Date: 9th May, 2023

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

Dear Sir/ Madam,

Sub: Response to your query received via email dated 8th May, 2023

With reference to the query mentioned in your email dated 8th May, 2023, we would like to submit that we have inadvertently missed out to mention the date and place in the statement on Impact on Audit Qualification for the Audit Report on Modified Opinion submitted with the Consolidated and Standalone Annual Audited Financial Results.

We are enclosing herewith the revised statement with date and place mentioned therein for your perusal and record.

We request you to kindly take note of the same.

Thanking you,

Yours faithfully,
For Alembic Pharmaceuticals Limited

MANISHA SARAF
Digitally signed by MANISHA SARAF
Date: 2023.05.09 12:42:53 +05'30'

Manisha Saraf
Company Secretary

Encl: A/a

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

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2023

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

Rs. in Crores

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total income	5,655.36	5,655.36
2	Total Expenditure	5,269.86	5,269.86
3	Profit Before Exceptional Item and Tax	354.59	354.59
4	Exceptional Item (Net of Tax)	-	1,025.66
5	Profit / (Loss) for the Period	341.99	(683.67)
6	Earnings Per Share (in Rs)	17.40	(34.78)
7	Total Assets	6,182.83	6,182.83
8	Total Liabilities	1,812.36	1,812.36
9	Net Worth	4,370.47	4,370.47
10	Any other financial item(s) (as felt appropriate by the management)	No	No

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

a **Details of Audit Qualification:**

"We refer to Note No. 3b to the consolidated financial results regarding Draft Scheme of Arrangement ("Scheme") approved by the Board of Directors of Holding Company in its meeting held on March 2, 2023, involving reorganisation/utilisation of General Reserve, between the Holding Company and its shareholders with effect from the appointed date i.e. January 1, 2023 which is pending before regulatory authorities. Further, the Holding Company has withdrawn INR 1,025.66 crores from General Reserve and transferred the same to the Statement of Profit and Loss for the year ended March 31, 2023 under the head "Exceptional Items". We are of the opinion that the said treatment does not meet the criteria of "Income" under Indian Accounting Standards ("Ind AS") and therefore, the same should not be recognised in the Statement of Profit and Loss for the year. Had this transfer not been effected, Profit after tax for the year and consequently Retained Earnings as at March 31, 2023 would have been reduced by INR 1,025.66 crores, General Reserve as at March 31, 2023 would have been increased by INR 1,025.66 crores and Basic and Diluted Earnings per Share for the year ended March 31, 2023 would have been lower by INR 52.18 on consolidated basis."

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

c **Frequency of qualification:** Appeared first time

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

The Board of the Company has approved Draft Scheme of Arrangement between the Company and its shareholders ("Scheme"), which provides for reorganization / utilization of General Reserve of the Company, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder ('the Act'), with the Appointed Date of 1st January, 2023

With reference to Note No. 3b, an amount equivalent to the amount of write-off and impairment of assets / Identified CWIP (net of deferred tax amount) has been transferred from General Reserve to the Statement of Profit and Loss for the financial year ended on 31st March, 2023 in order to maintain the accumulated unconditional distributable profits that existed before giving effect of write-off / impairment of Identified CWIP, in a manner permitted under the Act, and in alignment with intention specified in the Scheme.

It is pertinent to note that the transfer of General Reserve to the Statement of Profit and Loss, as aforesaid, does not have any impact on the networth of Company and it is a mode of utilization of the General Reserve of the Company.

The management has considered it appropriate to give the above accounting treatment together with giving effect to the provisions of the Scheme in the financial results for the financial year ended on 31st March, 2023, pending approval from Hon'ble NCLT, given that appointed date (January 1, 2023) falls within the FY 2022-23 and that there is high probability of effectiveness of the Scheme and to avoid reopening / restating the financial statements post receipt of all requisite approvals.

Said treatment gives an appropriate presentation of financial results given that Identified CWIP was built-up over the years and its debit to P&L in the current year does not reflect true financial result for the current year and as such also, said treatment provides better / true reflection of the financial results of the current financial year.

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

III. **Signatories:**

Chirayu Amin, Chairman and CEO

R. K. Baheti, Director - Finance & CFO

Paresh Saraiya, Chairman of Audit Committee

Vishal P. Doshi, Partner -Statutory Auditors

Date: 05/05/2023
Place: Vadodara

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

Statement on Impact of Audit Qualifications for the financial year ended 31st March, 2023

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

Rs. in Crores

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total income	5,152.54	5,152.54
2	Total Expenditure	4,806.61	4,806.61
3	Profit Before Exceptional Item and Tax	345.93	345.93
4	Exceptional Item (Net of Tax)	-	1,025.66
5	Profit / (Loss) for the Period	346.73	(678.93)
6	Earnings Per Share	17.64	(34.54)
7	Total Assets	6,130.42	6,130.42
8	Total Liabilities	1,716.12	1,716.12
9	Net Worth	4,414.30	4,414.30
10	Any other financial item(s) (as felt appropriate by the management)	No	No

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

a **Details of Audit Qualification:**

"We refer to Note No. 2b to the standalone financial results regarding Draft Scheme of Arrangement ("Scheme") approved by the Board of Directors in its meeting held on March 2, 2023, involving reorganisation/utilisation of General Reserve, between the Company and its shareholders with effect from the appointed date i.e. January 1, 2023 which is pending before regulatory authorities. Further, the company has withdrawn INR 1,025.66 crores from General Reserve and transferred the same to the Statement of Profit and Loss for the year ended March 31, 2023 under the head "Exceptional Items". We are of the opinion that the said treatment does not meet the criteria of "Income" under Indian Accounting Standards ("Ind AS") and therefore, the same should not be recognised in the Statement of Profit and Loss for the year. Had this transfer not been effected, Profit after tax for the year and consequently Retained Earnings as at March 31, 2023 would have been reduced by INR 1,025.66 crores, General Reserve as at March 31, 2023 would have been increased by INR 1,025.66 crores and Basic and Diluted Earnings per Share for the year ended March 31, 2023 would have been lower by INR 52.18 on standalone basis."

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

c **Frequency of qualification:** Appeared first time

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

The Board of the Company has approved Draft Scheme of Arrangement between the Company and its shareholders ("Scheme"), which provides for reorganization / utilization of General Reserve of the Company, pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder ('the Act'), with the Appointed Date of 1st January, 2023

With reference to Note No. 2b, an amount equivalent to the amount of write-off and impairment of assets / Identified CWIP (net of deferred tax amount) has been transferred from General Reserve to the Statement of Profit and Loss for the financial year ended on 31st March, 2023 in order to maintain the accumulated unconditional distributable profits that existed before giving effect of write-off / impairment of Identified CWIP, in a manner permitted under the Act, and in alignment with intention specified in the Scheme.

It is pertinent to note that the transfer of General Reserve to the Statement of Profit and Loss, as aforesaid, does not have any impact on the networth of Company and it is a mode of utilization of the General Reserve of the Company.

The management has considered it appropriate to give the above accounting treatment together with giving effect to the provisions of the Scheme in the financial results for the financial year ended on 31st March, 2023, pending approval from Hon'ble NCLT, given that appointed date (January 1, 2023) falls within the FY 2022-23 and that there is high probability of effectiveness of the Scheme and to avoid reopening / restating the financial statements post receipt of all requisite approvals.

Said treatment gives an appropriate presentation of financial results given that Identified CWIP was built-up over the years and its debit to P&L in the current year does not reflect true financial result for the current year and as such also, said treatment provides better / true reflection of the financial results of the current financial year.

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

III. **Signatories:**

Chirayu Amin, Chairman and CEO

R. K. Baheti, Director - Finance & CFO

Paresh Saraiya, Chairman of Audit Committee

Vishal P. Doshi, Partner -Statutory Auditors

Date : 05/05/2023
Place : Vadodara