

Independent Auditor's Report

To the Board of Directors of Alkem Laboratories Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Alkem Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2024, attached herewith, (in which are included financial information from one branch located in Nepal) being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on the financial statement of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities mentioned in Annexure I to the statement
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of reports/report of the other auditors/auditor referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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Alkem Laboratories Limited

in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the

Independent Auditor's Report (Continued)

Alkem Laboratories Limited

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results/ financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. a of the "Other Matter" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

- The consolidated annual financial results include the audited financial results of 19 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 21,402 million as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. 22,016 million and total net profit after tax (before consolidation adjustments) of Rs. 818 million and net cash inflows (before consolidation adjustments) of Rs. 1,856 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- The consolidated annual financial results include the unaudited financial results of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 51 million as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. 115 million, total net profit after tax (before consolidation adjustments) of Rs. 5 million and net cash inflows (before consolidation adjustments) of Rs 1 million for the year ended on that date, as considered in the consolidated annual

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

financial results. This unaudited financial statements has been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial statements is not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial statements certified by the Board of Directors.

- c. The consolidated annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Sreeja Marar

Partner

Mumbai

Membership No.: 111410

29 May 2024

UDIN:24111410BKGQOP2774

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Alkem Laboratories Limited

Annexure I

List of entities included in consolidated annual financial results.

Sr. No	Name of component	Relationship
1	Alkem Laboratories Limited	Parent
2	S&B Holdings S.a.r.l. (Previously known as S&B Holdings B.V with principle place of business based at Netherlands redomiciled to Luxembourg w.e.f 16 Oct 2023).	Wholly Owned Subsidiary
3	The Pharma Network LLC, USA (TPN)	Wholly Owned Subsidiary
4	Ascend Laboratories LLC, USA	Wholly Owned Subsidiary of TPN
5	S & B Pharma LLC	Wholly Owned Subsidiary of TPN
6	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary
7	Enzene Biosciences Ltd, India	Subsidiary
8	Ascend Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary
9	Cachet Pharmaceuticals Pvt Ltd, India	Subsidiary
10	Indchemie Health Specialities Pvt Ltd, India	Subsidiary
11	Alkem Laboratories Corporation, Philippines	Wholly Owned Subsidiary
12	Ascend GmbH, Germany	Wholly Owned Subsidiary
13	Ascend Laboratories SDN BHD., Malaysia	Wholly Owned Subsidiary
14	Ascend Laboratories SpA Chile (Ascend Chile)	Wholly Owned Subsidiary
15	Pharma Network SpA, Chile	Wholly Owned Subsidiary of Ascend Chile
16	Ascend Laboratories S.A. DE C.V., Mexico	Wholly Owned Subsidiary of Ascend Chile
17	Alkem Laboratories Korea Inc, Korea	Wholly Owned Subsidiary
18	Pharmacor Ltd, Kenya	Wholly Owned Subsidiary
19	The Pharma Network LLP,	Wholly Owned Subsidiary

(Signature)

Independent Auditor's Report (Continued)

Alkem Laboratories Limited

Sr. No	Name of component	Relationship
	Kazakhstan	
20	Ascend Laboratories (UK) Ltd, UK	Wholly Owned Subsidiary
21	Ascend Laboratories Ltd Canada	Wholly Owned Subsidiary
22	Alkem Foundation, India	Wholly Owned Subsidiary
23	Connect 2 Clinic Private Limited, India	Wholly Owned Subsidiary
24	Ascend Laboratories SAS, Colombia	Wholly Owned Subsidiary
25	Pharmacor Limited, New Zealand	Wholly Owned Subsidiary of Pharmacor Pty Limited, Australia
26	Enzene Inc, USA	Wholly Owned Subsidiary of Enzene Biosciences Limited

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ALKEM LABORATORIES LIMITED

CIN No. L00305MH1973PLC174201

Regd. Office and Corporate Office: Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India

Tel No 91 22 3982 9999 Fax No: +91 22 2492 7190

Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Audited Consolidated Profit and Loss for the Quarter and Year ended 31 March 2024

	Particulars	Quarter ended		Year ended	
		31.03.2024 Audited (Refer Note 2)	31.12.2023 Unaudited	31.03.2023 Audited (Refer Note 2)	31.03.2024 Audited
1	Income				
	(a) Revenue from Operations	29,358.2	33,238.7	29,026.0	126,675.8
	(b) Other Income	881.7	936.4	686.7	3,108.4
	Total Income	30,239.9	34,175.1	29,712.7	129,784.2
2	Expenses				
	(a) Cost of materials consumed	7,987.6	8,385.4	7,706.2	32,945.9
	(b) Purchases of stock-in-trade	3,807.0	4,608.1	3,466.8	16,288.7
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(720.6)	51.9	1,382.2	141.2
	(d) Employee benefits expense	5,058.3	5,721.5	5,029.8	22,010.1
	(e) Finance costs	268.6	254.6	289.6	1,124.1
	(f) Depreciation and amortisation expense	834.3	695.6	783.2	2,993.0
	(g) Other expenses	9,206.1	7,395.9	7,908.5	32,835.0
	Total Expenses	26,441.3	27,113.0	26,566.3	108,338.0
3	Profit before exceptional items and tax (1) - (2)	3,798.6	7,062.1	3,146.4	21,446.2
4	Exceptional items (refer note 3)	(125.2)	(513.1)	(1,029.8)	(1,214.9)
5	Profit before tax (3) + (4)	3,673.4	6,549.0	2,116.6	20,231.3
6	Tax expense / (credit)				
	(a) Current tax	838.5	1,136.0	628.6	4,222.8
	(b) Deferred tax	(209.9)	(629.8)	811.2	(2,106.1)
	Total Tax Expense (a + b)	628.6	506.2	1,439.8	2,116.7
7	Profit for the period (5) - (6)	3,044.8	6,042.8	676.8	18,114.6
8	Other Comprehensive Income (net of tax)				
	(a) (i) Items that will not be reclassified to profit or loss	2.3	(26.4)	(13.8)	(93.4)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.1)	8.2	4.3	29.8
					16.1
	(b) (i) Items that will be reclassified to profit or loss	(76.7)	73.0	(93.5)	264.0
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income (net of tax)	(76.5)	54.8	(103.0)	200.4
9	Total Comprehensive Income for the period (7) + (8)	2,968.3	6,097.6	573.8	18,315.0
10	Profit attributable to				
	a) Owners of the Company	2,935.6	5,949.6	709.8	17,957.7
	b) Non-Controlling Interest	109.2	93.2	(33.0)	156.9
11	Other Comprehensive Income attributable to				
	a) Owners of the Company	(76.8)	54.6	(103.9)	206.5
	b) Non-Controlling Interest	0.3	0.2	0.9	(6.1)
12	Total Comprehensive Income attributable to				
	a) Owners of the Company	2,858.8	6,004.2	605.9	18,164.2
	b) Non-Controlling Interest	109.5	93.4	(32.1)	150.8
13	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
14	Other Equity				
	(a) Basic (₹)	24.55	49.76	5.94	150.19
	(b) Diluted (₹)	24.55	49.76	5.94	150.19
					82.31

See accompanying notes to the consolidated financial results

Statement of Audited Consolidated Assets and Liabilities as at 31 March 2024

Particulars	(₹ in Million)	
	As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	21,614.6	20,654.0
(b) Right of use assets	2,471.7	1,378.6
(c) Capital work-in-progress	1,484.0	3,102.7
(d) Goodwill	4,167.4	4,131.7
(e) Other Intangible assets	474.1	664.2
(f) Intangible assets under development	101.7	129.7
(g) Financial Assets		
(i) Investments	3,348.0	3,046.1
(ii) Loans	-	80.2
(iii) Other financial assets	1,202.2	2,952.5
(h) Deferred tax assets (net)	15,148.3	13,025.0
(i) Other tax assets (net)	781.7	575.4
(j) Other non-current assets	839.5	529.6
Total Non-current assets	51,633.2	50,269.7
2 Current assets		
(a) Inventories	26,611.8	26,075.3
(b) Financial Assets		
(i) Investments	1,489.9	3,172.1
(ii) Trade receivables	22,528.1	21,321.8
(iii) Cash and cash equivalents	4,550.7	2,738.0
(iv) Bank balances other than (iii) above	11,242.8	23,430.9
(v) Loans	90.7	67.7
(vi) Other financial assets	29,302.0	1,897.5
(c) Other current assets	8,299.8	7,360.9
(d) Non-current assets held for sale	-	1,232.6
Total Current assets	104,115.8	87,296.8
TOTAL ASSETS	155,749.0	137,566.5
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	102,881.5	90,213.8
Equity attributable to owners of the Company	103,120.6	90,452.9
(c) Non-controlling interest	4,023.4	3,897.1
Total Equity	107,144.0	94,350.0
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	400.0	-
(ii) Lease liabilities	1,892.6	703.3
(ii) Other financial liabilities	3,109.9	1,660.1
(b) Provisions	2,998.6	3,693.6
(c) Other non-current liabilities	258.4	88.0
Total Non-Current liabilities	8,659.5	6,145.0
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	11,739.7	13,071.5
(ii) Lease liabilities	151.8	192.0
(ii) Trade payables		
Dues of Micro and Small Enterprises	670.0	1,104.6
Dues of Creditors other than Micro and Small Enterprises	16,811.2	10,545.7
(iii) Other financial liabilities	6,457.7	6,326.9
(b) Other current liabilities	2,296.5	1,868.9
(c) Provisions	1,268.7	3,727.5
(d) Current tax Liabilities (Net)	549.9	234.4
Total Current liabilities	39,945.5	37,071.5
TOTAL EQUITY AND LIABILITIES	155,749.0	137,566.5

Statement of Audited Consolidated Cash Flow for the year ended 31 March 2024

Particulars	For the Year ended 31 March 2024 (Audited)	For the Year ended 31 March 2023 (Audited)
A Cash Flow from Operating Activities:		(₹ in million)
Profit before Tax	20,231.3	13,047.7
<u>Adjustments for</u>		
Depreciation and amortisation expense	2,993.0	3,104.2
Liabilities no longer required written back	(19.8)	(17.5)
Profit on sale of investments (net)	(146.3)	(21.6)
Unrealised (gain) / loss on fair valuation of investments (net)	(5.4)	(287.0)
Loss on sale / write off of property plant and equipment (net)	31.8	123.6
Employee stock compensation expenses	189.4	-
Unrealised foreign currency (gain) / loss on revaluation (net)	594.3	(118.8)
Dividend Income	(1.9)	(1.9)
Interest Income	(2,757.7)	(1,711.4)
Impairment loss on property, plant and equipment	992.2	1,051.5
Interest expenses	1,124.1	1,073.6
Provision for doubtful advances	318.0	-
Loss allowance	524.0	48.8
Subtotal of Adjustments	3,835.7	3,243.5
Operating profit before working capital changes	24,067.0	16,291.2
Adjustments for changes in working capital:		
(Increase) / Decrease in trade receivables	(2,219.9)	(1,347.1)
(Increase) / Decrease in loans, other financial assets and other assets	(1,351.1)	(770.1)
(Increase) / Decrease in inventories	(734.0)	4,734.1
Increase / (Decrease) in trade payable, other financial liabilities and other liabilities	5,252.8	145.1
Increase / (Decrease) in provisions	(1,464.7)	505.7
Subtotal of adjustments	(516.9)	3,267.7
Cash generated from operations	23,550.1	19,558.9
Less: Income taxes paid (net of refund)	(4,069.4)	(2,733.9)
Net Cash generated from operating activities	19,480.7	16,825.0
B Cash Flow from Investing Activities:		
Purchases of property, plant and equipment (including capital work in progress, other intangible assets and intangible assets under development)	(2,592.9)	(2,329.1)
Proceeds from disposal of property, plant and equipment and other intangible assets	724.8	32.0
Other investments redeemed	2,139.1	-
Other investments made	(533.7)	(2,175.3)
Investment made in fixed deposits	(36,258.8)	-
Redemption of fixed deposits	24,041.8	4,129.8
Dividend received	1.9	1.9
Interest received	2,392.8	1,469.1
Net cash generated from / (used in) investing activities	(10,085.0)	1,128.4
C Cash Flow from Financing Activities:		
(Repayment of) / Proceeds from non-current borrowings (net)	400.0	(95.0)
(Repayment of) / Proceeds from current borrowings (net)	(5,208.9)	(12,689.8)
Proceeds from issue of compulsory convertible preference shares	-	1,614.8
Dividend paid	(5,404.9)	(5,295.2)
Principal repayment of lease liabilities	(323.2)	(238.4)
Interest paid	(913.1)	(904.6)
Net cash (used in) / generated from financing activities	(11,450.1)	(17,608.2)
D Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)	(2,054.4)	345.2
E Cash & Cash Equivalents as at the beginning of the year	2,738.0	2,321.8
Add/Less: Effect of exchange difference on foreign currency cash and cash equivalents	(20.5)	71.0
F Cash & Cash Equivalents as at the end of the Year (D+E)	663.1	2,738.0

Notes:

- Components of cash and cash equivalents for the purpose of Cash flow as per IND AS 7:

Cash and cash equivalents	4,550.7	2,738.0
Loans repayable on demand from banks	(3,887.6)	-
Total cash and cash equivalents	663.1	2,738.0
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

Notes to the Consolidated Financial results:

- 1 The Consolidated Financial results are prepared in accordance with Ind AS 110 'Consolidated Financial Statements'.
- 2 The above audited consolidated financial results of Alkem Laboratories Limited and its subsidiaries (collectively called the "Group") were reviewed and recommended by the Audit Committee on 28 May 2024 and subsequently approved by the Board of Directors at its meeting held on 29 May 2024. The auditors have expressed an unmodified opinion on the financial results for the year ended 31 March 2024. The figures for the quarter ended 31 March 2024 and 31 March 2023 are balancing figures between audited figures in respect of full financial year and the unaudited published year-to-date figures up to 31 December 2023 and 31 December 2022 respectively, which were subjected to limited review.
- 3 a. Consequent to changes in market dynamics and assessment of recoverable value where indicators of impairment were identified, the group has recognized an impairment loss of:
 - ₹ 415.6 Million in respect of its plant located at Indore during the quarter ended 31 March 2024
 - ₹ 576.6 Million in respect to the plant located at St. Louis, USA, a unit under S&B Pharma LLC, a subsidiary of the Company in the quarter ended 30 September 2023 and ₹ 1,029.8 Million in the quarter and year ended 31 March 2023. The plant was subsequently sold at ₹ 656.0 Million during the quarter ended 31 December 2023.

These amounts are reflected under 'Exceptional Items' in the respective quarters and years.

Deferred tax assets amounting to ₹ 1,197.2 Million relating to the assets and business associated with the plant at St. Louis were also derecognised in the consolidated financial results for the quarter ended 31 March 2023 since utilization of these assets could no longer be determined.

- b. In the quarter ended 31 December 2023, a Cyber security incident which compromised business email IDs of certain employees at one of the Group's subsidiaries, resulted in a fraudulent transfer of ₹ 513.1 Million. This was shown as an expense under 'Exceptional Items' for the quarter ended 31 December 2023.

During the current quarter, the Group has recovered an amount of ₹ 290.4 Million which is shown as income under 'Exceptional Items' resulting in a net amount of ₹ 222.7 Million shown as 'Exceptional items' in the Statement of Profit and Loss for the year ended 31 March 2024.

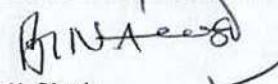
- 4 The Board of Directors in its meeting held on 29 May 2024 has recommended a final dividend of ₹ 5 (Rupees Five only) per equity share (face value of ₹ 2 each) in addition to the interim dividend of ₹ 35 (Rupees Thirty five only) per equity share (face value of ₹ 2 each) declared on 9 February 2024. The final dividend is subject to approval at the ensuing annual general meeting of the Company.

- 5 In September 2023, the Income Tax Department ("the Department") conducted a survey under Section 133A of the Income Tax Act, 1961 ('the Survey') on the Company and a few of its domestic subsidiaries ('respective companies'). During the Survey proceedings and subsequently, the respective companies have provided necessary information and responses to the Department in addition to the documents, data backups, and other information provided during the Survey. Pursuant to the Survey, the department has initiated re-assessment proceedings u/s 148 of the Income-tax Act, 1961 ("the IT Act") in April, 2024 challenging the respective companies' eligibility to claim deduction majorly under Section 80IE of the IT Act for its manufacturing facilities situated in Sikkim and allowability of certain expenses under Section 37(1) of the IT for assessment years 2017-18 to 2022-23. The respective companies have duly responded to the notices and rebutted the contentions of the Department. No demands have been raised as of date.

The respective companies have evaluated the aforesaid matters raised by the Department and believe that based on documentary evidence available, interpretation of Income-tax laws and opinion from independent Tax Counsel, the respective companies have strong grounds to succeed in the above matters. Where a liability has been considered probable, adequate tax provisions have been accrued. Accordingly, no other material adjustments have been considered necessary to these consolidated financial results.

- 6 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Independent Auditor's Report

To the Board of Directors of Alkem Laboratories Limited Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Alkem Laboratories Limited (hereinafter referred to as the "Company") for the year ended 31 March 2024, attached herewith, (in which are included financial information from one branch located in Nepal) being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended 31 March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and

SRM

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Page 1 of 3

Independent Auditor's Report (Continued)

Alkem Laboratories Limited

presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

Other Matter

The standalone annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Sreeja Marar

Partner

Mumbai

Membership No.: 111410

29 May 2024

UDIN:24111410BKGQOK3648

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

Regd. Office and Corporate Office: Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India.
Tel No:91 22 3982 9999 Fax No: +91 22 2492 7190
Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Audited Standalone Financial Results for the Quarter and Year ended 31 March 2024

(₹ in Million except per share data)

	Particulars	Quarter ended			Year ended	
		31.03.2024 Audited (Refer Note 2)	31.12.2023 Unaudited	31.03.2023 Audited (Refer Note 2)	31.03.2024 Audited	31.03.2023 Audited
1	Income					
	(a) Revenue from Operations	23,653.7	24,945.9	22,379.9	97,477.2	90,545.5
	(b) Other Income	837.9	956.6	766.0	3,059.9	2,662.9
	Total Income	24,491.6	25,902.5	23,145.9	100,537.1	93,208.4
2	Expenses					
	(a) Cost of materials consumed	6,527.1	7,007.3	6,588.8	27,499.3	26,297.8
	(b) Purchases of stock-in-trade	2,699.6	3,311.8	2,349.8	11,287.0	9,431.3
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	86.7	(274.1)	449.2	(713.1)	2,577.3
	(d) Employee benefits expense	3,434.1	4,076.3	3,464.0	15,602.8	15,162.2
	(e) Finance costs	206.8	211.1	217.4	819.1	864.0
	(f) Depreciation and amortisation expense	691.0	581.2	571.6	2,443.5	2,298.5
	(g) Other expenses	6,831.0	5,132.0	6,208.2	24,149.9	23,307.4
	Total Expenses	20,476.3	20,045.6	19,849.0	81,088.5	79,938.5
3	Profit before exceptional items and tax (1) - (2)	4,015.3	5,856.9	3,296.9	19,448.6	13,269.9
4	Exceptional items (refer note 3)	(125.2)	(513.1)	-	(638.3)	-
5	Profit before tax (3) + (4)	3,890.1	5,343.8	3,296.9	18,810.3	13,269.9
6	Tax expense / (credit)					
	(a) Current tax	774.1	904.6	536.3	3,332.8	2,275.2
	(b) Deferred tax	(133.7)	(603.1)	212.7	(1,994.0)	(350.0)
	Total Tax Expense (a + b)	640.4	301.5	749.0	1,338.8	1,925.2
7	Profit for the period after tax (5 - 6)	3,249.7	5,042.3	2,547.9	17,471.5	11,344.7
8	Other Comprehensive Income (net of tax)					
	(a) (i) Items that will not be reclassified to profit or loss	5.5	(24.1)	(14.8)	(66.8)	(33.7)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.0)	8.5	5.2	23.3	11.8
	(b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income / (loss) (net of tax)	3.5	(15.6)	(9.6)	(43.5)	(21.9)
9	Total Comprehensive Income for the period (7) + (8)	3,253.2	5,026.7	2,538.3	17,428.0	11,322.8
10	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1
11	Other Equity				105,307.0	93,259.4
12	Earnings Per Share (not annualised for the quarters)					
	(a) Basic (₹)	27.18	42.17	21.31	146.13	94.88
	(b) Diluted (₹)	27.18	42.17	21.31	146.13	94.88

See accompanying notes to the standalone financial results

Statement of Audited Standalone Assets and Liabilities as at 31 March 2024

(₹ in Million)

Particulars	As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	16,596.7	16,725.2
(b) Right of use assets	879.6	959.9
(c) Capital work-in-progress	499.3	1,851.0
(d) Other Intangible assets	346.1	565.8
(e) Intangible assets under development	408.5	436.5
(f) Financial Assets		
(i) Investment in subsidiaries	25,502.6	25,502.6
(ii) Other Investments	1,349.6	1,427.0
(iii) Loans	3.5	83.4
(iv) Other financial assets	520.6	309.4
(g) Deferred tax assets (net)	12,866.6	10,849.2
(h) Other tax assets (net)	492.2	381.9
(i) Other non-current assets	511.9	498.2
Total Non-current assets	59,977.2	59,590.1
2 Current assets		
(a) Inventories	18,495.6	17,246.6
(b) Financial Assets		
(i) Investments	1,437.6	3,125.9
(ii) Trade receivables	17,536.4	17,683.4
(iii) Cash and cash equivalents	389.5	50.1
(iv) Bank balances other than (iii) above	10,269.0	21,588.6
(v) Loans	39.5	16.8
(vi) Other financial assets	25,414.6	1,683.6
(c) Other current assets	6,818.6	6,327.1
Total Current assets	80,400.8	67,722.1
TOTAL ASSETS	140,378.0	127,312.2
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	105,307.0	93,259.4
Total Equity	105,546.1	93,498.5
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Lease liabilities	376.0	450.6
(ii) Other financial liabilities	690.6	-
(b) Provisions	2,455.8	2,841.7
(c) Other non-current liabilities	245.5	73.1
Total Non-Current liabilities	3,767.9	3,365.4
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	9,572.3	11,258.9
(ia) Lease liabilities	103.8	107.4
(ii) Trade payables		
Dues of Micro and Small Enterprises	587.6	980.1
Dues of creditors other than Micro and Small Enterprises	15,121.8	9,783.3
(iii) Other financial liabilities	3,379.9	4,904.2
(b) Other current liabilities	1,192.2	1,170.0
(c) Provisions	1,106.4	2,159.4
(d) Current tax Liabilities (Net)	-	85.0
Total Current liabilities	31,064.0	30,448.3
TOTAL EQUITY AND LIABILITIES	140,378.0	127,312.2

Statement of Audited Standalone Cash Flow for the year ended 31 March 2024

(₹ in million)

Particulars	For the year ended 31 March 2024 (Audited)	For the year ended 31 March 2023 (Audited)
A. Cash Flow from Operating Activities:		
Profit before tax	18,810.3	13,269.9
<u>Adjustments for:</u>		
Depreciation and amortisation expense	2,443.5	2,298.5
Impairment loss on property, plant and equipment	415.6	-
Unrealised (gain) / loss on fair valuation of investments (net)	-	(329.8)
Profit on sale of investments (net)	(139.6)	(19.3)
Loss on sale / write off of property plant and equipment (net)	28.4	123.6
Dividend income	(26.1)	(36.3)
Provision for doubtful advances	318.0	-
Interest income	(2,274.7)	(1,471.8)
Interest expenses	819.1	864.0
Loss allowance	198.6	26.1
Liabilities no longer required written back	(19.8)	(10.7)
Rent income	(27.6)	-
Unrealised foreign currency (gain) / loss on revaluation (net)	382.0	(155.4)
Subtotal of Adjustments	2,117.4	1,288.9
Operating profit before working capital changes	20,927.7	14,558.8
Adjustments for changes in working capital:		
(Increase) / Decrease in trade receivables	(437.5)	19.2
(Increase) / Decrease in loans, other financial assets and other assets	(696.1)	(838.5)
(Increase) / Decrease in inventories	(1,249.1)	2,510.7
Increase / (Decrease) in trade payable, other financial liabilities and other liabilities	3,552.4	82.6
Increase / (Decrease) in provisions	(1,703.5)	283.0
Subtotal of Adjustments	(533.8)	2,057.0
Cash generated from operations	20,393.9	16,615.8
Less: Income taxes paid (net of refund)	(3,528.3)	(2,241.6)
Net cash generated from operating activities	16,865.6	14,374.2
B. Cash Flow from Investing Activities:		
Purchases of property, plant and equipment (including capital work in progress, other intangible assets and intangible assets under development)	(1,066.8)	(1,417.8)
Proceeds from disposal of property, plant and equipment and other intangible assets	62.4	27.6
Other investments redeemed	2,095.3	-
Other investments made	(189.0)	(1,687.9)
Investment made in bank deposits	(33,104.9)	-
Investments in subsidiaries	-	(2,732.4)
Redemption of bank deposits	21,583.6	6,515.1
Dividend received	26.1	36.3
Interest received	1,909.7	1,229.5
Rent received	27.6	-
Net cash generated from / (used in) investing activities	(8,656.0)	1,970.4
C. Cash Flow from Financing Activities:		
Repayment of current borrowings (net)	(3,443.7)	(11,029.5)
Principal repayment of lease liabilities	(145.1)	(126.2)
Dividend paid	(5,380.4)	(5,260.9)
Interest paid	(621.2)	(696.1)
Net cash (used in)/generated from financing activities	(9,590.4)	(17,112.7)
D. Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,380.8)	(768.1)
E. Cash and cash equivalents as at beginning of the year	50.1	818.2
F. Cash and cash equivalents as at end of the period (D+E)	(1,330.7)	50.1

Notes:

1 Components of cash and cash equivalents for the purpose of Cash flow as per IND AS 7:		
Cash and cash equivalents	389.5	50.1
Loans repayable on demand from banks	(1,720.2)	-
Total cash and cash equivalents	(1,330.7)	50.1

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"

Notes to the Standalone Financial results:

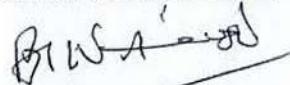
- 1 The above audited standalone financial results are prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and are in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 2 The above audited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 28 May 2024 and subsequently approved by the Board of Directors at its meeting held on 29 May 2024. The auditors have expressed an unmodified opinion on the financial results for the year ended 31 March 2024. The figures for the quarter ended 31 March 2024 and 31 March 2023 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to the third quarter ended 31 December 2023 and 31 December 2022 respectively, which were subjected to limited review.
- 3
 - a. During the quarter ended 31 March 2024, the Company has recognized an impairment loss of ₹ 415.6 Million in respect of its plant located at Indore consequent to changes in market dynamics and assessment of recoverable value which is included in 'Exceptional Items'.
 - b. During the quarter ended 31 December 2023, a Cyber security incident which compromised business email IDs of certain employees at one of the Company's subsidiaries, resulted in a fraudulent transfer of ₹ 513.1 Million. This was shown as an expense under 'Exceptional Items' for the quarter ended 31 December 2023.

The Company has recovered an amount of ₹ 290.4 Million which is shown as income under 'Exceptional Items' in the quarter ended 31 March 2024 resulting in a net amount of ₹ 222.7 Million shown as 'Exceptional items' in the Statement of Profit and Loss for the year ended 31 March 2024.
- 4 In September 2023, the Income Tax Department ("the Department") conducted a survey under Section 133A of the Income Tax Act, 1961 ('the Survey') on the Company. During the Survey proceedings and subsequently, the Company has provided necessary information and responses to the Department in addition to the documents, data backups, and other information provided during the Survey. Pursuant to the Survey, the department has initiated re-assessment proceedings u/s 148 of the Income-tax Act, 1961 ("the IT Act") in April, 2024 challenging the Company's eligibility to claim deduction under Section 80IE of the IT Act for its manufacturing facilities situated in Sikkim and allowability of certain expenses under Section 37(1) of the IT Act for assessment years 2017-18 to 2022-23. The Company has duly responded to the notices and rebutted the contentions of the Department. No demands have been raised as of date.

The Company has evaluated the aforesaid matters raised by the Department and believes that based on documentary evidence available, interpretation of Income-tax laws and opinion from independent Tax Counsel it has strong grounds to succeed in the above matters. Where a liability has been considered probable, adequate tax provisions have been accrued. Accordingly, no other material adjustments have been considered necessary to these standalone financial results.

- 5 The Board of Directors in its meeting held on 29 May 2024 has recommended a final dividend of ₹ 5 (Rupees Five only) per equity share (face value of ₹ 2 each) in addition to the interim dividend of ₹ 35 (Rupees Thirty five only) per equity share (face value of ₹ 2 each) declared on 9 February 2024. The final dividend is subject to approval at the ensuing annual general meeting of the Company.
- 6 The Company operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 29 May 2024



ALKEM LABORATORIES LTD.

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.
• Phone: +91-22-3982 9999 • Fax: 022-2495 2955
• Email: contact@alkem.com • Website: www.alkemlabs.com
• CIN: L00305MH1973PLC174201

29th May, 2024

To,

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
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Sub: Press Release and Analyst Presentation on Q4FY24 and FY24 Results

Dear Sir(s)/ Madam,

With reference to relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the press release and analyst presentation on Q4FY24 and FY24 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take a note of the same.

Sincerely,

For Alkem Laboratories Limited

MANISH Digitally signed by

MANISH NARANG

Date: 2024.05.29

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Manish Narang

President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

Press Release

Alkem reports Q4FY24 and FY24 results

Mumbai, May 29, 2024: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the fourth quarter and the full year ended March 31, 2024. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of FY24 financial performance

- Total Revenue from Operations was ₹ 126,676 million, year-on-year growth of 9.2%.
 - India sales were ₹ 84,337 million, year-on-year growth of 5.4%.
 - International sales were ₹ 40,024 million, year-on-year growth of 16.4%.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 22,455 million, resulting in EBITDA margin of 17.7% vs. 13.9% in FY23. EBITDA increased by 39.5% YoY.
- R&D expenses for FY24 was ₹ 5,229 million, or 4.1% of total revenue from operations compared to ₹ 5,394 million in FY23 at 4.7% of total revenue from operations
- Profit before tax (PBT) before exceptional item was ₹ 21, 446 million, a growth of 52.3% compared to ₹ 14,078 million in FY23.
- Net Profit (after Minority Interest) was ₹ 17, 958 million, year-on-year growth of 82.5%.
- PAT for FY23 was impacted on account of derecognition of deferred tax of Rs.1197 Mn. Adjusted for the above item, PAT growth for FY24 would have been 62.7%.
- As per IQVIA data, for FY24, the company registered a growth of 6.2% YoY, vs. the Indian Pharmaceutical Market (IPM) which grew by 7.6%
- **We are pleased to share that the international business has crossed revenue of Rs 40 billion in FY24.**

Key highlights of Q4FY24 financial performance

- Total Revenue from Operations were ₹ 29,358 million, year-on-year growth of 1.1%.
 - India sales were ₹ 19,724 million, year-on-year de-growth of 1.9%.
 - International sales were ₹ 9,096 million, year-on-year growth of 6.1%.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 4,020 million, resulting in EBITDA margin of 13.7% vs. 12.2% in Q4FY23. EBITDA increased by 13.8% YoY.
- R&D expenses for the quarter was ₹ 1,757 million, or 6.0% of total revenue from operations compared to ₹ 1,472 million in Q4FY23 at 5.1% of total revenue from operations
- Profit before tax (PBT) before exceptional item was ₹ 3,799 million, a growth of 20.7% compared to ₹ 3,146 million in Q4FY23.
- Net Profit (after Minority Interest) was ₹ 2,936 million, year-on-year growth of 313.6%.
- PAT for Q4FY23 was impacted on account of derecognition of deferred tax of Rs.1197 Mn. Adjusted for the above item, PAT growth for Q4FY24 would have been 54%.
- As per IQVIA data, for Q4FY24, the company registered a growth of 1.4% YoY vs. the Indian Pharmaceutical Market (IPM) which grew by 5.7%



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Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.
• Phone: +91-22-3982 9999 • Fax: 022-2495 2955
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Commenting on the FY24 results, Dr Vikas Gupta, CEO, Alkem said *"Our focus has been to improve EBIDTA margin during the year, on the back of benefits through various cost-control initiatives being implemented along with favourable API prices. Continuing our trend of improved performance, Q4FY24 builds on the momentum gained from previous quarters with significant gross margin enhancements backed by lower raw material cost and lower intensity of price erosion in US. Lower Opex across our manufacturing facilities and R&D also aided EBIDTA margin. Our Biosimilars and international business has delivered strong growth across geographies. Our anti-diabetic portfolio continues to outperform the market. We are committed to carrying forward the momentum of better operational performance, building on our recent success."*

Operational Highlights

Domestic Business Update

FY24 – Key Highlights

For FY24, the Company's India sales was ₹ 84,337 million compared to ₹ 80,011 million in FY23 – growth of 5.4% YoY.

- As per secondary sales data by IQVIA, for FY24, the Company delivered a YoY growth of 6.2% compared to Indian Pharmaceutical Market (IPM) growth of 7.6% YoY.
- We outperformed the IPM growth in Anti-diabetic, Derma, GI and VMN therapies and our ranking improved in therapies like anti-diabetic, cardiac and respiratory.
- The company continues to rank among the top five companies in the Indian pharmaceutical market and maintains its leading position in the anti-infective segment.
- The company has 18 brands which features among top 300 brands and have annual sales of over ₹ 1 bn.

Q4FY24 – Key Highlights

In Q4FY24, the Company's India sales declined by 1.9% YoY, recording sales of ₹ 19,724 million as compared to ₹ 20,113 million in Q4FY23.

- As per secondary sales data by IQVIA, for Q4FY24, the Company delivered a YoY growth of 1.4% compared to Indian Pharmaceutical Market (IPM) growth of 5.7% YoY.
- We outperformed the IPM in Anti-diabetic, Derma, and VMN therapies and our ranking has improved in therapies like cardiac and VMN.



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Key performance highlights of therapeutic segments in Q4FY24 and FY24

Key Therapy segment	Q4FY24				FY24			
	Alkem Rank	YoY change in Rank*	YoY (Alkem)	YoY (IPM)	Alkem Rank	YoY change in Rank*	YoY (Alkem)	YoY (IPM)
ANTI DIABETIC	15	Unchanged	17.9%	6.9%	15	Improved by 1	21.6%	6.0%
ANTI-INFECTIVES	1	Unchanged	-6.4%	-2.2%	1	Unchanged	2.0%	4.7%
CARDIAC	27	Improved by 1	11.5%	11.1%	27	Improved by 1	8.6%	10.0%
DERMA	19	Unchanged	14.1%	7.9%	19	Unchanged	10.6%	6.2%
GASTRO INTESTINAL	3	Unchanged	2.3%	5.4%	3	Unchanged	9.0%	7.2%
NEURO / CNS	7	Unchanged	8.8%	8.0%	7	Unchanged	8.5%	8.5%
PAIN / ANALGESICS	3	Unchanged	1.7%	5.8%	3	Unchanged	5.3%	8.1%
RESPIRATORY	15	Unchanged	-2.8%	-2.9%	15	Improved by 2	0.0%	2.7%
VITAMINS/MINERALS/NUTRIENTS	2	Improved by 1	13.0%	6.6%	2	Unchanged	9.3%	7.3%
TOTAL	5	Unchanged	1.4%	5.7%	5	Unchanged	6.2%	7.6%

*Positive change in rank reflects improvement over same period previous year

Source: IQVIA Data

International Business

For FY24, the Company's International sales grew by 16.4% to ₹ 40,024 million compared to ₹ 34,393 million in FY23.

In Q4FY24, the Company's International sales grew by 6.1% YoY, recording sales of ₹ 9,096 million as compared to ₹ 8,570 million in Q4FY23.

- **US sales** for Q4FY24 stood at ₹ 6,241 million, witnessing a YoY growth of 5.5%. For FY24, US sales were ₹ 27,709 million, compared to ₹ 25,134 million in FY23, a growth of 10.2%.
- **Other International Markets sales** for the quarter was ₹ 2,855 million, recording a YoY growth of 7.6%. For FY24, Other International Markets sales was ₹ 12,315 million compared to ₹ 9,259 million in FY23 - a growth of 33.0%.

Update on USFDA product approvals

- During the quarter, the Company has filed 4 ANDAs and has received approval for 2 ANDAs from the USFDA.
- For FY24, we have filed 8 ANDAs with the USFDA and have received approvals for 19 (including 3 Tentative Approvals).
- As on March 31, 2024, the Company has filed a total of 176 ANDAs and 2 new drug applications (NDA) with the USFDA. Of these, the Company has received approvals for 145 ANDAs (including 13 tentative approvals) and 2 NDAs.



ALKEM LABORATORIES LTD.

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,

Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

• Phone: +91-22-3982 9999 • Fax: 022-2495 2955

• Email: contact@alkem.com • Website: www.alkemlabs.com

• CIN: L00305MH1973PLC174201

Update on USFDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Daman (India)	Formulations	August 2019	EIR Received in Oct 2019.
Baddi (India)	Formulations	March 2024	Received Form 483 with ten observations. USFDA inspection was done between 19-27 March 2024. Response is submitted to USFDA.
Taloja R&D (India)	Bioequivalence Centre	October 2022	No observations.
Mandva (India)	API	December 2023	EIR Received in Mar 2024.
Ankleshwar (India)	API	April 2023	EIR Received in July 2023.
California (US)	API	August 2018	EIR Received in Oct 2018.

EIR – Establishment Inspection Report



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Q4FY24 & FY24 Conference Call at 5 pm IST, May 29, 2024

Alkem will organize a conference call for investors and analysts on Wednesday, May 29, 2024 from 5:00pm to 6:00pm IST to discuss its Q4FY24 & FY24 financial results.

Alkem Laboratories Ltd. will be represented on the call by:

Dr. Vikas Gupta – CEO
Mr. Nitin Agrawal – CFO
Motilal Oswal Securities Ltd. will host the call.

Details of the conference call are as under:

Time: 5:00 pm IST (GMT + 5:30) on Wednesday, May 29, 2024

Dial in Details:

India : +91 22 6280 1149 / +91 22 7115 8050

International Toll Free

USA	: 1 866 746 2133
UK	: 0 808 101 1573
Singapore	: 800 101 2045
Hong Kong	: 800 964 448

Express Join with Diamond Pass

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3570683&linkSecurityString=1649871468>

You are requested to dial in 10 mins ahead of the scheduled start time.

About Alkem Laboratories Ltd.

Established in 1973 and headquartered in Mumbai, Alkem (NSE: ALKEM, BSE: 539523, Bloomberg: ALKEM.IN, Reuters: ALKE.NS) is a leading Indian pharmaceutical company with global operations, engaged in the development, manufacture and sale of pharmaceutical and nutraceutical products. The Company produces branded generics, generic drugs, active pharmaceutical ingredients (APIs) and nutraceuticals, which it markets in India and International markets. With a portfolio of more than 800 brands in India, Alkem is ranked the fifth largest pharmaceutical company in India in terms of domestic sales (Source: IQVIA March 2023). The Company also has presence in more than 40 international markets, with the United States being its key focus market.

For more information on Alkem Laboratories Ltd., please visit www.alkemlabs.com

For further information or queries, please contact

Purvi Shah

Head of Investor Relations
Alkem Laboratories Ltd.
Tel.: +91 22 3982 9999 Ext: 9447
Mobile: +91 84337 00890
E-mail: purvi.shah@alkem.com



Alkem Laboratories Ltd.

Investor Presentation Q4FY24 & FY24

May 29, 2024



Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as "anticipates", "believes", "estimates", "expects", "intends", "plans", "predicts", "projects" and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.

Key Highlights of FY24

- Total Revenue from Operations was ₹ 126,676 million, year-on-year growth of 9.2%.
 - India sales were ₹ 84,337 million, year-on-year growth of 5.4%.
 - International sales were ₹ 40,024 million, year-on-year growth of 16.4%.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 22,455 million, resulting in EBITDA margin of 17.7% vs. 13.9% in FY23. EBITDA increased by 39.5%.
- R&D expenses for FY24 was ₹ 5,229 million, or 4.1% of total revenue from operations compared to ₹ 5,394 million in FY23 at 4.7% of total revenue from operations.
- Profit before tax (PBT) before exceptional item was ₹ 21, 446 million, a growth of 52.3% compared to ₹ 14,078 million in FY23.
- Net Profit (after Minority Interest) was ₹ 17, 958 million, year-on-year growth of 82.5%.
- PAT for FY23 was impacted on account of derecognition of deferred tax of Rs.1197 million. Adjusted for the above item, PAT growth for FY24 would have been 62.7%.
- As per secondary sales data by IQVIA, for FY24, the Company delivered a growth of 6.2% compared to Indian Pharmaceutical Market (IPM) growth of 7.6%.
- We outperformed the IPM in Anti-diabetic, Derma, GI & VMN therapies in FY24 and improved ranking in Anti-diabetic, cardiac and respiratory therapies.
- For FY24 , we have filed 8 ANDAs with the USFDA and have received 19 approvals (including 3 Tentative Approvals).
- Enzene Bio-sciences: As on 31st March 2024, we have 7 bio-similar products in domestic market. All our products are witnessing good market demand.

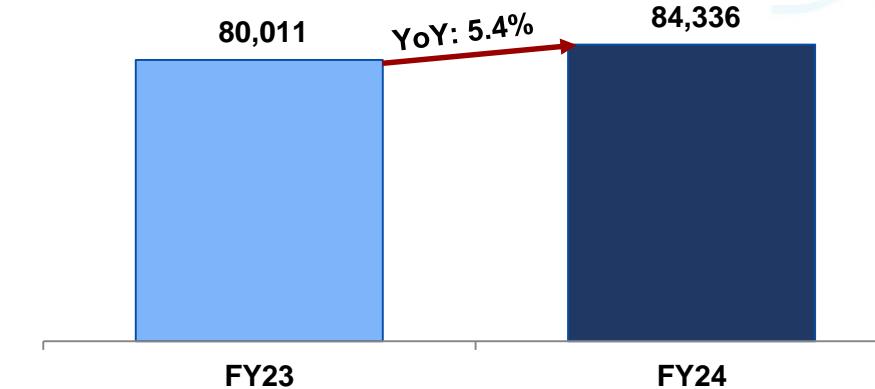
Key Financial Highlights – FY24 (Consolidated)

All figures in ₹ Mn

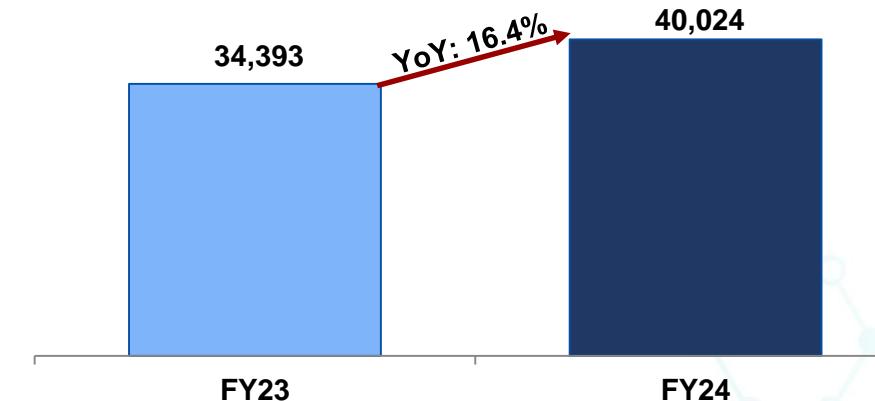
Revenue from Operations



India sales

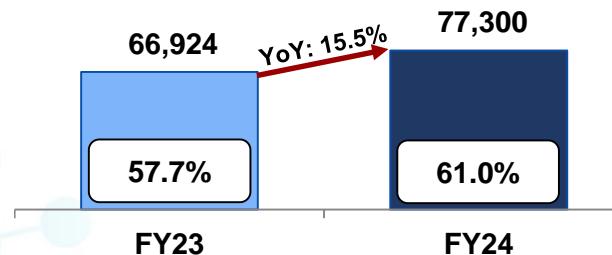


International sales

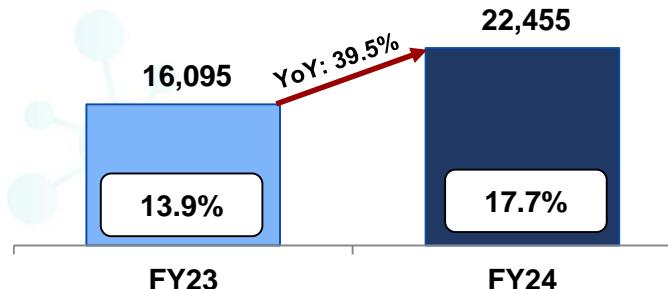


Key Financial Highlights – FY24 (Consolidated)

Gross Profit and Gross Margin



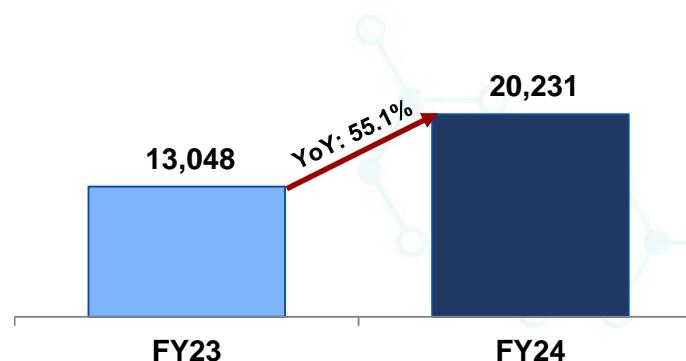
EBITDA and EBITDA Margin



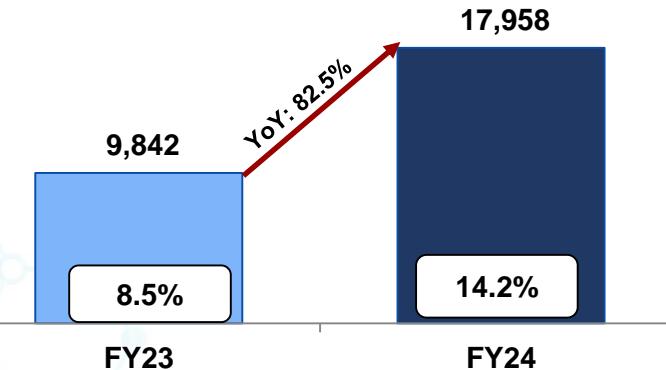
All figures in ₹ Mn
PBT (before exceptional item)



PBT (after exceptional item)



PAT (after Minority Interest)

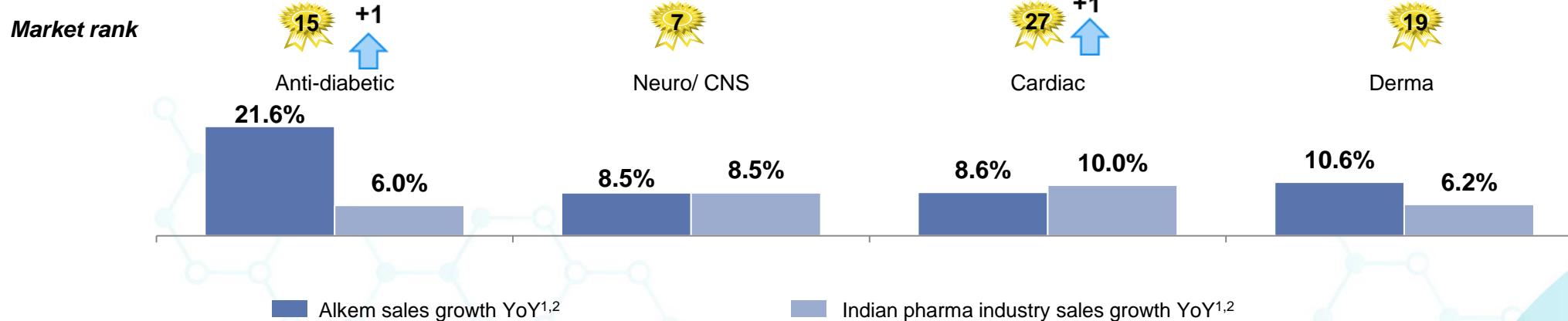
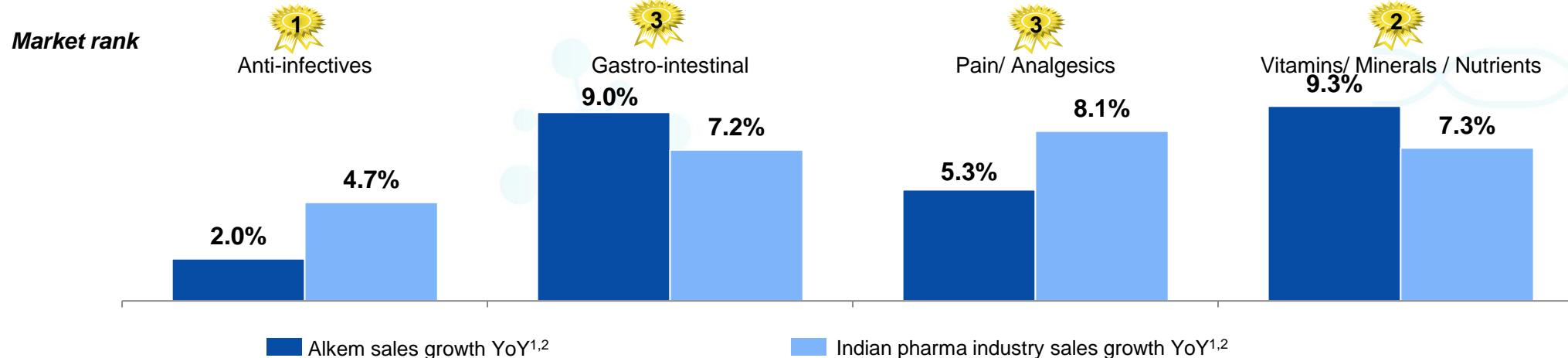


PAT for FY23 was impacted on account of derecognition of deferred tax of **Rs.1197 Mn**. Adjusted for the above item, PAT growth for FY24 would have been **62.7%**.

Secondary Sales Performance



Mixed performance across all major therapeutic segments in FY24



Source: IQVIA data ¹ Domestic formulations sales; ² For FY24

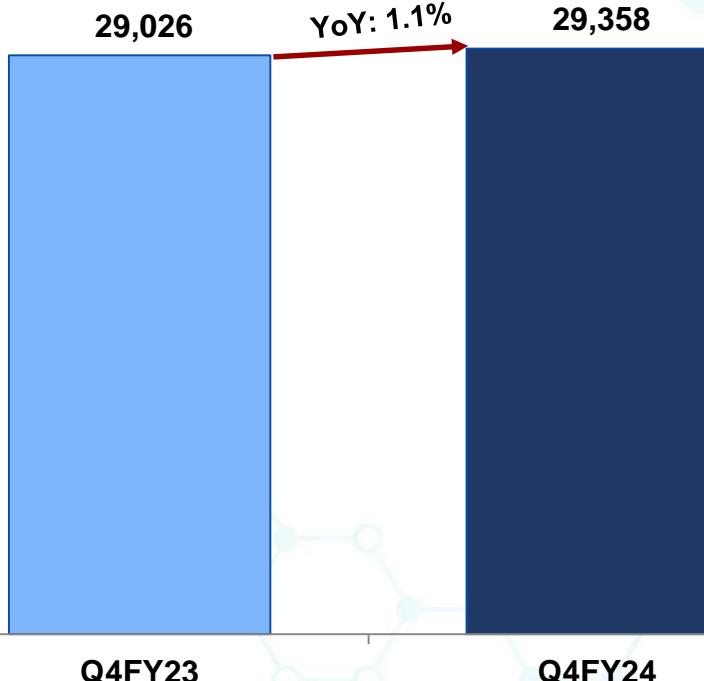
Key Highlights of Q4FY24

- Total Revenue from Operations were ₹ 29,358 million, year-on-year growth of 1.1%.
 - India sales were ₹ 19,724 million, year-on-year de-growth of 1.9%.
 - International sales were ₹ 9,096 million, year-on-year growth of 6.1%.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 4,020 million, resulting in EBITDA margin of 13.7% vs. 12.2% in Q4FY23. EBITDA grew by 13.8%.
- R&D expenses for the quarter was ₹ 1,757 million, or 6.0% of total revenue from operations compared to ₹ 1,472 million in Q4FY23 at 5.1% of total revenue from operations.
- Profit before tax (PBT) before exceptional item was ₹ 3,799 million, a growth of 20.7% compared to ₹ 3,146 million in Q4FY23.
- Net Profit (after Minority Interest) was ₹ 2,936 million, year-on-year growth of 313.6%.
- PAT for Q4FY23 was impacted on account of derecognition of deferred tax of Rs.1197 Mn. Adjusted for the above item, PAT growth for Q4FY24 would have been 54%.
- As per secondary sales data by IQVIA, for Q4FY24, the Company delivered a growth of 1.4% compared to Indian Pharmaceutical Market (IPM) growth of 5.7%.
- We outperformed the IPM in Anti-diabetic, Derma and VMN therapies.
- During the quarter, the Company has filed 4 ANDAs and has received 2 approvals from the USFDA.
- **Healthy balance sheet** with net cash of ₹35.5 billion as on March 31, 2024.

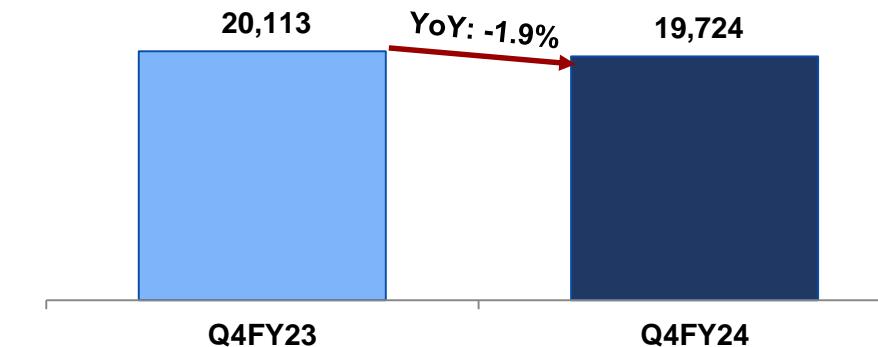
Key Financial Highlights – Q4FY24 (Consolidated)

All figures in ₹ Mn

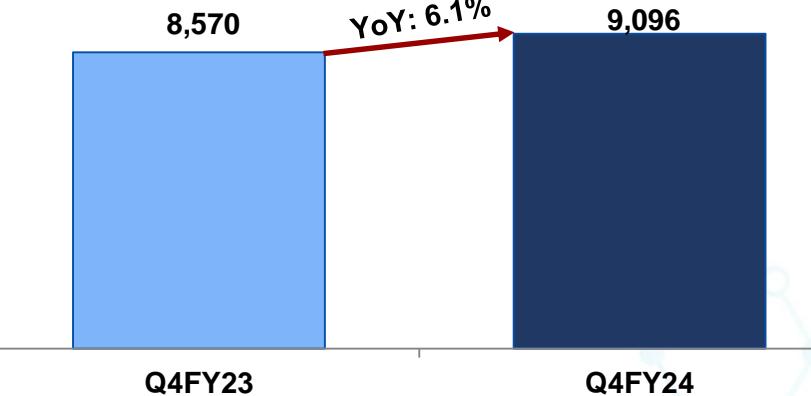
Revenue from Operations



India sales



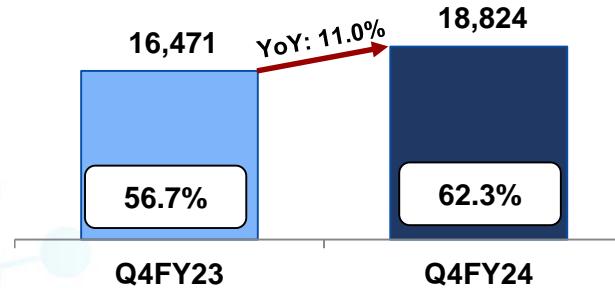
International sales



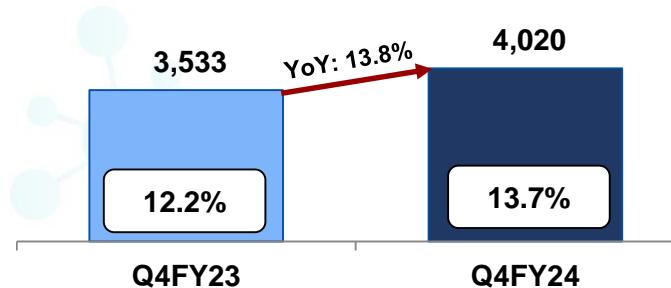
Key Financial Highlights – Q4FY24 (Consolidated)

All figures in ₹ Mn

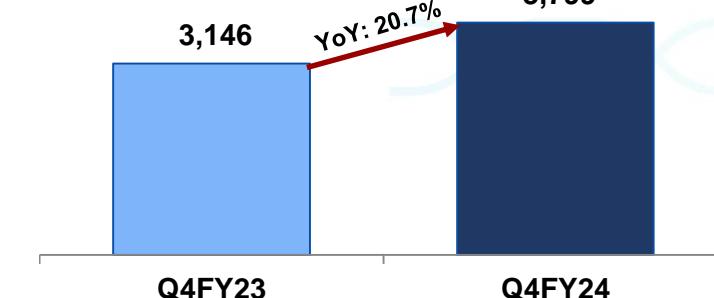
Gross Profit and Gross Margin



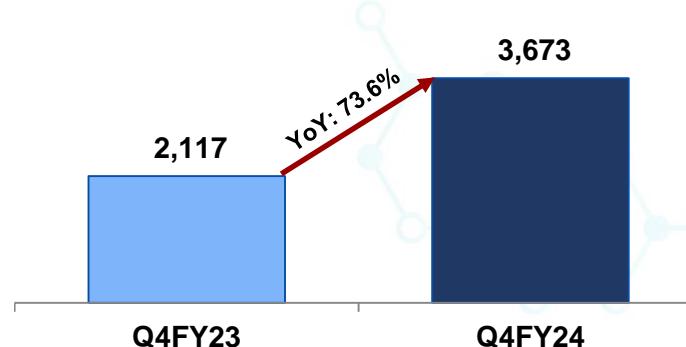
EBITDA and EBITDA Margin



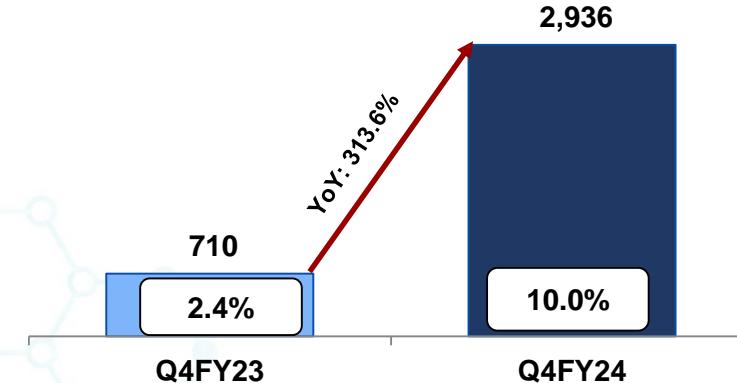
PBT (before exceptional item)



PBT (after exceptional item)



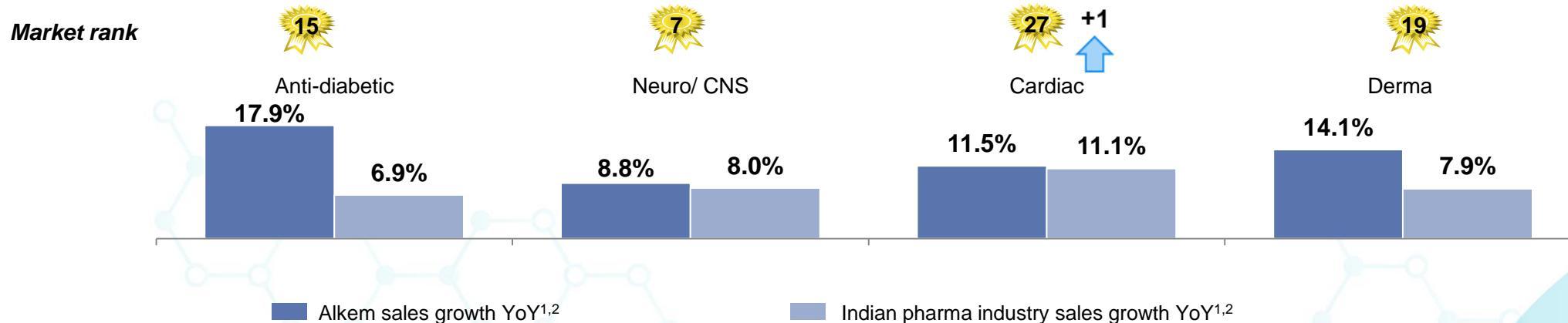
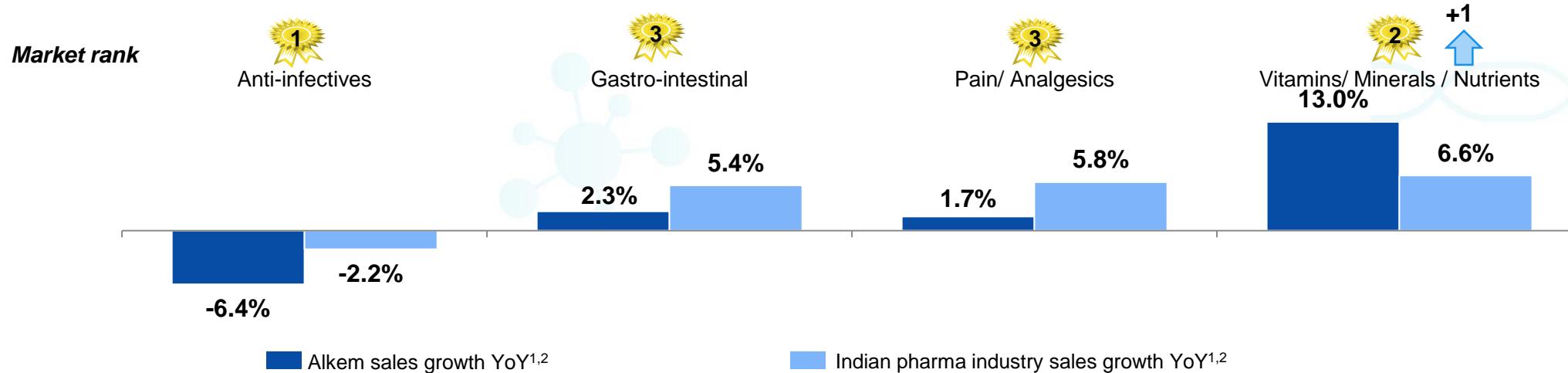
PAT (after Minority Interest)



PAT for Q4FY23 was impacted on account of derecognition of deferred tax of **Rs.1197 Mn**. Adjusted for the above item, PAT growth for Q4FY24 would have been **54%**.

Secondary Sales Performance

Mixed performance across all major therapeutic segments in Q4FY24



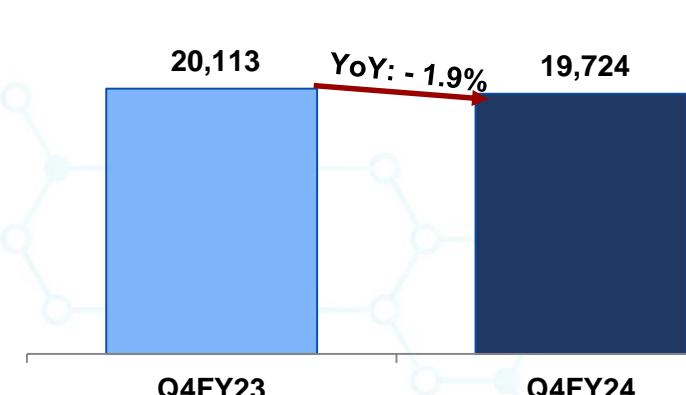
Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended March 31, 2024

India Business Update

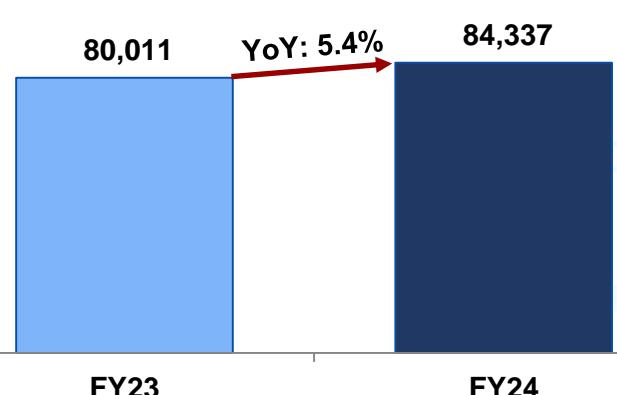
Q4FY24 Sales of ₹ 19,724 million (1.9% YoY decline)

- Contribution of domestic sales to total sales in Q4FY24 was 68.4% and for FY24 was 67.8%.
- As per IQVIA, in Q4FY24, the Company's secondary sales grew by 1.4% compared to IPM growth of 5.7% YoY and in FY24, the Company's secondary sales grew by 6.2% compared to IPM growth of 7.6% YoY.
- During the year, there has been a sporadic season for our large business, i.e. Anti-infectives especially in eastern India, so impact on Alkem is higher than industry.
- We outperformed the IPM growth in Anti-diabetic, Derma, and VMN therapies in Q4FY24 and in FY24 in Anti-diabetic, Derma, GI and VMN therapies.
- For Q4FY24, our ranking improved in therapies like cardiac and VMN, and in FY24 ranking improved in Anti-diabetic, Cardiac and Respiratory.

Q4FY24 – India Sales (₹ Mn)



FY24 – India Sales (₹ Mn)

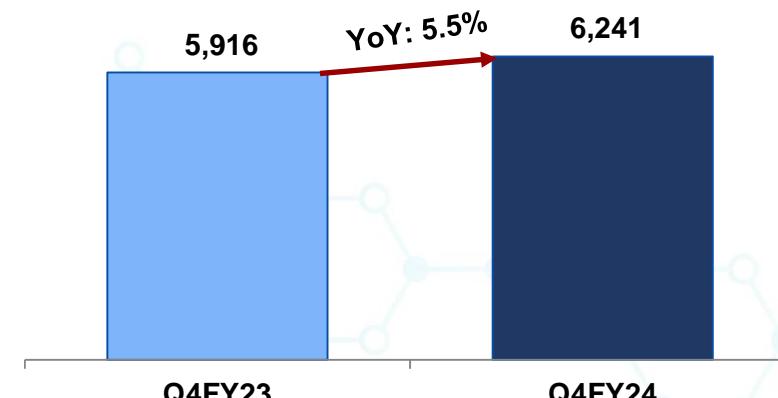


US Business Update

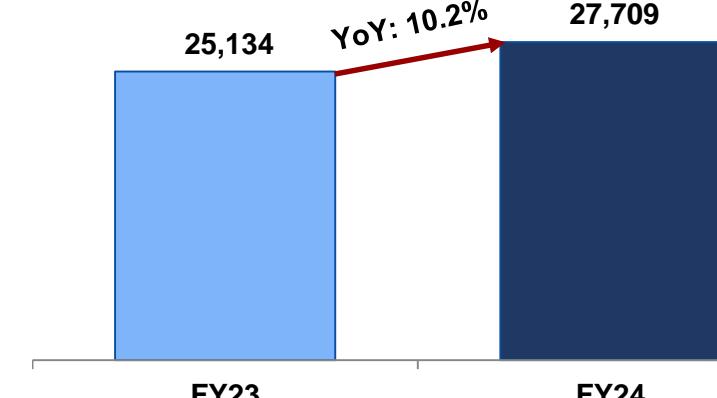
Q4FY24 Sales of ₹ 6,241 million (5.5% YoY growth)

- Overall contribution of US sales to total sales was 21.7% in Q4FY24 and in FY24 as well.
- During Q4FY24, the US business grew by 5.5% and in FY24 it grew by 10.2%.
- During Q4FY24, the Company has filed 4 ANDA and has received 2 approvals (includes 1 tentative approval) from the USFDA.
- For FY24, we have filed 8 ANDA with the USFDA and have received 19 approvals (including 3 Tentative Approvals).

Q4FY24 – US Sales (₹ Mn)



FY24 – US Sales (₹ Mn)



Update on USFDA inspections

Facility	Inspection Date	Regulatory Status
Baddi (India)	Mar-24	Received Form 483 with ten observations for USFDA inspection done between 19-27 Mar 2024. Response submitted to USFDA.
Daman (India)	Aug-19	EIR Received in Oct 2019
Taloja R&D (India)	Oct-22	No observation
Ankleshwar (India)	Apr-23	EIR Received in July 2023
Mandva (India)	Dec-23	EIR Received in Mar 2024
California (USA)	Aug-18	EIR Received in Oct 2018

Note: USFDA conducted Virtual Inspection at our manufacturing facilities located at Daman from 5th October to 7th October'2020.

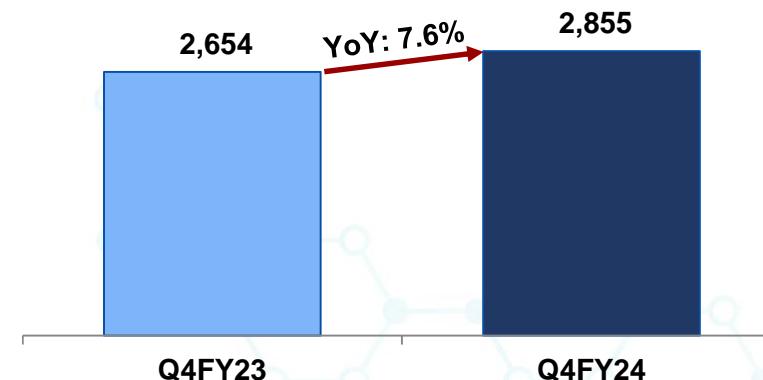
EIR – Establishment Inspection Report indicating successful closure of inspection

Other International Business Update

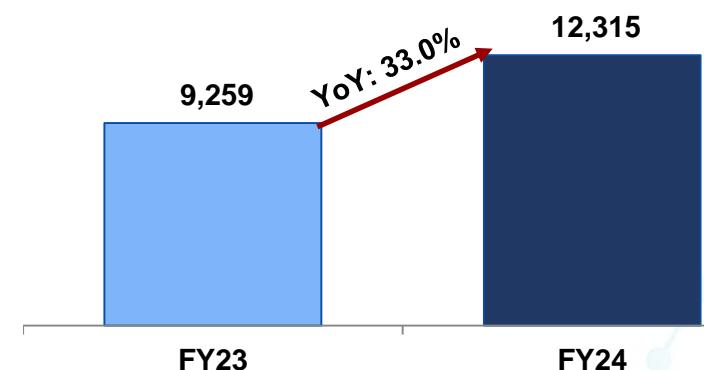
Q4FY24 Sales of ₹ 2,855 million (7.6% YoY growth)

- Other International Market sales contributed 10% to total sales in Q4FY24 as well as in FY24.
- For FY24, our Non-US business has contributed significantly amidst launch of limited competition products in our key focus markets.
- The Company has presence mainly in Latin America, Australia and Europe.
- All our major markets like Chile, UK and Germany have registered very strong growth during FY24.

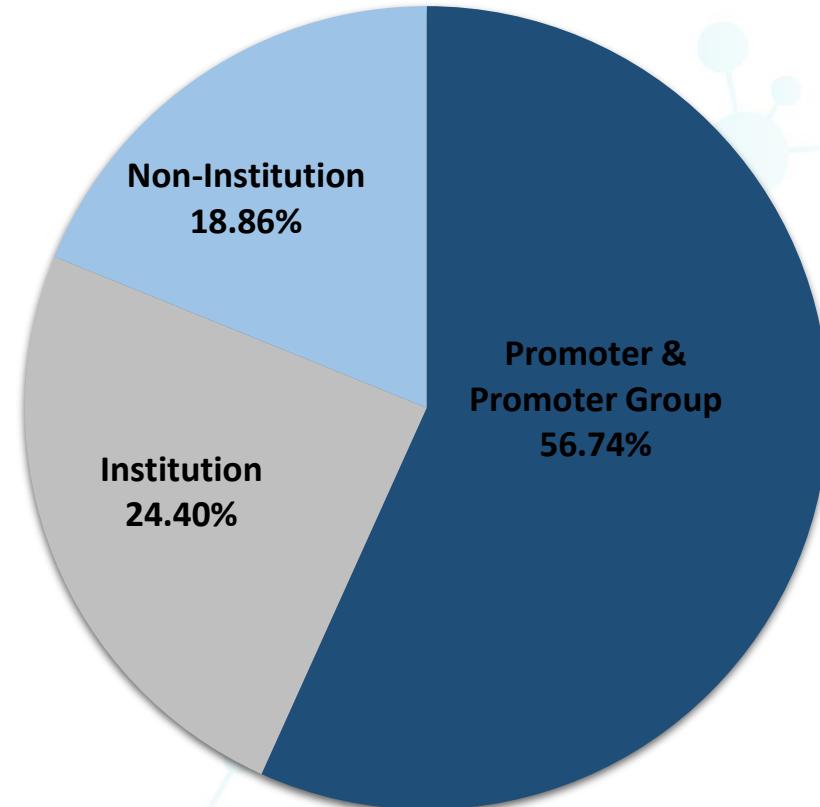
Q4Y24 – Other International Sales (₹ Mn)



FY24 – Other International Sales (₹ Mn)



Shareholding Pattern as on March 31, 2024



BSE Ticker	539523
NSE Symbol	ALKEM
Shares Outstanding (Mn)	119.55
MCap (Rs in Mn)*	590,816
Free Float Mcap (Rs in Mn)	255,587
Industry	Pharmaceuticals

Institution – Mutual Funds, Alternate Investment Funds, Foreign Portfolio Investors, Financial Institutions / Banks

Non-Institution – Public, Other Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts

*Share Price - Rs 4,942 from NSE as on 28th March, 2024

Key Financial Highlights – Q4FY24 & FY24(Consolidated)

All figures in ₹ Mn

Particulars	Q4FY24	Q4FY23	YoY growth	FY24	FY23	YoY growth
Revenue from Operations	29,358	29,026	1.1%	126,676	115,993	9.2%
Gross Profit	18,284	16,471	11.0%	77,300	66,924	15.5%
Gross Profit Margin	62.3%	56.7%		61.0%	57.7%	
EBITDA	4,020	3,533	13.8%	22,455	16,095	39.5%
EBITDA Margin	13.7%	12.2%		17.7%	13.9%	
PBT (before exceptional item)	3,799	3,146	20.7%	21,446	14,078	52.3%
Exceptional item	-125	-1,030		-1,215	-1,030	
PBT (after exceptional item)	3,673	2,117	73.6%	20,231	13,048	55.1%
PBT Margin	12.5%	7.3%		16.0%	11.2%	
PAT (after Minority interest)	2,936	710	313.6%	17,958	9,842	82.5%
PAT Margin	10.0%	2.4%		14.2%	8.5%	
EPS (₹ / share)	24.6	5.9	313.6%	150.2	82.3	82.5%

Thank You

For any queries, contact:

Purvi Shah - Head of Investor Relations

Mobile: +91 84337 00890

Tel: +91 22 3982 9999 Ext: 9447

E-mail: purvi.shah@alkem.com