial statements)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Raw Materials		134.14		138.75		88.29
Packing Materials		18.56		23.26		18.15
Work-in-Process		30.72		24.26		24.16
Finished Goods		345.02		297.96		210.69
Traded Goods		99.66		83.24		38.58
Stores and Spares		4.65		2.32		2.60
		632.75		569.79		382.48

Note:

Total inventories are hypothecated as security for borrowings

Write-down of inventories to net realisable value amounted to ₹3.16 Crores (PY ₹1.10 crores). These were recognised as an expense during the year and included in changes of inventories in consolidated statement of profit and loss

Finished Goods includes Goods in transit worth ₹19.64 Crores (PY ₹ NIL)

Notes to the Consolidated Financial Statements

10. Trade Receivables (Current / Unsecured)

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Considered good		337.47		350.48		355.98
Considered Doubtful		7.82		8.51		6.21
Less:						
Provision for doubtful debts		(7.82)		(8.51)		(6.21)
		337.47		350.48		355.98

Total Receivables are hypothecated as security for borrowings

11. Cash and Cash Equivalents

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Balances with Banks		152.91		439.08		22.43
Cash on hand		0.17		0.24		0.35
		153.08		439.32		22.77

12. Bank balances other than Cash and Cash equivalents

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Unpaid Dividend Account		3.18		2.52		1.81
Margin Money Deposit Account		3.35		8.99		1.60
		6.52		11.51		3.41

13. Others Financial Assets

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Security Deposits		4.54		4.08		3.47
Security Deposits given to related parties		9.57		8.67		33.67
		14.10		12.74		37.14

14. Other Current Assets (Unsecured, considered good)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Advance against Expenses - Employees		3.91		4.62		4.11
Advances other than capital advances		51.72		17.74		26.87
Pre-paid Expense		7.55		7.08		9.40
Others Advances		113.95		97.97		79.54
		177.13		127.42		119.91

15. Equity Share Capital

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Authorized						
20,00,00,000 - Equity shares of ₹2/- each		40.00		40.00		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		37.70		37.70

Notes to the Consolidated Financial Statements

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

As at	31st March, 2017		31st March, 2016		01st April, 2015	
	Numbers	₹ in Crs.	Numbers	₹ in Crs.	Numbers	₹ in Crs.
At the beginning of the year	18,85,15,914	37.70	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	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

As at	31st March, 2017		31st March, 2016		01st April, 2015	
	Numbers	% held	Numbers	% held	Numbers	% held
1 Alembic Limited	5,50,00,000	29.18%	5,50,00,000	29.18%	5,50,00,000	29.18%
2 Shreno Limited	2,06,98,780	10.98%	1,83,68,780	9.74%	1,83,68,780	9.74%
3 Whitefield Chemtech Private Limited	1,82,85,230	9.70%	1,82,85,230	9.70%	1,82,85,230	9.70%
4 Sierra Investments Private Limited	1,73,37,670	9.20%	1,71,67,670	9.11%	1,71,67,670	9.11%
5 Nirayu Private Limited	1,37,13,755	7.27%	1,62,13,755	8.60%	1,62,13,755	8.60%

16. Borrowings (Non-Current)

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Term Loan						
From Bank						
Secured Bank Loan (Pre-matured Repaid)		-		-		43.80
Foreign Currency loan from Banks - @ Coupon of LIBOR plus 1.50% p.a. plus proportionate front end fees Secured against first hypothecation charge on all movable plant and machinery ranking pari passu with other lenders Redeemable in 15 equal quarterly installments of USD 1 MN starting from May-13 Effective Rate - Libor + 1.50% - Maturity - Nov-16						
Total Borrowings (Non-Current)		-		-		43.80
Less: Current maturities of long term debt		-		-		25.00
Borrowings (Non-Current) (as per Balance Sheet)		-		-		18.80

17. Provisions (Non-Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Provision for Employee Benefits						
Provision for Leave benefits		15.42		9.43		9.36
Provision for Non-Saleable return of goods		41.79		18.79		-
		57.22		28.23		9.36

Notes to the Consolidated Financial Statements

18. Deferred Tax Liabilities (Net)

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Deferred Tax Liabilities						
Depreciation		92.22		66.55		47.68
Deferred Tax Assets						
Provision for Doubtful debts		2.71		2.95		2.11
MAT Credit Entilement		29.72		7.39		7.39
Preliminary Expense and Demerger Expense		-		-		0.05
Intangible Asset		3.45		4.59		6.02
Others		19.42		8.88		8.07
		36.93		42.74		24.04

19. Other Non-Current Liabilities

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Trade Deposits		12.57		13.05		12.84
		12.57		13.05		12.84

20. Borrowings (Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
From Banks						
Working Capital facilities (Secured)		-		1.89		119.81
Secured against first hypothecation on Stocks and Book Debts ranking pari passu						
- @ varying Coupon repayable on demand						
Short term Loans		80.24		111.82		57.16
Secured against Stand by letter of credit - #						
Secured against Corporate Gaurantee - @						
Working Capital Demand Loan (Unsecured)		-		-		30.00
- Coupon Rate 9.70%, Maturity date 06.04.2015						
		80.24		113.71		206.97

Note :

- Coupon / Interest Rate - 6 months LIBOR + 0.75%, Maturity date 02.07.2017 (USD 5 M), Maturity date 01.06.2017 (EUR 2 M)

@ - Coupon / Interest Rate - 3 months LIBOR + 1.25%, Maturity date 03.08.2017 (USD 5M)

21. Trade Payables

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Due to Micro and Small Enterprises		1.15		0.88		0.96
Trade Payables		522.07		564.77		323.67
		523.22		565.65		324.63

Notes to the Consolidated Financial Statements

22. Other Financial Liabilities

₹ in crores

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Current maturities of long-term debt		-		-		25.00
Book Overdraft		8.28		23.90		-
Payable for capital assets		13.22		-		-
Interest accrued but not due on borrowings		0.35		0.38		0.39
Unpaid dividends		3.18		2.52		1.81
Unpaid / Unclaimed matured deposits and interest accrued thereon		0.07		0.07		0.10
		25.09		26.88		27.30

23. Other Current Liabilities

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Statutory dues payable		17.72		13.50		11.67
Others		10.34		11.42		5.56
		28.06		24.92		17.24

24. Provisions (Current)

As at	31st March, 2017		31st March, 2016		01st April, 2015	
Provision for Employee Benefits						
Provision for Gratuity		6.04		1.77		3.57
Provision for Leave benefits		6.32		5.00		4.28
		12.36		6.77		7.85

25. Revenue from Operations

For the period ended	31st March, 2017		31st March, 2016	
Sale of products				
- Domestic	1,318.07		1,236.48	
- Exports	1,741.45	3,059.52	1,842.52	3,079.00
- Export Incentives		53.43		57.42
- Royalty		17.97		25.97
Other Operating Revenues				
- Miscellaneous		3.68		3.59
		3,134.61		3,165.99

26. Other Income

For the period ended	31st March, 2017		31st March, 2016	
Dividend		0.19		0.58
Insurance Claims		1.21		4.93
Lease Rent Income		0.16		-
Interest Income		0.92		1.75
		2.47		7.27

Notes to the Consolidated Financial Statements

27. Cost of Material Consumed

₹ in crores

For the period ended	31st March, 2017		31st March, 2016	
Inventory at the beginning of the year	162.01		106.44	
Add : Purchases	694.55		709.92	
	856.57		816.35	
Less : Inventory at the end of the year	152.70	703.87	162.01	655.76
Less : Insurance claim received		-		1.82
		703.87		653.94
Changes in inventories of Finished Goods, Work in process				
Inventory at the end of the year				
Work in Process	30.72		24.26	
Finished Goods	386.56	417.28	345.12	369.38
Inventory at the beginning of the year				
Work in Process	24.26		24.16	
Finished Goods	345.12	369.38	249.28	273.44
		(47.90)		(95.94)

28. Employee Benefits Expense

For the period ended	31st March, 2017		31st March, 2016	
Salaries and Wages		528.32		450.76
Contribution / Provisions for Provident and other funds		18.72		12.62
Staff welfare expense		11.79		9.47
		558.83		472.85

29. Other Expenses

For the period ended	31st March, 2017		31st March, 2016	
Consumption of Stores, Spares, Laboratory Material and Analytical Expense		149.62		130.09
Power and Fuel		64.20		58.89
Manufacturing and Labour Charges		29.55		26.62
Repairs and Maintenance				
Machinery	16.98		12.70	
Buildings	9.43		7.31	
Others	4.54	30.96	3.67	23.69
Freight and Forwarding Charges		40.92		29.52
Publicity Expense, Service Fees and Commission		352.22		244.62
Excise Duty		29.46		42.82
Rent		13.56		10.28
Rates and Taxes		8.86		7.38
Insurance		5.60		4.09
Travelling Expense		113.98		109.41
Communication Expenses		23.17		18.09
Legal & Professional Fees		115.11		83.14

Notes to the Consolidated Financial Statements

29. Other Expenses (contd.)

₹ in crores

For the period ended	31st March, 2017		31st March, 2016	
Payment to Auditors		0.99		0.87
Exchange Difference (net)		5.97		(1.56)
Bad Debts written off	1.98		3.35	
Less : Bad Debts Provision Utilised	0.46	1.51	-	3.35
Provision for Doubtful Debts		(0.22)		2.30
Expenses on CSR Activities		4.22		6.30
External Bio-Studies		98.20		91.12
Miscellaneous Expenses		15.10		14.31
		1,102.96		905.32

30. Earnings Per Share (EPS)

For the year ended	31st March, 2017	31st March, 2016
Profit after Tax available for equity shareholders (₹ in crores)	401.03	719.63
Weighted average numbers of equity shares	18,85,15,914	18,85,15,914
Basic and Diluted Earnings per share (Face Value per share ₹2/- each)	21.39	38.19

31. Capital Commitment and Contingent Liabilities

As at	31st March, 2017	31st March, 2016	1st April, 2015
31.1 Estimated amount of contracts net of advances remaining to be executed on capital accounts	227.18	197.78	47.66
31.2 Contingent liabilities not provided for			
Letter of credit, Guarantees and counter guarantees	72.42	93.42	33.88
Liabilities Disputed in appeals			
- Excise duty	5.99	5.64	5.04
- Sales Tax	2.91	5.69	5.03
- Income Tax	0.03	0.08	0.08
Claims against the company not acknowledged as debt	0.37	3.43	3.43
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	0.35

Notes to the Consolidated Financial Statements

32. Additional Information

₹ 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	Amount	As % of consolidated	Amount
Parent : Alembic Pharmaceuticals Limited	94.02%	1787.53	96.37%	388.54	100.00	2.13	96.35%	386.41
Subsidiaries :								
1. Indian : A G Research Pvt Ltd.	0.20%	3.73	(0.16)%	(0.65)	Nil	Nil	(0.16)%	(0.65)
Aleor Dermaceuticals Limited	0.02%	0.33	(0.05)%	(0.22)	Nil	Nil	(0.05)%	(0.22)
2. Foreign : Alembic Global Holding SA (wholly owned subsidiary of Alembic Pharmaceuticals Limited)*	5.76%	109.52	3.85%	15.53	Nil	Nil	3.87%	15.53
Minority interest in all subsidiaries	Nil	Nil	0.02%	0.09	Nil	Nil	0.02%	0.09
Associates : (Investment as per the equity method)								
1. Indian : Incozen Therapeutics Pvt Limited	Nil	Nil	(0.03)%	(0.12)	Nil	Nil	(0.03)%	(0.12)
2. Foreign : NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joint Venture: (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

*Note: Information in respect of Alembic Global Holding SA is as per its Consolidated Financial Statements.

33. 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

Name of the subsidiary	Alembic Global Holding SA	A G Research Pvt Ltd	Aleor Dermaceuticals Limited
Date since when subsidiary was acquired	14.12.2007	01.07.2015	23.05.2016
Reporting period for the subsidiary	31.03.2017	31.03.2017	31.03.2017
Reporting currency and Exchange rate as on the last date of the relevant Financial year	1 CHF – 64.74 INR	INR	INR

Notes to the Consolidated Financial Statements

Part "A": Subsidiaries (Contd.)

₹ in crores

Name of the subsidiary	Alembic Global Holding SA	A G Research Pvt Ltd	Aleor Dermaceuticals Limited
Share capital	29.13	4.13	0.50
Reserves & surplus	80.39	(0.40)	(0.17)
Total assets	493.04	4.48	78.91
Total Liabilities	383.52	0.76	78.58
Investments	47.98	NIL	0.23
Turnover	739.42	NIL	NIL
Profit / (Loss) before taxation	18.85	(0.85)	(0.22)
Provision for taxation	3.32	0.21	NIL
Profit / (Loss) after taxation	15.53	(0.65)	(0.22)
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100%	100%	60%

Notes:

- The following company's accounts are consolidated in Alembic Global Holding SA, a wholly owned subsidiary of Alembic Pharmaceuticals Limited:
 - Alembic Pharmaceuticals Europe Limited (Subsidiary of Alembic Global Holding SA)
 - Alembic Pharmaceuticals, Inc. (Subsidiary of Alembic Global Holding SA)
 - Alembic Pharmaceuticals Canada Limited (Subsidiary of Alembic Global Holding SA)
 - Alembic Pharmaceuticals Australia Pty Limited (Subsidiary of Alembic Global Holding SA)
 - Alnova Pharmaceuticals SA (Subsidiary of Alembic Global Holding SA)
 - Genius LLC (Subsidiary of Alembic Global Holding SA)
 - Rhizen Pharmaceuticals SA (Associate of Alembic Global Holding SA)
 - Dahlia Therapeutics SA (Subsidiary of Rhizen Pharmaceuticals SA)
 - Alembic Mami SPA (Joint Venture of Alembic Global Holding SA)
- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. - NA

Part "B": Associates and Joint Venture

Name of Associates	Incozen Therapeutics Pvt. Ltd.
Latest audited Balance Sheet Date	31.03.2017
Date on which the Associate was acquired	07.02.2009
Shares of Associate/ Joint Venture held by the company on the year end	
Number of Shares	1,000,000
Amount of Investment in Associates	3
Extent of Holding %	50%
Description of how there is significant influence	-
Reason why the associate/ Joint Venture Company is not consolidated	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	1.72
Profit / (Loss) for the year	(0.24)
Considered in Consolidation	(0.12)
Not Considered in Consolidation	(0.12)

Notes:

- Names of associates or Joint Venture which are yet to commence operations. – NA
- Names of associates or Joint Venture which have been liquidated or sold during the year. NA

Notes to the Consolidated Financial Statements

34. Income Taxes

A. Income tax expense

₹ in crores

Particulars	31st March, 2017		31st March, 2016	
Current Tax				
Current tax expense		122.40		198.75
Deferred Tax				
Decrease / (increase) in deferred tax assets		(25.88)		(1.50)
(Decrease) / increase in deferred tax liabilities		25.67		18.87
Total deferred tax expenses (benefit)		(0.21)		17.37
Total Income tax expenses *		122.19		216.12

*This excludes tax benefit on Other comprehensive income of ₹0.58 cr. & ₹0.11 cr. for 31st March, 2017 & 31st March, 2016 respectively.

B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31st March, 2017		31st March, 2016	
Profit before Income tax expense		525.36		936.16
Tax at the Indian Tax Rate*		112.12		199.79
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				.
Dividend income		(0.04)		(0.12)
Expenditure related to exempt Income		0.00		0.00
Effect on account of overseas tax		8.52		(4.08)
Others (including deferred tax)		1.59		20.54
Income Tax Expense		122.19		216.12

*The company falls under the provisions of MAT u/s 115JB and the applicable Indian statutory tax rate for year ended March 31, 2017 and March 31, 2016 is 21.3416%.

C. Current tax (liabilities)/assets

Particulars	31st March, 2017		31st March, 2016		01st April, 2015	
Opening balance		(9.26)		(7.62)		(0.69)
Income tax paid		121.29		197.00		69.42
Current income tax payable for the period / year		(121.82)		(198.64)		(76.35)
Net current income tax asset/ (liability) at the end		(9.79)		(9.26)		(7.62)

35. Research and Development Expenses:

For the period ended	31st March, 2017		31st March, 2016	
Material Consumption		83.38		49.76
Employee Benefits Expense		75.76		49.53
Utilities		9.69		8.19
Others		244.64		199.58
Depreciation		13.70		9.52
		427.17		316.58

Notes to the Consolidated Financial Statements

36. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (i.e. as provided in the notification no. S.O. 3407(E), dated 8th Nov, 2016 issued by the Government of India) or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017, on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in INR

For the period ended	SBNs	Other denomination notes	Total
Closing Cash in hand as on 8th November, 2016	34,87,000	14,62,615	49,49,615
(+) Permitted Receipt	-	64,44,132	64,44,132
(-) Permitted Payment	-	(68,17,481)	(68,17,481)
(-) Amount deposited in Bank	(34,87,000)	-	(34,87,000)
Closing Cash in hand as on 30th December, 2016	-	10,89,266	10,89,266

37. Operating Segment

The Holding Company has only one reportable segment i.e Pharmaceuticals

₹ in crores

Information about products and services:		
API		640.17
Formulations		2,490.76
Information about Geographical Areas:		
Revenue from External Customers		
In India		1,318.07
Outside India		1,812.86
Non-Current Assets		
In India		1266.12
Outside India		99.50
Information about major customers		
Consolidated Revenue – exceeding 10% from each single external customer		NIL

38. First Time Adoption of Ind AS

These are the Company's first Consolidated financial statements prepared in accordance with Ind AS

The significant accounting policies set out in note 4 have been applied in preparing the financial statements for the year ended 31st March, 2017, and the comparative information presented in these financial statements for the year ended 31st March, 2016, and in the preparation of an opening Ind AS balance sheet at 1st April, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Act (previous GAAP or Indian GAAP).

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS by the company.

A.1. Ind AS optional exemptions

A.1.1. Business Combinations

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

Business Combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates and joint venture.

The Company has elected not to apply Ind AS 21 retrospectively to fair value adjustment and goodwill arising in business combination that occurred prior to the transition date

Notes to the Consolidated Financial Statements

A.1.2. Deemed cost

The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value i.e. deemed cost.

A.1.3. Investments in subsidiaries, associates and joint venture

The Company has elected to measure all of its investments in subsidiaries, associates and joint venture at their previous GAAP carrying value. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A.1.4. Translation Difference

The company has opted not to make cumulative translation difference that existed on the date of transition as zero.

38.1 Statement of Reconciliation between the IGAAP and Ind AS

Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at 1st April, 2015 and 31st March, 2016
- Net profit for the year ended 31st March, 2016

38.1.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

₹ in crores

Particulars	Notes to first time adoption	As at 1st April, 2015			As at 31st March, 2016		
		Previous GAAP	Effect of Transition	Ind AS	Previous GAAP	Effect of Transition	Ind AS
ASSETS							
Non Current Assets							
Property, Plant and Equipment		488.71	-	488.71	708.09	-	708.09
Capital Work-in-Progress		83.14	-	83.14	92.52	-	92.52
Other Non-Current Assets - Capital Advance		21.45	-	21.45	29.96	-	29.96
Investment accounted for using Equity Method		53.79		53.79	53.41		53.41
Financial Assets - Investments		0.02	-	0.02	0.02	-	0.02
Financial Assets - Other Financial Assets		52.17		52.17	33.30		33.30
Total Non Current Assets		699.27	-	699.27	917.31	-	917.31
Current Assets							
Inventories		382.48	-	382.48	569.79	-	569.79
Financial Assets							
- Trade Receivables		355.98	-	355.98	350.48	-	350.48
- Cash and Cash equivalents		22.77	-	22.77	439.32	-	439.32
- Bank Balances other than cash and cash equivalents		3.41	-	3.41	11.51	-	11.51
- Others Financial Assets		37.14	-	37.14	12.74	-	12.74
Other Current Assets		119.91	-	119.91	127.42	-	127.42
Total Current Assets		921.70	-	921.70	1,511.26	-	1,511.26
Total Assets		1,620.97	-	1,620.97	2,428.57	-	2,428.57
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		37.70	-	37.70	37.70	-	37.70
Other Equity	A	846.93	79.68	926.61	1,559.21	0.46	1,559.66
Total Equity		884.64	79.68	964.32	1,596.91	0.46	1,597.37

Notes to the Consolidated Financial Statements

₹ in crores

Particulars	Notes to first time adoption	As at 1st April, 2015			As at 31st March, 2016		
		Previous GAAP	Effect of Transition	Ind AS	Previous GAAP	Effect of Transition	Ind AS
LIABILITIES							
Non-Current Liabilities							
Financial Liabilities- Borrowings		18.80	-	18.80	-	-	-
Provisions		9.36	-	9.36	28.23	-	28.23
Deferred Tax Liabilities (Net)		24.04	-	24.04	42.74	-	42.74
Other Non-Current Liabilities		12.84	-	12.84	13.05	-	13.05
Total Non Current Liabilities		65.05	-	65.05	84.02	-	84.02
Current Liabilities							
Financial Liabilities							
- Borrowings		206.97	-	206.97	113.71	-	113.71
- Trade Payables	B	324.90	(0.26)	324.63	566.11	(0.46)	565.65
- Other Financial Liabilities		27.30	-	27.30	26.88	-	26.88
Other Current Liabilities		17.24	-	17.24	24.92	-	24.92
Provisions	C	87.27	(79.41)	7.85	6.77	-	6.77
Current Tax Liabilities (Net)		7.62	-	7.62	9.26	-	9.26
Total Current Liabilities		671.29	(79.68)	591.61	747.65	(0.46)	747.19
Total Liabilities		736.33	(79.68)	656.65	831.66	(0.46)	831.21
Total Equity and Liabilities		1,620.97	-	1,620.97	2,428.57	-	2,428.57

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

A. Other Equity

- Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.
- Adjustments includes impact of fair value of financial instruments i.e options under Ind AS

B. Financial Liabilities

Adjustments includes impact of fair value of financial instruments i.e options under Ind AS

C. Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

38.1.2 Reconciliation Statement of profit and loss as previously reported under IGAAP to Ind AS for the year ended 31st March, 2016

Particulars	Notes to first time adoption	Previous GAAP	Effect of Transition	Ind AS
Income				
Revenue from Operations		3,165.99	-	3,165.99
Other Income		7.27	-	7.27
Total Income		3,173.26	-	3,173.26
Expenses				
Cost of Materials Consumed		653.94	-	653.94
Purchase of Stock-in-Trade		223.13	-	223.13
Changes in Inventories of Finished Goods and Work in Process		(95.94)	-	(95.94)
Employee Benefits Expense	D	473.37	(0.52)	472.85
Finance costs		5.43	-	5.43

Notes to the Consolidated Financial Statements

₹ in crores

Particulars	Notes to first time adoption	Previous GAAP	Effect of Transition	Ind AS
Depreciation and Amortization Expense		72.21	-	72.21
Other Expenses	E	905.51	(0.19)	905.32
Total Expense		2,237.65	(0.71)	2,236.95
Profit/(loss) before share of (profit)/loss of an associate and a joint venture exceptional items and tax		935.60	0.71	936.31
Share of profit/(loss) of an associate and a joint venture		(0.15)	-	(0.15)
Profit Before Tax		935.45		936.16
Tax Expense				
Current Tax	F	198.64	0.11	198.75
Deferred Tax		17.37	-	17.37
Total Tax Expense		216.01	0.11	216.12
Profit for the period		719.44	0.60	720.03
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability/asset net of tax		-	(0.41)	(0.41)
Total Other Comprehensive Income		-	(0.41)	(0.41)
Total Comprehensive Income for the period		719.44	0.19	719.63

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

D. Employee Benefits Expense

As per Ind-AS 19- Employee Benefits , actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

E. Other Expenses

Adjustments includes impact of fair value of financial instruments i.e options under Ind AS

F. Current Tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS

38.1.3 Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2016

The transition from previous IGAAP to Ind AS has not affected the cash flows of the Company.

39. Previous years 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

Chirayu R. Amin
Chairman & CEO

Pranav Amin
Managing Director

Shaunak Amin
Managing Director

K.G. Ramanathan
Director

R. K. Baheti
Director-Finance & CFO

Raghuvir M. Aiyar
Partner
Membership No 38128
Mumbai: 3rd May, 2017

Pranav Parikh
Director

Paresh Saraiya
Director

Milind Mehta
Director

Dr. Archana Hingorani
Director

Ajay Desai
Vice President-Finance &
Company Secretary
Vadodara: 3rd May, 2017

Alembic Pharmaceuticals Limited

Regd. Office: Alembic Road, Vadodara - 390 003

Tel: 0265-2280550 Fax: 0265-2282506, Web: www.alembicpharmaceuticals.com

Email Id: apl.investors@alembic.co.in, CIN: L24230GJ2010PLC061123

NOTICE

Notice is hereby given that the 7th 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 Thursday, the 20th July, 2017 at 3:00 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017 including Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Pranav Amin (DIN: 00245099), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. K. S. Aiyar & Co., Chartered Accountants (FRN: 100186W) as Statutory Auditors of the Company in accordance with the resolution passed by the members at the 4th Annual General Meeting held on 28th July, 2014 and to authorize the Board of Directors to fix their remuneration.

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. 2017-18:

"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 Act'), the remuneration payable to Mr. H. R. Kapadia, Cost Accountant (FRN: 100067) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18 amounting to Rs. 1.75 Lacs excluding applicable tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit, be and is hereby ratified and confirmed."

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. Pranav Amin, Director seeking re-appointment, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure - A.
 5. The Register of Members of the Company will remain closed from 13th July, 2017 to 20th July, 2017 (both days inclusive), for the purpose of payment of dividend.
 6. The dividend when sanctioned will be made payable on or before 26th July, 2017, to those members whose names stand on the Register of Members of the Company on 13th July, 2017 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 authorization 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 ("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.
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: 0265-2356573, 2356794 Fax: 0265-2356791 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.

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 scrutinizer's report received on e-voting and voting at the meeting. The voting results along with scrutinizer's report will be displayed on the:

- (i) Notice Board of the Company at its Registered Office;
- (ii) Company's website www.alembicpharmaceuticals.com;
- (iii) 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 17th July, 2017 (9:00 a.m.) and end on 19th July, 2017 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 13th July, 2017, 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 13th July, 2017, 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 19th July, 2017 (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.
- 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.
- vii. If you are a first time user follow the steps given below:

PAN	<p>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)</p> <p>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.</p> <p>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.</p>
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 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).

- 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. Click on the EVSN for the relevant Company (**ALEMBIC PHARMACEUTICALS LIMITED - 170519002**) on which you choose to vote.
- xi. 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.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. 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.
- xvii. 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).
- xviii. 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

NOTICE

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 scrutinizer 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

xix. M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer for conducting the e-voting process.

Registered Office:

Alembic Road,
Vadodara - 390 003
Date: 3rd May, 2017

By Order of the Board,

Ajay Kumar Desai
Vice President – Finance &
Company Secretary

Explanatory Statement as required under Section 102 of the Companies Act, 2013

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 of the Company, on the recommendation of Audit Committee, at their respective meetings held on 3rd May, 2017, approved the appointment and remuneration of Mr. H. R. Kapadia, Cost Accountant, to conduct the audit of the cost records of the Company for the financial year 2017-2018.

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 2017-18 as set out in the resolution for aforesaid services to be rendered by him.

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.

Registered Office:

Alembic Road,
Vadodara - 390 003
Date: 3rd May, 2017

By Order of the Board,

Ajay Kumar Desai
Vice President – Finance &
Company Secretary

Annexure – A

Details of the Director 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. Pranav Amin
Age	42 years
Qualifications	M.B.A
Experience	17 years
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	N.A.
Remuneration last drawn (2016-17)	Rs. 11.50 Crores
Nature of expertise in specific functional Areas	Management & Leadership
Date of first appointment on to the Board	31/03/2011
No. of Shares held in the Company as on 31st March, 2017	10,09,800
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Pranav Amin is son of Mr. Chirayu Amin and brother of Mr. Shaunak Amin
No. of Meetings of the Board attended during the year	4
Directorship in other companies as on 31st March, 2017	1. Quick Flight Limited 2. Incozen Therapeutics Private Limited
Chairmanship/Membership of Committees of other Board	Nil



PROXY FORM

Alembic Pharmaceuticals Limited
Regd. Office: Alembic Road, Vadodara - 390 003
Tel: 0265-2280550 Fax: 0265-2282506
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 7th Annual General Meeting of the Company, to be held on Thursday, 20th July, 2017 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:

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Financial Statements for the year ended 31st March, 2017.
2	Declaration of dividend on Equity Shares of the Company.
3	Re-appointment of Mr. Pranav Amin, who retires by rotation.
4	Ratification of appointment of M/s. K. S. Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company.
Special Business	
5	Ratification of Remuneration to the Cost Auditor for the F. Y. 2017-18.

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.

Affix
Revenue
Stamp



ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Alembic Pharmaceuticals Limited

Regd. Office: Alembic Road, Vadodara - 390 003

Tel: 0265-2280550 Fax: 0265-2282506

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	

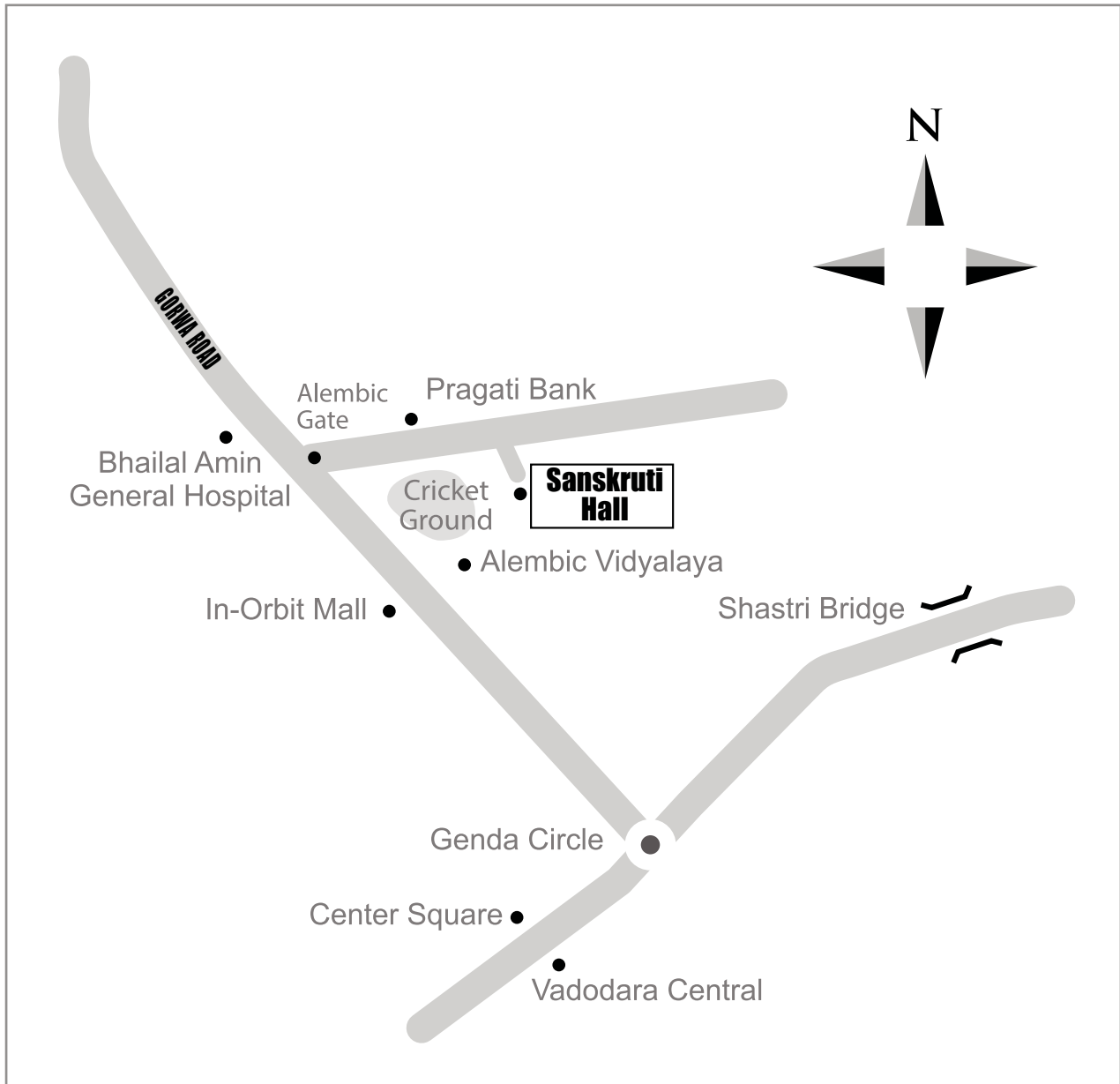
I hereby record my presence at the 7th Annual General Meeting (AGM) of the Company held on Thursday, 20th July, 2017 at 3:00 p.m. at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara – 390 003.

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.

