



Charting New Growth Horizons

ANNUAL REPORT | 2023-24

Contents

01-41

Corporate Overview

- 01 Charting New Growth Horizons
- 02 Performance Highlights FY 2023-24
- 04 Letter from the Executive Chairman
- 06 Managing Director's Communique
- 08 CEO's Message
- 10 About Alkem Laboratories
- 14 Our Value Chain
- 16 Strategic Priorities
- 20 Our Financial Prudence
- 22 Strengthening our EHS Practices
- 27 Responsibilities Towards our People
- 30 Social Engagements
- 37 Guiding Leadership: Our Board of Directors
- 41 Corporate Information

42-151

Statutory Reports

- 42 Management Discussion & Analysis
- 62 Directors' Report
- 82 Corporate Governance Report
- 104 Business Responsibility and Sustainability Report

152-300

Financial Statements

- 153 Standalone Financial Statements
- 222 Consolidated Financial Statements

301 Notice of AGM

To view this report online and to know more about us, please visit:

www.alkemlabs.com





Charting New Growth Horizons

is akin to uncovering hidden opportunities amidst the integration of possibilities, where navigating unexplored paths leads to innovative solutions and sustainable progress. Since our inception in 1973, we have been at the forefront of transformative change, consistently adapting to meet the dynamic demands of the healthcare industry while prioritizing patient well-being.

The pharmaceutical sector, mirroring the dynamic nature of diseases it combats, requires constant adaptation. Committed to innovation and expansion, our focus remains on chronic diseases, bolstering operational efficiency, and global reach. Recent strategic initiatives drive productivity-led growth in our India operations. Portfolio optimization, refined market segmentation, and targeted campaigns enhance our market presence. Establishing a dedicated division for high-growth therapeutic segments and branding our active pharmaceutical ingredients as Alkem Activa highlights our proactive leadership and global expansion approach.

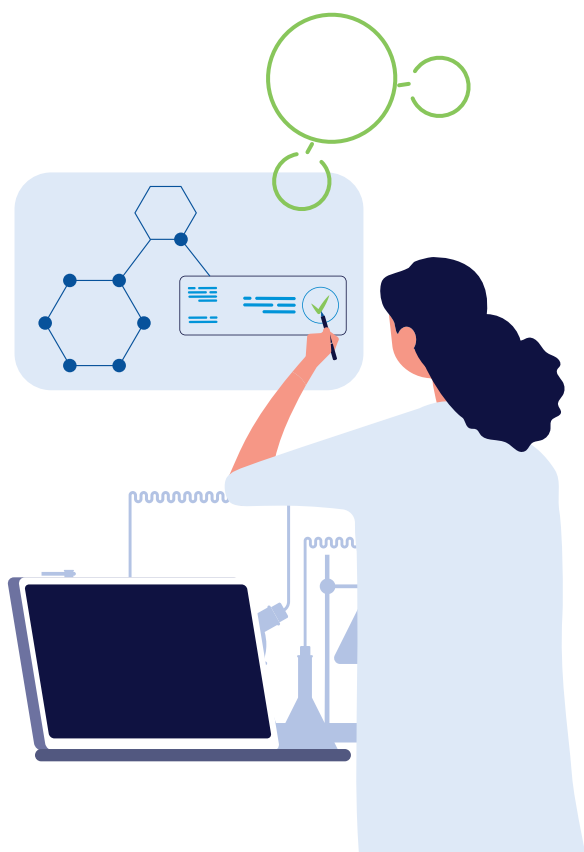
Our leadership in the domestic acute segment, upheld by flagship brands like Clavam, Pan, Pan D, A to Z, Uprise D3 and Taxim-O, showcases our adeptness in seizing market opportunities with precision. This is evidenced by our Vitamins/Minerals/Nutrients (VMN) and Gastro-intestinal outperforming IPM growth. Additionally, our robust performance in the chronic segment during FY 2023-24, surpassing IPM growth in key therapeutic areas such as Anti-diabetic and Cardiac therapies underscores our success. In 2023, our milestones included the introduction of Cetuxa, a biosimilar of Cetuximab, illustrating our commitment to scientific innovation. At the same time, our entry into Ophthalmology reflects our dedication to meeting diverse patient needs. Additionally, our expansion into Contract Development and Manufacturing Organisation (CDMO) services in the US demonstrates our strategic vision.

Balancing short-term growth objectives with long-term resilience, we navigate the intricacies of the market with agility, ensuring a trajectory of sustained progress and innovation. As we embark on our exploration into the medical devices sector, guided by our core values of integrity and innovation, we stand poised to redefine the future of healthcare.

Inspired by the perpetual evolution of the sector, we remain dedicated to

“Charting new growth horizons”

through continual adaptation and strategic expansion.



Performance Highlights FY 2023-24

Financial Growth



Proven financial results backed by the efficient resource allocation and time-tested strategies

₹ 126,676 Mn

Revenue from operations

▲ 9.2% y-o-y

₹ 22,455 Mn

Earnings before interest, tax, depreciation and amortization (EBITDA)

▲ 39.5% y-o-y

₹ 17,958 Mn

Profit after tax (PAT)

▲ 82.5% y-o-y

₹ 35.5 Bn

Net cash

Operational progress



Significant operational progress underscored by robust sales, regulatory body approvals and geographic expansion

5.4% y-o-y

Domestic Sales Growth

Gastro, Anti-diabetic and Vitamins & minerals

Domestic Business Growth Segments

10.2% y-o-y

US Business Sales Growth

145 ANDAs and 2 NDAs

(including 13 tentative approvals)

Filings received approval until FY 2023-24 from USFDA
₹ 5,229 Mn R&D expenditure (Consolidated)

33.3% y-o-y

Non-US Business Sales Growth

Impressive growth in LATAM and Europe Market

Health and Safety highlights



Prioritizing health and safety through comprehensive measures and ongoing trainings

0
Fatalities reported in FY 2023-24

4,507
EHS training conducted

3,175
Total man-days of EHS trainings

30
Mock drills conducted

Social Engagements



Contributing towards community well-being through engaging initiatives

11 lakh
Lives benefited

58
Initiatives undertaken

₹ 347.9 Mn
Total investment towards CSR



Letter from the Executive Chairman



WE ARE ALSO AMONG THE LARGEST TRADE GENERIC PLAYERS IN THE COUNTRY. ADDITIONALLY, WE HAVE 18 BRANDS FEATURED IN THE LIST OF THE TOP 300 BRANDS IN THE INDIAN PHARMACEUTICAL MARKET (IPM). OUR GROWTH OVER THE PAST 15 YEARS HAS BEEN IMPRESSIVE AND AWE-INSPIRING, WITH OUR REVENUE EXPANDING BY 10.5 TIMES.

Dear Shareholders,

At Alkem, our credo, “Inspiring Healthier Lives” is at the core of our research-driven innovation culture, enabling us to impact millions of lives worldwide positively. Reflecting on FY 2023-24, we made considerable progress in strengthening our operations, expanding our portfolio and pipeline, integrating new capabilities, and fostering the development of our people while attracting fresh talent across the organization. These focused efforts have shaped us into a stronger and more relevant company for the many individuals who rely on our innovative and affordable healthcare solutions.



Organizational Milestones and Achievements

Consistent evolution and growth have been the hallmarks of our organization. Founded in 1973, Alkem championed change when international companies dominated the Indian pharmaceutical industry. Our transformation from a family-held organization to a public listed entity in 2015 was driven by our commitment to greater transparency, enhanced governance, and unlocking new avenues for growth. Today, we stand as a formidable global pharmaceutical company with a robust presence across multiple therapeutic areas and geographies. We have demonstrated our adaptability and dynamism in the past, and remain resolute in doing so in the future to respond to unmet patient needs and deliver long-term value effectively.

Throughout our illustrious journey, among our most significant milestones has been our entry into the international market, which today accounts for more than 30% of our revenues. In India, our strategic entry into the chronic segment and our foray

into trade generics marked significant strides forward. I am pleased to share that our chronic segment now contributes approximately 18% to our total prescription portfolio in India. We are also among the largest trade generic players in the country. Additionally, we have 18 brands featured in the list of the Top 300 brands in the Indian Pharmaceutical Market (IPM). Our growth over the past 15 years has been impressive and awe-inspiring, with our revenue expanding by 10.5 times.

Corporate Governance and Leadership

Our achievements are a testament to the strategic direction provided by the leadership team, the professionalism we have cultivated, and the dedicated efforts of our people. Alkem has a strong workforce of over 20,000 worldwide and about 2,700 employees of the total have been with the organization for more than a decade. Empowering people and nurturing their career growth have been central to attaining our shared objectives.

For the fourth time now, Alkem has been certified as a "Great Place to Work" for the year FY 2023-24. We were featured in India's Top 100 best companies to work for across industries, a recognition that underscores our commitment to be a world-class employer. We continue to foster a positive work environment that attracts, develops and retains a diverse and talented pool of employees, united by our core values.

Our unflinching focus on upholding the highest levels of governance, professionalism, and transparency provides a solid basis for sustainably enhancing stakeholder value. In line with our commitment to being a professionally-run organization, the Board announced the creation of the Chief Executive Officer position and appointed Dr. Vikas Gupta to this pivotal role. With over two decades of industry experience, Dr. Gupta has a proven track record of leading business transformations and driving growth



AT ALKEM, WE FIRMLY BELIEVE ACHIEVING SUCCESS GOES BEYOND FINANCIAL PERFORMANCE—IT EMBODIES AN UNWAVERING COMMITMENT TO THE WELL-BEING OF OUR PLANET, COMMUNITIES, AND STAKEHOLDERS.

across various geographies. Additionally, Mr. Nitin Agrawal has been appointed as the new Chief Financial Officer, bringing nearly 19 years of senior global leadership experience in Healthcare and FMCG. Our core management team has also been bolstered with the appointment of new heads across various functions. This strengthened leadership team, with its specialized expertise and diverse skill sets, positions Alkem strongly for its next phase of the journey.

Corporate Social Responsibility Initiatives (CSR) and Sustainability Initiatives

At Alkem, we firmly believe achieving success goes beyond financial performance – it embodies an unwavering commitment to the well-being of our planet, communities, and stakeholders. Building on our longstanding ethos of sustainability, we have advanced our ESG initiatives with the development of a comprehensive ESG framework and roadmap. Key targets include enhancing Board of Directors' gender diversity from 25% to 33% by FY 2024-25, reducing Scope 1 & 2 GHG emissions by 42% by FY 2032-33 from the FY 2022-23 baseline, achieving water neutrality by FY 2029-30, and reaching zero waste to landfill at our operating sites by FY 2025-26.

Our governance structures at the Board and management levels ensure that sustainability is anchored at the highest

strategic planning level. This year, we achieved 10.2% reduction in total volume of water consumption (in kiloliters) and 11.5% reduction of total electricity consumption (GJ) - (From non-renewable source - Grid). Our training center at the Daman site is empowering our workforce with relevant skills, while our focused social initiatives in healthcare, education, sports, and rural development are building stronger communities and paving the way for a more inclusive future.

Impact of Government Policies and Industry Outlook

In recent years, the Indian Pharmaceutical Industry has shown remarkable resilience and agility amidst the challenges posed by the global health landscape. Government policies such as the Production Linked Incentive (PLI) scheme, are encouraging domestic manufacturing and enhancing India's global competitiveness. As India evolves into a hub for pharmaceutical research, manufacturing, and innovation, it stands poised to shape the future of healthcare worldwide. At Alkem, we remain steadfast in our commitment to innovation, quality, and patient-centricity, contributing to the industry's ongoing success.

Acknowledgement of Stakeholders

I want to close by recognizing our management and employees for their outstanding work throughout FY 2023-24. Our business thrives on the talent of our people, and our success is a testament to their tireless efforts. I also extend my heartfelt thanks to our customers, partners, medical fraternity, government agencies, and shareholders for their constant engagement and support. Shared value creation is embedded in Alkem's DNA; by judiciously executing our strategy, we remain dedicated to enhancing lives and delivering enduring value.

Warm regards,

B. N. Singh
Executive Chairman

Managing Director's Communique



ADDITIONALLY, WE ARE EXPANDING ENZENE'S MANUFACTURING CAPACITIES WITH A NEW STATE-OF-THE-ART BIOSIMILAR FACILITY IN THE US. THIS FACILITY, WITH A CAPITAL EXPENDITURE OF AROUND US\$ 50 MILLION, IS SLATED FOR COMMISSIONING BY THE END OF FY 2024-25. WE ALREADY HAVE A HEALTHY ORDER PIPELINE FOR OUR US CDMO OPERATIONS AND ARE CONFIDENT IN CAPITALIZING ON THE VAST OPPORTUNITIES TO GROW IT FURTHER.

Dear Shareholders,

Throughout our five-decade-long journey, Alkem has consistently evolved, expanding into new categories, businesses, and markets worldwide. This transformation has created significant opportunities, enabling us to scale growth and become a leading player in the Indian pharmaceutical industry. In FY 2023-24, we delivered commendable performance and achieved promising results in our newer segments, reflecting our astute foresight. As we drive forward our successful diversification strategy, we remain focused on strengthening the foundation for future growth and exploring newer verticals while delivering on our short-term objectives.

India Business

The Indian market has always been our core focus, currently accounting for ~ 70% of our revenues. Having established ourselves as a dominant player in acute therapies, we have consciously invested in building our chronic portfolio over the past few years, recognizing the shift in disease profiles. This includes launching new divisions, expanding our field force, and shifting our sales focus from general practitioners to specialists.

Our investments have yielded positive results, particularly in the anti-diabetic and cardiac segments, where our new

launches have garnered significant market share. Notably, we have grown more than three times the Indian Pharmaceutical Market (IPM) growth in the anti-diabetic market in FY 2023-24. In the future, the anti-diabetic market is projected to be a significant growth lever for IPM. With many anti-diabetic drugs nearing patent expiry, our robust pipeline of branded generics presents exciting business opportunities.

Overall, we remain focused on investing across our chronic portfolio to achieve a more balanced contribution between acute and chronic segments in our total India prescription business. Improving the contribution from the chronic segment will

also be a key driver for our future profitability. Further, I am delighted to announce our entry into the field of ophthalmology with the launch of an extensive portfolio of eye care products. In this new segment, we aspire to make significant strides with the introduction of innovative and advanced formulations.

Leveraging our strengths in the acute space, we ventured into the trade generics segment, which has become a key revenue driver, now accounting for ~20% of our total domestic business. According to IQVIA, trade generics hold a 20% market share by volume and 5-6% by value in India. Bolstered by government support, trade

generics have significant growth potential, expanding at around 14-15% per annum. We remain focused on leveraging these opportunities and scaling up our generics business in the coming years.

International Business

Our international business delivered robust performance this year, with solid growth in both the US and non-US markets. In the US, we plan to launch 6 to 8 new products every year. We are optimistic that these new launches will significantly contribute to the growth of our US business.

Our strategy - To strengthen our focus on non-US businesses is paying off, with all major markets showing impressive growth in FY 2023-24. We are confident about continuing this momentum and scaling up our non-US operations. This strategic shift will provide a twin benefit: reducing our dependence on the US market and enhancing our overall profitability due to the higher margins these markets offer.

Additionally, we successfully monetized our discontinued St. Louis facility in the US, which was previously dedicated to controlled substance finished dosage manufacturing. Given the severe price erosion and delays in key product launches, the plant was no longer commercially viable. By streamlining our operations and reducing costs, we are better positioned to navigate the competitive US market and steer future growth.

Enzene Business

Enhancing the performance of Enzene Biosciences, our subsidiary specializing in biosimilars and serving as a Contract Manufacturing and Development Organization (CDMO) for biotechnology companies, is another business objective. Our strategic initiatives aim to enhance Enzene's capabilities and position it for success in the dynamic healthcare landscape.

A key focus is a substantial investment in Enzene's Research and Development (R&D) endeavors. We are committed to advancing its pipeline of biosimilar products, exploring new therapeutic areas, and optimizing manufacturing processes. This strategic R&D investment ensures Enzene remains at

the forefront of innovation, delivering high-quality and affordable healthcare solutions. We have already launched seven biosimilar products in India and have a robust pipeline moving forward.

We plan to introduce select biosimilar products in the international market in the coming years. To achieve this, we are actively pursuing strategic collaborations and working on obtaining necessary regulatory approvals. Expanding Enzene's reach into international markets aims to create sustainable growth and maximize the impact of its innovative products.

Additionally, we are expanding Enzene's manufacturing capacities with a new state-of-the-art biosimilar facility in the US. This facility, with a capital expenditure of around US\$ 50 million, is slated for commissioning by the end of FY 2024-25. We already have a healthy order pipeline for our US CDMO operations and are confident in capitalizing on the vast opportunities to grow it further. Our optimism stems from the increasing trend of biotechnology companies outsourcing various aspects of drug development and manufacturing to specialized partners for a more flexible, cost-efficient structure. Our new facility will provide a local outsourcing solution, making it easier for US customers to work with us. Moreover, our unique proposition of conducting a part of the CDMO services in India offers a cost arbitrage to our global customers.

Business Strategy

At Alkem, agility and adaptability are embedded in our approach. We are quick to respond to market trends, changing regulatory landscapes, and emerging patient needs. This skill allows us to seize opportunities swiftly and navigate challenges effectively.

We are strategically focusing our R&D investments on emerging areas such as novel drug formulations, biologics, biosimilars, and personalized medicine. Additionally, we are exploring advancements in oncology, diabetes, cardiovascular diseases, and central nervous system disorders. Our goal is to develop innovative, high-quality,

and affordable healthcare solutions that address unmet medical needs and improve patient outcomes.

This year, we branded our Active Pharmaceutical Ingredients (API) business as Alkem Activa, with the vision of becoming a global player in the sector. Alkem Activa will produce a diverse range of quality APIs and, through strategic partnerships, aims to establish itself as a reliable supplier worldwide. With a focus on sustainability, we also plan to expand its capacity and incorporate advanced technologies.

Over the medium term, our growth levers will include the chronic segment, biosimilars, non-US markets, and trade generics. Additionally, we are set to enter the medical device space and the over-the-counter (OTC) category, which will be other significant business drivers. We are open to exploring inorganic opportunities in these identified segments, provided they are value accretive, synergistic with our plans, and fill portfolio gaps. In essence, we will continue to execute our strategies in a way that makes sense for different markets and geographies, aligning resources behind the most excellent opportunities.

In conclusion, while we are incredibly proud of our accomplishments, we will maintain a relentless focus on the future by charting new growth horizons. Our success is due to the dedication of our team worldwide, and I extend my heartfelt gratitude to them. I would also like to take this opportunity to thank our customers, partners, suppliers, healthcare providers, and shareholders for their unwavering support and trust. Alkem remains committed to scaling growth and delivering long-term value to all its stakeholders.

Warm regards,

Sandeep Singh
Managing Director

CEO's Message



STRONG REVENUE GROWTH OF 33% IN NON-US MARKETS HAS BEEN A MAJOR HIGHLIGHT OF THE YEAR. ALL OUR MAJOR MARKETS, INCLUDING LATIN AMERICA, EUROPE, HAVE DEMONSTRATED IMPRESSIVE PERFORMANCE.

Dear Shareholders,

In my first letter to you as the Chief Executive Officer, I take great pride in reporting on the progress Alkem has made during FY 2023-24. Alongside delivering strong financial results, we achieved several operational milestones, including successful new product launches, market expansion, advancements in research and development, and improved manufacturing efficiencies, all of which have contributed to our overall growth trajectory.

Financial Review

Driven by growth in both Indian and international businesses, operating revenues for FY 2023-24 grew by 9.2% year-on-year. Our EBITDA margins registered significant improvements, reaching 17.7% compared to 13.9% in the previous year, supported by lower raw material costs, better geography and product mix, reduced price erosion in the US market, and ongoing cost optimization efforts. This solid margin performance led to a 82.5% increase in net profits during the year. We once again demonstrated our disciplined approach to cash management and commitment to maintaining a robust balance sheet, adding ₹ 14.1 billion in net cash and ending the year with a net cash balance of ₹ 35.5 billion. We remain focused on deploying our strong cash reserves to fund new investments, including inorganic opportunities, which align with our return expectations.

India Business

After a sluggish start to the year due to seasonal factors affecting the demand for acute therapies in key markets, we recorded sales growth of 5.4% for FY 2023-24. This growth was largely driven by our gastrointestinal and vitamins & minerals segments in the acute portfolio, and by the anti-diabetic and Derma segment in the chronic portfolio. Additionally, we announced our entry into ophthalmology with the launch of an extensive portfolio of affordable and high-quality eye care products.

Subdued growth in certain acute therapies impacted our full-year secondary sales performance. According to IQVIA, our secondary sales grew by 6.2%, compared to the Indian Pharmaceutical Market (IPM) growth of 7.6%. While our sales growth was lower than market, there were notable positives. Most segments in our chronic

portfolio continued to outperform the IPM, reflecting the growing preference for our products and the effectiveness of our market outreach strategies. Additionally, during the year, we advanced by 1 rank in the anti-diabetic segment, and 1 rank in cardiac therapy segments. We remain confident that we have the right focus and strategy to achieve a strong turnaround in our acute therapy segment in the upcoming period.

In addition to being a leading manufacturer of prescription medicines, we have emerged as one of the largest players in the trade generics segment. During the year, trade generics contributed around 20% of our total domestic business. Better pricing and an improved product mix enabled us to enhance margins in our trade generics business.

International Business

Healthy demand and single-digit price erosion, in contrast to the previous year's

high double-digit price erosion, enabled our US business to achieve steady growth of 10.2%. During the year, we received 19 ANDA approvals, including 3 tentative approvals. As of 31 March 2024, we have filed 176 ANDAs and 2 new drug applications (NDAs) with the US FDA, and have received approvals for 145 ANDAs (including 13 tentative approvals) and 2 NDAs. Supported by this consistent pace of drug filings and approvals, we remain confident in advancing our growth trajectory.

Strong revenue growth of 33% in non-US markets has been a major highlight of the year. All our major markets, including Latin America, Europe, have demonstrated impressive performance. Growth in the European market was supported by the launch of limited competition products, while robust government tender business enhanced our performance in Latin America. Looking ahead, we are confident in the sustainability of our growth momentum as we increase our focus on non-US markets. This strategic emphasis is driven by the promising growth opportunities and higher profitability these markets offer, as well as the need to insulate ourselves from uncertainties in the US market.

Biosimilar Business

During the year, Enzene Biosciences, Alkem's biological arm, launched Cetuxa in India, the world's first biosimilar of Cetuximab for head and neck cancer. This affordable biologic, backed by indigenous research and production, aims to address unmet healthcare needs in India. Other launches in India included Ranibizumab, bringing our biosimilar portfolio to seven products. All these products are gaining impressive market traction. We have a robust innovation pipeline and plan to introduce several biosimilars internationally. By investing in this field, we aim to provide affordable, accessible treatment options for complex diseases and contribute to sustainable healthcare systems.

Enzene Biosciences also serves as a contract development and manufacturing organisation (CDMO), providing services to biotechnology companies aiming to bring new therapies to market. We are experiencing significant growth in the CDMO business, with the US market offering particularly exciting opportunities. To capitalize on these prospects, we have established a CDMO facility for biosimilars in the US, which is slated to be operational by end of

FY 2024-25. This strategic location enables us to serve key markets efficiently and effectively, enhancing our global competitiveness.

Quality Focus

Our products are used by millions of patients every day, and we recognize the immense responsibility that entails for product safety and quality. During the year, the US FDA conducted inspections at our three manufacturing facilities namely Ankleshwar, Mandva and Baddi. We have received an Establishment Inspection Report (EIR) for Ankleshwar and Mandva facilities. However, Baddi received Form 483 with 10 observations which are procedural in nature with no data integrity issues. We have addressed these observations and have received EIR on 25 June, 2024. Our Indian facilities have undergone more than 25 US FDA inspections without receiving any Official Action Indicated (OAI) or warning letters, underscoring our long-standing commitment to quality over the past 15 years.

Other Business Enablers

We are committed to investing in Research and Development (R&D) to drive innovation and accelerate the launch of new products. Our R&D expenditure constitutes around 4-4.5% of our overall sales, with a strategic shift towards biosimilars and other complex molecules to align with evolving industry dynamics and opportunities.

We are spearheading digital transformation across the Company, to build a future-ready enterprise wherein each function has a digitization roadmap, and we will continue to invest in IT infrastructure based on business priorities and needs.

Enhancing efficiency across all operations is a key focus. By improving productivity at every stage of the value chain – from research and development to manufacturing, distribution, and sales & marketing – we are strengthening our business to deliver consistent and sustainable value to stakeholders.

Our cost optimization program, in collaboration with leading consultants, aims to identify and implement cost reduction opportunities. This includes minimizing manufacturing overheads, improving yields, and securing better raw material prices through continuous vendor development. The monetization of our idle assets in St. Louis was part of these measures. As we

continue to explore various cost-saving initiatives, we are confident these efforts will lead to enhanced margins in the future.

Talent and Culture

At Alkem, our people are central to our success. We are committed to attracting, retaining, and developing the right mix of talent to support our growing operations. During the year, we onboarded new senior-level talent, bringing fresh insights and driving greater professionalism. We also placed significant emphasis on building the capabilities needed to transform our organization and implemented measures to reduce attrition. Our culture is integral to the way we conduct business, and this year, we reinforced it by training our employees on our updated code of conduct. Additionally, we are focusing on enhancing diversity across all functions, recognizing that a diverse workforce strengthens our organization.

Closing Remarks

The business outlook remains optimistic, supported by our strong product portfolio, robust pipeline, strategic market expansion initiatives, and focus on operational excellence. In the domestic market, investing in the chronic portfolio and driving productivity-led growth are key focus areas. Our trade generic franchise continues to be a significant growth driver in India, strengthening each year. Internationally, we plan to launch more products in non-US markets to diversify growth and reduce dependency on the US. Despite some supply chain challenges in the US over the past year, we are steadily overcoming them. Biosimilars have also emerged as a promising growth driver in the medium term.

I would like to extend my gratitude to our employees, customers, partners, suppliers, healthcare providers, shareholders, and all other stakeholders for their constant support and trust. Alkem's journey has been exciting, and the future holds even more promise. As we chart new growth horizons, we will leverage the momentum generated and the lessons learned over the years to create sustainable value.

Warm regards,

Dr. Vikas Gupta
Chief Executive Officer

About Alkem Laboratories

Alkem Laboratories Limited (hereinafter referred to as “we”, “our”, or “us”) is one of the leading entities in the Indian pharmaceutical industry. With a presence spanning over five decades, we have enriched the industry through pioneering work aimed at making a significant impact on people’s lives. Our dedication and perseverance are further exemplified by our position among the top five companies in the Indian Pharmaceutical Market (IPM).

Our journey towards attaining leadership in the pharmaceutical industry is a testament to our legacy of hard work, perseverance, and determination to make a difference. Pioneering research, innovation, and strict adherence to quality standards have set us apart and form the core of our organizational strategy. With a focus on accessibility and affordability, we manufacture and market pharmaceutical products across all major therapeutic segments.

Our expansive global presence across 40+ countries underscore our commitment to extending quality healthcare solutions worldwide. Our dedication is manifested in our 19 state-of-the-art manufacturing facilities and cutting-edge Research and Development (R&D) centers across India and the United States, empowering us to deliver top-tier pharmaceutical products.



Organizational fundamentals

Honesty in communicating within the Company & with our suppliers, customers & all stakeholders, while at the same time protecting the Company's confidential information & trade secrets

Respect for fellow employees, shareholders, customers and suppliers while showing willingness to elicit, listen and to take into account their opinions and value their feedback

Quality in our products & services, by striving to provide defect-free products and services to our customers

Adaptability of thinking and behavior to meet the ever-changing conditions, taking care to act in harmony with nature to ensure progress and success in all endeavors

Safety of highest grade in product manufacturing and workplace environment

Gratitude for all the benefits received, confident that this attitude will be a source of unbounded joy and vitality, enabling us to overcome any obstacles we may encounter

Fairness to fellow employees, shareholders, customers and suppliers through adherence to all applicable laws, regulations & policies, transparency & a high standard of behavior

Compassion in our relationships with our fellow employees and the communities affected by our business

Responsibility for our words and actions and their consequences

Our Values
Our Values are at the heart of who we are and how we act

Expansive portfolio

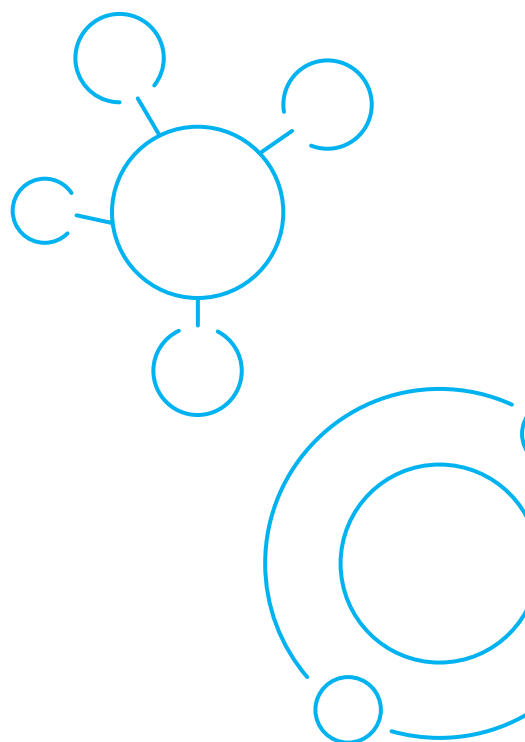
Operating across diverse business segments mitigates concentration risk and allows us to adeptly meet dynamic customer demands. Our portfolio spans branded generics, generic drugs, active pharmaceutical ingredients, nutraceuticals, and biosimilars, driving growth through focused excellence.

Our portfolio comprises
800+ brands
1,500+ SKUs

Robust R&D

Our R&D infrastructure is integral to our sustained innovation and long-term success, encompassing R&D centers and teams dedicated to developing generics, biosimilars, transdermal drug delivery systems, oral films, and Novel Drug Delivery Systems (NDDS). To bolster our capabilities, we consistently invest in our R&D, with ₹ 5,229 million allocated on a consolidated basis to the pipeline in FY 2023-24.

~665
 Scientists onboard across 4 R&D facilities



Wide geographic presence

Our foray into the world-wide pharmaceutical market is strengthened by our national as well as international presence. The United States (US) is our second-largest market, after India. We also have presence spread across Australia, LatAm, and Europe.

 **MANUFACTURING FACILITIES**

 **R&D FACILITIES**

20,000+

Employees

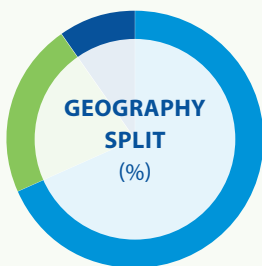
19

Manufacturing
Facilities

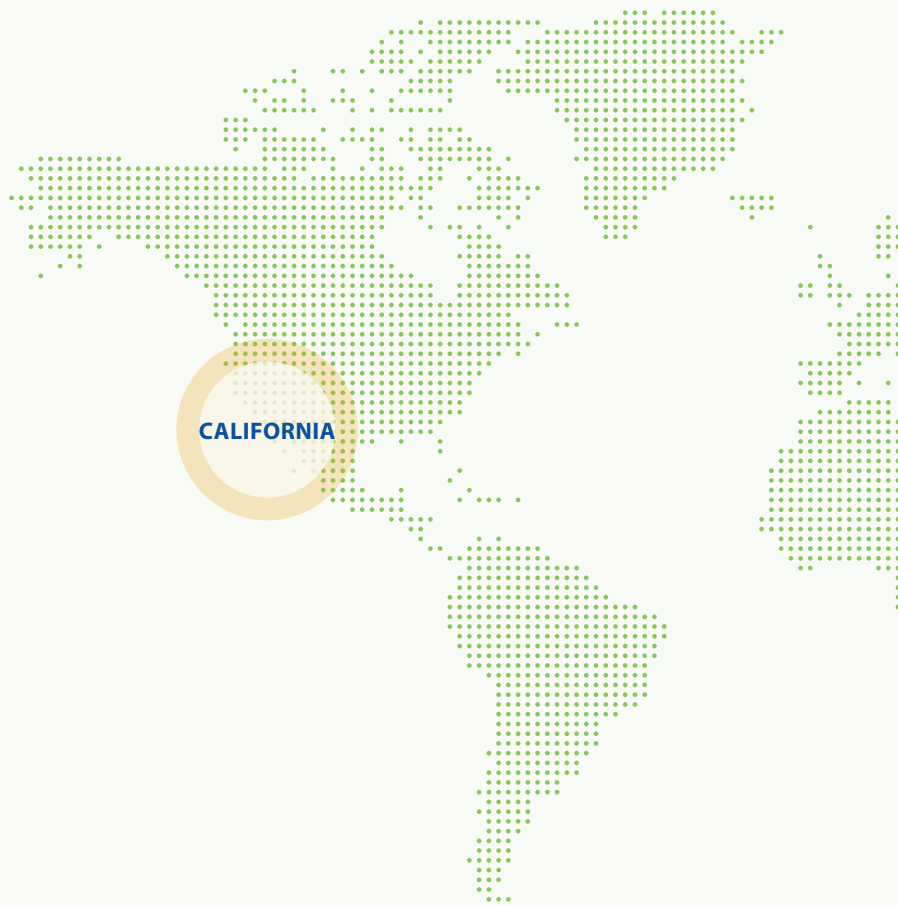
Our market mix



- **86,620.2** India
- **27,709.3** US
- **12,346.3** Other international regions



- **68.4%** India
- **21.9%** US
- **9.7%** Other international regions



40+

Countries (International presence)

10.2%

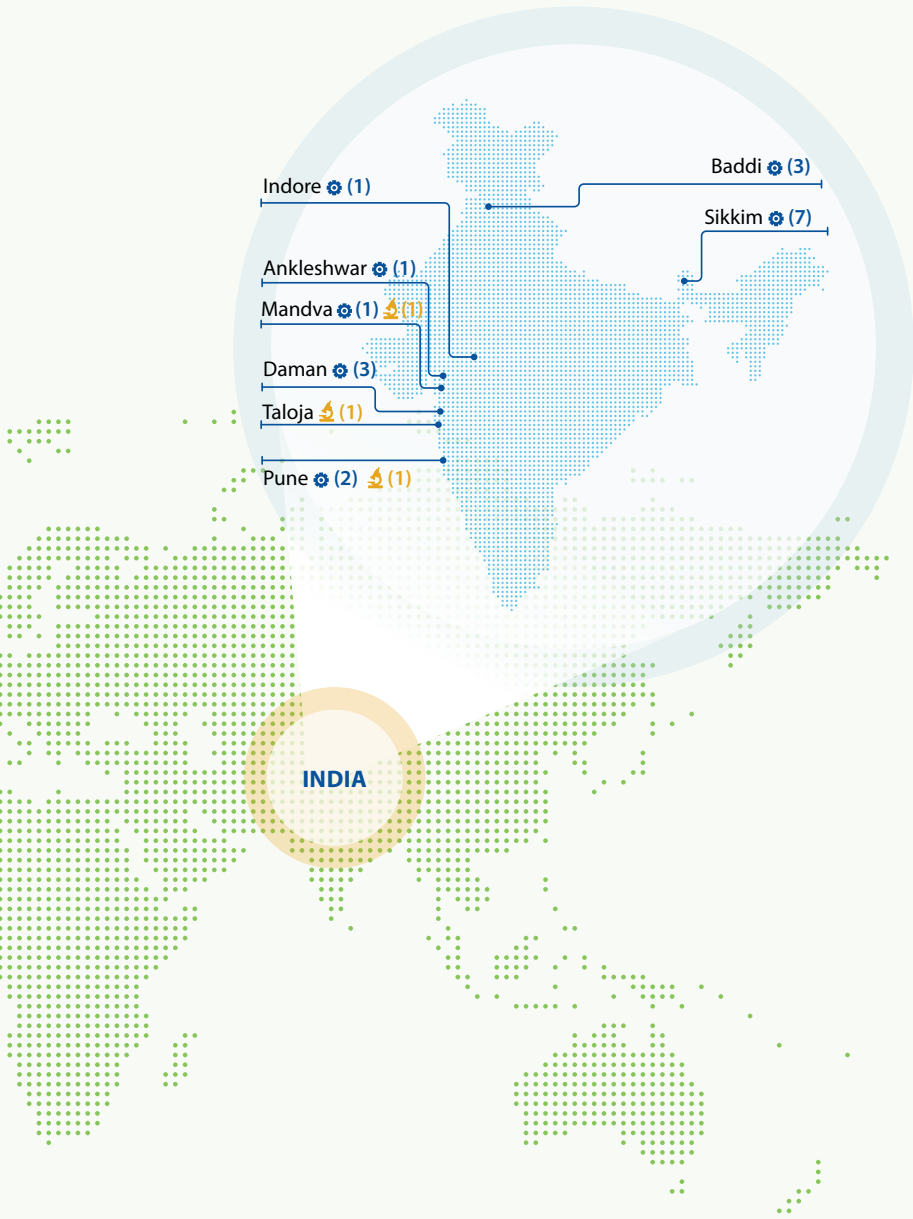
Sales growth in
US business

33.3%

Sales growth in
non-US business

176

cumulative Abbreviated New
Drug Application (ANDA) filings
with the US FDA



Map not to scale. For illustrative purposes only.

India Operations

We hold a prominent position in acute therapy areas like Anti-infective, Gastro-intestinal, Pain Management, and Vitamins/Minerals/Nutrients. Our product lineup boasts well-known brands including Clavam, Pan, Pan-D, and Taxim-O, all ranked among India’s top 50 pharmaceutical brands. In the anti-infective sector, we have maintained leadership for over a decade, and we are also a key player in the Indian trade generic market. Additionally, we are steadily expanding our footprint in chronic therapy domains like Neuro/CNS, Cardiac, Anti-diabetes, and Dermatology.

#1*
in Anti-Infective

12,000+
medical representatives
(Excluding Managers & including Indchemie and Cachet)

#2*
in Vitamins/Minerals/
Nutrients Segment

76
Sales depots and CFAs

#3*
in Gastrointestinal, Pain/
Analgesics Segment

3X than market
Growth registered by
Anti-diabetic business
segment

8,400+
stockists

Clavam, Pan, Pan-D and Taxim-O
Featured amongst the top 50
pharmaceutical brands in India

**Gastro, Anti-diabetic
and Vitamins & minerals**
Drive the robust performance in domestic business

* As per IQVIA MAT March 2023 data

Secondary sales growth **21.6%**
(Growth registered by Anti-diabetic business segment)

IPM growth **6.0%**

145
Cumulative ANDA
approvals from the
US FDA

1,100+
Filings across
various international
markets

6
US FDA approved
facilities in India
and US







Our Value Chain

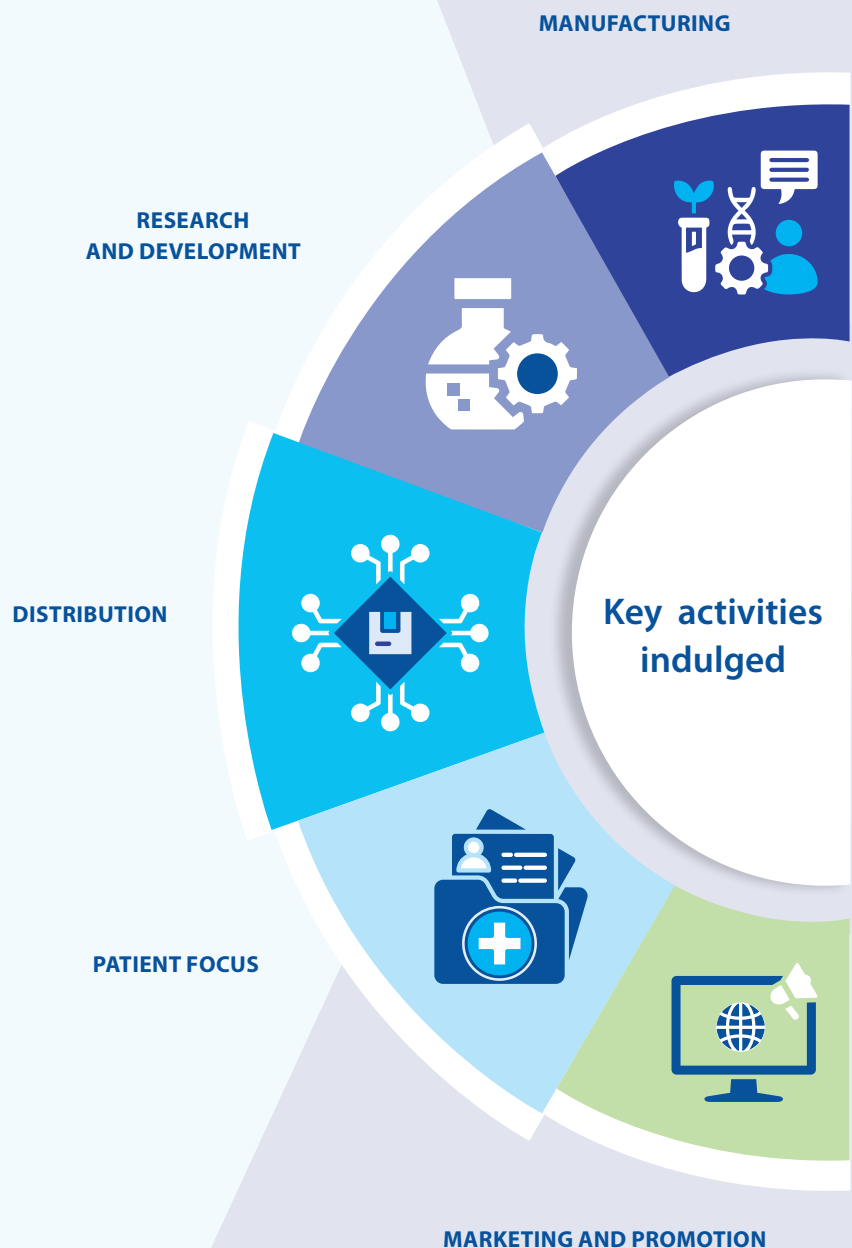
Our approach to value creation focuses on driving innovation and strengthening market positioning. We ensure long-term growth of our organization through prioritizing customer satisfaction and enhancing stakeholder value. Additionally, our commitment to sustainability addresses environmental and social impacts, reinforcing our positive contributions to society. These strategies collectively support our objective of sustained excellence.

Our business

Being active in the pharmaceutical domain, our primary focus revolves around carrying forward a sustainable business wherein all stakeholders feel optimally valued. This endeavor facilitates the establishment of a reliable ecosystem, thereby securing enduring growth prospects for our organization

How we created value

-  Sustainable profitability with right strategic direction
-  Bolstering culture of compliance
-  Adherence to stringent EHS standards
-  Commitment to our people
-  Responsibility towards the community
-  Quality compliant



Further, by investing in cutting-edge research and development, embracing digital transformation, and fostering a culture of continuous improvement, we aim to stay ahead of industry trends and deliver superior healthcare solutions. Our collaborative efforts with global partners and dedication to ethical practices solidify our reputation as a trusted leader in the pharmaceutical industry.

Stakeholders impacted



SHAREHOLDERS



REGULATORY BODIES & GOVERNMENT AGENCIES



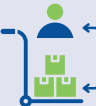
FINANCIAL INSTITUTIONS, BANKERS & LENDERS



EMPLOYEES



CUSTOMERS



SUPPLIERS & CONTRACTORS



LOCAL COMMUNITIES



HEALTHCARE PROFESSIONALS

Value created for the stakeholders

₹ 40

Dividend Per Share (DPS)
26.6% Consolidated Dividend Payout

₹ 4,069.4 Mn

Consolidated tax paid

₹ 1,124.1 Mn

Finance Cost

₹ 22,010.1 Mn

Employee benefits

3 Market leading brands

Featured amongst the top-15 brands in IPM

Maintained utmost transparency

While adhering to ESG compliances with the business partners

5

Community developmental areas identified

IPM leading brands (Clavam, Pan, Pan-D and Taxim-O)

In the portfolio

Strategic Priorities

We aim to deliver innovative solutions, enhance healthcare access, and solidify our leadership in the pharmaceutical industry. Our strategic priorities focus on enhancing competitiveness and charting a course for sustained excellence. Further, we have accelerated our digitization initiatives to strengthen operational prudence, primarily addressing diverse functional and enterprise needs. Together, these efforts help us maintain growth momentum and achieve our objectives.



SO1 Maintaining the financial prudence

We diligently pursue cost optimization initiatives, to maintain financial prudence. Through strategic measures we ensure efficient resource allocation, bolstering financial stability and fostering sustainable growth.

KPIs

380 bps

Increment in EBITDA margin

Progress in FY 2023-24

82.5%


EPS growth

330 bps

Increment in gross margin

1,060 bps

Improvement in ROCE

 Get a comprehensive view of our financial performance on page 20-21

S02 Commercial execution

Our intensified focus on quality-driven product development has propelled us to establish our brands among the top 15 list of the IPM. These brands have garnered strong recall among customers, solidifying our market leadership. We are the leaders in the anti-infective market. Further, in 2023, we launched world's first biosimilar of Cetuximab, namely Cetuxa. Collectively, these achievements underscore our prowess in commercial execution and position us as a trusted entity among customers.

KPIs

Moving towards

Building therapies beyond anti-infectives

Pan (rank 7), Clavam (rank 9) and Pan-D (rank 15)

Brands among the top-15 brands in the IPM

Progress in FY 2023-24

21.6%

Growth in antidiabetic portfolio which outperformed the market growth of 6%

Gross margin improvement

Led by lower raw material cost and improved product mix

Leadership position

Maintained in represented market

S03 Focusing on ROW markets

Our strategic focus on the Rest of the World (ROW) markets stems from their pivotal role in driving robust business performance. With notable upticks in off-take and EBITDA margins, our aim is to intensify our presence in these markets. By enhancing penetration with greater product portfolio, we anticipate sustained growth and improved profitability, further fortifying our momentum.

KPIs

Latin America, Australia, and Europe

Marks the primary presence of the Company in ROW markets

Strong growth

Registered across major markets like Chile, UK, and Germany

Progress in FY 2023-24

₹ 12,346 Mn

Sales registered

▲ 33.3% y-o-y

9.9%

Contribution to total sales

S04 Enhancing the digital footprint

We are strengthening our digital footprint through enhanced IT infrastructure. The aim is to bolster our competitive edge and delineate our revamped organizational identity. Through a robust digital infrastructure, we intend to streamline operations while enhancing productivity.

S05 Growing the India business - Chronic and Acute

Our India business generates the greater share of revenue with 67.8% share. We are primarily active in the acute and chronic therapies where we hold a leadership position in the acute therapies specially in the gastro-intestinal, anti-infective, VMN segment. Our acute therapy portfolio includes flagship brands like Clavam, Pan, Pan-D and Taxim-O, which feature amongst the top 50 pharmaceutical brands in India. Additionally, we have attained robust performance among the chronic therapies where anti-diabetic, and derma segment has outperformed IPM growth simultaneously during the reporting period.

KPIs

Outperformed IPM
in Anti diabetic, Derma, GI VMN
therapies

Improved ranking
in Anti diabetic, cardiac and
respiratory therapies

Progress in FY 2023-24

5.4%
Year-on-year sales improvement

S06 Strengthening the CDMO business

We are intensifying our Contract Development and Manufacturing Organization (CDMO) business through our subsidiary Enzene. Seven successful product launches and promising market projections underpin our expansion strategy. We are bolstering our portfolio and venturing into the US market with a new manufacturing plant.

KPIs

Building infrastructure in the US

Progress in FY 2023-24

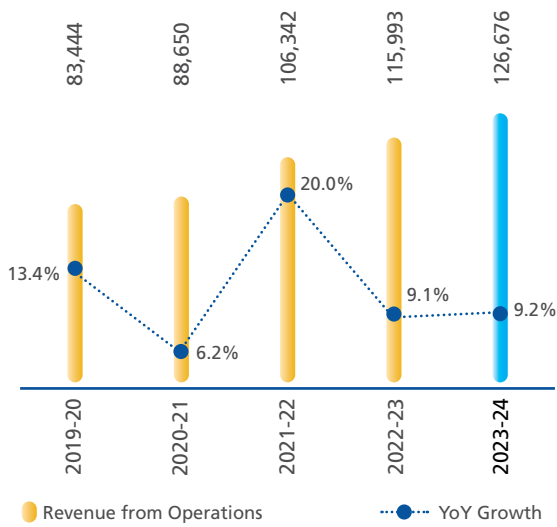
Initiated plant construction in the US



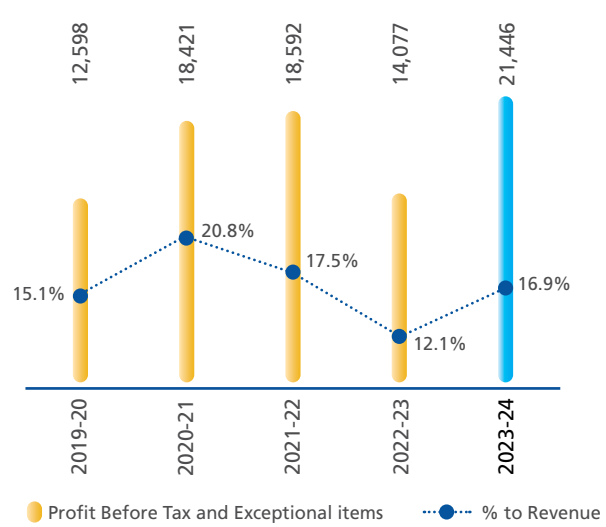
Our Financial Prudence

We have registered a profitable year in FY 2023-24. Our focus on enhancing the EBITDA margin through cost control initiatives and favorable API prices has led to significant gross margin improvements, driven by lower raw material costs and reduced price erosion in the US market. For the first time, our net profit before tax exceeding ₹ 2,000 crore, with our international business surpassing ₹ 4,000 crore in revenue. Additionally, we generated approximately ₹ 1,400 crore in cash, strengthening our balance sheet and establishing a net cash position of around ₹ 3,550 crore. Looking ahead, we are committed to sustaining our profitability and exploring new growth opportunities to further enhance our financial performance.

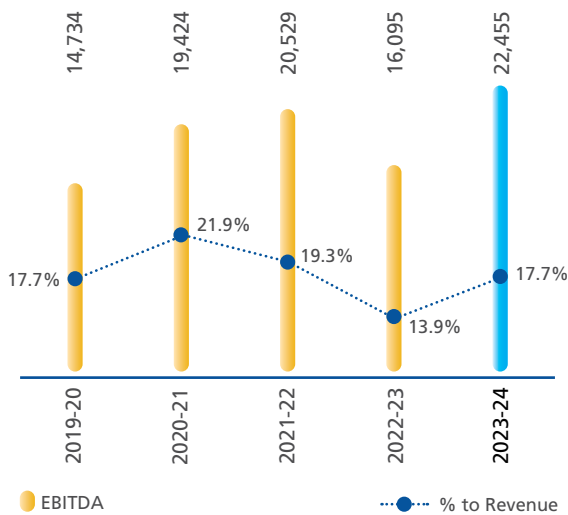
Revenue from Operations (₹ Mn)



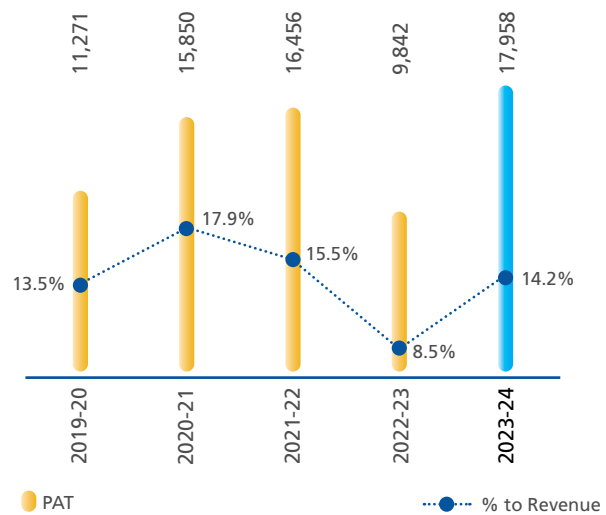
Profit Before Tax and Exceptional items (₹ Mn)



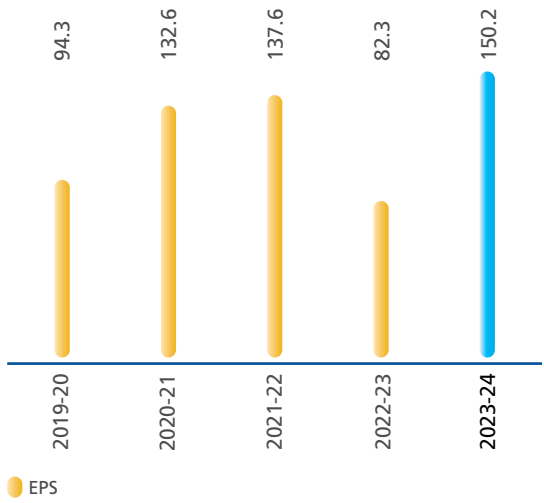
EBITDA (₹ Mn)



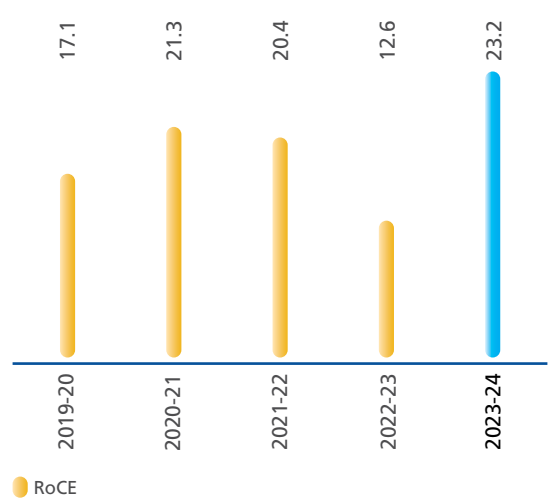
Profit After Tax (PAT) (₹ Mn)



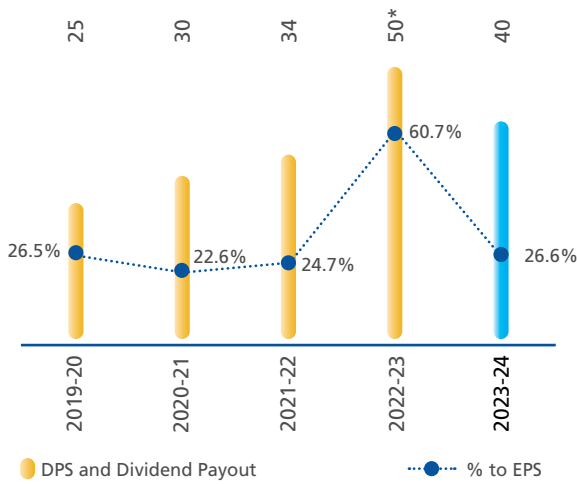
Earnings Per Share (EPS) (₹)



Return on Capital Employed (RoCE) (RoCE%)

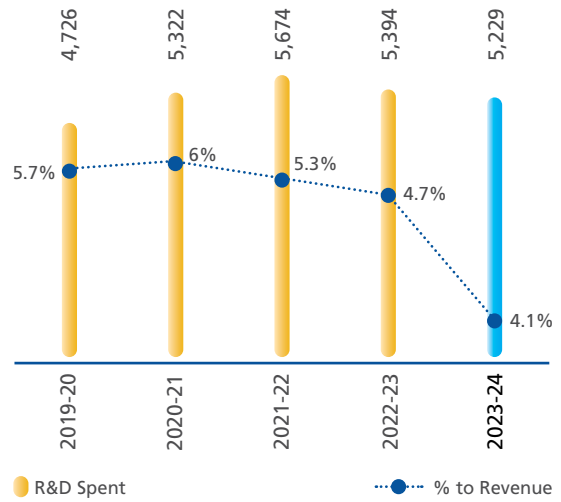


DPS and Dividend Payout (₹)

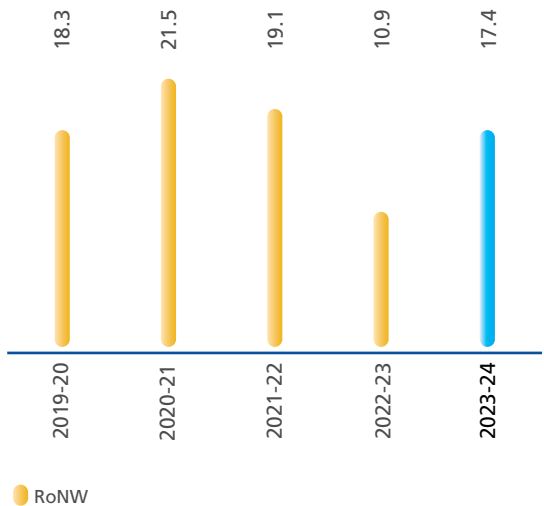


*Includes one-time special dividend of ₹ 25 per share

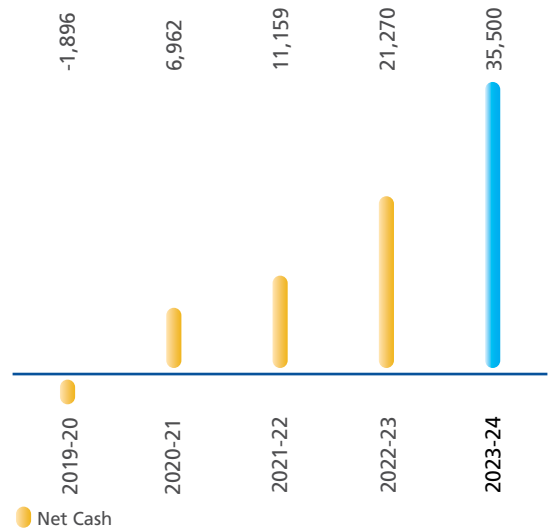
R&D Spent (₹ Mn)



Return on Net Worth (RoNW) (RoNW%)



Net Cash (₹ Mn)



Strengthening our EHS Practices

We acknowledge our duty to ensure a safe and sustainable future. Through a comprehensive Environment, Health, and Safety (EHS) culture, we safeguard our people, assets, and surroundings. Committed to sustainable practices, we adhere to legal requirements and Environment, Health, Safety, and Sustainability (EHSS) management system elements. Our aim is to deliver responsible solutions while prioritizing the safety of our employees, assets, communities, and the environment, aligning with our dedication to EHSS.



Our EHS framework

Vision & Policy

Aligned with statutory norms and standards, our EHS policy aims for Zero Harm to employees, assets, communities, and the environment.

Organizational Guidance

Corporate EHS departments provide Company-wide guidance, while site EHS departments, led by competent professionals, oversee activities across facilities.



Our EHS framework



Our EHS Risk Management strategy ensures proactive identification and mitigation of hazards across all R&D and manufacturing sites. Through robust systems and processes, we uphold rigorous risk assessment practices, fostering a culture of safety and accountability. Proactive measures such as systematic risk assessments, self-inspections, audits, and proactive hazard control and mitigation strategies are embraced to identify and manage risks effectively.

Employees are encouraged to report hazards, near-misses, and incidents, promoting a culture of vigilance and accountability throughout the organization. Our R&D and manufacturing locations are equipped with robust systems dedicated to risk management, ensuring that all potential risks are systematically assessed and controlled. This comprehensive approach enhances safety and upholds our commitment to a secure and responsible working environment.

Our EHS framework

Carried out in the ERM framework in FY 2023-24

0

Fatalities reported during reporting period

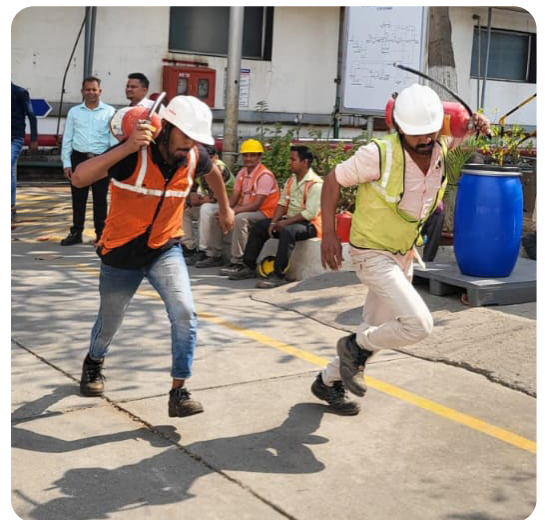
3

EHSS-related adverse notices received and all resolved during reporting period

EHS culture and employee participation

Safety is fundamentally embedded within the ethos of our corporate culture. We prioritize EHS practices across all facilities by fostering a mindset that values these principles. Through a bottom-up approach, we actively seek input from employees to continuously improve our EHS culture, ensuring that their insights help shape our practices and policies. Our commitment to EHS excellence is evident in our comprehensive training initiatives, which starts at induction and continue with targeted programs designed to address specific EHS concerns in R&D, manufacturing, marketing, and logistics.

Our training programs cover crucial EHS topics, including hazard assessment, process safety management, health and hygiene, contractor management, emergency preparedness, and electrical safety. Beyond the workplace, we extend our EHS commitment to the communities we serve through off-the-job safety training initiatives aimed at raising EHS awareness. We also organize various awareness events, such as National Safety Day, World Environment Day, and Energy Conservation Day, to foster EHS awareness and community involvement. These efforts highlight our ongoing dedication to enhancing EHS culture both within our organization and in the broader community.



EEHS training highlights across manufacturing sites

4,507

trainings conducted across manufacturing sites

30

Mock drills conducted

25,401

Manhours of EEHS trainings conducted across manufacturing sites

Control of hazardous chemicals and operations



Our extensive pharmaceutical product portfolio includes a variety of hazardous chemicals used in synthesis and formulation. To safeguard employees and the environment, we employ robust measures such as engineering controls and provision of Personal Protective Equipment.



Process safety

We continuously enhance our systems to minimise process risks. From hazard identification to expert engineering design and implementation of procedures, our focus remains sharp. Many processes involve hazardous materials like toxic chemicals and flammable solvents, some of which are irreplaceable. Our process safety management program ensures effective risk control mechanisms for such materials



Audits, inspections, and reviews

Regular audits, inspections, and reviews are proactive measures to identify and rectify risks before incidents occur. We conduct periodic assessments across all EHSS management system elements to ensure regulatory compliance. These evaluations not only reveal system gaps but also facilitate their resolution. Our Sikkim, Baddi, and Daman manufacturing sites hold ISO 14001 and ISO 45001 certifications, affirming our adherence to environmental and occupational health and safety standards. In the reporting period 2023-24, our Ankleshwar and Mandva API manufacturing sites achieved ISO 14001 and ISO 45001 certifications, while four formulation units in Sikkim obtained ISO 50001 certification.

1,789

EHSS-related audits, inspections and reviews conducted

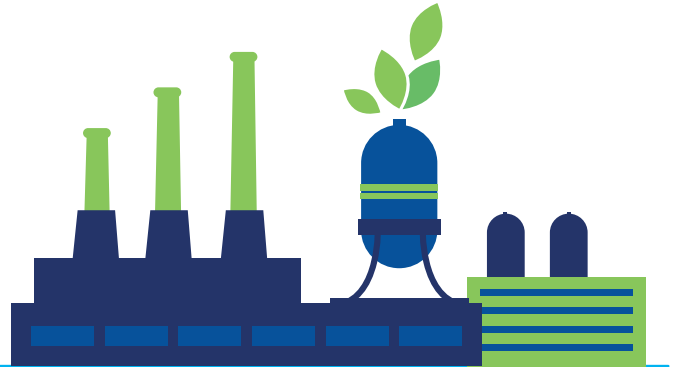
Resolved

95.10% of 5,232

raised EHS-related CAPAs

Environmental Responsibility

We embrace our role as environmental stewards by addressing climate risks, optimizing waste management, and promoting sustainable resource usage. All our manufacturing facilities are equipped with the required environmental clearances and regulatory approvals. To ensure compliance, we rigorously monitor key performance indicators such as emissions and effluent discharge. Additionally, we conduct regular emissions and effluent quality monitoring, documenting our environmental performance in comprehensive reports and statements.



Waste Management

Our commitment to sustainable development is reflected in our emphasis on the 3R principle: reduce, reuse, and recycle. We meticulously review operational waste streams to identify reduction and value creation opportunities, focusing on minimizing waste generation and enhancing recycling efforts. Our waste management program includes waste classification and responsible disposal measures, with strategic partnerships ensuring proper handling of non-recyclable waste.

Targets

Ensure more than 90% reuse / recycling of Non-hazardous Waste

To be achieved at the operating sites by FY 2025-26

Achievements

4,189.0 MT

Waste recycled in FY 2023-24



Energy Efficiency

To mitigate greenhouse gas emissions, we continuously upgrade our facilities and systems to optimize fuel and electricity usage. Implementing advanced HVAC technology and energy-efficient LED lighting fixtures, along with automation and renewable energy adoption, helps reduce fossil fuel consumption.

1,330,860.81 kWh

Renewable energy (KWh) usage during the reporting period

Targets

1% y-o-y

Reduction in energy consumption through energy-efficient measures to be achieved with baseline of FY 2022-23 till FY 2032-33

Achievements

11.46%

Reduction of Total Electricity Consumption (GJ) - (From Non-renewable source - Grid)



Emissions Control

Our robust emissions control system minimises the release of suspended particulate matters (SPM), SO_x, and NO_x. State-of-the-art emission control devices such as scrubbers, dust collectors, and filters are employed to ensure compliance with regulatory standards.

Air Emissions from manufacturing sites for reporting period

82 MT SPM

57 MT SO_x

40 MT NO_x

Targets

42%

GHG emission (Scope-1 & 2) to be reduced by FY 2032-33 from baseline of FY 2022-23

Achievements

53.48%

NO_x reduction achieved in FY 2023-24

32.94%

SO_x reduction achieved in FY 2023-24



Water Conservation

Water conservation is a priority in our operations, with efforts focused on monitoring and reducing water consumption. Awareness programs and audits promote water-saving practices, complemented by rainwater harvesting initiatives and effluent treatment plant utilization. Treated water is recycled, reducing reliance on fresh water sources.

683,686 KL

Total Volume of Fresh water use

Targets

Water neutrality

To achieve by FY 2029-30

Achievements

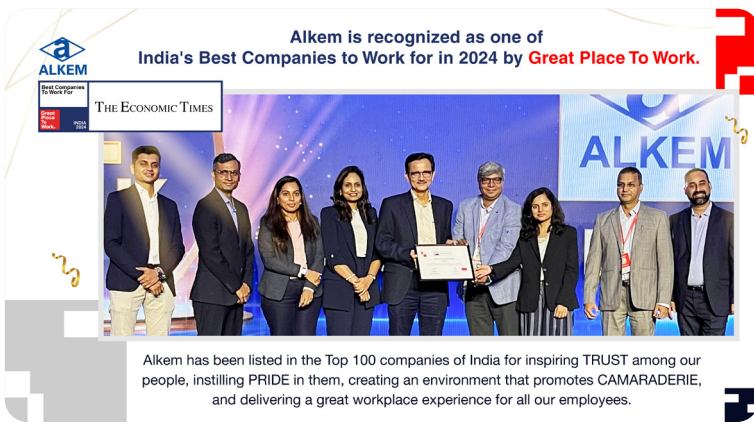
10.18%

Reduction in Total volume of Water Consumption (in kiloliters) during the reporting period



Responsibilities Towards our People

Our remarkable fifty-year journey at Alkem stands as a testament to the dedication and hard work of our people. Their commitment to excellence has become the cornerstone of our achievements. As we navigate the ever-evolving business landscape, we recognize the pivotal role of our people in charting a path towards sustained growth and prosperity.



Great Place to Work

Alkem has been certified as a Great Place To Work for the fourth time in India. Our engagement score for India was 84. For the first time, we conducted an employee engagement survey using the Great Place to Work model for all our overseas subsidiaries. Alkem has also been featured in India's Best Companies to Work For - Top 100 list across sectors for the second time. This achievement highlights our dedication to nurturing a positive and supportive workplace culture, reaffirming our commitment to creating an environment where everyone can excel.

Learning and Development Initiatives

During the year, our Company continued its efforts to enhance the capabilities of its employees through a series of both regular and new programs aimed at boosting technical and behavioral skills. We employed a blend of classroom, experiential, and digital interventions to ensure continuous learning. In collaboration with esteemed training partners, we launched impactful signature training programs such as "Foundation for Career Success" for individual contributors, "Being an Effective People Manager" for first-time managers, and "SHinE – A Women Excellence Program".



Additionally, our Technical Training Academy, established two years ago, introduced various programs to enhance the skills of shopfloor employees in critical areas such as quality, production, safety, and engineering.



As part of our journey towards becoming an ESG-compliant organization, we initiated an ESG culture track. This involved training all department heads on key ESG concepts, identifying ESG champions, and empowering local HR teams to schedule training sessions for employees in their respective locations, facilitated by these champions.

Enhancing our employee support

We have always prioritized the well-being of our employees. This year, we enhanced the coverage of term life insurance for all employees on the payroll of Alkem India. Aligning with market best practices, we increased the term life coverage to twice the Annual Fixed CTC of an employee or ₹15 lakhs, whichever is higher.

Further, we also provided a unique “Summer Kit” to our sales force, aimed at ensuring their comfort and efficiency during the summer months while carrying out their ground duties. This initiative was well-received and appreciated by all.

The ‘Alkemites Assistance Program’ has been launched to focus on employee wellbeing and assistance, available through a web application and mobile app exclusively for Alkemites and its immediate three family members to address personal and work challenges confidentially and free of charge, with access to professional counselors across various domains, as well as proactive programs to manage stress and maintain physical and mental health.



Accolades rekindled

Alkem Graces Forbes Cover Page

Alkem’s journey, featured on Forbes India’s November-December 2023 cover with a six-page spread, showcases its remarkable evolution from humble beginnings. The feature underscores Alkem’s significant contributions and stellar rise in the healthcare industry, solidifying its global prominence.



Lifetime Achievement Award for Executive Chairman

Mr. B.N. Singh, Executive Chairman and Co-founder of Alkem, received the prestigious Lifetime Achievement Award from Hurun India. This accolade recognizes his exceptional contributions to the Pharmaceutical and Healthcare Industry, highlighting his visionary leadership and global healthcare advancements.



APEX India Foundation CSR Excellence Award 2023



Promoting gender diversity

We remain focused in our efforts to ensure that diversity, equity, and inclusion are integral to our organizational ethos, promoting a culture where every individual feels valued and empowered. Our values reflect a strong dedication to fostering an inclusive workplace culture. SHinE, our women excellence program, embodies our pledge to provide women at Alkem with the opportunities and support they need to thrive both personally and professionally. This initiative reaffirms our commitment to building a more inclusive and equitable workplace where everyone has the chance to succeed and flourish.



Achievements

2.6%

Overall gender diversity in FY 2023-24

Targets

5%

Overall gender diversity to be achieved by FY 2026-27

Alkem's 50 Years Celebration

On the occasion of golden jubilee year, we celebrated with a series of events that brought together employees from across our global footprint. These commemorations not only highlighted our enduring spirit but also celebrated our collective achievements over the decades. The pinnacle of these festivities was a grand event held in Mumbai, attended by over two thousand current and former employees. Here, we showcased our remarkable journey, unveiling our new Credo - "Inspiring Healthier Lives", and debuting an uplifting Alkem Anthem that honored the contributions of our workforce.

Accompanying these celebrations was the launch of a coffee table book titled "Inspiring Healthier Life – The Alkem Way". This book serves as a testament to our evolution, capturing pivotal moments from our inception to present day. It chronicles the founding values that shaped our ethos, profiles key figures who played integral roles in our growth, and commemorates the significant milestones that have defined Alkem's journey in the pharmaceutical industry.



Social Engagements

Recognizing the inextricable link between sustainable growth and the well-being of communities, we have dedicated ourselves to engaging activities with local communities, striving to create positive and lasting impacts. Our initiatives are designed to provide meaningful support to society and empower vulnerable populations in the most effective ways.

Our method for adding social value involves a thorough identification of the community's significant concerns. Through careful assessment, we have pinpointed five critical areas for our efforts: healthcare, education, rural development, environment, and sports promotion. These focal points will guide our efforts to enhance the quality of life in the communities and foster sustainable development.

Our key focus areas:



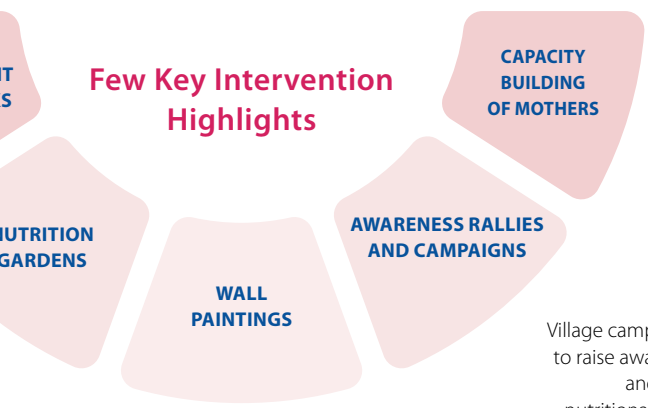
Healthcare

Alkem Anemia Mukti Abhiyaan (AAMA)

Alkem Foundation launched the Alkem Anemia Mukti Abhiyaan (AAMA) in response to the alarming prevalence of anemia, targeting specific states to transform identified panchayats into Anemia Mukti Panchayats. The project focuses on reducing anemia and malnutrition through a life cycle approach.

Partnering with Civil Society Organisations, Alkem Foundation initiated the AAMA program in six states, establishing soap banks in Government schools and Anganwadi centers. This initiative ensures access to soap for handwashing, promoting hygiene and sanitation practices in communities.

Community Nutrition Gardens were established to increase indigenous fruits and vegetable consumption, promoting healthy nutrition habits, and combating malnutrition.



Key messages on nutrition, anemia, and hygiene are conveyed through wall paintings on schools and Anganwadi centers, serving as a tool for social behavior communication and promotion.

Initiatives like GodBharai ceremonies, recipe demonstrations, and Poshan thali competitions promote the consumption of indigenous nutritional food items, emphasizing the importance of a nutritious diet during pregnancy and institutional delivery.

Village campaigns mobilize communities to raise awareness of anemia prevention and treatment, with sessions on nutritional pattern. Participants include ASHA workers, AWWs, SHG members, and villagers, fostering community engagement and education.



Cancer Care Initiatives

Advanced Radiotherapy Block in Homi Bhabha Cancer Hospital and Research Center (HBCHRC), Muzaffarpur

Alkem Foundation, in partnership with the Tata Memorial Centre, is spearheading the establishment of an Advanced Radiotherapy Block in HBCHRC, Muzaffarpur, Bihar, with an investment of ₹ 100 crore. This initiative aims to enhance cancer treatment facilities and accessibility in the state, addressing the rising cancer cases.

Support for Cancer Screening and Early Detection

Comprehensive interventions in Buxar, Bhagalpur, and Jehanabad districts focus on cancer screening, early detection, and outreach

programs. Screening units have been established to bolster early detection efforts, while capacity-building initiatives empower grassroots health workers to raise awareness and promote preventive measures.

Home-Based Palliative Care Program

In collaboration with Tata Memorial Centre, Alkem Foundation launched the Home-Based Palliative Care program in Muzaffarpur, Bihar. This pioneering initiative aims to improve the quality of life for cancer patients by delivering essential treatment and support directly to their homes, ensuring comfort and dignity during the terminal stage.



Primary Healthcare Services

Health Centers and Mobile Health Units

Alkem Foundation extends primary healthcare services to underserved communities through health centers and Mobile Health Vans in Maharashtra, Sikkim, Himachal Pradesh, and Gujarat. This initiative addresses the healthcare needs of vulnerable populations, ensuring access to essential services irrespective of socio-economic status.

Support for Cochlear Implants and Cataract Surgeries

Partnering with like-minded organizations, Alkem Foundation supports cochlear implant surgeries for children born deaf and cataract surgeries. These initiatives aim to improve the quality of life for individuals with hearing impairments and restore sight to those affected by cataracts, promoting inclusivity and well-being.

Strengthening Government Institutions with Infrastructure Development

Alkem Foundation contributes to infrastructure development and facility enhancement at primary health centers, ensuring quality healthcare services for local communities. Additionally, operational and maintenance support for public toilets underscores their commitment to public health and hygiene.

Celebration of National Nutrition Week for Promoting Healthy Lifestyles

Alkem Foundation celebrates National Nutrition Week by organizing awareness sessions on adopting a healthy lifestyle in Government schools across Sikkim, Baddi, and Taloja. The sessions emphasize the importance of balanced nutrition and its benefits for overall well-being, aligning with the campaign theme “Fuel for the Future”.

Dental Health Awareness Camps

Alkem Foundation organized dental health checkup camps in Government schools to promote oral hygiene among students. These camps aimed to educate children about dental health and provide basic dental care, contributing to overall community well-being.

Support for Pediatric Hospital Construction

Alkem Foundation extends phased support for the construction of a pediatric hospital dedicated to economically marginalized sections of society. This initiative aims to improve access to quality healthcare for underprivileged communities.

Education

Alkem Yuva Pathshala

Alkem Foundation initiated the Alkem Yuva Pathshala, a digital learning initiative focused on bridging educational gaps and enhancing education by leveraging digital transformation. In association with Education Department of Bihar, the Foundation has supported for the establishment of smart classrooms in identified Government schools of Jehanabad District. By integrating digital resources such as videos and interactive materials, teachers can enhance students' learning experiences, marking a significant digital transformation & ensuring quality education accessible for the underprivileged students.





Shri Samprada Singh Scholarship Programme

The Shri Samprada Singh Scholarship Programme, dedicated to mitigating the pandemic’s impact on vulnerable communities, ensures uninterrupted education for lower-middle-class children at risk of orphanhood. This initiative covers the educational journey from primary school to college.

Early Childhood Education Support

In collaboration with a like-minded organization, Alkem Foundation supports early childhood education initiatives, laying the groundwork for lifelong learning. By backing quality preschool programs, the Foundation nurtures young minds, contributing to holistic development.



Inclusive Education Assistance

Alkem Foundation provides essential resources to support inclusive education at The Bombay Institution for Deaf & Mutes, Asia’s one of the oldest institute for deaf and mute children. This contribution includes facility renovation, provision for innovative audio therapy software, hearing aids, and educational support for disabled students in Mumbai’s Government schools.

Remedial Centers

Alkem Foundation backs remedial centers in slums, assisting children with irregular study patterns. Collaborating with non-profit organizations, these centers employ innovative teaching methods to improve learning outcomes and empower children to overcome educational challenges.

Support for Visually Impaired Children

Alkem Foundation supported the Integrated Education program for visually impaired children, providing support services from pre-school to Std. XII. By facilitating their education in regular schools and offering tailored assistance, the Foundation empowers visually impaired children to thrive academically.

Aagaz+

Launched by Alkem Foundation, Aagaz+ promotes Water, Sanitation, and Hygiene (WASH) practices in Government schools in Sikkim. This intervention aims to instill WASH knowledge, attitudes, and behaviors among beneficiaries, fostering a healthier school environment.



Rural Development



Project Swavlamban

Alkem Foundation's Project Swavlamban empowers underprivileged youth through vocational training, targeting employment for 70% of the 100 enrollees. Focused on nursing assistance, fashion design, and multi-skills, this initiative fosters self-reliance and socio-economic mobility, envisioning sustainable livelihoods for disadvantaged youths.

Support for Old Age Homes

Alkem extends support to operational costs and construction of old-age homes in Sikkim and Maharashtra, exemplifying its commitment to social welfare and community support.



Environment

Go Green Campaign

Commemorating Alkem's five decades of excellence, planting 110,341 saplings on World Environment Day, surpassing its initial goal of 50,000. This initiative received overwhelming support, amplifying Alkem's commitment to environmental conservation.

Project Roshni

Alkem Foundation, marking its 50th anniversary, installed 50 solar street lights around each of its manufacturing units in Sikkim, Daman, Mandva, Ankleshwar, Baddi, and R&D at Taloja, committing to sustainable practices. This initiative, complementing safety measures, underscores our pledge to a greener future and community welfare, reflecting our ethos of innovation beyond products.

Alkem Aatma Nirbhar Gram Project

Partnering with like-minded organizations, Alkem trains Self-Help Groups (SHGs) in noodle making and mushroom cultivation, nurturing entrepreneurial skills among women for alternate livelihoods.



Swachh Gram Project

The Alkem Foundation launched a cleanliness initiative in a Sikkim village, aligning with the Swachh Bharat Abhiyaan. This project fosters ongoing awareness and community engagement, promoting cleanliness and responsibility for a healthier environment.

Disaster Support

In response to floods in Gujarat's Ankleshwar district and Sikkim triggered by a cloud burst, Alkem Foundation swiftly provided essential aid to affected communities. Distributing kits to residents, the Foundation demonstrated its commitment to community welfare, standing in solidarity and mitigating the impact of natural disasters.

Maintenance of Gardens

Alkem promotes the development of public spaces, renovating and maintaining community gardens in designated areas, enhancing environmental aesthetics and community well-being.



Promoting Sports

Alkem Foundation backs Olympic Gold Quest (OGQ), aiding athletes and para-athletes in training and capacity-building programs. This initiative aims to nurture talent, including athletes with disabilities, fostering sports excellence nationwide. By partnering with OGQ, Alkem Foundation demonstrates its commitment to promoting inclusivity and sports excellence globally.

Sikkim Football Association Support

Alkem Foundation provided sports kits to Sikkim Football Association, enabling eligible athletes to participate in various state, central Government, and Sports Authority of India events, promoting sports participation and development.



Few Highlights of Employee Volunteering Activities - SMILE

Blood Donation Drive

Alkem Foundation organized a Blood Donation Camp on 27 July, in tribute of Late Shri Samprada Singh, Founder Chairman Emeritus. This year, Alkemites generously donated 951 units of blood across all sites, marking a historic turnout and reaffirming our commitment to humanity. Additionally, we supported specially challenged individuals by procuring umbrellas made by them.



Support for Specially-Abled Artists

At our office, we provided a platform for specially-abled artists, facilitating a live art session and diya sale featuring their creations. Mrs. Madhurima Singh, Executive Director of Alkem Laboratories Limited, honored Sana, one of the disabled artists, for her remarkable talent and dedication.



Meal Distribution Drive

Aligned with our ethos of community service, our sales team conducted a meal distribution drive for caregivers at KEM and BYL Nair hospitals in Mumbai, showcasing our dedication to supporting those in need.

Support for Marginalized Communities

As part of the SMILE campaign, Alkem Foundation organized a diya sale, rakhi exhibition, and live painting demonstration by a specially-abled artist, demonstrating our commitment to uplifting marginalized communities.

Donate Your Voice Campaign

Our "Donate Your Voice" campaign focused on recording audiobooks for visually impaired individuals, aiming to provide easy access to literary content and promote inclusion.

Awarathon 2023

Awarathon, a walk to raise awareness about dementia and Alzheimer's, united over 300 participants, creating a supportive environment for the elderly and fostering understanding of memory-related challenges.

Signature Campaign on World AIDS Day

Alkemites participated in a signature campaign on World AIDS Day, demonstrating solidarity with those affected by HIV/AIDS and advocating for community-led awareness initiatives.



Guiding Leadership: Our Board of Directors

Ethics and responsibility are fundamental principles guiding our ethos. Upholding these values in every aspect of our business, we foster a culture where all employees, regardless of position, embody respect and responsibility towards stakeholders and communities. We prioritize the balance between profitability and stakeholder responsibility, promoting ethical practices through our corporate governance framework. Transparent communication enhances engagement with stakeholders, ensuring effective alignment with our values and objectives.



Board Committees

- AUDIT COMMITTEE**
- NOMINATION AND REMUNERATION COMMITTEE**
- STAKEHOLDERS' RELATIONSHIP COMMITTEE**
- RISK MANAGEMENT COMMITTEE**
- CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Governance Policies

Code of Business Conduct and Archival Policy	Code of Business Conduct of Board of Directors and Senior Management Personnel	Code of Ethics for Suppliers, Vendors and Other Stakeholders	Code of Practices and Procedures for Fair Disclosure
Criteria for Making Payments to Non-Executive Directors	CSR Policy	Dividend Distribution Policy	ESG Policy
Identification of Material Outstanding dues	Nomination and Remuneration Policy	Policy for Determining Material Subsidiaries	Policy on Determination of Materiality of Events/ Information
Preservation of Documents Policy	Related Party Transaction Policy	Terms & Conditions of appointment of Independent Directors	Whistle Blower Policy

Please read more about our policies at: <https://www.alkemlabs.com/investors/policies>

Board of Directors

Ethics and responsibility are fundamental principles guiding our ethos. Upholding these values in every aspect of our business, we foster a culture where all employees, regardless of position, embody respect and responsibility towards stakeholders and communities.

We prioritize the balance between profitability and stakeholder responsibility, promoting ethical practices through our corporate governance framework. Transparent communication enhances engagement with stakeholders, ensuring effective alignment with our values and objectives.

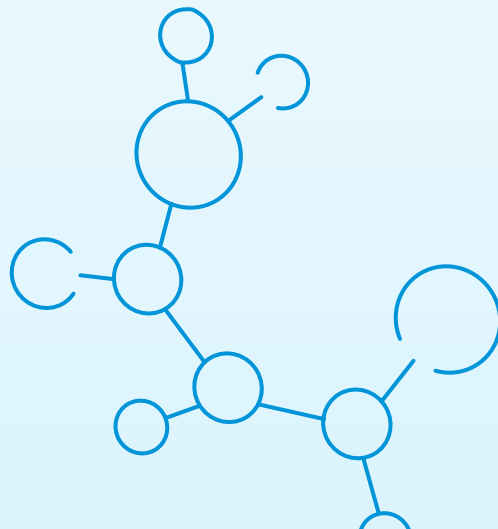


Standing - Left to Right:

Mr. Sarvesh Singh | Mr. Sandeep Singh | Mr. Sujain Talwar | Mr. Srinivas Singh | Mr. Narendra Kumar Aneja

Seating - Left to Right:

Ms. Sudha Ravi | Mrs. Madhurima Singh | Mr. Mritunjay Kumar Singh | Mr. Basudeo N. Singh | Mr. Arun Kumar Purwar | Ms. Sangeeta Singh



Board Profile



M

Mr. Basudeo N. Singh
Executive Chairman

Mr. Basudeo N. Singh, the co-founder of the Company, holds a B.A. (Honors) and an M.A. in Political Science from Patna University. He has an extensive experience of five decades in understanding the world of Indian pharmaceuticals and then transforming it for good. His leadership skills paved the way for him to become the President of the Indian Drug Manufacturers' Association. Mr. Singh's entrepreneurial skills took the Company to new heights and he was, therefore, awarded the 'Business Leader of the Year 2014' at the 7th Annual Pharmaceutical Leadership Summit and the Pharma Leaders Business Leadership Awards 2014. His vision and unparalleled resilience enabled the organization to climb the ladder of accelerated growth. He was also named the 'EY Entrepreneur of the Year in Life Sciences' in 2016. A member of the Executive Council of the Indian Pharmaceutical Alliance, he was named the 'Chief Mentor of the Year' in 2018 by the Indian Drug Manufacturers' Association. In 2024, he was felicitated with the 'Hurun India Lifetime Achievement Award' for his unwavering commitment and achievements throughout his entrepreneurial journey.

Mr. Sandeep Singh
Managing Director

Mr. Sandeep Singh joined the Board in 2013 and is currently serving the organization as its Managing Director. Mr. Singh has over 20 years of experience in the pharmaceutical industry. He spearheads the domestic as well as international operations of the Company. In 2016, he was presented with the 'Emerging Pharma Leader of 2016 Award' by the Pharma Leaders in association with the Ministry of Health & Family Welfare, Government of India. In 2021, he was featured by 'ET AND SPENCER STUART 40 under 40'.



M M M



M M C

Mr. Mritunjay Kumar Singh
Executive Director

Mr. Mritunjay Kumar Singh joined the Board in 1988 and he has been associated with the management of the Company for over 33 years. He is also the Managing Director of the Company's subsidiary, M/s Indchemie Health Specialities Private Limited. Mr. Mritunjay Kumar Singh heads Aura Magna, Aura Suprema, Nexa, Nexgen, Ascenda, Altron, Alpha Max, Diabetology, Metabolics, Metanext, Imperia, Hospicare, Eyecare and GI Task Force divisions of the Company's domestic business. Additionally, he looks after the Strategy & Business Development and Procurement functions for the domestic business of the Company.

Mrs. Madhurima Singh
Executive Director



M C

Mrs. Madhurima Singh is an Executive Director on the Board. She holds an MSc degree in Botany (Distinction) from Ranchi University and a Diploma in Entrepreneurship from SVKM's, Mumbai. Mrs. Madhurima has an extensive experience in the fields of Legal and Compliance, Financial Management, Human Resources, Supply Chain Management and Marketing. She has been actively involved in overseeing and driving the semi-chronic therapy SBU's of the Company's domestic business, indirect procurement, distribution and supply chain, HR, CSR, and corporate communication functions in the Company. She is additionally responsible for strengthening the Active Pharmaceutical Ingredients (API) business of the Company.



M M M

Mr. Srinivas Singh
Executive Director

Mr. Srinivas Singh, aged about 36 years, holds a Bachelor's Degree in Science and has over 10 years of experience in the pharmaceutical industry. His key accountabilities include managing R&D projects, generics portfolio, cost optimization and savings, new product launches in Regulated Markets & Alternate Vendor Development, digitalization of sales team and also ensuring risk assessment of to be launched products.

Mr. Sarvesh Singh
Executive Director

Mr. Sarvesh Singh has been associated with the Company since 2004 and joined the Board in 2019. He has over 18 years of experience in sales and marketing in the pharmaceutical industry and heads the Pentacare and Prizma divisions of the Company's domestic business.





Mr. Arun Kumar Purwar
Independent Director

Mr. Arun Kumar Purwar joined the Board of the Company in 2015. He is the Chairman & Non-Independent Director of IIFL Finance Ltd. and Chairman & Independent Director of Jindal Panther Cement and ERoute Technologies Pvt. Ltd. He is an Independent Director in Companies across diverse sectors like Finance, Pharma, Media, Engineering consultancy, Investment Banking, Fintech sectors. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India (SBI) from 2002 to 2006 and Chairman of the Indian Banks' Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and has been associated in setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare-focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the CEO of the Year Award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004), and "Finance Man of the Year" award by the Bombay Management Association in 2006.

Mr. Narendra Kumar Aneja
Independent Director

Mr. Narendra Kumar Aneja inducted on the Board in 2020, is the Chief Executive of Aneja Associates, Chartered Accountants, India. He is a Fellow Chartered Accountant, Certified Internal Auditor, Certification in Risk Management Assurance (CRMA) and holds an MBA from the Wharton Business School. He is a Gold Medalist (ICWA), a Tata Scholar and was ranked on the Director's List at Wharton School (1978). He has over 30 years of experience in GRC (Governance, Risk and Compliance) Assignments and Management Consultancy.



Ms. Sangeeta Singh
Independent Director

Ms. Sangeeta Singh became a member of the Board in 2015. She serves as an Independent Director on the boards of several renowned companies. She has over 35 years of experience in Human Resources, Communications and Operations. She was previously a Partner and Head of Human Resources at KPMG India. She holds a Master's degree in Behavioral Psychology and a certification in Strategic Human Resource Management from Harvard Business School.

Ms. Sudha Ravi
Independent Director

Ms. Sudha Ravi, who joined the Board in 2015, is a management consultant with over 40 years of banking and non-banking experience in India and USA. In the three decades in State Bank of India (SBI), she has held several important positions including key positions as General Manager, Enterprise Risk Management and as Chief Representative, Washington DC, USA. Working in varied functional areas, including International, Corporate, Retail and Rural banking and at the top echelons of the Bank, has given Ms. Ravi a wide-ranging perspective on business strategy and financial and non-financial sectors of the economy. Later joining the Ajay Piramal Group, Ms. Ravi set up the NBFC- Piramal Finance Ltd and was with the Group's Financial Services Business in various capacities including as CEO/ED/CCO. She was in-charge of India Venture Advisors Pvt. Ltd., a healthcare and life sciences focused private equity fund sponsored by the Piramal Group. Ms. Ravi has been a member of the CII National Committee on NBFCs and Co-Chairperson, National Council of NBFCs of ASSOCHAM (The Associated Chambers of Commerce and Industry of India). Ms. Ravi has held position as an Independent Director in diverse sectors of the economy - Financial, Pharma, Automobile, Healthcare, Real Estate and continues to do so in many of the same.







Dr. Dheeraj Sharma
Independent Director (up to 14 June 2024)

Dr. Dheeraj Sharma joined the Board in 2017. He holds a Doctoral Degree with a Major in Marketing and a double Minor in Psychology and Quantitative Analysis from Louisiana Tech University, USA. His primary research interests are 'relationships' in the business domain. He is a Director at the Indian Institute of Management, Rohtak. In the past, Dr. Sharma has served as a consultant or in advisory roles with the Ministry of Home Affairs, the Ministry of Defence, the Ministry of Youth Affairs and Sports, the Ministry of Commerce, the Government of Gujarat, the Government of Punjab and the Government of Delhi.

Mr. Sujain Talwar
Independent Director

Mr. Sujain Talwar joined the Board in 2022. He is a co-founding Partner of Economic Laws Practice (ELP), a leading Tier 1 full-service law firm in India with over 250 professionals in seven cities. With over 30 years of experience, Mr. Talwar is a qualified Solicitor in India as well as England and Wales. His expertise covers M&A transactions, Project Finance, and infrastructure law. Amongst others, Mr. Talwar also serves on the boards of companies in the Murugappa Group and Dubai Ports World.



-  Audit Committee
-  Nomination and Remuneration Committee
-  Stakeholders' Relationship Committee
-  Risk Management Committee
-  Corporate Social Responsibility Committee

 Member of Committee  Chairperson of Committee

To know more about our Board members please visit <https://www.alkemlabs.com/board-directors>

Corporate Information

Board of Directors

Mr. Basudeo N. Singh

Executive Chairman

Mr. Sandeep Singh

Managing Director

Mr. Mritunjay Kumar Singh

Executive Director

Mrs. Madhurima Singh

Executive Director

Mr. Sarvesh Singh

Executive Director

Mr. Srinivas Singh

Executive Director

Mr. Arun Kumar Purwar

Independent Director

Mr. Narendra Kumar Aneja

Independent Director

Ms. Sangeeta Singh

Independent Director

Ms. Sudha Ravi

Independent Director

Dr. Dheeraj Sharma

Independent Director

(up to 14 June 2024)

Mr. Sujjain Talwar

Independent Director

Key Managerial Personnel

Dr. Vikas Gupta

Chief Executive Officer
(w.e.f. 22 September 2023)

Mr. Nitin Agrawal

President – Finance and
Chief Financial Officer
(w.e.f. 01 February 2024)

Mr. Manish Narang

President – Legal, Company Secretary and
Compliance Officer

Statutory Auditors

M/s B S R & Co. LLP

Chartered Accountants

Registered Office

Alkem House, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013,
Maharashtra, India

CIN: L00305MH1973PLC174201

Telephone: +91 22 3982 9999

Fax: +91 22 2495 2955

Website: www.alkemlabs.com

Email: investors@alkem.com

Registrar & Share Transfer Agent

M/s Link Intime India Private Limited

Unit: Alkem Laboratories Limited

C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083

Telephone: +91 22 4918 6270

Fax: +91 22 4918 6060

E-mail: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Plant Locations

1. Daman, India
2. Mandva, Gujarat, India
3. Ankleshwar, Gujarat, India
4. Unit I, Baddi, Himachal Pradesh, India
5. Kumrek, East Sikkim, India
6. Alkem Health Science (Unit of the Company) Unit I, II and III, Samardung, South Sikkim, India
7. Unit 5, South Sikkim, India
8. S.E.Z., Indore, Madhya Pradesh, India
9. S&B Pharma LLC, California, U.S.A.
10. Indchemie Health Specialities Private Limited, Somnath, Daman, India

11. Indchemie Health Specialities Private Limited, Amaliya, Daman, India
12. Indchemie Health Specialities Private Limited, Baddi, Himachal Pradesh, India
13. Unit I & II, Indchemie Health Specialities Private Limited, Kumrek, East Sikkim, India
14. Cachet Pharmaceuticals Private Limited, Baddi, Himachal Pradesh, India
15. Enzene Biosciences Limited, Chakan, Pune, Maharashtra, India
16. Enzene Biosciences Limited, Pimpri-Chinchwad, Pune, Maharashtra, India

Major Research Centres

1. R&D Centre, MIDC, Talaja, Maharashtra, India
2. R&D Centre, Mandva, Gujarat, India
3. Enzene Biosciences Limited, Chakan, Pune, Maharashtra, India
4. S&B Pharma LLC., California, U.S.A.

Management Discussion & Analysis

GLOBAL PHARMACEUTICAL INDUSTRY

The pharmaceutical industry is critical to patient care and community development as it not only provides numerous life-saving treatments but also generates employment and contributes to the world economy. Amidst the challenging global landscape of inflation, pandemic, and escalating geopolitical tensions in 2023, international health systems exhibited remarkable resilience. The industry witnessed a continued focus on adopting novel therapies and a sustained increase in overall usage. On 5 May 2023, the World Health Organization (WHO) declared the end of the COVID-19 public health emergency. This changed the dynamics of the pharmaceutical world, shifting it back to the prevention and treatment of other communicable and non-communicable diseases. Antibacterials, which witnessed significant disruption during the pandemic, saw modest growth in 2022 and 2023. Older populations in developed markets and China are driving demand for over-the-counter (OTC) medicines, generics and medicines for treating chronic diseases.

While high inflation and interest rates were impacting household spending in 2022, leading to lower demand for OTC products, demand witnessed robust growth in 2023 as inflation is witnessing a downward trend. Public healthcare spending also supports growth for pharmaceutical products. However, some markets, including the EU, US and UK, are imposing new or revised drug pricing regulations in a bid to lower state healthcare costs. The volume use of medicines globally plateaued in 2023 and will witness gradual growth up to 2028, led by Asian markets, especially India and China. Novel therapies and accelerated use of technology are expected to boost future market growth.

The use of artificial intelligence (AI) is accelerating drug discovery, clinical trials, development processes, marketing strategies and enhancing efficiency. Analytics enables pharmaceutical companies to use available historical and real-time data for

predictive, diagnostic, prescriptive, and descriptive analytics. Blockchain technology acts as a critical tool in drug production and distribution to tackle the use of counterfeit medicines and substandard drugs and for enhancing the tracking and safety of the pharmaceutical transaction landscape. There has been a growing prevalence of e-commerce and e-Pharmacy globally mainly led by the pandemic, telemedicine, remote patient monitoring, and digital health solutions. However, retail pharmacy continues to hold ground, with advice and consultation still being highly valued.

Top 10 Pharmaceutical Industry Trends in 2024 | StartUs Insights (startus-insights.com)

Specific therapies, particularly immunology, endocrinology, and oncology, have been key drivers of medicine use since 2018. Medicine use in terms of volume plateaued globally in 2023. While the global medicine market – using invoice price levels stood at US\$ 1.6 trillion, up from US\$ 1.5 trillion in 2022. It is expected to grow to about US\$ 2.3 trillion, at a 6-9% CAGR through 2028, driven by robust growth in existing branded medicines in the leading ten developed markets and accelerated growth in Asian countries, especially India and China. In these regions, the use of medicines is expected to grow faster than 3%. In contrast, North America, Western Europe, and Japan are expected to witness slower medicine usage growth, partly due to their already higher per capita use. In addition to the contribution of new products, the impact of patent expiries, including the growing impact of biosimilars, is expected to further accelerate market growth.

(Source: IQVIA - Global Use of Medicines 2024, January 2024)

Climate-related events have led to some notable localized disruptions in medicine usage. This is expected to become commonplace and more severe in the coming years. Demand for specific medicines tends to spike in regions hit by calamities like wildfires, floods and hurricanes. To deal with such scenarios, it is imperative to build resilient health systems and supply chains.

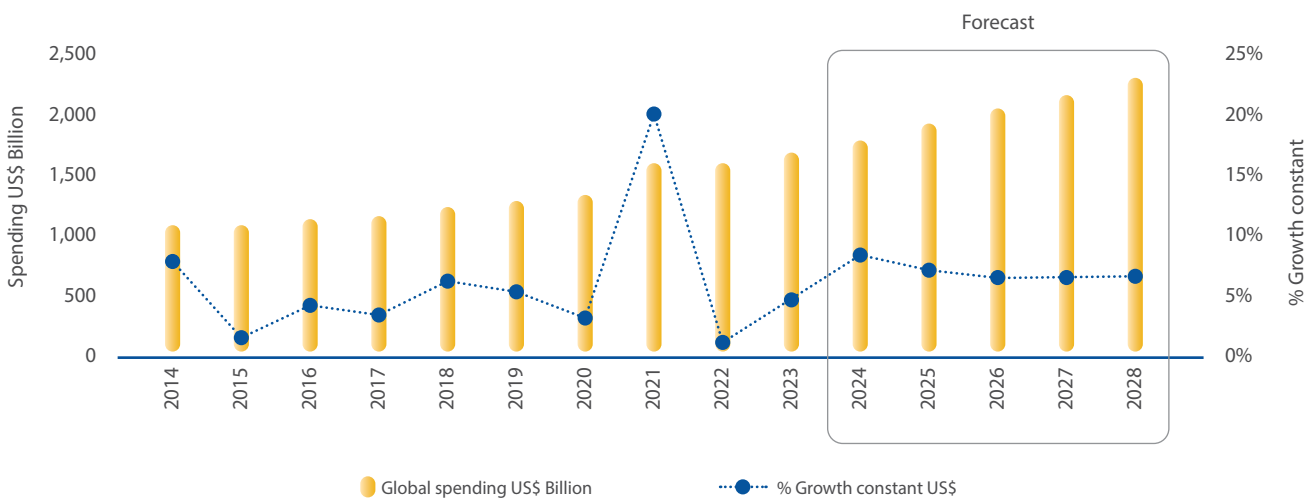


Global medicine spending and growth by product type

	Year ended 31 March 2023	ORIGINAL BRANDS	NON-ORIGINAL BRANDS	UNBRANDED GENERICS	OTHER	TOTAL
Spending 2023 US\$ Billion	Global	1,057.2	248.1	158.5	143.0	1,606.8
	Developed	967.4	128.7	113.4	65.9	1,275.5
	10 Developed	858.9	81.0	98.1	43.5	1,081.6
	Other developed	108.4	47.8	15.3	22.4	193.9
	Pharmerging	81.0	105.7	43.3	73.7	303.7
	Lower-income countries	8.8	13.6	1.7	3.4	27.6
Constant dollar CAGR 2019-2023	Global	8.0%	6.9%	4.6%	5.8%	7.3%
	Developed	7.9%	7.6%	2.8%	4.5%	7.2%
	10 Developed	7.9%	6.4%	2.1%	3.1%	7.0%
	Other developed	8.1%	9.8%	8.4%	7.5%	8.5%
	Pharmerging	9.7%	6.2%	10.3%	7.0%	7.8%
	Lower-income countries	3.2%	6.6%	7.2%	7.1%	5.6%
Spending 2028 US\$ Billion	Global	US\$ 1,520-1,552	US\$ 315-345	US\$ 185-205	US\$ 165-185	US\$ 2,225-2,255
	Developed	US\$1,390-1,420	US\$ 165-185	US\$ 125-145	US\$ 68-88	US\$ 1,775-1,805
	10 Developed	US\$ 1,230-1,260	US\$ 105-125	US\$ 100-120	US\$ 47-51	US\$ 1,505-1,535
	Other developed	US\$ 150-170	US\$ 58-62	US\$ 18-22	\$27-31	US\$ 255-285
	Pharmerging	US\$ 110-130	US\$ 130-150	US\$ 53-73	US\$ 84-104	US\$ 400-430
	Lower-income countries	US\$ 9-13	US\$ 15-19	US\$ 1.5-2.5	US\$ 3.5-4.5	US\$ 33-37
Constant dollar CAGR 2024-2028	Global	6-9%	8-11%	3-6%	3-6%	6-9%
	Developed	6-9%	4-7%	1-4%	1-4%	5-8%
	10 Developed	6-9%	4-7%	0-3%	0-3%	5-8%
	Other developed	6-9%	4-7%	4-7%	4-7%	5-8%
	Pharmerging	10-13%	12-15%	9-12%	5-8%	10-13%
	Lower-income countries	3-6%	4-7%	3-6%	4-7%	3-6%

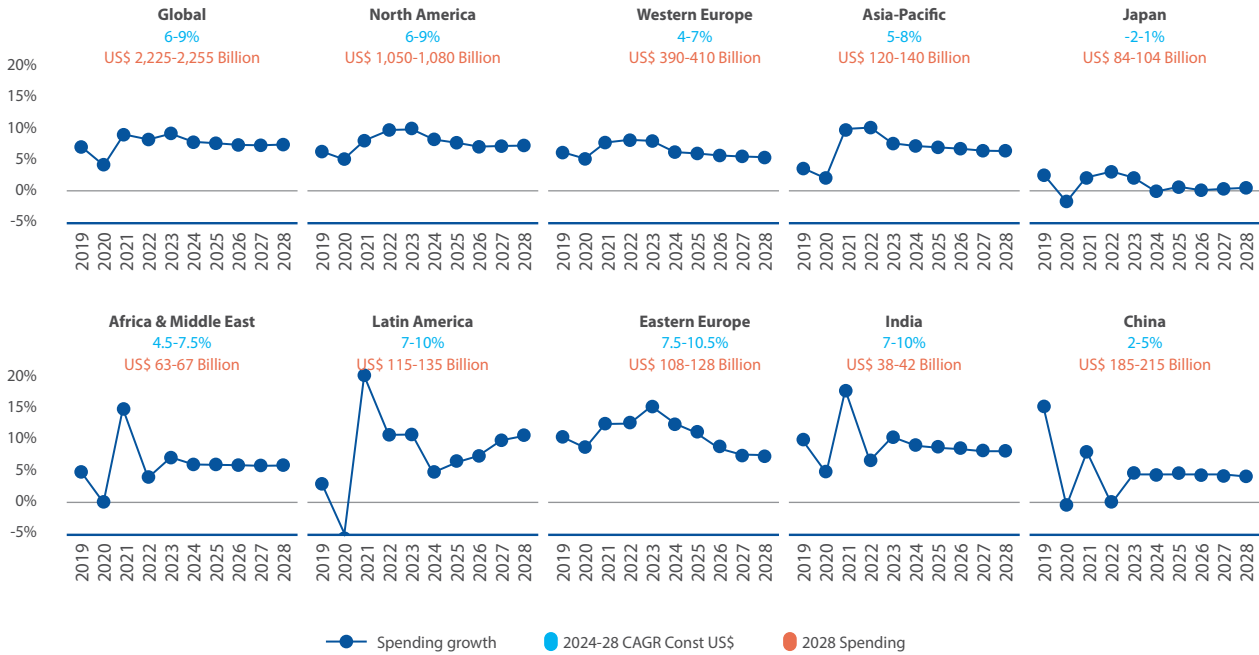
Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023

Global medicine market size and growth 2014-2028



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023.

Spending growth globally and in 9 regions, total market, const US\$ 2019-2028



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023.

The global pharmaceutical market can broadly be divided into developed and pharmerging markets. With a market share of ~70%, the developed markets dominate the global pharmaceutical market. The developed market group mainly comprises the United States, the top five European markets (namely Germany, France, Italy, the United Kingdom, and Spain), Japan, Canada, and Australia. The pharmerging group mainly comprises China, India, Brazil, Russia, and South Africa, where consumption of medications is relatively low but rapidly increasing.

Market Trends in Developed and Pharmerging Markets

The developed markets, primarily the larger world economies, have well-structured healthcare systems. These regions are mainly characterized by high levels of healthcare spending amidst highly regulated markets. These markets typically have high per capita medicine use. Drug approval, pricing and reimbursement are highly regulated and thus, the market is controlled by large multinational pharmaceutical companies with a focus on high-margin speciality drugs and biologics. These markets being more mature, offer a stable revenue stream. The United States (US) remains the largest spender in the world, followed by Japan and Western Europe.

Growth rate: The growth in these developed markets is expected to be moderate, at 5-8% CAGR over 2024- 2028 driven by new and existing branded products. However, growth in these markets is expected to be offset by generics and biosimilars to some extent. In the near future, players are expected to face budget pressures and act to curb drug spending growth, partly motivated by the costs of managing the pandemic and to moderate the impact of increased spending on novel therapies.



The pharmerging markets are typically characterized by lower levels of healthcare spending compared to developed markets with low per capita medicine use and lower pricing. Hence, they hold immense growth potential led by increased per capita incomes and improved access to healthcare. These less regulated markets find a mix of local and multinational companies offering various low-cost generic drugs, branded generics and biosimilars. China, a pharmerging market, has become the second-largest spender on healthcare in the world, led by its huge population and increasing focus on streamlining healthcare infrastructure.

Growth rate: Pharmaceutical sales in the pharmerging market are expected to grow at a higher rate than in developed markets at 10-13% CAGR over 2024-2028, driven by factors such as increasing demand for healthcare products and services, rising incomes, and expanding access to healthcare.

Overall, although the developed markets will continue to constitute the lion's share of global pharmaceutical sales, the pharmerging markets will drive future growth.

KEY MARKETS

United States Pharmaceutical Market

The world's largest pharmaceutical market, the United States, was estimated at US\$ 711 billion (medicine spending on invoice price) and is projected to increase by US\$ 299 billion through 2028 to reach US\$ 1,010 billion, growing at 6-9% CAGR. The largest driver of growth will be increased usage of existing protected

branded products. Brand spending is expected to continue to be robust on an invoice basis, and off-invoice discounts and rebates are expected to be amplified by the provisions of the Inflation Reduction Act (IRA).

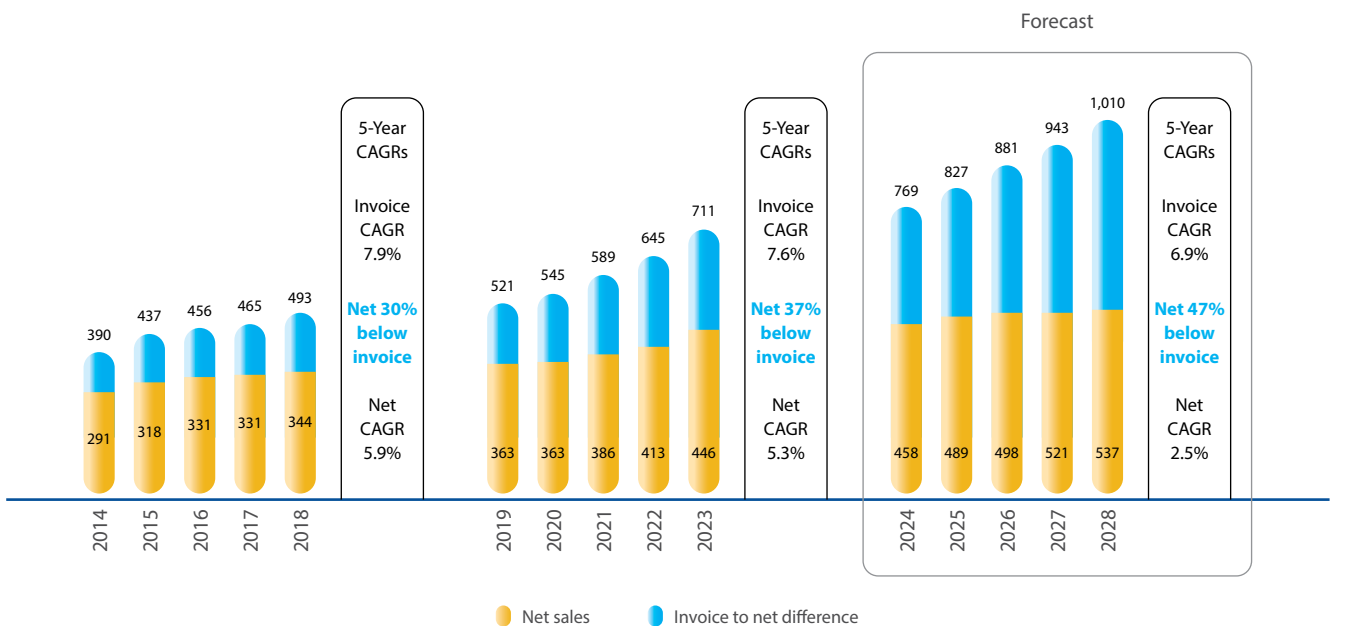
The contribution from new brands is expected to increase to US\$ 119 billion over five years as more than 250 new active substances (NASs) are expected to be launched. This presents a significant opportunity for Indian pharmaceutical companies to launch their own innovative products in the US market. India caters to ~40% of the total demand in the US's generic drug market.

During the January-September 2023 period, the US FDA approved a total of 618 ANDAs, of which Indian companies and their subsidiaries secured 46% of the total approvals amounting to 284 ANDA approvals. The continued dominance of Indian players in the US market is the result of the Indian pharmaceutical industry's unwavering focus on research and development (R&D) activities. Indian players exhibit a stronghold across therapeutic areas, including cardiovascular, anti-diabetes, and anti-cancer.

THE ANDA BOOST (pharmabiz.com)

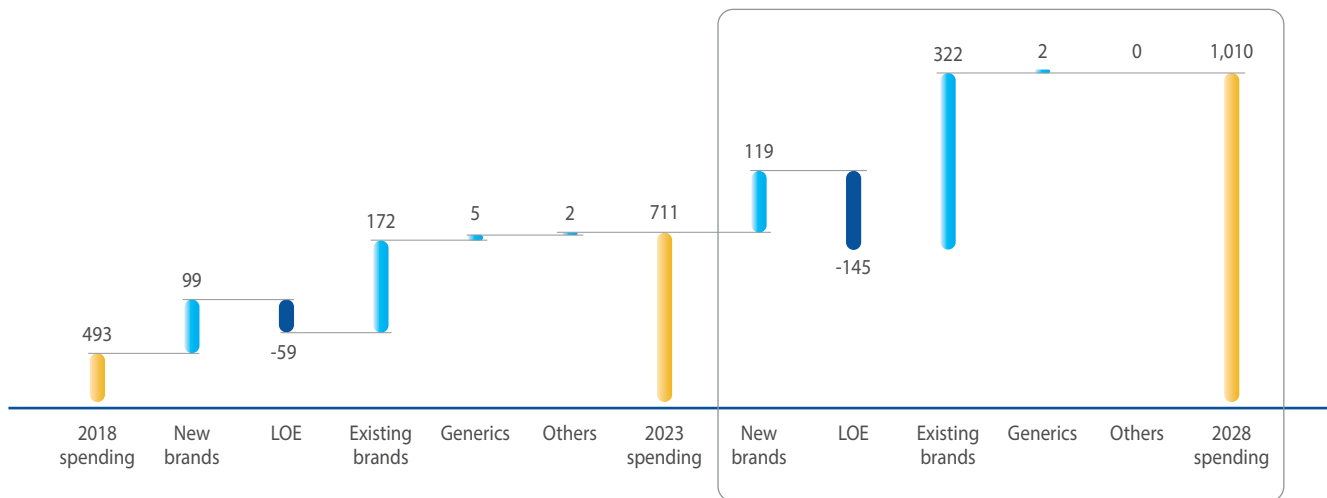
The impact of Loss of Exclusivity (LoE) is expected to be US\$ 145 billion as compared to US\$ 59 billion in the prior five years, as both small molecule and biologic product exposure to LOE has increased substantially. This presents a humungous growth opportunity for Indian pharmaceutical companies to launch generic versions of these drugs.

Exhibit 24: U.S. medicine spending and growth at invoice-level and estimated net 2014-2028 excluding COVID-19 vaccines and therapeutics



Source: IQVIA Institute, Dec 2023.

Exhibit 25: Spending and growth drivers in US 2018-2028, constant US\$ Billion



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023.

Being a developed market, the US pharmaceutical market presents unique challenges which include high competitive intensity, stringent regulation, and complex pricing and reimbursement systems. Indian pharmaceutical companies are well aware of these nuances, and with their experience in the global pharmaceutical market, are in a good position to grow their business in the US market.

INDIAN PHARMACEUTICAL MARKET

The Indian pharmaceutical market is a global powerhouse, being the third-largest in terms of volume. It is renowned for its extensive production of generic medicines and cost-effective vaccines. As the largest supplier of generic medicines worldwide, India manufactures approximately 60,000 different generic brands across 60 therapeutic categories, contributing 20% to the global supply of generics.

A significant segment of the pharmaceutical industry is the production of Active Pharmaceutical Ingredients (APIs), which make up around 35% of the market. APIs are the biologically active components of drugs responsible for their intended medical effects. India's API production is not only significant in volume but also in variety as it ranks as the third-largest producer of APIs, holding an 8% share of the global API market. India produces over 500 different APIs, contributing to 57% of the World Health Organization's (WHO) prequalified list.

India boasts the second-highest number of pharmaceutical factories outside the United States that comply with US-FDA regulations. Additionally, it has a considerable number of WHO Good Manufacturing Practices (GMP)-compliant plants and facilities approved by regulatory authorities from various countries. This makes India a pivotal player in the global pharmaceutical landscape, supplying affordable, high-quality generic drugs to over 200 countries.

Access to affordable HIV treatment from India is one of the greatest success stories in medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it the pharmacy of the world.

According to CARE Ratings, in FY 2022-23, the Indian pharmaceutical industry was valued at US\$ 49.8 billion, up 5% YoY. The domestic growth was healthy at 7%, but the muted export growth at 3% suppressed overall market growth. Within exports, the emerging markets were largely flat, while the developed market registered a robust 8% growth. The slower growth in emerging markets was attributed to the Russia-Ukraine war, foreign currency shortages in several African countries, and significant depreciation of local currencies.

Post-pandemic, there has been a notable shift in the Indian consumer mindset, reflected in the growing demand for vitamins, minerals, and supplements (VMS). According to IMARC, the Indian pharmaceutical market is expected to reach to US\$ 163.1 billion by 2032, at 12.3% CAGR. The growing incidences of diseases, rising healthcare needs, favorable government initiatives prioritizing healthcare, development of healthcare infrastructure, and improving health consciousness will provide a boost to future market growth.

Therapy Area	(₹ in Crore)		
	Sales in FY 2023-24	Therapy Contribution	YoY growth in FY 2023-24
Cardiac	26,947	12.5	10.0
Anti-Infectives	24,328	11.3	4.7
Gastro Intestinal	22,857	10.6	7.2
Anti Diabetic	19,128	8.9	6.0
Respiratory	17,817	8.2	2.7
Pain / Analgesics	17,226	8.0	8.1
Vitamins / Minerals / Nutrients	16,897	7.8	7.3
Derma	14,859	6.9	6.2
Neuro / CNS	12,946	6.0	8.5
Gynecology	10,858	5.0	6.3
Others	32,228	14.9	12.8

Source: IQVIA data, March 2024

India's Pharma Exports by Country (US\$ Million)

Rank	Country	FY 2022-23 (US\$ Million)	FY 2021-22 (US\$ Million)	YoY Growth	Contribution
1	USA	7,547.5	7,108.2	6.2%	29.7%
2	Belgium	714.9	449.1	59.2%	2.8%
3	South Africa	657.0	612.3	7.2%	2.6%
4	United Kingdom	647.7	706.0	-8.3%	2.6%
5	Brazil	642.7	583.8	10.1%	2.5%
6	Netherlands	594.3	460.6	29.0%	2.3%
7	Russia	573.2	598.3	-4.2%	2.3%
8	France	569.8	513.7	10.9%	2.2%
9	Germany	523.0	529.3	-1.2%	2.1%
10	Nigeria	516.0	588.3	-12.3%	2.0%
11	Canada	506.6	419.0	21.0%	2.0%
12	Australia	422.3	386.8	9.2%	1.7%
13	Kenya	362.5	342.6	5.8%	1.4%
14	China	348.1	343.6	1.3%	1.4%
15	UAE	342.5	331.9	3.2%	1.4%
	Others	10,426.0	10,620.8	-1.8%	41%
	Grand Total	25,394.1	24,594.3	3.2%	100.0%

Pharmexcil Annual Report - 12-09-2023.cdr

India's healthy demographic profile with an expanding population, increasing life expectancy, and growing incidences of chronic diseases, provides growth opportunities for the pharma market. The availability of a skilled workforce at affordable prices enables India to supply low-cost medicine worldwide. A talented pool of scientists and unwavering focus on R&D, ensure quality products are manufactured and supplied at competitive prices. The government has prioritized the healthcare sector and has launched several schemes to promote the pharmaceutical industry. In the interim budget 2024-25, the government laid unparalleled focus on healthcare. Total expenditure on healthcare has been increased from ₹ 79,221 crore in 2023-24 to ₹ 90,171 crore in 2024-25. With a strong focus on affordable healthcare and sustainable development, allocations for PMABHIM (~2x), Ayushman Bharat-PMJAY (0.5%) and the PLI scheme (50%) were enhanced. In addition, allocation towards Biotechnology Research and Development has been doubled to ₹ 1,100 crore in 2024-25. The government also emphasized the need to promote investment in Research and Development.

The players in the industry realize the humongous growth opportunity and are investing in future growth with a strong focus on digital technologies. The growing adoption of analytics and artificial intelligence across the value chain is helping the players not only improve the quality of products but also optimize production processes and enhancing efficiency.

Strong economic growth, government support for the pharmaceutical sector and private investment in R&D, are the key drivers of robust market growth. Indian generic medicines are 30-90% less expensive than branded counterparts. Complex generic drugs such as biosimilars and oncology drugs are manufactured in India at highly competitive rates without any compromise on quality. The Indian generic drug industry has been able to compete with other global players by leveraging its expertise in chemistry, manufacturing and innovation.

With a strong focus on affordable healthcare and sustainable development, allocations for PMABHIM (~2x), Ayushman Bharat-PMJAY (0.5%) and the PLI scheme (50%) were enhanced. In addition, allocation towards Biotechnology Research and Development has been doubled to ₹ 1,100 crore in 2024-25. The government also emphasized the need to promote investment in research and development.

Biosimilars and biologics

Biosimilars are biological products highly similar to existing FDA-approved reference products with no clinically meaningful differences. Developed to have the same mechanism of action, route of administration, dosage form and strength, comparable to the original product, they act as a more affordable alternative to high-cost reference biologics. The development and commercialization of biosimilars thus intensifies competition by making complex and often expensive treatments more accessible for more patients.

Substantial investments in research and development, clinical trials and manufacturing capabilities are key to the development of biosimilars and biologics. Given their cost competitiveness, the global market for biosimilars presents significant opportunities for pharmaceutical companies to grow their businesses. The global biosimilar market size reached US\$ 21.2 billion in 2023,

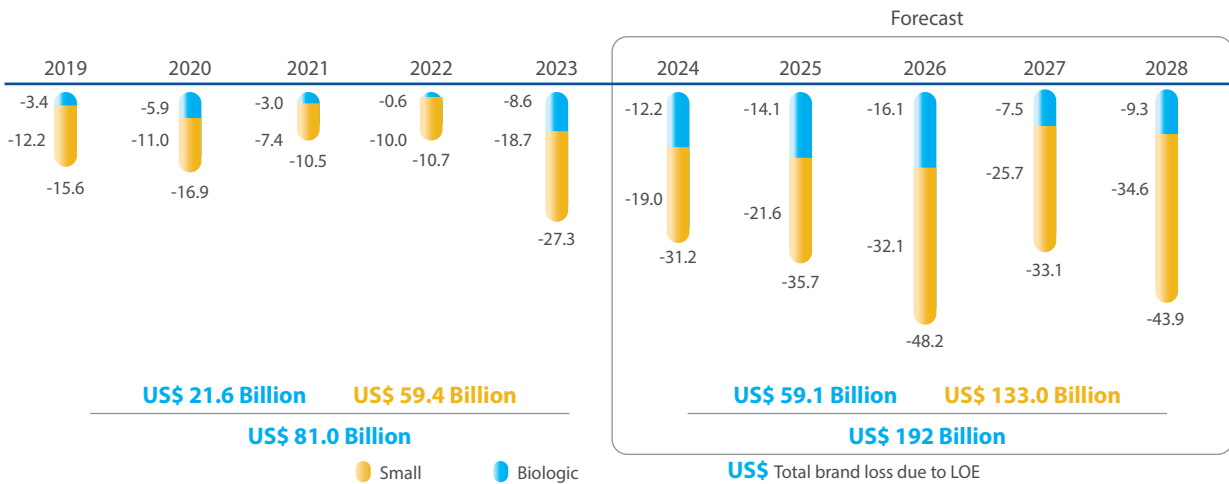
up from US\$ 16.8 billion in 2022. The growth is primarily driven by the expiry of patents on blockbuster biologic drugs, rising awareness about efficacy, and cost-effectiveness increased incidences of chronic diseases and technological advancements. The biosimilars market is likely to reach US\$ 164.5 billion, growing at a 25.1% CAGR over 2024-2032.

In the coming five-year period, the impact of brand losses of exclusivity (LoE) is expected to reach to US\$ 192 billion across the leading 10 developed markets, with US\$ 133 billion coming from small molecules and US\$ 59 billion from biologics. The growth is primarily attributable to the U.S. patent expiries, including the autoimmune drug adalimumab (Humira) in 2023, lisdexamfetamine (Vyvanse) for ADHD in 2024, and blood thinner rivaroxaban (Xarelto) and autoimmune ustekinumab (Stelara) in 2025.

(Source: IQVIA - Global Use of Medicines 2024, January 2024)

The impact of exclusivity losses will reach US\$ 192 billion over the next 5 years, with around 30% due to the availability of biosimilars

10 developed countries impact of brand losses of exclusivity 2019-2028, US\$ Billion



Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Nov 2023. Global Use of Medicines, 2024: Outlook to 2028. Report by the IQVIA Institute for Human Data Science. Copyright ©2024 IQVIA. All rights reserved.

In the five decades of global presence, Alkem Laboratories (the Company / Alkem) has solidified its footing as a global Indian generic pharmaceutical company offering innovative, best-in-class products. For over two decades, Alkem has maintained its position among the top 10 domestic pharmaceutical companies, with a presence panning the entire value chain from product development to manufacturing and sales

While the significant price gap between the original product and biosimilars provides a strong case for the quick acceptance and popularity of these products, the actions of originators, payers and providers to switch patients from brands to equivalent generics or biosimilars have a high degree of variability. A case in point is that adalimumab in the U.S., facing biosimilars since January 2023, saw an increase in brand spending on an invoice basis as biosimilar uptake reached only 1.4% of prescriptions as of November 2023.

Over the next five years, expiring patents will create important revenue opportunities for generic and biosimilar manufacturers to sustain their businesses. This is especially crucial considering the relatively low number of expirations in the past five years. Governments worldwide are seeking to reduce healthcare spending, leading to growing interest in biosimilars as a way to improve access to biologics. With the increasing number of approved biosimilars and the development of more complex versions, regulatory frameworks for biosimilars are becoming more established.

Significant progress in Research and Development has led to substantial advancements in the development of innovative biologic therapies to cure diseases that were previously untreatable, particularly in the areas of gene therapy and cell therapy. The USFDA and the European Medicines Agency (EMA) have established specific guidelines for the approval of interchangeable biosimilars. This has led to a significant increase in the use of biosimilars in recent years in these regions.

Company Overview

In the five decades of its global presence, Alkem Laboratories (the Company/Alkem) has solidified its footing as a global Indian generic pharmaceutical company offering innovative, best-in-class products. For over two decades, Alkem has maintained its position among the top 10 domestic pharmaceutical companies, with a presence spanning the

entire value chain from product development to manufacturing and sales. International business is spread across 40 countries, with the United States being its primary export market. The Company's strong brand equity across Indian and international markets is a result of its extensive distribution network of over 8,400 stockists, diversified portfolio of over 800 brands, veteran management team, commitment to superior quality, and strong company ethos and culture.

With 19 advanced manufacturing facilities, 18 in India and 1 in the United States, the Company boasts of having filed 176 ANDAs and 2 new drug applications (NDAs) with the US FDA and has approvals for 145 ANDAs (including 13 tentative approvals), 2 NDAs and 1,100+ product registrations in various international markets. All its facilities undergo regular audits and have approvals from various regulatory agencies, such as the US FDA, WHO, MHRA (UK), TGA (Australia), ANVISA (Brazil), MCC (South Africa) and regulatory agencies from other countries. The Company's four technologically advanced R&D centers are supported by over 500 scientists striving relentlessly to innovate new products in keeping with the dynamic market environment. The Company's investment in biotechnology through its subsidiary, Enzene Biosciences, is witnessing good traction in the market, with 7 biosimilar products in the domestic market.

Alkem is the category leader in several Indian acute therapy areas such as Anti-infective, Gastro-intestinal, Pain management, and Vitamins/Minerals/Nutrients (VMN). Among the top 50 pharmaceutical brands in India, many Alkem mega brands, such as Clavam, Pan, Pan-D, and Taxim-O, enjoy a unique dominance. Alkem has been the market leader in the anti-infective segment for over a decade and is also one of the leading companies in the Indian trade generic segment. Alkem has been expanding its presence in chronic therapy areas such as Neuro/CNS, Cardiac, Anti-diabetes, and Dermatology.



Revenue from key markets

Business segment	Revenue in FY 2023-24 (₹ million)	Contribution to total revenue (%)	% YoY growth in total revenues
Domestic business	₹ 86,620.2	68.4%	6.2%
US business	₹ 27,709.3	21.9%	10.2%
Other International markets business	₹ 12,346.3	9.7%	33.3%

The Indian domestic business continues to hold the lion's share of Alkem's revenue with around 68% share in FY 2023-24. The Company is well-cemented to leverage its dominance in the pharmaceutical market and benefit from the humungous market growth potential.

Financial overview (₹ in million)

Key profit and loss statement highlights

Particulars	FY 2023-24	FY 2022-23	YoY Change	Comments
Revenue from operations	126,675.8	115,992.6	9.2%	Domestic business grew by 6.2% which was largely impacted due to sporadic season. US business grew by 10.2% on account of single digit price erosion. Other International market registered robust growth of 33.3% led by Latam and Europe market.
Gross Profit	77,300.0	66,924.2	15.5%	Improvement in gross margin is attributable to better product mix and softening of API prices.
Gross Profit margin	61.0%	57.7%		
EBITDA	22,454.9	16,094.5	39.5%	Mainly driven by gross margin improvement and optimization in manpower cost
EBITDA margin	17.7%	13.9%		
PBT before exceptional item	21,446.2	14,077.5	52.3%	Led by improvement in EBITDA and Treasury income.
Exceptional item	(1,214.9)	(1,029.8)		
PBT after exceptional item	20,231.3	13,047.7	55.1%	
PBT margin	16.0%	11.2%		
PAT (After minority interest)	17,957.7	9,841.7	82.5%	PAT for FY 2022-23 was impacted on account of derecognition of Deferred tax assets of ₹ 1,197.2 million adjusted for the said item PAT growth for FY 2023-24 would have been 62.7%.
PAT margin	14.2%	8.5%		

Key ratios

Ratio	Formula used	FY 2023-24	FY 2022-23	Comments
Debtors turnover	Sale of products / Trade Receivable	5.52	5.37	
Inventory turnover	COGS / Inventory	1.86	1.88	
Interest coverage ratio	EBIT / Finance cost	17.31	12.10	The Company reported a higher EBITDA margin YoY on account of increase in sale of products and better gross margins
Return on net worth	PAT / Net worth (attributable to owners of the company)	17.4%	10.9%	
Current Ratio	Current Assets / Current Liabilities	2.61	2.35	
Debt to Equity ratio	Net debt / Total equity	0.07	0.11	The Company generated healthy cash flows from operations during the year, which aided in the net debt reduction.
Operating Profit Margin %	EBITDA / Revenue from operation	17.7%	13.9%	The Company reported higher EBITDA and Net Profit margin YoY mainly on account of better gross margins.
Net Profit Margin %	Net profit / Revenue from operation	14.2%	8.5%	

Domestic Business

During FY 2023-24, the Company clocked secondary sales growth of 6.2% YoY to ₹ 8,684 crore (IQVIA MAT March 2024), marginally lower than the overall Indian Pharmaceutical Market (IPM) growth of 7.6%. The slightly lower-than-market growth can be attributed to therapeutic areas where the Company is a market leader but which grew slower than the overall IPM. For example, the anti-infective therapeutic area in IPM grew at only 4.7% during FY 2023-24.

Key highlights:

- ₹ 86,620.2 Million Revenue from Domestic Business
- 6.2% Y-o-Y Growth in the Domestic Business
- 18 No. of Brands in IPM Top 300 Brands
- 68.4% Revenue Contribution
- No. 5 Rank in the Indian Pharma Market
- No. 1 Anti-infective Company in India for over 15 years

The Company continues to be ranked among the top-five players in the IPM overall, with a market share of 4.02%. In therapeutic areas where the Company has had historical strength, the Company has maintained its rank among the top three players. These therapeutic areas include anti-infectives (leader for more than fifteen years), gastro-intestinal (rank 3), pain and analgesics (rank 3) and vitamins/minerals/nutrients (rank 2). The Company owes this exceptional achievement to the relentless dedication to excellence and steadfast commitment of a strong team of more than 12,000 marketing representatives.

The Company continues its rich legacy of building market-leading brands across therapies. During FY 2023-24, nineteen of Alkem's brands are having sales of more than ₹ 100 crore each. These

brands constitute more than half of Alkem's sales and are key drivers of growth. Three of Alkem's brands are featured among the top 15 brands in the IPM: Pan (rank 7), Clavam (rank 9) and Pan-D (rank 15). These brands continue to surpass expectations in their respective markets, reflecting the strong trust and confidence healthcare professionals have in them, their safety, efficacy and quality, and the deep connect developed by the strong sales and marketing team through science-driven engagement.

Performance of some of the new product launches

Brand	Molecule	Rank MAT March 2024
A TO Z Amino	Amino+Vitamin+Lycopene+Folic+Mineral	5
Dapanorm-L	Dapagliflozin+Linagliptin	4
Cetuxa	Cetuximab	2
Alsita-MP	Metformin+Pioglitazone+Sitagliptin	1
Denuril	Denosumab	4 (+4)
Dapanorm Trio	Dapagli.+Metfor.+Sitagli.	1
Glycoquic	Glycopyrronium	3 (+2)
Alsita-M	Metformin + Sitagliptin	4
Alsita	Sitagliptin	5
Carilift	Cariprazine	2
Romiset	Romiplozium	3
Topiroxo	Topiroxostat	1
Clavam ES	Amoxicillin + Clavulanic acid	2

Rank in their respective molecule as reported by IQVIA data

Alkem's performance in key therapeutic segments

Therapy Area	Company Rank	Contribution (%)	Market share (%)	Company growth (% YoY)	Industry growth (% YoY)
Anti-Infectives	1	36.1	12.9	2.0	4.7
Gastro Intestinal	3	19.0	7.2	9.0	7.2
Pain / Analgesics	3	10.8	5.4	5.3	8.1
Vitamins / Minerals / Nutrients	2	10.7	5.5	9.3	7.3
Anti Diabetic	15	4.6	2.1	21.6	6.0
Neuro / Cns	7	3.9	2.6	8.5	8.5
Gynecolog	11	3.9	3.1	3.4	6.3
Respiratory	15	3.1	1.5	0.0	2.7
Derma	19	2.9	1.7	10.6	6.2
Cardiac	27	2.4	0.8	8.6	10

Performance of Alkem's Top 10 Brands

Brand	Molecule	Rank in molecule category	Brand sales ₹ crore in FY 2023-24	Market share
PAN	Pantoprazole	1	608.4	34.2
Clavam	Amoxicillin+Clavulanic Acid	2	592.4	15.0
PAN-D	Domperidone+Pantoprazole	1	523.9	32.3
Taxim-O	Cefixime	2	311.8	23.0
A To Z NS	Ascorbic Acid+Copper+Manganese+Nicotinamide+Pantothenic Acid+Pyridoxine+Retinol+Riboflavin+Vitamin E+Zinc	2	283.6	13.9
Xone	Ceftriaxone	2	265.2	16.4
Pipzo	Piperacillin+Tazobactam	1	197.1	22.8
Gemcal	Calcitriol+Calcium & Comb	1	180.9	19.2
Uprise-D3	Colecalciferol	1	177.4	16.9
Taxim	Cefotaxime	1	176.6	80.8

Source : IQVIA MAT March 2024



UCPMP will help level the playing field for pharmaceutical companies in prescribing practices as companies will have to compete based on the quality, efficacy, and affordability of their products rather than the extent of promotional activities.

Furthermore, the Company expanded its presence in chronic therapy areas, including anti-diabetes, neurology/CNS, and dermatology, surpassing market growth rates, where it gained market share. The Company also made recent inroads into erstwhile white spaces such as respiratory and ophthalmology. The Company has been consistently ranked among the top three players in IPM in terms of sales from new introductions. For example, in at least two instances of blockbuster diabetes products that faced patent expiries, the Company's new introductions are market leaders among generics.

With steadfast commitment to Research and Development, operational excellence, strategic supply chain management and a proficient management team, the Company is well-positioned to scale new heights as a leader in the pharmaceutical sector in India.

Outlook for Domestic Business

The domestic pharmaceutical market is poised to grow at 7-10% CAGR over the medium term, with chronic therapeutic segments growing marginally higher than acute ones. While growth drivers are robust, several key trends are likely to shape the domestic business going forward.

Healthcare expenditure is increasing, most significantly due to governmental efforts to improve healthcare infrastructure and make healthcare accessible through schemes like Ayushman Bharat insurance coverage. Private sector spending on healthcare is also increasing, through rising income levels, increasing prevalence of lifestyle and chronic diseases, greater awareness, and access to insurance. This, in turn, is driving demand for pharmaceutical products.

The Uniform Code of Pharmaceutical Marketing Practices (UCPMP) will have a significant impact on the formulation landscape of Indian domestic formulations. UCPMP will help level the playing field for pharmaceutical companies in prescribing practices as companies will have to compete based on the quality, efficacy, and affordability of their products rather than the extent of promotional activities. The Company is very well placed to enhance the trust and credibility among prescribers, healthcare professionals, patients and regulatory authorities and further build on the Company's brand reputation. The Company is already focusing on educational initiatives and scientific evidence for promotion and is in the process of implementing internal monitoring systems and training to ensure adherence to the code.

Pharmaceutical manufacturing in India is set for an overhaul of quality systems and risk management, with increased stringency to ensure mandatory compliance with good manufacturing

practices. Major changes as per notification of rules have led to introduction of a Pharmaceutical Quality System (PQS), Quality Risk Management (QRM), Product Quality Review (PQR), Qualification and Validation of equipment, change control management, self-inspection and quality audit team, supplier audit and approval, among others. All pharma companies are required to follow the revised good manufacturing practices and comply with the rules over 6-12 months. The Company already has such systems in place, and is well placed to further enhance quality in the domestic business.

Efforts by the Indian Government on self-reliance in APIs, initiated during the pandemic through Production Linked Incentives (PLIs), are beginning to bear fruit. Dependence on China for APIs for domestic formulations will reduce significantly. API prices have been on a downward trend, with a substantial reduction in the latter half of FY 2023-24. This bodes well for the profitability of the domestic business, thereby encouraging sizeable Indian pharmaceutical companies to refocus on the Indian market. With increasing domestic manufacturing of APIs, the industry will gradually be insulated from fluctuating raw material prices and risks of shortages.

The government's price control measures for essential medicines will be critical in ensuring access and affordability. Currently, price controls cover more than nine hundred medications. However, given the low WPI inflationary factor in FY 2023-24, the price increase for our NLEM portfolio will be insignificant. This will exert margin pressure on pharmaceutical companies, to an extent offsetting the benefit from lower raw material prices.

The Company is poised to build on its strengths and aspires to improve on its leadership position in the domestic market. The Company is focusing on plugging portfolio white spaces through strategic new product launches, and enhancing effectiveness within its robust field force, and addressing operational efficiencies across manufacturing, supply chain and distribution, enabled by robust information technology systems and processes. The company is also well-placed to leverage its leadership position in the trade generic segment with an enhanced generic portfolio.

While recent changes, mainly regulatory and compliance, are likely to create new and unique challenges for pharmaceutical companies, with its marquee brands, large and well-equipped field force, resilient supply chain and expansive distribution network, the Company sees a unique opportunity to outperform peers in the domestic business. The Company, therefore, maintains a very positive outlook in the medium to long term for the domestic market and looks forward to fulfilling its commitments towards the medical fraternity and healthcare providers, patients and



Caregivers, and channel stakeholders as a manufacturer and marketer of high-quality medication.

US Business

The US business remains a key revenue driver, contributing a substantial portion of the Company's total income. In FY 2023-24, the Company reported a revenue of ₹ 27,709.3 million from the US market, reflecting an 10.2% increase over the previous year. This growth was fueled by market share expansion in existing products.

Key highlights:

- ₹ 27,709.3 Million Revenue from US Business
- 21.9% Revenue Contribution
- 10.2% Y-o-Y Growth in the US Business
- 176 Cumulative ANDAs filed
- 145 Cumulative ANDAs approved, including tentative approvals

During this period, the Company made significant strides in regulatory matters, filing a total of 176 abbreviated new drug applications (ANDAs) and 2 new drug applications (NDAs). The Company's presence in the US market is strengthened with 132 ANDAs approved, 13 tentative approvals received and 2 NDAs approved.

Alkem's ANDA filings and approval (chart)

Year	Total filed (cumulative) *	Total approved (cumulative)*#
2013-14	49	15
2014-15	63	19
2015-16	77	31
2016-17	91	39
2017-18	108	50
2018-19	127	70
2019-20	144	89
2020-21	152	110
2021-22	163	123
2022-23	175	134
2023-24	178	147

*includes NDA

#includes tentative approvals

The international business has grown substantially, making the US pharmaceutical market the second-largest market for the Company. Despite previously faced COVID-19 challenges, heightened price erosion, and fierce competition, the US business has maintained its resilience.

Update on USFDA Inspections

During the year, the USFDA inspected company's manufacturing facilities at Ankleshwar, Mandva, and Baddi. Post-inspection outcomes are as below:

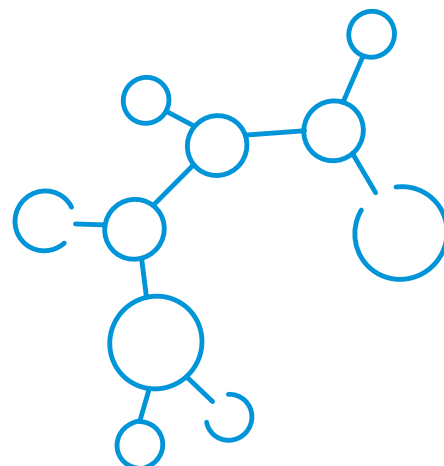
- **April 2023** - USFDA inspected the Company's manufacturing facility located at Ankleshwar. The inspection was closed successfully without any observations. Establishment Investigation Report (EIR) was received in June 2023.
- **December 2023** - USFDA had inspected the Company's manufacturing facility located at Mandva. At the end of the inspection, the Company received Form 483 with three (3) observations. Subsequently, the Company received an EIR in March 2024, thereby closing the inspection successfully.
- **March 2024** - US FDA had inspected at the manufacturing facility located at Baddi. At the end of the inspection, the Company received Form 483 with ten (10) observations. There was no data integrity related observations and the Company has submitted a detailed corrective and prevention action plan to get a closure of the inspection.

The Company places a strong emphasis on delivering high-quality products and adhering to regulatory compliance. The Company invests in its people, processes and technology to remain compliant with the evolving cGMP norms. This strategic approach positions Alkem for continued growth and success.

Status of USFDA inspections

Facility	Inspection Date	Regulatory Status
Baddi (India)	Mar-24	Received Form 483 with ten observations for USFDA inspection done between 19-27 March 2024. Response submitted to USFDA.
Daman (India)	Aug-19	EIR received in October 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 March 2024
California (USA)	Aug-18	EIR received in October 2018

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



About 70-75% of products are manufactured in-house in the Daman and Baddi plants as dedicated manufacturing facilities. To cater to international market needs, the Company also has a dedicated state-of-the-art R&D facility with an in-house CRO unit and Formulation R&D at Taloja and API R&D at Mandva.

Outlook for the US Business

The US pharmaceutical market is essential for global pharmaceutical companies due to its size and purchasing power. Despite heightened competitive intensity and price erosion, there are ample attractive growth opportunities. To maintain competitiveness, the Company prioritizes profitability through cost-efficient measures, enhanced quality filing procedures, and investment in research and development to expand the product portfolio.

The Company is steadfast in its commitment to fortify its market presence by strategically concentrating on key therapeutic domains Neuro/CNS, anti-infective, anti-inflammatory, Oncology and anti-epileptic therapies, ensuring a robust foothold in the healthcare industry.

Our key product portfolio includes 44 products ranked in the Top 3 by market share, with 13 products having a market share greater than 30%. Alkem sells through its subsidiaries and partners to wholesalers, pharmacies, stockists and hospital / institutional customers. About 70-75% of our products are self-manufactured within the Daman and Baddi facilities, which are specialized plants dedicated to our production needs for catering to international markets.

To meet the demands of the global market, the Company maintains a state-of-the-art R&D facility equipped with an in-house CRO unit, alongside Formulation R&D at Taloja and API

R&D at Mandva, reflecting our dedication to innovation and quality. The Company has a robust regulatory track record for all its manufacturing facilities.

Competitive intensity is at an all-time high with an efficient FDA approval process resulting in increased competition for almost all products. Amidst a strong competitive market, the Company exhibited resilience.

The US has been a crucial growth driver for generics, with an average of 8-10 ANDA filings per year. New launches averaged at 6-8 per year.

The increasing demand for affordable biologic treatments presents significant growth opportunities in the biosimilar market. Alkem is investing in R&D in biologics through its subsidiary, Enzene Biosciences.

Outlook for Other International Market Business

The Company is endeavoring to enhance its reach in the 40 international markets it is currently present in, apart from India and the US. Its key markets include LatAm, Australia, Europe (UK, Germany) and RoW markets (Philippines, Kazakhstan, South Africa, East Africa, etc.).

In FY 2023-24, the Company's revenues from Other International Markets business grew by 33.3% YoY to ₹ 12,346.3 million, with healthy growth in key markets such as LatAm, and Europe.





The international business is a crucial growth factor. The Company is committed to growing its presence in newer markets and also deepening its reach within existing markets. China and Mexico are the focus markets where Alkem is looking to invest. The Company is looking to introduce tailored products suiting local requirements.

Key international markets	Growth strategies
Australia and New Zealand	Supplement with some dedicated development
LatAm	Fastest growing market in past 3 years In-licensing is a key strategy for having a healthy and dynamic portfolio. Entering Mexico market as a part of our key strategic initiative for Latam.
Europe	Focus on portfolio creation Building relationships with chains in the UK Commercial and distribution infrastructure in DE
China	We are looking to enter these markets, which need R&D investments with gestations upwards of 3-5 years. The portfolio needs to evolve, robust pipeline is required.

Enzene Biosciences

Enzene is an innovation-driven biotech company and subsidiary of Alkem Laboratories. Enzene's focus lies in developing and producing biosimilars, novel biologics, synthetic peptides and phytopharmaceuticals. Enzene also offers a range of biologics contract development and manufacturing (CDMO) and contract manufacturing organization (CMO) services with capabilities from clone development up to GMP manufacturing supported by bio-reactor capacities ranging from 20 liters to 2,000 liters.

Enzene has established fully integrated biotech process development and manufacturing capabilities across multiple modalities and platforms by deploying disruptive and innovative cutting-edge technologies. Enzene has successfully leveraged its platform to develop a captive pipeline of biosimilars that have been out-licensed to pharmaceutical companies across global markets while also offering end-to-end CDMO services to biotechnology companies.

Enzene is amongst the first movers globally, to have set up an end-to-end continuous manufacturing platform for biologics. The world-class facility in India is equipped with the most advanced equipment in the field of monoclonal antibodies (MABs) and therapeutic protein manufacturing, single-use technology for drug substance manufacturing, and a fully automated fill and finish machine for drug product manufacturing. The facility is capable of higher production versus a traditional biologic manufacturing facility at a lower cost of manufacturing and enables rapid movement of pre-clinical assets to the later stage of development or the commercial stage. This is expected to facilitate the entry of biologics into price-sensitive markets.

Presently, Enzene, through its USA subsidiary, Enzene INC, is setting up a CDMO facility in New Jersey, US, helping Enzene to expand its global footprint. The facility is expected to be commissioned in FY 2024-25. Enzene is looking to become a CDMO partner for US biotech firms and help them bring promising molecules to markets.

Biologic drugs have seen rapid growth across therapeutic areas leading to a US\$ 300 billion market. The significant increase in biologic drugs being developed has outpaced worldwide supply capabilities, creating immense opportunities for high-quality contract manufacturers. In addition, the wave of patent expiries within the segment has also led to a significant opportunity for biosimilar products. Enzene has commercialized seven biosimilars in India and has another eleven products in the pipeline at various stages of development. Many of its in-market and pipeline products have already been partnered for commercial rights in emerging and regulated markets.

Key highlights of FY 2023-24

- Enzene generated robust growth in revenue from product sales and CDMO
- For all products, Enzene was able to see an increased offtake due to market growth and the addition of commercialization Partners. Enzene was able to tap and penetrate a significant portion of the market
- In the CDMO space, Enzene has been able to sign deals with multiple companies to develop novel biologics
- Enzene inaugurated its new cutting-edge R&D facility spanning over 75,000 square feet and equipped with an open lab set-up that promotes cross-departmental collaboration, efficient communication, and knowledge sharing. This facility will significantly enhance Enzene's capabilities to serve its valued CDMO partners with greater efficiency and excellence
- Enzene received marketing authorization to commercialize three biosimilar products in India, namely, Cetuximab, Bevacizumab and Ranibizumab
- Enzene has been active in the product development space and has a few molecules that are in the development/clinical trial stage
- Global clinical trials have progressed from last year, and Enzene, with its robust partner selection strategy, have signed out-licensing & supply partnerships with market leaders across regulated and semi-regulated markets to commercialize these products in the near future. These deals will generate revenue in the near term
- Enzene also established its biologics CDMO business using a novel and disruptive continuous bio-manufacturing platform from pre-IND to the clinical stage and executed agreements with companies across the US, Europe and India which helped in generating revenues from this segment. Enzene, thus established itself as a one-stop shop with "clone to vial" capabilities. It is capable of fully integrated process development capabilities across cell line development, upstream & downstream processes, advanced analytical & bioanalytical characterization and drug product development

Research and Development (R&D)

The Company's clinical research facility is currently focused on bioequivalence and bioavailability studies aimed at proving the bioequivalence of dosage forms. Various Indian and international regulatory agencies, such as DCGI, USFDA, UK MHRA, and NPRA-Malaysia inspect the facility. The Company's clinical division has successfully faced several audits and regulatory inspections, with many products being approved and marketed based on the acceptance of the submitted data by the regulatory agencies. The Company is dedicated to conducting scientifically robust and ethical clinical trials to address unmet healthcare needs and generate quality data for the development of effective and safe novel molecules.

The Company has significant experience in conducting local and global clinical trials from Phase 1 through Phase 4 clinical studies across multiple therapies in accordance with ICH GCP and several other international guidelines and regulations. The R&D team has gained extensive experience and expertise in conducting clinical studies on small and large molecules, including monoclonal antibodies and biosimilars, as well as stem cell-based products for domestic and global regulatory submissions like CDSCO, USFDA, and EMEA.

The Company's clinical team uses complex, innovative and robust clinical designs such as double-blind, double-dummy, differential ratio design, integrated Phase 1 and 3 studies, interchangeability studies, and adaptive design. These studies involve complex molecules, including peptides, MABs and stem cells. The molecules find applications across different therapy areas but are not limited to, as specified. Enlisted below are examples, including regenerative medicine

1. Infectious disease – Invasive fungal disease, Methicillin Resistant Staphylococcus Aureus (MRSA)
2. Oncology – Metastatic breast cancer, colorectal cancer, head and neck cancer (locally advanced as well as metastatic setting)
3. Endocrinology – Type 2 diabetes mellitus, osteoporosis and obesity
4. Cardiology – Secondary prevention of thrombotic cerebrovascular or cardiovascular disease
5. Hematology – Chronic immune thrombocytopenia
6. Rheumatology – Ankylosing spondylitis, osteoarthritis, rheumatoid arthritis
7. Dermatology – Acne vulgaris, psoriasis, vitiligo
8. Ophthalmology – Neovascular age-related macular degeneration, diabetic macular degeneration
9. Gastroenterology – Gastro-esophageal reflux disease, acid peptic disease
10. Surgical – 3D printing for diabetic foot ulcers

Alkem is developing some cutting-edge innovative products in collaboration with worldwide leading academia and research organizations like Harvard, Johns Hopkins University, NIH (USA), Syracuse University, Biosergen (Sweden) and others. These collaborations are to enable drug development and approvals in leading global markets through company's development capabilities in biotechnology and complex products.

Products filings in key international markets (as on 31 March 2024) –

Markets	Filed	Approved
US (ANDA)	176	145 [#]
US (NDA)	2	2
Australia	79	74
Europe	50	34
UK	39	29
Chile*	238	238
China	5	0
South Africa*	175	115
Kazakhstan*	33	31
Philippines*	31	31
Brazil	2	2
Mexico	47	8

*Includes dossier for each strength

#Includes tentative approval

The Company has a well-established pharmacovigilance system to monitor and review the safety of medicines in patients throughout clinical development and post-approval phases. The Company continuously evaluates the benefit/risk profile of the marketed products and is committed to transparency in communicating these benefits and risks with patients, healthcare professionals, and regulators.

Quality Assurance

The Company's commitment to manufacturing and delivering superior quality products is further strengthened by its quality systems. The Company strictly follows the concept of 'Quality by Design' (QbD) to ensure consistent quality of products developed. This approach is embedded in the Company's R&D, manufacturing units, and quality control laboratories, where employees strive to meet and exceed global standards with respect to safety, quality and efficacy.

In addition to its well-established supply chain network, the Company's robust and mature Quality Management System (QMS) ensures that every product it develops, manufactures

The Company fosters a strong quality-conscious culture to ensure that products meet the highest quality standards. It firmly believes in continuous and sustainable improvement in the overall process to build, simplify and establish a sustainable product supply chain.

and distributes, complies with the applicable laws and statutes of the target country. The Company recognizes the importance of developing its employees' skills through internal and external training to ensure that it continues to meet global standards.

The Company fosters a strong quality-conscious culture to ensure that products meet the highest quality standards. It firmly believes in continuous and sustainable improvement in the overall process to build, simplify and establish a sustainable product supply chain.

The Company's stringent Code of Conduct policy is adhered by all stakeholders, including employees, vendors and partners. This policy is in accordance with national and international regulatory and business standards and guidance. All of the Company's manufacturing facilities comply with the regulatory norms of their respective countries, such as Schedule M for India, various sections of Chapter 21 of the Code of Federal Regulations (21CFR) for the USA, GMP requirements for the European Union (EU) as defined in Eudralex, World Health Organization guidance

for GMP compliance (WHO-GMP), Orange Book guidance of UK MHRA, TGA guidance for Australia, and other relevant applicable guidance for rest of world countries.

In accordance with the relevant Current Good Manufacturing Practice (cGMP) guidelines, various regulatory agencies of different countries periodically inspect the Company's manufacturing facilities. The Company constantly upgrades its Quality Management System (QMS) with the current advanced technology to keep in line with compliance with the current regulatory guidance of multiple countries, allowing it to meet stringent quality requirements to be the best and beyond the best.







Overall, the Company's commitment to quality is unwavering, and it strives to provide superior-quality products to consumers and patients while ensuring compliance with all relevant laws and regulations. The Company's adherence to high-quality standards and its culture of continuous improvement enables it to remain competitive and exceed customer expectations.







Risk Management

The Company has implemented a robust Enterprise Risk Management (ERM) framework to proactively identify, evaluate and address risks across its operations in various geographic regions. The Board of Directors has formed a Risk Management Committee responsible for overseeing strategic, operational and financial risk management and ensuring the implementation of effective mitigation plans.

Collaborating closely with department heads, the ERM team identifies both internal and external factors that could potentially hinder the Company's objectives. Moreover, the team consistently monitors shifts in the internal and external landscape to detect emerging threats and risks. The key identified risks, along with the proposed mitigation strategies, have been listed below:

Risk	Impact	Mitigation
 <p>Competition Risk</p>	Stiff competition from multiple competitors poses a threat to revenue from that particular product and impacts the Company's competitive advantage position.	<p>The Company's robust emphasis on R&D empowers it to innovate and create products with unique characteristics that are difficult for competitors to replicate.</p> <p>The Company keeps a close watch on the prevailing market trends through its Business Development Team, enabling it to strategically plan the launch of new drug/ molecules in accordance with market demand.</p>
 <p>Quality Risk</p>	Inadequate control on internal processes, people and systems may impact product quality and adversely impact the Company's brand equity and attract undesired liabilities, fines or penalties.	<p>Strong adherence to CGMP guidelines enforced by leading regulatory agencies for manufacturing processes leads to quality assurance.</p> <p>Timely and regular quality control checks across manufacturing facilities for all machinery and equipment reduces quality risk significantly.</p>
 <p>Pricing Risk</p>	The Company's revenue stream and earnings could suffer negative repercussions in the event of adverse pricing regulations affecting essential products.	<p>Operating leverage is achieved through a diversified portfolio and focus on high-volume growth.</p> <p>Robust cost control measures are in place to ensure high operational efficiency, thereby mitigating any adverse impact on earnings.</p>
 <p>R&D Risk</p>	The Company invests significantly in R&D to develop molecules/drugs ahead of competition, keeping in line with current market trends. New drug development costs are susceptible to changes in science and technology, shifts in the types of drugs under development, and changes in the regulatory environment. They also have a direct impact on the Company's revenues and earnings prospects.	<p>Astute business planning with clear objectives in mind ensures that R&D budgets are realistic and profitable.</p> <p>Adoption of cost-effective processes and methodologies enables the Company to achieve cost optimization of both existing products and new launches.</p>
 <p>Manufacturing Facility Risk</p>	Most of the domestic production is done at Sikkim Facility. Any disruption in production or supply chain at the facility poses a significant threat to business continuity.	To ensure steady and uninterrupted production, the Company is looking to set up alternative in-house manufacturing facilities and use contract manufacturing.
 <p>Regulatory Risk</p>	The Company is governed by several rules and regulations enforced by various governing bodies. Non-compliance or misinterpretation may lead to inadequate adherence.	<p>Compliance and integrity are the cornerstones of the Company's organizational values. Strict adherence to all applicable rules and regulations is ensured through various policies and review mechanisms.</p> <p>The Company's strong internal control framework has bolstered its brand equity, particularly in terms of CGMP compliance with respect to various global regulatory guidelines.</p>

Risk	Impact	Mitigation
 <p>Information Technology Risk</p>	<p>Redundancy in technology used, lack of proper technological support or lack of awareness of information security among employees may result in breach/theft of confidential data, posing a risk to business growth.</p>	<p>To avoid breaches related to the Company's or stakeholders' data, the vulnerability of technology and IT systems is evaluated on a regular basis through VAPT and IT audits.</p> <p>Further, Microsoft Active Directory enables the Company to enforce Information Security Policy.</p>
 <p>People Risk</p>	<p>Human capital is a crucial resource for the Company's growth. Thus, making it imperative to attract and retain quality talent.</p>	<p>Multiple initiatives help to attract and retain talent through development programs, encompassing global talent management, competitive remuneration, inclusive work culture and other employee benefit programs.</p> <p>Specialized pharmaceutical courses are designed and offered by the Company via strategic tie-ups with reputable institutions, enabling skill development and also motivate the employee and increase loyalty.</p>
 <p>Climate Change</p>	<p>Lack of energy efficiency consciousness can pose a negative impact on sustainability and result in increased operational costs due to the high energy usage in chemical processes, extensive refrigeration, air conditioning, steam generation, power transmission, and various system operations.</p>	<p>Multiple initiatives have been adopted for energy management.</p> <p>Further, a science-aligned decarbonization roadmap is under development to help the Company manage its emissions and energy usage.</p>
 <p>Environment Impact Management</p>	<p>Managing of water and waste are critical issues for the Company to create a positive environmental footprint. Focused efforts for efficient water usage, reduced waste generation and proper disposal are imperative to demonstrate the Company's commitment to a healthy planet.</p>	<p>The Company has identified opportunities to manage its environmental impact. It has established targets for water conservation and waste management.</p> <p>It is focusing on efficient water consumption, reducing water withdrawal and increasing water recovery.</p> <p>For waste management, it is focusing on increasing the share of recycling and reuse within its operations.</p>

Internal Control System

The Company has established a robust global internal control framework fostering a culture of ethics and integrity while ensuring efficient business operations, protection of assets, prevention of fraud, reduction in errors, and compliance with regulatory standards. This framework includes financial, operational and regulatory controls commensurate with the size and complexity of the business.

To further fortify these measures, the Company has engaged a leading Big4 audit firm. Additionally, an autonomous global Internal Audit Function operates at the corporate level, conducting risk-based audits to assess the adequacy and effectiveness of controls. The Audit Committee, which manages oversight of this process, is responsible for endorsing the annual audit plan and reviewing key findings to evaluate the Internal Audit Function's performance.

Compliance with laws, regulations and industry standards is deeply ingrained in the organizational culture through ongoing training and awareness programs. Investment in state-of-the-art information systems security is prioritized to safeguard sensitive data and prevent cybersecurity threats. Continuous improvement is fundamental to the Company's approach, with an aim to enhance internal controls based on both internal and external audit findings, as well as industry best practices.

Human Resources

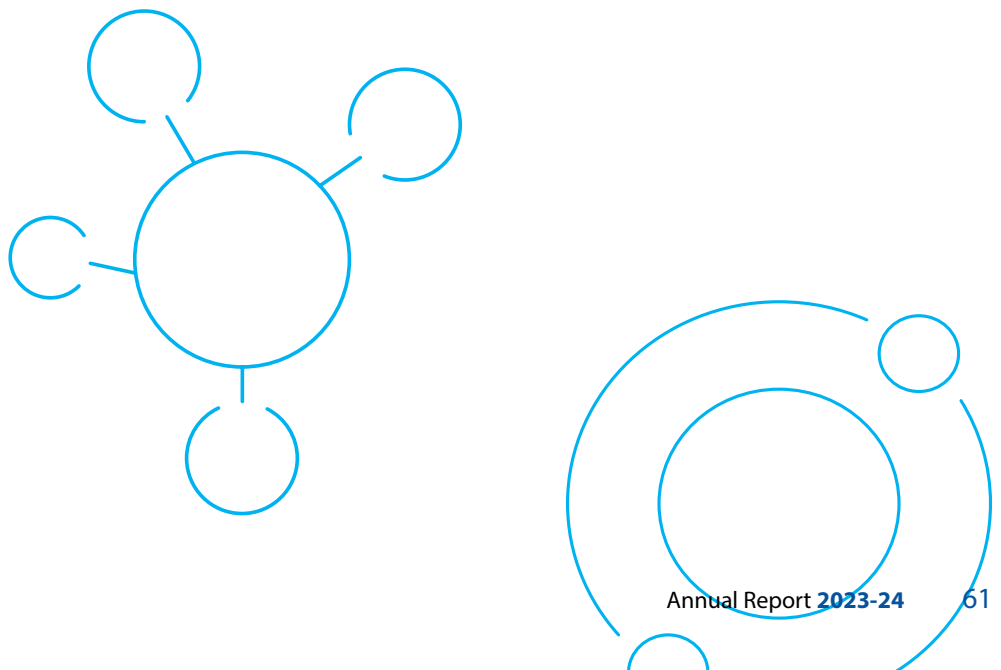
Human capital is a vital resource for organizational growth and continuity. The Company considers its workforce to be the cornerstone of its achievements at the global level. The Company maintains a safe, conducive and productive work environment across its plants and offices. Our HR team continues to invest in strategic training and skill development programs for its employees to ensure employee goals are aligned with organizational goals. Robust HR practices act as effective tools to attract and retain talent. The Company fosters a learning culture and motivates employees to maintain a healthy work-life balance. Various employee benefits and reward & recognition programs enable the Company to boost employee morale and

enhance job satisfaction. In keeping with changing times, various technological advancements have been incorporated within HR team functioning.

During the year, as the Company completed 50 years of successfully serving the pharmaceutical industry, employee contributions were duly acknowledged with the spectacular Golden event. Along with unveiling the Alkem Credo, "Inspiring Healthier Lives," to reinforce its steadfast commitment to global health improvement, the Company unveiled the Alkem anthem and the Alkem Coffee Table Book. In the process of building a culture of learning and development and enhancing capabilities to be future-ready, Alkem Learning Academy hosted multiple capability development initiatives at various levels including classroom, experiential and digital interventions. This was supplemented with multiple initiatives including regular hygiene trainings for medical representatives and line managers in the field, culture building program – "Culture We Wish to Nurture" with senior leadership team in the field, LEAD workshops, Pathshala workshops, outbound training workshops, etc. For the fourth consecutive year, the Company has been certified as 'Great Place to Work For'.

Cautionary Statement

The information provided in the 'Management Discussion and Analysis' regarding the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are referred to as 'forward-looking statements'. They are subject to applicable securities laws and regulations. Several factors, including but not limited to global and domestic economic conditions, successful execution of strategies, research and development, growth and expansion plans, technological advancements, changes in laws and regulations that apply to the Company, increasing competition, and the conditions of customers, suppliers and the overall pharmaceutical industry, are likely to impact the Company's performance and may cause the actual results to vary materially from those expressed or implied. Any subsequent development, new information or future events or otherwise that may impact any forward-looking statements, need not be publicly updated, amended, modified or revised by the Company except as required by applicable law.



Directors' Report

Dear Members,
Alkem Laboratories Limited

Your Directors are pleased to present their 50th Annual Report on the business and operations together with the Audited Financial Statements of the Company for financial year ended 31st March, 2024. Consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

FINANCIAL PERFORMANCE

(₹ in million)

Particulars	Standalone		Consolidated	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Revenue from Operations	97,477.2	90,545.5	126,675.8	115,992.6
Other Income	3,059.9	2,662.9	3,108.4	2,160.8
Total Income	100,537.1	93,208.4	129,784.2	118,153.4
Profit before Interest, Depreciation and Tax	22,072.9	16,432.4	24,348.4	17,225.5
Less: Interest	819.1	864.0	1,124.1	1,073.6
Less: Depreciation	2,443.5	2,298.5	2,993.0	3,104.2
Profit before Tax	18,810.3	13,269.9	20,231.3	13,047.7
Less: Provision for Taxation (net)	1,338.8	1,925.2	2,116.7	2,979.6
Profit after Tax and before Non-Controlling Interest	17,471.5	11,344.7	18,114.6	10,068.1
Less: Non-Controlling Interest	-	-	156.9	226.4
Profit for the year	17,471.5	11,344.7	17,957.7	9,841.7
Other Comprehensive Income	(43.5)	(21.9)	200.4	1,149.0
Other Comprehensive Income attributable to Non-Controlling Interest	-	-	6.1	4.1
Total Comprehensive Income attributable to owners of the Company	17,428.0	11,322.8	18,164.2	10,994.8
Balance of other Equity as of 01.04.2023	93,259.4	87,197.5	90,213.8	86,139.9
Dividend on Equity Shares	(5,380.4)	(5,260.9)	(5,380.4)	(5,260.9)
Employee Stock Option exercised	-	-	-	-
Put Option Liability recognized	-	-	(305.5)	(1,660.1)
Employee compensation expense for the year	-	-	189.4	-
Balance of other Equity as of 31.03.2024	105,307.0	93,259.4	102,881.5	90,213.8

OVERVIEW OF FINANCIAL PERFORMANCE

During financial year ended 31st March, 2024, the Company's total revenue including other income was ₹ 100,537.1 million on Standalone basis as against ₹ 93,208.4 million achieved in the previous year, registering a growth of 7.9%.

The export turnover of the Company during financial year 2023-24 was ₹ 19,301.8 million as against ₹ 16,444.5 million achieved in the previous year, registering a growth of 17.4%.

During financial year ended 31st March, 2024, the Company and its subsidiaries achieved a total revenue including other income of ₹ 129,784.2 million on Consolidated basis, as against a turnover of ₹ 118,153.4 million achieved in the previous year, registering a growth of 9.8%.

During financial year ended 31st March, 2024, Standalone Profit before interest, depreciation and tax increased by 34.3% at ₹ 22,072.9 million as against ₹ 16,432.4 million in the previous year,

whereas Consolidated Profit before interest, depreciation and tax increased by 41.4% at ₹ 24,348.4 million as against ₹ 17,225.4 million in the previous year. As a result, Standalone Profit before tax increased by 41.8% over the previous year to ₹ 18,810.3 million and Consolidated Profit before tax was ₹ 20,231.3 million, which grew by 55.1% over the previous year.

The Standalone Net Profit after tax for financial year ended 31st March, 2024 increased by 54% to ₹ 17,471.5 million over the previous year while the Consolidated Net Profit after tax increased by 82.5% over the previous year to ₹ 17,957.7 million.

DIVIDEND

During financial year 2023-24, the Board of Directors on 09th February, 2024 declared and paid an interim dividend of ₹ 35/- (Rupees Thirty Five only) per equity share of ₹ 2/- (Rupees Two only) each, being 1750% of paid up share capital of the Company. In addition, your Directors are pleased to recommend payment of ₹ 5/- (Rupees Five only) per equity share of ₹ 2/- (Rupees Two only)

each as final dividend for financial year 2023-24, for the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company. If approved, the total dividend (interim and final) for financial year 2023-24 will be ₹ 40/- (Rupees Forty only) per equity share of ₹ 2/- (Rupees Two only) each as against the total dividend of ₹ 50/- (Rupees Fifty only) per equity share of ₹ 2/- (Rupees Two only) each paid for the previous financial year.

In compliance with the requirement of Regulation 43A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations"), the Company has formulated its Dividend Distribution Policy, which is available on the Company's website at https://admin.alkemlabs.com/uploads/977928327_Dividend_distribution_policy_6b026313dc.pdf.

The said Policy is also annexed to this Report as Annexure A.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for financial year 2023-24.

SHARE CAPITAL

The paid up equity share capital of the Company as on 31st March, 2024 was ₹ 239.1 million. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares to the Employees or Directors of the Company, under any scheme (including sweat equity shares).

DEPOSITS

The Company has not accepted any deposits from the public/members during the year under review and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2024.

SUBSIDIARIES

As on 31st March, 2024, the Company has 26 subsidiaries. The Company does not have any joint venture/associate company(ies) within the meaning of Section 2(6) of the Companies Act, 2013 (hereinafter referred to as "the Act").

During the year under review:

- M/s. S & B Holdings, B.V., a wholly owned subsidiary of the Company in Netherlands was re-domiciled to Luxembourg under the name and style of M/s. S & B Holdings S.a.r.l. w.e.f. 16th October, 2023;
- M/s. Alkem Medtech Private Limited was incorporated as a wholly owned subsidiary of the Company on 27th March, 2024;

and none of the companies ceased to be a subsidiary of the Company.

Pursuant to the first proviso to Section 129(3) of the Act and Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial statements, performance and financial position of each subsidiary is given in Form AOC-1 as Annexure B to this Report.

The Audited Financial Statements of the subsidiaries are available on the Company's website at <https://www.alkemlabs.com/investors/subsidiary-accounts> pursuant to Section 136 of the Act.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided as a separate section forming part of this Report.

CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of the SEBI LODR Regulations, a Report on Corporate Governance for the year under review is provided as a separate section along with a certificate from the Statutory Auditors conforming the Company's compliance with the conditions of Corporate Governance, forming part of this Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34 of SEBI LODR Regulations, the Business Responsibility and Sustainability Report, describing the initiatives taken by the Company from an environmental, social and governance perspective, is provided as a separate section forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR initiatives are as per the Company's CSR Policy. The CSR program aims to address the immediate and long term needs of the community and focus on where the major impact on marginalized sections of the society can be made. The Company's CSR strategy involves a multi-sectoral inclusive approach to focus on community needs. It strives to improve the well-being of communities by focusing on key thematic areas of healthcare, education, rural development, environment and sports. The Company implements these activities directly or through reliable partnerships with various NGOs. During financial year 2023-24, the Company has addressed the requirements of local communities in the vicinity of its head office, manufacturing facilities and R&D centers through focused projects in the said thematic areas.

Details about the Company's CSR Policy and initiatives undertaken by the Company during financial year 2023-24 are outlined in the Report on CSR activities annexed to this Report as Annexure C.

The CSR Policy is posted on Company's website: https://admin.alkemlabs.com/uploads/csr_policy_e0e5ec8d61.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments:

The details of the appointments during the year under review are as follows:

Appointment of Dr. Vikas Gupta as the Chief Executive Officer of the Company.

The Board of Directors of the Company based on recommendation of the Nomination and Remuneration Committee, approved the appointment of Dr. Vikas Gupta as the Chief Executive Officer designated as the Key Managerial Personnel of the Company effective from 22nd September, 2023.

Appointment of Mr. Nitin Agrawal as the Chief Financial Officer of the Company.

The Board of Directors of the Company based on recommendation of the Nomination and Remuneration Committee & Audit Committee, approved the appointment of Mr. Nitin Agrawal as the President & Chief Financial Officer designated as the Key Managerial Personnel of the Company effective from 01st February, 2024.

Re-appointments:

The following Directors are proposed to be re-appointed at the ensuing AGM, the brief details of which are mentioned in the Notice of Annual General Meeting forming part of this Annual Report:

Re-appointment of Mr. Basudeo N. Singh as an Executive Chairman of the Company.

The Board of Directors of the Company based on the recommendation of Nomination & Remuneration Committee and Audit Committee and pursuant to the relevant provisions of SEBI LODR Regulations, Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Act, the Articles of Association of the Company and considering his contribution towards the growth of the Company, approved the re-appointment of Mr. Basudeo N. Singh as an Executive Chairman of the Company for a term of 03 (three) consecutive years w.e.f 01st April, 2025 upto 31st March, 2028 subject to approval of the Members of the Company.

Re-appointment of Mr. Sarvesh Singh as an Executive Director of the Company.

The Board of Directors of the Company based on the recommendation of the Nomination & Remuneration Committee and Audit Committee and pursuant to the relevant provisions of SEBI LODR Regulations, Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Act, the Articles of Association of the Company and considering his contribution towards the growth of the Company, approved the re-appointment of Mr. Sarvesh Singh as an Executive Director of the Company for a term of 5 (five) consecutive years w.e.f. 11th November, 2024 upto 10th November, 2029 subject to the approval of the Members of the Company.

Re-appointment of Mr. Narendra Kumar Aneja as an Independent Director of the Company.

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 149 and 152 of the Act, the Articles of Association of the Company and considering the integrity, expertise and experience of Mr. Narendra Kumar Aneja, approved his re-appointment as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 16th March, 2025 upto 15th March, 2030, subject to approval of the Members of the Company.

Retirements

Mr. Rajesh Dubey, retired from the position of President & Chief Financial Officer of the Company w.e.f. 31st January, 2024. The Directors placed on record appreciation for the valuable contribution made by Mr. Rajesh Dubey during his tenure as the President & Chief Financial Officer of the Company.

Directors liable to retire by rotation

Mrs. Madhurima Singh (DIN: 09137323) and Mr. Sarvesh Singh (DIN: 01278229) are liable to retire by rotation at the ensuing AGM of the Company pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible they have offered themselves for re-appointment, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company.

Particulars in pursuance of Regulation 36 of the SEBI LODR Regulations read with Secretarial Standard – 2 on General Meetings relating to Mrs. Madhurima Singh and Mr. Sarvesh Singh are given in the Notice of AGM.

Key Managerial Personnel

In accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company as on 31st March, 2024:

- Mr. Sandeep Singh - Managing Director;
- Dr. Vikas Gupta - Chief Executive Officer;
- Mr. Nitin Agrawal - President and Chief Financial Officer; and
- Mr. Manish Narang, President - Legal, Company Secretary and Compliance Officer

Independent Directors

The Independent Directors hold office for a term of 5 (five) years and are not liable to retire by rotation. The Independent Directors of the Company fulfill the conditions specified in the Act and SEBI LODR Regulations and are independent of the management.

Declaration of independence from Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the schedules and rules issued thereunder, as well as Regulation 16(1)(b) of the SEBI LODR Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of Regulation 25(8) of the SEBI LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The terms and conditions of appointment of the Independent Directors are posted on Company's website: https://admin.alkemlabs.com/uploads/Terms_of_appointment_Independent_Directors_2a82f9dd72.pdf

Familiarization Program

In compliance with the requirements of SEBI LODR Regulations, the Company has put in place a framework for Directors' Familiarization Programme to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. The details of the Familiarization Programme conducted during financial year under review are explained in the Corporate Governance Report. The same is also available on the Company's website at <https://www.alkemlabs.com/investors/details-familiarization-program>

Annual Evaluation of Board's Performance

The details of the annual evaluation of the Individual Directors, Board as a whole and all the Committees of the Board have been provided in the Corporate Governance Report, which forms part of this Report.

The Independent Directors, at a separate meeting held on 29th March, 2024 evaluated performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company.

The evaluation of the Independent Directors was carried out by the entire Board of Directors without the participation of the respective Independent Director.

The Company follows a policy for selection and appointment of Directors, Senior Management and their remuneration, which is available on the Company's website at https://admin.alkemlabs.com/uploads/1378936118_Nomination_and_Remuneration_Policy_modified_27052016_307d64b304.pdf. The said Policy is annexed to this Report as Annexure D.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Further, a statement showing the names and other particulars of top ten employees in terms of remuneration drawn and of employees drawing remuneration in excess of the limits required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Annual Financial Statements are being sent by email to the Members and others entitled thereto, excluding the aforesaid information. The said information shall be provided electronically to any Member on a written request to the Company Secretary to obtain a copy of the same.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 10 (ten) times during financial year 2023-24. The details of the Board meetings and the attendance of Directors thereat are provided in the Corporate Governance Report, which forms part of this Report.

COMMITTEES OF THE BOARD

Audit Committee

As on 01st April, 2023, the Audit Committee comprised of Mr. Arun Kumar Purwar as Chairperson and Mr. Sandeep Singh, Mr. Mritunjay Kumar Singh, Ms. Sangeeta Singh, Mr. Narendra Kumar Aneja and Dr. Dheeraj Sharma as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Audit Committee with effect from the said date to comprise of Mr. Arun Kumar Purwar as Chairperson and Mr. Sandeep Singh, Mr. Mritunjay Kumar Singh, Ms. Sangeeta Singh, Mr. Narendra Kumar Aneja and Ms. Sudha Ravi as Members.

The brief terms of reference of the Audit Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Nomination and Remuneration Committee

As on 01st April, 2023, the Nomination and Remuneration Committee comprised of Dr. Dheeraj Sharma as Chairperson and Mr. Basudeo N. Singh, Mr. Arun Kumar Purwar and Ms. Sudha Ravi as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Nomination and Remuneration Committee with effect from the said date to comprise of Mr. Arun Kumar Purwar as Chairperson and Mr. Basudeo N. Singh, Ms. Sudha Ravi and Mr. Narendra Kumar Aneja as Members.

The brief terms of reference of the Nomination and Remuneration Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Corporate Social Responsibility Committee

As on 01st April, 2023, the Corporate Social Responsibility Committee comprised of Mr. Arun Kumar Purwar as Chairperson and Mr. Basudeo N. Singh, Mr. Sandeep Singh, Mrs. Madhurima Singh, Ms. Sangeeta Singh and Ms. Sudha Ravi as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Corporate Social Responsibility Committee with effect from the said date to comprise of Mrs. Madhurima Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sangeeta Singh and Ms. Sudha Ravi as Members.

The brief terms of reference of the Corporate Social Responsibility Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Sujain Talwar as Chairperson and Mr. Mritunjay Kumar Singh, Mrs. Madhurima Singh and Mr. Srinivas Singh as Members.

The brief terms of reference of the Stakeholders' Relationship Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Risk Management Committee

As on 01st April, 2023, the Risk Management Committee comprised of Mr. Mritunjay Kumar Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sudha Ravi, Dr. Dheeraj Sharma and Mr. Narendra Kumar Aneja as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Risk Management Committee with effect from the said date to comprise of Mr. Mritunjay Kumar Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sudha Ravi, Mr. Narendra Kumar Aneja and Mr. Sujain Talwar as Members.

The brief terms of reference of the Risk Management Committee and the particulars of meeting held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a Board approved Risk Management Policy. The Board of Directors has constituted a Risk Management Committee which is delegated with the responsibility of overseeing various strategic, operational and financial risks that the organization faces, along with assessment of risks, their management and mitigation procedures. A detailed analysis of the business risks and opportunities is given under Management Discussion and Analysis Report forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, your Directors confirm that:

- (a) in the preparation of the annual accounts for financial year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) they have prepared the annual financial statements on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. B S R & Co. LLP (Firm Registration No: 101248W/W-100022), Chartered Accountants, the Statutory Auditors of the Company, were re-appointed by the Shareholders at the 45th AGM of the Company held on 27th August, 2019, for another term of 5 (five) years from the conclusion of 45th AGM of the Company until the conclusion of the 50th AGM, on such fees, inclusive of applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

The second term of M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company shall expire at the conclusion of ensuing AGM of the Company. Hence, the Board of Directors of the Company, based on the recommendation of the Audit Committee and subject to approval of the shareholders, has recommended the appointment of M/s. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018), Chartered Accountants as the Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of the 50th AGM until the conclusion of the 55th AGM of the Company to be held in the year 2029.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have informed the Company that their appointment, if made, shall be in compliance with Sections 139 and 141 of the Act and Companies (Audit and Auditors) Rules, 2014 and also confirmed that the Auditors hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' Report for financial year ended 31st March, 2024, is an unmodified one. However, following are the unfavorable remarks in the auditor's report:

- Delay in depositing Provident Fund for certain employees during the year which was mainly due to their Aadhar number not being linked to the Universal Account Number (UAN). The Company is however in the process of resolving the said issue so that dues can be deposited.
- Occurrence of Cyber Security incident in the month of November, 2023 which compromised business email IDs of certain employees at one of the Company's subsidiaries which resulted in a fraudulent transfer of INR 513 million. The Company had employed independent external agencies to investigate the incident and based on their report, the Company concluded that the impact of the incident did not extend beyond the above-mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of the Company.

The Company has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long term measures to augment its security controls systems across the organization. The Company believes that no legal violations have occurred because of this incident, and all known impacts on its standalone financial statements for the year ended 31st March, 2024 on account of this incident have been considered. Further, subsequent to this event, the Company has been able to recover an amount of INR 290.4 million out of the above mentioned. The net amount of INR 222.7 million has been shown as 'Exception item' in the Statement of Profit and Loss.

Additionally, the below observation (not considered as an unfavorable remark) was reported by the Auditors in their report for financial year ended 31st March, 2024:

- Audit trail was not enabled at the database level to log any direct data changes and at the application level for changes made by privileged users for the period from 22nd July 2023 to 11th January 2024 as the table logs were inadvertently disabled for the said intermittent period due to a planned system migration and continuous upgrade and advancement of Company's ERP systems. The Company has ensured that adequate compensatory controls such as controlled access rights, transaction logs, etc. were available during the said period and working effectively.

Cost Auditor

The Company is required to maintain cost records for certain products as specified by the Central Government under Section 148(1) of the Act and accordingly such accounts and records are made and maintained in the prescribed manner.

Pursuant to the provisions of Section 148 of the Act and the rules made thereunder read with notifications/ circulars issued by the Ministry of Corporate Affairs from time-to-time and as per the recommendation of the Audit Committee, the Board of Directors at its meeting held on 19th May, 2023, had re-appointed Mr. Suresh

D. Shenoy, Cost Accountant (Membership No. 8318), as the Cost Auditor of the Company for financial year 2023-24 to conduct the audit of the cost records of the Company. A resolution for ratification of the fees payable to the Cost Auditor is included in the Notice of AGM for seeking approval of Members. The Cost Audit Report will be filed within the period stipulated under the Act.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Manish Ghia & Associates, Practicing Company Secretaries, (Membership No. F6252, COP No. 3531) to conduct the Secretarial Audit of the Company for financial year 2023-24. The Secretarial Audit Report is annexed to this Report as Annexure F. The said Report does not contain any qualification, reservation or adverse remark.

ANNUAL RETURN

The Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company at <https://www.alkemlabs.com/investors/annual-returns>

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into during financial year 2023-24 by the Company, were at arm's length basis and in compliance with the applicable provisions of the Act and the SEBI LODR Regulations and are in conformity with the Company's Policy on Related Party Transactions.

The disclosure of material related party transactions entered into by the Company during financial year 2023-24, as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed to this Report as Annexure G. The Policy on Related Party Transactions as approved by the Board of Directors is posted on the Company's website at https://admin.alkemlabs.com/uploads/Policy_on_Related_Party_Transactions_99b0363aec.pdf

PARTICULARS OF LOANS/ GUARANTEES GIVEN/ INVESTMENTS MADE AND SECURITIES PROVIDED

The particulars of loans, guarantees, investments and securities provided covered under the provisions of Section 186 of the Act have been disclosed in the notes to the financial statements forming part of the Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, the Board of Directors of the Company have framed the Vigil Mechanism / Whistle Blower Policy for employees and/ or volunteers of the Company. The said Policy encourages to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy of the Company including reporting of instances of leak or suspected leak of unpublished price sensitive information. The Policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The Whistle Blower Policy is posted on the website of the Company at https://admin.alkemlabs.com/uploads/Whistle_Blower_Policy_new_5d094b8491.pdf

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

Internal Complaints Committees have been set up at the head office of the Company as well as at all the Company's plants, depots and R&D centers to redress complaints received on sexual harassment. During financial year 2023-24, the Company had received 1 complaint of sexual harassment and the same was disposed off during the year.

DISCLOSURES UNDER THE ACT

Change in Nature of Business, if any:

During financial year 2023-24, there has been no change in the nature of business of the Company.

Material Changes and Commitments affecting the financial position of the Company:

There are no material changes and commitments, which have occurred between the end of financial year and the date of the Report which have affected the financial position of the Company.

Significant and Material Orders:

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which may impact the going concern status and Company's operations in future.

Reporting of Frauds by Auditors:

During the year under review, there were no frauds reported by Auditors under Section 143(12) of the Act.

Details on Insolvency and Bankruptcy Code:

During the year under review, no application has been made by the Company under the Insolvency and Bankruptcy Code and accordingly the requirement of disclosing the following details are not applicable to the Company:

- (i) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year; and
- (ii) the details of difference between amount of the valuation done at the time of onetime settlement and the valuation

done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has designed and implemented a process driven framework for Internal Financial Controls (IFC) as mandated under the Act. The Company's policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the year under review, Internal Auditors of the Company with the external audit consultants have reviewed the effectiveness and efficiency of these systems and procedures. As per the said assessment, Board is of the view that IFC were adequate and effective during the financial year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act and the Rules framed thereunder is annexed herewith as Annexure H to this Report.

ACKNOWLEDGEMENT

Your Directors would like to express sincere gratitude to all valuable stakeholders of the Company viz., the Central and State Government Departments, organizations, agencies, our customers, shareholders, dealers, vendors, banks, medical fraternity, patients and other business associates for their excellent support and co-operation extended by them during the financial year under review.

The Board of Directors also places on record its appreciation for the significant contribution made by the employees of the Company through their dedication, hard work and unstinted commitment.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2024

Annexure A

DIVIDEND DISTRIBUTION POLICY OF ALKEM LABORATORIES LIMITED

PREAMBLE

As per Regulation 43A of SEBI (LODR) Regulations, 2015, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Alkem Laboratories being one of the top five hundred listed companies as per the market capitalization, frames this policy to comply with the SEBI (LODR) Regulations, 2015.

OBJECTIVE

The objective of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its stakeholders. The Company believes that driving growth creates maximum shareholder value and thus it would first like to deploy its profits to fund its working capital requirements, capital expenditure requirements, reducing debt, allocate reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

DEFINITIONS

- 'Company' means Alkem Laboratories Ltd.
- 'Board' or 'Board of Directors' means Board of Directors of the Company
- 'Dividend' means Dividend as defined under Companies Act, 2013
- 'Policy or this Policy' means the Dividend Distribution Policy
- 'SEBI (LODR) Regulations' means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force
- 'Subsidiary' shall mean Subsidiary of the Company as defined under the Companies Act, 2013

PARAMETERS FOR DECLARATION OF DIVIDEND

Internal Factors / Financial Parameters - The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders

- The Board of Directors of the Company shall declare dividend depending on the consolidated net profit after tax earned by it during the financial year
- The Board of Directors of the Company would consider its working capital requirements, R&D expenditure and capital expenditure requirements for future growth before declaring the dividend

- The Board of Directors of the Company shall take into account resources required to fund acquisitions and / or new businesses and additional investment required in its subsidiaries/associates of the Company
- The dividend declaration would also depend upon the liquidity position of the Company, Outstanding borrowings and the cash flow required to meet contingencies
- The Board of Directors of the Company shall also take into account past dividend trends of the Company

External Factors

- Dividend declared would be in compliance with prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws
- The Board of Directors of the Company would consider dividend pay-out ratios of companies in the same industry

Circumstances under which the shareholders may or may not expect Dividend

The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The shareholders of the Company may not expect Dividend under the following circumstances:

- In case the Company is undertaking significant expansion which would require higher allocation of resources
- If the Company requires significant amount of working capital to fund its future growth
- In case the Company proposes to utilise surplus cash for buy-back of securities
- In the event of inadequacy of profits or whenever the Company has incurred losses

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

Disclosure

The Company shall make appropriate disclosures as required under the SEBI Regulations.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Sr. No.	Name of Subsidiary	Date of incorporation / acquisition of subsidiary	Reporting period of the subsidiary (if different from the holding company's reporting period)	Exchange Rate as on the last date of relevant financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	Proposed Dividend	Extent Of Shareholding (in %) ⁵	
1	Pharmacor Pty Limited	30.06.2009	N.A.	AUD	54,11.25	88.1	1,103.1	2,241.6	1,050.4	0.1	2,391.6	292.4	86.8	205.6	-	100.0%
2	Cachet Pharmaceuticals Private Limited	27.03.2015	N.A.	INR	N.A.	1.8	827.4	2,272.2	1,443.0	22.0	4,424.4	303.2	106.4	196.8	-	60.63%
3	Ascend Laboratories SpA	19.07.2011	N.A.	CLP	0.0850	281.0	409.4	3,858.6	3,168.2	35.0	5,048.5	176.4	50.4	126.0	-	100.0%
4	Enzene Biosciences Ltd.	04.11.2011	N.A.	INR	N.A.	513.1	6,124.7	9,581.5	2,943.7	917.2	2,624.7	(38.9)	(14.5)	(24.4)	-	99.76%
5	Ascend GmbH	10.11.2008	N.A.	EUR	89.8775	61.6	(186.5)	1,940.0	2,064.9	-	655.2	26.2	-	26.2	-	100.0%
6	Indchemie Health Specialities Private Limited	30.03.2015	N.A.	INR	N.A.	2.5	4,215.8	6,826.5	2,608.2	1,515.7	6,815.1	633.6	379.1	254.5	50.0	51.0%
7	The PharmaNetwork, LLP	14.08.2012	N.A.	KZT	0.1857	157.6	(9.7)	415.7	267.8	-	559.3	39.5	5.7	33.8	-	100.0%
8	Alkem Laboratories Korea Inc ⁵	07.08.2012	N.A.	KRW	0.0618	0.1	(2.2)	0.2	2.3	-	(0.7)	-	(0.7)	-	-	100.0%
9	Ascend Laboratories SDN BHD ⁵	13.12.2010	N.A.	MYR	17.6225	0.0	(1.0)	1.7	2.6	-	(0.4)	-	(0.4)	-	-	100.0%
10	S & B Holdings S.a.r.l **	17.06.2009	N.A.	EUR	89.8775	3,539.4	(1,441.7)	2,098.4	0.8	2,053.5	-	(5.7)	-	(5.7)	-	100.0%
11	Pharmacor Limited	15.05.2012	N.A.	KES	0.6343	0.1	45.8	180.1	134.2	-	201.4	13.9	4.4	9.5	-	100.0%
12	Alkem Laboratories Corporation	07.11.2008	N.A.	PHP	1.4827	717.4	(567.1)	301.7	151.4	-	335.7	(7.6)	4.4	(12.0)	-	100.0%
13	Ascend Laboratories (Pty) Limited	26.05.2008	N.A.	ZAR	4.3700	68.8	32.2	184.8	83.9	-	122.5	12.6	3.4	9.2	-	100.0%
14	ThePharmaNetwork, LLC	15.07.2010	N.A.	USD	83.4050	8,161.9	(4,931.6)	3,230.2	(0.1)	3,230.2	530.7	435.1	-	435.1	-	100.0%
15	Ascend Laboratories LLC	15.07.2010	N.A.	USD	83.4050	703.1	9,751.4	19,387.4	8,932.9	449.5	26,625.7	684.3	(27.7)	712.0	-	100.0%
16	S&B Pharma LLC	08.04.2020	N.A.	USD	83.4050	8,933.7	(7,763.8)	2,454.1	1,284.3	-	1,238.7	(1,103.9)	0.0	(1,103.9)	-	100.0%
17	Ascend Laboratories (UK) Limited	06.08.2014	N.A.	GBP	105.0325	9.9	73.9	750.5	666.7	-	610.1	20.0	4.9	15.1	-	100.0%
18	Alkem Foundation	14.12.2017	N.A.	INR	N.A.	0.1	(0.4)	0.2	0.5	-	537.4	(0.2)	-	(0.2)	-	100.0%
19	Ascend Laboratories Limited ⁵	07.09.2017	N.A.	CAD	61.2675	1.1	(7.0)	0.9	6.8	-	(2.6)	-	(2.6)	-	-	100.0%
20	Pharma Network SpA	27.03.2018	N.A.	CLP	0.0850	12.3	0.9	989.1	975.9	-	1,732.0	76.8	16.2	60.6	-	100.0%
21	Ascend Laboratories SAS	04.06.2019	N.A.	COP	0.0215	21.9	43.4	270.1	204.9	-	205.5	35.1	12.8	22.3	-	100.0%
22	Connect 2 Clinic Private Limited	12.06.2020	N.A.	INR	N.A.	15.0	16.6	51.5	19.9	-	115.4	5.0	(0.1)	5.1	-	100.0%
23	Ascend Laboratories S.A. DE C.V.	02.09.2021	N.A.	MXN	5.0283	38.9	0.4	55.4	16.1	-	(4.7)	(1.4)	(3.3)	-	-	100.0%
24	Enzene Inc ⁵	26.05.2022	N.A.	USD	83.4050	0.0	814.1	2,197.1	1,383.0	-	-	-	-	-	-	100.0%
25	Pharmacor Limited ⁵	01.06.2022	N.A.	NZD	49.8146	0.1	(7.3)	0.4	7.6	-	(5.7)	-	(5.7)	-	-	100.0%
26	Alkem Meditech Private Limited ⁵	27.03.2024	N.A.	INR	N.A.	-	-	-	-	-	-	-	-	-	-	100.0%

⁵ Subsidiary yet to commence operations

** Previously known as S&B Holdings B.V with principle place of business based at Netherlands redomiciled to Luxembourg w.e.f. 16 October 2023

^ Denotes equity shareholding

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh
Executive Chairman
DIN 00760310
Mumbai, India

Sandeep Singh
Managing Director
DIN 01277984
San Francisco, USA

M.K. Singh
Executive Director
DIN 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India
29 May 2024

Nitin Agrawal
President - Finance & Chief Financial Officer
Mumbai, India

Manish Narang
President - Legal & Company Secretary & Compliance Officer
Mumbai, India

Annexure C

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company is a deeply committed corporate citizen with its strategies, policies and actions aligned with wider social concerns, through initiatives in areas like education, health and other socially relevant areas. The Company believes in making a holistic impact on the communities in which it operates.

With an endeavor to achieve the above and to be a socially responsible corporate citizen, the Company has developed a CSR Policy wherein it has identified some areas which are in line with its overall social objectives and which are covered within the broad frame work of Schedule VII of the Companies Act, 2013 and also as per the regulatory guidelines given by the Government from time to time.

The CSR Policy of the Company outlines the framework guiding the Company's CSR activities. It sets out the CSR vision statement, guiding principles, implementation process, CSR governance structure and monitoring/ reporting mechanism.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	*Mrs. Madhurima Singh	Chairperson/ Member	2	2
2.	#Mr. Arun Kumar Purwar	Chairperson	2	2
3.	@Mr. Basudeo N. Singh	Member	2	2
4.	Mr. Sandeep Singh	Member	2	1
5.	Ms. Sangeeta Singh	Member	2	2
6.	Ms. Sudha Ravi	Member	2	2
7.	&Mr. Srinivas Singh	Member	2	NA

* Member upto 08th February, 2024 and Chairperson w.e.f. 09th February, 2024

Chairperson upto 08th February, 2024

@ Member upto 08th February, 2024

& Member w.e.f. 09th February, 2024

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of the Committee: <https://www.alkemlabs.com/investors/committees>

CSR Policy: https://admin.alkemlabs.com/uploads/csr_policy_e0e5ec8d61.pdf

CSR Projects: <https://www.alkemlabs.com/sustainability/csr#action-plan>

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

As part of the Company's CSR activities, the Company had, through M/s Alkem Foundation, a wholly owned subsidiary and CSR arm of the Company, in financial year 2021-22, entered into an ongoing project captioned 'Construction of Road from Mamring bridge to Samardung Village' in Sikkim, spread over a period of 2 years with a total budget outlay of ₹ 22.6 million ("CSR Project"). However, due to occurrence of the natural calamity of flash floods in Sikkim on 04th October, 2023, the said newly constructed road was damaged and eventually collapsed.

Accordingly, no impact assessment was carried out by the Company for the said CSR Project, however, an inspection had been conducted for the same.

5. (a) Average net profit of the Company as per Section 135(5): INR 16,380.20 million
- (b) Two percent of average net profit of the Company as per Section 135(5): INR 327.61 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for financial year, if any: NA
- (e) Total CSR obligation for financial year (b+c-d): INR 327.61 million

6. (a) Amount spent on CSR Projects (both Ongoing and other than Ongoing Project): INR 338.87 million
 (b) Amount spent in Administrative Overheads: INR 4.82 million
 (c) Amount spent on Impact Assessment, if applicable: Nil
 (d) Total amount spent for financial year (a+b+c): INR 343.69 million
 (e) CSR amount spent or unspent for financial year:

Total amount spent for financial year (in million)	Amount Unspent (in million)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)*		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in million)	Date of transfer	Name of the Fund	Amount (in million)	Date of transfer
343.69	3.77	29 th April 2024		NA	
	0.48	30 th April 2024			

* The Company had transferred an amount of INR 4.25 million to the "Unspent CSR Account" with respect to certain ongoing projects initiated by the Company during financial year 2023-24, in compliance with Section 135(6) of the Companies Act, 2013 and rules framed thereunder.

- (f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	327.61
(ii)	Total amount spent for financial year	343.69
(iii)	Excess amount spent for financial year [(ii)-(i)]	16.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	16.08

7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in million)	Balance amount in Unspent CSR Account under Section 135 (6) (in million)	Amount spent in the reporting financial year (in million)	Amount transferred to any fund specified under Schedule VII as per Section 135(5), if any Amount (in million) Date of transfer	Amount remaining to be spent in succeeding financial years (in million)	Deficiency, if any
1.	2022-23	206.3	3.28	203.02	NA	3.28	NA
2.	2021-22	200.00	-	-	NA	Nil	NA
3.	2020-21	142.24	0.99	-	NA	0.99	NA

8. Whether any capital assets have been created or acquired through CSR amount spent in financial year: No

Details relating to such asset(s) so created or acquired through CSR amount spent in financial year: NA

(1)	(2)	(3)	(4)	(5)	(6)		
Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA

Note: During FY 2020-21, the Company had initiated an ongoing project by partnering with M/s Tata Memorial Centre ("TMC") for construction of an independent radiotherapy block of the Company in the 'Homi Bhabha Cancer Hospital & Research Centre, Muzaffarpur (Unit of Tata Memorial Centre Mumbai), a Grant-In-Aid Institute, Department of Atomic Energy, Government of India', which intends to offer state of art cancer treatment to needy cancer patients of that region.

As part of the said CSR initiatives, the Company through M/s Alkem Foundation, a wholly owned subsidiary and CSR arm of the Company, had agreed to provide financial support of INR 700 million to TMC in phase 1 and INR 300 million in phase 2, spread over a period of 5 (five) years, towards capital expenditure (including civil work) and operational expenditure, with respect to the said ongoing project.

Accordingly, the Company has, as on the financial year ended 31st March, 2024, spent a total amount of INR 750 million with respect to the said ongoing project with TMC.

Dr. Vikas Gupta

Chief Executive Officer

Mrs. Madhurima Singh

Chairperson of CSR Committee

Annexure D

POLICY FOR NOMINATION & REMUNERATION COMMITTEE OF ALKEM LABORATORIES LIMITED

Alkem Laboratories Limited ("Company") has constituted a Nomination and Remuneration Committee ("Committee") in its Board meeting held on 30th January, 2015 as per the terms and conditions provided in Section 178 of the Companies Act, 2013 and other applicable provisions. As per the provisions, the Company is required to frame a policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

1. OBJECTIVE OF THE POLICY

The policy is framed with the objective(s):

1. That based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the Industry, the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and talented managerial personnel of the quality required to run the Company successfully and to ensure long term sustainability and create competitive advantage.
2. That the remuneration to Directors, Key Managerial Personnel (KMP) and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. FUNCTIONS OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

1. Identify persons who are qualified to become Directors and employees who may be appointed in key managerial position, senior management in accordance with the criteria laid down, recommend to the Board their appointment, remuneration and removal, including succession planning.
2. Ensure that the Board comprises of a balanced combination of Executive Directors and Non- Executive Directors and also the Independent Directors, including Board diversity.
3. Devise framework to ensure that Directors are inducted through suitable familiarization process alongwith criteria for evaluation of Independent Directors and the Board and to provide for reward(s) linked directly to their effort, performance.
4. Decide / approve details of fixed components and performance linked incentives along with the performance criteria.

5. Such other functions as may be decided in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Chairman of the Nomination and Remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

3. APPLICABILITY

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel ("KMP")
3. Senior Management Personnel
4. Other Employees of the Company

4. MATTERS RELATING TO THE REMUNERATION, PERQUISITES FOR THE WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR

1. The remuneration / compensation / profit-linked commission etc. to the Whole-time /Executive/ Managing Directors will be recommended by the Committee and approved by the Board. The remuneration / compensation / profit-linked commission etc. shall be in accordance with the percentage / slabs / conditions laid in the Companies Act, 2013 and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
2. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the prior approval of the Central Government.
3. Increments to the Whole Time Director(s) should be within the slabs approved by the shareholders. Increments will be effective 1st April in respect of a Whole Time Director as well as in respect of other employees of the Company, unless otherwise decided.

5. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or one level below KMP subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

6. RETIREMENT

The Director, KMP and one level below the KMP shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. Employment of the services of the Director, KMP, Senior Management Personnel as consultants after their retirement would be at the sole discretion of the Board.

7. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

7.1. Sitting Fees

The Resident Non-Executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee is to be paid to Non-resident Non-Executive Directors. The quantum of sitting fees will be determined as per the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

7.2. Profit-linked Commission

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 2% of the net profits of the Company computed as per the applicable provisions of the Regulations.

7.3. Stock Options

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

8. REMUNERATION TO KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly

remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The Chief Executive Officer of the Company will make organisation-wide annual presentation(s) before the Committee which would have requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

If the remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors under any Regulations, then such approval will be accordingly sought.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Annexure E

STATEMENT OF PARTICULARS AS PER SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Sr. No.	Name of the Director and Designation	% of remuneration increase in financial year ended 31 st March, 2024	Ratio of the remuneration of each Director to the median remuneration of the employees
Independent Directors			
1.	Mr. Arun Kumar Purwar, Independent Director	4.8	7.2
2.	Ms. Sudha Ravi, Independent Director	5.2	6.8
3.	Ms. Sangeeta Singh, Independent Director	-4.7	6.7
4.	Dr. Dheeraj Sharma, Independent Director	-1.6	6.7
5.	Mr. Narendra Kumar Aneja, Independent Director	5.0	7.0
6.	*Mr. Sujain Talwar, Independent Director	41.9	6.0
Executive Directors			
7.	Mr. Basudeo N. Singh, Executive Chairman	4.2	443.8
8.	*Mr. Sandeep Singh, Managing Director	8.5	357.0
9.	Mr. Mritunjay Kumar Singh, Executive Director	13.3	240.3
10.	Mrs. Madhurima Singh, Executive Director	9.5	230.1
11.	Mr. Sarvesh Singh, Executive Director	6.7	102.3
12.	@Mr. Srinivas Singh, Executive Director	69.0	213.7

* Payments made for FY 2022-23 was only for part period from the date of appointment i.e. 05th August, 2022

* Part remuneration paid from M/s. The PharmaNetwork, LLC, a subsidiary of the Company in USA

@ Remuneration for FY 2022-23 was paid only for part period from the date of appointment i.e. 14th September, 2022

Sr. No.	Name of the Key Managerial Personnel and Designation	% of remuneration increase in financial year ended 31 st March, 2024
1.	#Dr. Vikas Gupta, Chief Executive Officer	NA
2.	*Mr. Nitin Agrawal, Chief Financial Officer	NA
3.	§Mr. Rajesh Dubey, Chief Financial Officer	69.5
4.	Mr. Manish Narang, Company Secretary	6.7

Appointed w.e.f. 22nd September, 2023

* Appointed w.e.f. 01st February, 2024

§ Increase in % of remuneration is on account of full and final settlement upon retirement as KMP w.e.f. 31st January, 2024

- During financial year ended 31st March, 2024, the median remuneration of employees increased by 6.6%.
- As on 31st March, 2024, the Company had 17,277 permanent employees on its rolls.
- During financial year 2023-24, there was an average 8.4% increase in the salaries of employees (including KMP) other than the managerial personnel as against increase in managerial remuneration by 8.6%, such increase was in line with the industry pay levels.
- The remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2024

Annexure F

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

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

To,
The Members,
Alkem Laboratories Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Alkem Laboratories Limited (CIN: L00305MH1973PLC174201) and having its registered office at Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2018 (Not applicable to the Company during the audit period);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period);
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Drugs & Cosmetics Act, 1940; Food Safety & Standards Act, 2006; Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954; The Narcotic Drugs and Psychotropic Substances Act, 1985; The Poisons Act, 1919; The Sales Promotion Employees (Condition of Service) Act, 1976; including the rules and regulations made under these Acts; Essential Commodities Act, 1955 and the Drugs (Prices Control) Order, 2013 issued thereunder; National Pharmaceutical Pricing Policy, 2012 being the laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the company based on their sector/industry, in so far as requirement relating to licencing, submission of returns etc.

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. There were no changes



in the composition of the Board of Directors during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for two meetings which were held on a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes. However, in the minutes of board meetings for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

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 applicable laws, rules, regulations, guidelines and standards.

We further report that during the audit period:

1. The Board of Directors at its meeting held on April 03, 2023 had approved the closure of its manufacturing facility (acquired in 2015) of the Company located at St. Louis in USA and further the Board of Directors at its meeting held on November 07, 2023 had also approved for sale of land and improvements with respect to the said manufacturing facility;
2. the Board of Directors of the Company at their meeting held on February 09, 2024, declared an interim dividend of ₹ 35.00/- (Rupees Thirty-Five only) per equity share (face value ₹2/-) for financial year 2023-2024 aggregating to ₹ 4,184.77 million;
3. Alkem Medtech Private Limited, got incorporated on March 27, 2024, in India, as a wholly owned subsidiary of the company;
4. Obtained approval of the members for alteration of object clause in its Memorandum of Association under Section 13 of the Companies Act, 2013, by way of a special resolution passed through Postal Ballot on January 06, 2024;
5. Obtained approval of the members for alteration of its Articles of Association under Section 14 of the Companies Act, 2013, by way of a special resolution passed at 49th Annual General Meeting held on August 25, 2023.

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

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia

Place: Mumbai Partner
Date: May 29, 2024 M. No. FCS 6252, C.P. No. 3531
UDIN: F006252F000471431 PR 822/2020

'Annexure A'

To,
The Members,
Alkem Laboratories Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the 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, provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia

Place: Mumbai Partner
Date: May 29, 2024 M. No. FCS 6252, C.P. No. 3531
UDIN: F006252F000471431 PR 822/2020

Annexure G

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:- Nil (All contracts or arrangements or transactions with related parties were at arm's length basis)**
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date of approval by the Board
 - (g) Amount paid as advances, if any
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis:-**
 - (a) Name(s) of the related party and nature of relationship – M/s Ascend Laboratories LLC USA, a step down subsidiary of the Company ("Ascend")
 - (b) Nature of contracts/arrangements/transactions – Sale of finished goods
 - (c) Duration of the contracts/arrangements/transactions – Ongoing
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - Based on transfer pricing guidelines, value of transactions with Ascend amounted to ₹ 13,753 million during financial year 2023-24.
 - (e) Date(s) of approval by the Board, if any - The transactions being with a step down subsidiary of the Company did not require approval of the Board. The same were however, approved by the Audit Committee of the Company
 - (f) Amount paid as advances, if any - Nil

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2024

Annexure H

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE DETAILS

[pursuant to the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY:

1. Energy Conservation Measures taken:

Energy Conservation continues to receive priority within the Company. The continuous monitoring of the energy consumptions across the Company's locations, has resulted in improvement in maintenance systems and reduction in distribution losses.

Steps taken for Energy Conservation during financial year 2023-24 are as follows:

- (i) Installed Variable Frequency Drive (VFD) for power saving at Sikkim and Mandva plants.
- (ii) Optimization and monitoring of chiller set point on daily basis to reduce the energy consumption at Taloja and Sikkim plants.
- (iii) Installed high efficiency and minimum purge loss air dryer at Ankleshwar plant.
- (iv) Installed new energy efficient Screw Air Compressor to replace inefficient reciprocation air compressor at Sikkim plant.
- (v) Installed two multi-chiller of 20 TR each to save energy by avoiding the running of 250 TR chiller during low load requirements at Sikkim plant.
- (vi) Setting optimum frequency of Air Handling Unit's (AHU) and installing timer for AHU in canteen at Taloja plant.
- (vii) Installed LED lights for power saving at Ankleshwar and Sikkim plants.
- (viii) Installed cooling tower fan automation in central utility at Mandva plant.
- (ix) Installed Condensate Recovery System for increasing the efficiency of boiler thereby saving fuel at Sikkim plant.
- (x) Installed Automated timer-based Streetlights & Air Curtains at Sikkim plant.

2. Steps taken by the Company for utilizing the alternate sources of energy:

During financial year 2023-24, Company has used Biomass fuel for steam generation in Sikkim plant, thus avoiding non-renewable fuels, installed rooftop solar power generation at Taloja plant and continued the use of already adopted alternate sources of energy.

3. The capital investment on Energy Conservation equipment:

(₹ in million)		
Sr. No.	Particulars	Amount
1.	Cooling tower	5.7
2.	Chiller	3.3
3.	Pumps	2.1
4.	AHUs Coils	2.0
5.	Air Compressor- Atlas Copco.	7.5
6.	LED	1.49
7.	Variable Frequency Drive	1.5
8.	Boiler feed water tank replacement	1.1
9.	Air dryer with minimum purge loss	0.3
10.	Others	0.7
Total		25.7

(B) TECHNOLOGY ABSORPTION:

1. Efforts, in brief, made towards technology absorption:

Indigenously developing the following engineered inhalation products for the domestic market :

- (i) Breath Activated Inhalation (BAI) technology used in conjunction with a pressurized metered dose inhaler (pMDI) to have a drug delivery synchronized with breath and dry powder for inhalation (DPI) with device and Nebulizer products;
- (ii) Canister sealing with metered valves and (pressurized) filling system using inert liquefied, pressurized propellant, stainless steel manufacturing and filling setup for complex products, autoclave, dynamic pass box, ceiling laminar air flow and mobile laminar air flow.

2. Benefits derived as a result of the above efforts:

- (i) Added advancement in the treatment of pulmonary related diseases for asthmatic and COPD (chronic obstructive pulmonary disease) population by development of pMDI, pMDI with BAI, pMDI with dose counter, DPI and Nebulizer products in respiratory domain for domestic market.
- (ii) Indigenous development of advanced pulmonary products resulting in quality products with cost reduction, product efficacy and patient safety.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of financial year):

i) Liquid chromatography-mass spectrometry (LCMSMS) setup

(a) The details of technology imported:

The Company imported this instrument from USA. The setup contains high end HPLC (high performance liquid chromatography) coupled with highly sensitive triple quadrupole mass spectrometer (MSMS). This instrument is used for identification and estimation of trace level impurities such as Nitrosamines and helps in controlling its content in the drug product/ drug substance, thereby producing best quality products and patient safety through validated methods. The acquisition of this technology helps in reducing the cost and timelines to meet the regulatory requirements;

(b) The year of import: 2022-23;

(c) Whether the technology has been fully absorbed: Yes;

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

ii) Flash Chromatography

(a) the details of technology imported: The Company imported the said instrument from Switzerland which is a purification technique designed for rapid separation by using air pressure. Flash chromatography columns are typically prepacked plastic cartridges with silica gel particle sizes between 40–60 mm. Automated flash chromatography systems are composed of parts normally found on HPLC (high performance liquid chromatography) systems such as a gradient pump, injection ports, UV detector and a fraction collector to gather the eluent. The said acquisition is cost efficient and saves time, thereby resulting in faster product development.

(b) the year of import: 2023-24;

(c) whether the technology been fully absorbed: Yes;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

4. Expenditure on R & D:

		(₹ in million)	
Sr. No.	Particulars	2023-24	2022-23
(i)	Capital	1,312.8	90.6
(ii)	Recurring	4,398.0 (excluding depreciation of 239.7 million)	4,617.2 (excluding depreciation of 180.2 million)
Total		5,710.8	4,707.8
Total R & D expenditure as percentage to total turnover		5.86%	5.20%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in million equivalent of various foreign currencies)

Particulars	2023-24	2022-23
Foreign Exchange earned	20,316.0	16,916.3
Foreign Exchange outgo	5,412.9	4,189.5

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2024

Corporate Governance Report

(1) COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and believes that it is essential for achieving long-term corporate goals and to enhance stakeholders’ value. The Company respects the rights of its shareholders to obtain information on the performance of the Company. The Company believes that best board practices, transparent disclosures and shareholder empowerment are necessary to maximize the long-term value for the shareholders of the Company and to ensure that all stakeholders’ interests are protected. The Company places great emphasis on principles such as empowerment and integrity of its employees, safety of the employees & communities surrounding its manufacturing facilities, transparency in decision making process, fair & ethical dealings with all stakeholders and the society in general. The Compliance Report on Corporate Governance herein signifies adherence by the Company

to all the mandatory requirements of Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”).

(2) BOARD OF DIRECTORS

The Board of Directors of the Company (“Board”) has a balanced mix of Executive Directors and Non- Executive Directors with 1 (one) woman Executive Director and 2 (two) women Independent Directors having rich experience and expertise.

The present strength of the Board is 12 (twelve) and the composition thereof is in conformity with Regulation 17 of SEBI LODR Regulations read with Section 149 of the Companies Act, 2013 (“Act”). There has been no change in the constitution of the Board of the Company during financial year 2023-24.

Details with respect to the names and categories of the Board Members during financial year 2023-24 are as follows:

Category	Name of Directors	Inter-se relationship between Directors
Promoter Executive Directors	Mr. Basudeo N. Singh (Executive Chairman)	Father of Mr. Mritunjay Kumar Singh
	Mr. Sandeep Singh (Managing Director)	Brother of Mr. Sarvesh Singh
	Mr. Mritunjay Kumar Singh (Executive Director)	Son of Mr. Basudeo N. Singh
	Mrs. Madhurima Singh (Executive Director)	Daughter in Law of Mr. Basudeo N. Singh
	Mr. Sarvesh Singh (Executive Director)	Brother of Mr. Sandeep Singh
	Mr. Srinivas Singh (Executive Director)	N.A.
	Non-Executive Independent Directors	Mr. Arun Kumar Purwar
Mr. Narendra Kumar Aneja		N.A.
Ms. Sangeeta Singh		N.A.
Ms. Sudha Ravi		N.A.
Dr. Dheeraj Sharma		N.A.
Mr. Sujjain Talwar		N.A.

Core Skills / Expertise / Competence for the Board of Directors

Detailed below are the core skills / expertise / competencies required for the effective functioning of the Company alongwith specific expertise of the Board Members:

Name of Director	Areas of Core Skills/ Expertise/ Competence							
	Financial Skills/ Controls	Pharma Domestic and International Marketing Strategy	Legal and Regulatory Compliance and Governance	Risk Management	Plant Management	Human Resource/ Leadership	M&A	Supply Chain
Mr. Basudeo N. Singh, Executive Chairman	√	√	√	√	√	√	√	√
Mr. Sandeep Singh, Managing Director	√	√	√	√	√	√	√	√
Mr. Mritunjay Kumar Singh, Executive Director	√	√		√	√			√
Mrs. Madhurima Singh, Executive Director	√	√	√			√		√
Mr. Sarvesh Singh, Executive Director	√	√						
Mr. Srinivas Singh, Executive Director		√		√				
Mr. Arun Kumar Purwar, Independent Director	√		√	√				
Mr. Narendra Kumar Aneja, Independent Director	√		√	√				
Ms. Sangeeta Singh, Independent Director	√					√		
Ms. Sudha Ravi, Independent Director	√			√		√		
Dr. Dheeraj Sharma, Independent Director		√		√		√	√	√
Mr. Sujain Talwar, Independent Director			√	√			√	

The Board of Directors of the Company possess the required skills and expertise for running the operations of the Company and the marks indicated hereinabove against names of the respective Board Members signify their specific skill/ expertise/ competency in the above-mentioned areas.

Non-Executive / Independent Directors

None of the Non-Executive/ Independent Directors held any equity shares of the Company as on 31st March, 2024.

In opinion of the Board, Independent Directors of the Company fulfill the conditions specified in the Act and SEBI LODR Regulations and are independent of the management.

There has been no change in the constitution of Independent Directors of the Company during financial year 2023-24.

Board Meetings

During financial year 2023-24, a total of 10 (ten) Board meetings dated 03rd April, 2023, 19th May, 2023, 10th August, 2023, 15th September, 2023, 07th November, 2023, 16th November, 2023, 12th January, 2024, 09th February, 2024, 14th March, 2024 and 29th March, 2024 were held.

Attendance of each Director at the Board meetings, last AGM, number and names of other Directorships and number of Chairpersonships/ Memberships of Committee(s) of each Director as on 31st March, 2024, are given below:

Name of Director	Attendance			*No. of other Committee Memberships / Chairpersonships			Directorships in other Companies	
	Number of Board meetings held during the Director's tenure	Number of Board meetings attended	Last AGM held on 25 th August, 2023 through video conferencing	*Committee Memberships	*Committee Chairpersonships	*Other Directorships	Names of other listed entities where person is Director	Category of Directorship in the listed entities
Mr. Basudeo N. Singh	10	10	Yes	0	0	2	NA	NA
Mr. Sandeep Singh	10	7	Yes	1	0	3	NA	NA
Mr. Mritunjay Kumar Singh	10	9	Yes	1	0	2	NA	NA
Mrs. Madhurima Singh	10	10	Yes	0	0	0	NA	NA
Mr. Sarvesh Singh	10	9	Yes	0	0	0	NA	NA
Mr. Srinivas Singh	10	9	Yes	0	0	0	NA	NA
Mr. Arun Kumar Purwar	10	10	Yes	2	1	5	1. IIFL Finance Limited 2. Balaji Telefilms Limited	Independent Director
Mr. Narendra Kumar Aneja	10	10	Yes	0	0	1	NA	NA
Ms. Sangeeta Singh	10	9	Yes	5	0	5	1. Accelya Solutions India Limited 2. Laxmi Organics Industries Limited 3. Shaily Engineering Plastics Limited	Independent Director
Ms. Sudha Ravi	10	10	Yes	3	1	3	Goodyear India Limited	Independent Director
Dr. Dheeraj Sharma	10	7	Yes	0	0	1	NA	NA
Mr. Sujjain Talwar	10	10	Yes	1	0	3	1. Carborundum Universal Limited 2. Elantas Beck India Limited	Independent Director

*The list does not include Directorships, Committee Memberships and Committee Chairpersonships in Private Limited, Foreign and Section 8 Companies.

†The Committee Memberships and Chairpersonships in other companies include Memberships and Chairpersonships of Audit and Stakeholders' Relationship Committees of public companies only.

Note: The necessary quorum was present for all the meetings.

Compliance under Regulation 17(3) of SEBI LODR Regulations

The Board periodically reviews the compliance reports pertaining to all applicable laws prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

Familiarization Programme

At the time of appointment, Independent Directors are made aware of their roles, rights and responsibilities through a formal letter of appointment which also stipulates the various terms and conditions of their engagement. In terms of Regulation 46(2)(b) of SEBI LODR Regulations, the terms and conditions of appointment of Independent

Directors of the Company are placed on the Company's website and can be accessed at https://admin.alkemlabs.com/uploads/Terms_of_appointment_Independent_Directors_2a82f9dd72.pdf

The Independent Directors of the Company are provided with an overview of the Company's operations through interactions with the senior management and the Executive Directors of the Company. At the Board and Committee meetings, Independent Directors are, on a regular basis, familiarized with the business model and Company strategies thereof, industry and market standards, regulatory issues and the environment in which the Company operates, functions, policies and procedures of the Company and its subsidiaries to enable them in providing their requisite

insights on the overall governance processes of the Company. During financial year 2023-24, Independent Directors were briefed about the events including but not limited to changes in the regulatory scenario and global trends, future outlook, succession plans, internal audit, risks and mitigation measures, performance of subsidiaries, working of manufacturing facilities, employees' development, cyber security concerns, amendments in various laws, contribution to the society and business strategies of the Company. The details of the said Familiarization Programme imparted by the Company to the Independent Directors during financial year 2023-24 have been uploaded on the Company's website, the web link for which is <https://www.alkemlabs.com/investors/details-familiarization-program>.

(3) CODE OF CONDUCT

All the Directors and Senior Management Personnel have affirmed compliance to the Code of Conduct as approved by the Board and a declaration to that effect, signed by the Chief Executive Officer of the Company has been annexed to the Corporate Governance Report. The Code of Conduct has been uploaded on the Company's website, the web link for which is https://admin.alkemlabs.com/uploads/824596594993521810_CODE_OF_BUSINESS_CONDUCT_AND_ETHICS_FOR_SENIOR_MANAGEMENT_eca6236412.pdf

(4) CODE FOR PREVENTION OF INSIDER TRADING

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted Codes of Fair Disclosures and Conduct for Insider Trading ("Code") to prevent insider trading in the securities of the Company based on unpublished price sensitive information. The trading window is closed during the time of declaration

of results and occurrence of any material event as per the said Code for such duration as may be decided by the Compliance Officer. The Board has appointed Mr. Manish Narang, President – Legal, Company Secretary & Compliance Officer, who is responsible for setting forth procedures and implementation of the said Code for trading in the Company's securities.

(5) AUDIT COMMITTEE

The constitution of the Audit Committee is in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI LODR Regulations.

Composition of the Audit Committee

As on 01st April, 2023, the Audit Committee comprised of Mr. Arun Kumar Purwar as Chairperson and Mr. Sandeep Singh, Mr. Mritunjay Kumar Singh, Ms. Sangeeta Singh, Mr. Narendra Kumar Aneja and Dr. Dheeraj Sharma as Members.

The Board at its meeting held on 09th February, 2024, reconstituted the Audit Committee with effect from the said date to comprise of Mr. Arun Kumar Purwar as Chairperson and Mr. Sandeep Singh, Mr. Mritunjay Kumar Singh, Ms. Sangeeta Singh, Mr. Narendra Kumar Aneja and Ms. Sudha Ravi as Members.

Details of Audit Committee meetings

During financial year 2023-24, a total of 7 (seven) Audit Committee meetings dated 18th May, 2023, 10th August, 2023, 06th November, 2023, 16th November, 2023, 12th January, 2024, 08th February, 2024 and 29th March, 2024 were held. The intervening gap between two consecutive meetings was not more than one hundred and twenty days.

Attendance of Members at the Audit Committee meetings

Details with respect to attendance of Members at the Audit Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
Mr. Arun Kumar Purwar	Chairperson	7	7
Mr. Sandeep Singh	Member	7	3
Mr. Mritunjay Kumar Singh	Member	7	7
Ms. Sangeeta Singh	Member	7	6
Mr. Narendra Kumar Aneja	Member	7	7
*Dr. Dheeraj Sharma	Member	6	5
*Ms. Sudha Ravi	Member	1	1

*Member upto 08th February, 2024

*Member w.e.f. 09th February, 2024

Mr. Manish Narang, President – Legal, Company Secretary and Compliance Officer is the Secretary of the Audit Committee.

Note: The necessary quorum was present for all the meetings.

Terms of reference of the Audit Committee

- Oversight of the company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Providing recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company and the fixation of audit fee;

3. Review and monitor the statutory auditor's independence and performance and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013, as amended;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly and half-yearly financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Discussion with internal auditors any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. Review the functioning of the whistle blower mechanism;
15. Approval of appointment of the chief financial officer (i.e., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
16. To investigate any activity within its terms of reference;
17. To seek information from any employee;
18. To obtain outside legal or other professional advice;
19. To secure attendance of outsiders with relevant expertise, if it considers necessary;
20. Approval or any subsequent modification of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
21. Scrutiny of inter-corporate loans and investments;
22. Valuation of undertakings or assets of the company, wherever it is necessary;
23. Evaluation of internal financial controls and risk management systems;
24. To provide recommendation to the Board of Directors of the Company for declaration of Interim Dividend to be paid to the shareholders of the Company;
25. Reviewing the utilization of loans and/or advances from/ investment to the subsidiaries exceeding Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

26. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder; and
27. Carry out any other function as mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor;
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(6) NOMINATION AND REMUNERATION COMMITTEE

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations.

Composition of the Nomination and Remuneration Committee

As on 01st April, 2023, the Nomination and Remuneration Committee comprised of Dr. Dheeraj Sharma as Chairperson and Mr. Basudeo N. Singh, Mr. Arun Kumar Purwar and Ms. Sudha Ravi as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Nomination and Remuneration Committee with effect from the said date to comprise of Mr. Arun Kumar Purwar as Chairperson and Mr. Basudeo N. Singh, Ms. Sudha Ravi and Mr. Narendra Kumar Aneja as Members.

Details of Nomination and Remuneration Committee meetings

During financial year 2023-24, a total of 4 (four) Nomination and Remuneration Committee meetings dated 18th May, 2023, 09th August, 2023, 22nd August, 2023 and 11th January, 2024 were held.

Attendance of Members at the Nomination and Remuneration Committee meetings

Details with respect to attendance of Members at the Nomination and Remuneration Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
*Mr. Arun Kumar Purwar	Chairperson/ Member	4	4
@Dr. Dheeraj Sharma	Chairperson	4	4
Mr. Basudeo N. Singh	Member	4	4
Ms. Sudha Ravi	Member	4	4
#Mr. Narendra Kumar Aneja	Member	0	0

*Member upto 08th February, 2024 and designated as a Chairperson w.e.f. 09th February, 2024

@Chairperson upto 08th February, 2024

#Member w.e.f. 09th February, 2024

Note: The necessary quorum was present for all the meetings.

Terms of reference of the Nomination and Remuneration Committee

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) For every appointment of an independent director, the Nomination and Remuneration Committee

shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- i. use the services of an external agencies, if required;

- ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- iii. consider the time commitments of the candidates.
- (c) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (d) Devising a policy on Board diversity;
- (e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- (f) Determining whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors;
- (g) Analysing, monitoring and reviewing various human resource and compensation matters;
- (h) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (i) Determining and recommending to the Board, all remuneration, in whatever form, payable to senior management of the Company and determining compensation levels payable to the other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- (j) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (k) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
- (l) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including [the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015] and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- (m) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Evaluation of Performance of Board, Committees and Directors

Pursuant to provisions of the Act, SEBI LODR Regulations and Guidance Note issued by SEBI, the Board evaluated the performance of individual Directors, Board as a whole and all the Committees of the Board on the basis of performance evaluation criteria approved by the Nomination and Remuneration Committee of the Company. The individual Directors were assessed after taking into account their overall contribution and engagement in the growth of the Company, active role in monitoring the effectiveness of Company's Corporate Governance practices and adherence to the Code of Conduct, etc. The performance of the Committees of the Board was evaluated after considering the composition, regularity of meetings, independence of the Committees from the Board, their contribution to the effective decisions of the Board, etc.

In accordance with the provisions of Schedule IV of the Act and Regulation 25(3) of SEBI LODR Regulations, a separate meeting of the Independent Directors of the Company was held on 29th March, 2024, where the Independent Directors assessed the Executive Directors on the basis of the contribution made by such Directors in the achievement of business targets, development and successful execution of the business plans, their relationship with the Members of the Board of Directors and management personnel as well as creating a performance culture to drive value creation. The Board as a whole was assessed by the Independent Directors taking into consideration the diversity, composition of the Board, frequency of meetings, qualification mix, regulatory compliances, corporate culture, values and interaction with the management, etc.

The Chairperson of the Company was assessed by the Independent Directors basis his contribution in the growth of the Company with respect to strategic directions on the expansion, diversification and business plans as well as successful execution of business plans and relationship with the Members of the Board of Directors and management. Based on the evaluation, Company expects the Board of Directors to continue to play a constructive and meaningful role in creating value for all the stakeholders in the ensuing years.

(7) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The constitution of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI LODR Regulations.

Composition of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Sujjain Talwar as Chairperson and Mr. Mritunjay Kumar Singh, Mrs. Madhurima Singh and Mr. Srinivas Singh as Members.

Details of Stakeholders' Relationship Committee meeting

During financial year 2023-24, 1 (one) Stakeholders' Relationship Committee meeting dated 10th August, 2023 was held.

Attendance of Members at the Stakeholders' Relationship Committee meeting

Details with respect to attendance of Members at the Stakeholders' Relationship Committee meeting held during financial year under review was as follows:

Name of the Director	Designation in the Committee	No. of meetings held during Member's tenure	No. of meetings attended
Mr. Sujjain Talwar	Chairperson	1	1
Mr. Mritunjay Kumar Singh	Member	1	1
Mrs. Madhurima Singh	Member	1	1
Mr. Srinivas Singh	Member	1	1

Mr. Manish Narang, President – Legal and Company Secretary was appointed as a Compliance Officer of the Company under Regulation 6 of SEBI LODR Regulations.

Note: The necessary quorum was present for the meeting.

Terms of reference of Stakeholders' Relationship Committee

- Considering and resolving the grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. or any other documents or information to be sent by the Company to its shareholders etc.
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/ transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/ consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, and other related matters as may be assigned by the board of directors;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company; and
- Carrying out any other functions as prescribed under the SEBI LODR Regulations.

Details of Investor Complaints

Complaints at the beginning of FY 2023-24	Received during the year	Resolved during the year	Complaints at the end of FY 2023-24
0	0	0	0

(8) RISK MANAGEMENT COMMITTEE

The constitution of the Risk Management Committee is in compliance with the provisions of Regulation 21 of the SEBI LODR Regulations.

Composition of the Risk Management Committee

As on 01st April, 2023, the Risk Management Committee comprised of Mr. Mritunjay Kumar Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sudha Ravi, Dr. Dheeraj Sharma and Mr. Narendra Kumar Aneja as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Risk Management Committee with effect from the said date to comprise of Mr. Mritunjay Kumar Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sudha Ravi, Mr. Narendra Kumar Aneja and Mr. Sujjain Talwar as Members.

Details of Risk Management Committee meetings

During financial year 2023-24, a total of 2 (two) Risk Management Committee meetings dated 15th September, 2023 and 28th February, 2024 were held.

Attendance of Members at the Risk Management Committee meetings

Details with respect to attendance of Members at the Risk Management Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during Member's tenure	No. of meetings attended
Mr. Mritunjay Kumar Singh	Chairperson	2	2
Mr. Sandeep Singh	Member	2	1
Mr. Srinivas Singh	Member	2	1
Ms. Sudha Ravi	Member	2	2
*Dr. Dheeraj Sharma	Member	1	1
Mr. Narendra Kumar Aneja	Member	2	2
#Mr. Sujjain Talwar	Member	1	0

*Member upto 08th February, 2024

#Member w.e.f. 09th February, 2024

Note: The necessary quorum was present for all the meetings.

Terms of reference of Risk Management Committee

- (a) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (b) Framing, implementing, reviewing and monitoring the risk management plan and cyber security for the Company;
- (c) To formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (iii) Business continuity plan.
- (d) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (e) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (f) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (g) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- (h) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
- (i) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

(9) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The constitution of the Corporate Social Responsibility Committee is in compliance with the provisions of Section 135 of the Act.

Composition of the Corporate Social Responsibility Committee

As on 01st April, 2023, the Corporate Social Responsibility Committee comprised of Mr. Arun Kumar Purwar as Chairperson and Mr. Basudeo N. Singh, Mr. Sandeep Singh, Mrs. Madhurima Singh, Ms. Sangeeta Singh and Ms. Sudha Ravi as Members.

The Board of Directors of the Company at its meeting held on 09th February, 2024, reconstituted the Corporate Social Responsibility Committee with effect from the said date to comprise of Mrs. Madhurima Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sangeeta Singh and Ms. Sudha Ravi as Members.

Details of Corporate Social Responsibility Committee meetings

During financial year 2023-24, a total of 2 (two) Corporate Social Responsibility Committee meetings dated 18th May, 2023 and 08th February, 2024 were held.

Attendance of Members at the Corporate Social Responsibility Committee meetings

Details with respect to attendance of Members at the Corporate Social Responsibility Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
*Mrs. Madhurima Singh	Chairperson/ Member	2	2
#Mr. Arun Kumar Purwar	Chairperson	2	2
@Mr. Basudeo N. Singh	Member	2	2
Mr. Sandeep Singh	Member	2	1
Ms. Sangeeta Singh	Member	2	2
Ms. Sudha Ravi	Member	2	2
&Mr. Srinivas Singh	Member	0	0

* Member upto 08th February, 2024 and Chairperson w.e.f. 09th February, 2024

Chairperson upto 08th February, 2024

@ Member upto 08th February, 2024

& Member w.e.f. 09th February, 2024

Note: The necessary quorum was present for all the meetings.

Brief Terms of reference of the Corporate Social Responsibility Committee

- Formulate and recommend to the Board of Directors, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Review and recommend the amount of expenditures to be incurred on the activities to be undertaken by the Company;
- Monitor the Corporate Social Responsibility policy of the Company from time to time;
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

(10) Particulars of Senior Management Personnel

- Details of Senior Management Personnel of the Company as on 31st March, 2024 (including appointments made during financial year 2023-24) are as follows:

Name	Designation
*Dr. Vikas Gupta	Chief Executive Officer
#Mr. Nitin Agrawal	President & Chief Financial Officer
Mr. Manish Narang	President - Legal, Company Secretary & Compliance Officer
Mr. Satish Kumar Singh	Head Operations
Mr. Sarandhar Singh	Vice President – Marketing & Sales
@Mr. Aniruddha Singh	AGM – CMD Office
Mr. Rajorshi Ganguli	President & Global HR Head
Mr. Adil Billimoria	President - Quality & Compliance
Mr. Yogesh Kaushal	President - Marketing & Sales, Chronic Business
Mr. Amit Ghare	President - International Business
Mr. Sunil Kumar Pathak	President - Marketing & Sales, Semi Chronic Business
Mr. Mukesh Tiwary	President - Marketing & Sales, Generic Business
Dr. Akhilesh Sharma	President & Chief Medical Officer
§Mr. Kaustav Banerjee	President & Head Medtech Business
®Mr. Ashish Sehgal	President - Formulation R&D and Regulatory Affairs
Mr. Sujit Shetty	Senior Vice President - Internal Audit & Risk Assurance
Mr. Duraipandi Srinivasan	Senior Vice President - Global Procurement and API Business & Operations
Mr. Vijay Shetty	Senior Vice President - Global Distribution and Supply Chain
Mr. Rakesh Tripathi	Senior Vice President - Formulation Manufacturing Head
Mr. Jayprakash Parihar	Senior Vice President - API and R&D
Mr. Ravinder Chakilam	Senior Vice President & Site Head

Name	Designation
Mr. Abhijit Basak	Vice President - Corporate Strategy & Business Development
*Mr. Ramanarayana Parhi	Vice President & Chief Information Officer

* Appointed w.e.f. 22nd September, 2023

Appointed w.e.f. 01st February, 2024

© Appointed w.e.f. 23rd November, 2023

§ Appointed w.e.f. 04th December, 2023

& Appointed w.e.f. 15th December, 2023

% Appointed w.e.f. 12th June, 2023

(b) Details with respect to changes (resignations/ retirements) in the Senior Management Personnel of the Company during financial year 2023-24 are as follows:

Name	Designation	Date of change (resignations/ retirements)
Mr. Rajesh Dubey	President & Chief Financial Officer	Ceased to be a Chief Financial Officer w.e.f. 31 st January, 2024 and superannuated w.e.f. 09 th February, 2024
Mr. Sudipta Roy	President - Marketing & Sales	Resigned w.e.f. 26 th February, 2024
Mr. Ganesh Ramachandran	Senior Vice President & Chief Information Officer	Resigned w.e.f. 12 th May, 2023
Mr. Dinesh Kumar	Senior Vice President - Core Analytical	Superannuated w.e.f. 11 th July, 2023
Mr. Arun Pandey	Senior Vice President - Formulation & Analytical Development	Superannuated w.e.f. 15 th December, 2023

(11) REMUNERATION OF DIRECTORS

(a) Details of pecuniary relationship or transactions of Non-Executive Directors of the Company (NED's)

The NED's are paid remuneration by way of sitting fees and commission. The details of such remuneration paid to the NED's during financial year 2023-24 are as follows:

Name	₹ in million				Total
	Sitting Fees	Commission	Other Perquisites		
Mr. Arun Kumar Purwar	1.1	2.2	-		3.3
Mr. Narendra Kumar Aneja	1.0	2.2	-		3.2
Ms. Sangeeta Singh	0.8	2.2	-		3.0
Ms. Sudha Ravi	0.9	2.2	-		3.1
Dr. Dheeraj Sharma	0.8	2.2	-		3.0
Mr. Sujjain Talwar	0.5	2.2	-		2.7

(b) Criteria for making payments to NED's

The criteria for payment of remuneration to NED's has been placed on the Company's website and can be accessed through https://admin.alkemlabs.com/uploads/Criteria_for_payment_of_remuneration_to_Non_Executive_Directors_d375a6d252.pdf

Remuneration to NED's

Sitting Fees

The Non-Executive Independent Directors of the Company were paid a sitting fee of ₹ 50,000/- (Rupees Fifty Thousand only) for every meeting of the Board and/or Committee thereof attended by them.

Commission

Pursuant to the resolution passed by the shareholders of the Company on 16th March, 2015, the Board is authorised to pay commission to the NED's/ Independent Directors, subject to a maximum limit of 2% of the net profits of the Company for each financial year. The said commission is decided each year by the Board and distributed amongst the Non-Executive/ Independent Directors based on their attendance and contribution to the Board and/ or Committee meetings, as well as time spent on operational matters other than at meetings.

Apart from sitting fees and commission referred to above and reimbursement of travel and stay expenses for their attending the Board and/ or Committee meetings, no payment by way of bonus, pension, incentives, etc. is made to any of the NED's.

(c) Details of Remuneration to Executive Directors

The Executive Directors of the Company are paid remuneration in accordance with approval of the Board and shareholders and is subject to the limits prescribed under the Act and Nomination and Remuneration Policy of the Company.

The details of such remuneration paid to Executive Directors during financial year 2023-24 are as follows:

(₹ in million)

Terms of Remuneration	Name of Directors					
	Mr. Basudeo N. Singh	*Mr. Sandeep Singh	Mr. Mritunjay Kumar Singh	Mrs. Madhurima Singh	Mr. Sarvesh Singh	Mr. Srinivas Singh
Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	184.7	37.3	95.8	93.2	40.3	89.3
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.8	2.0	1.1	3.7	2.0	1.4
Commission	-	40.0	-	-	-	-
Bonus	-	-	-	-	-	-
Pension	-	-	-	-	-	-
Stock option	-	-	-	-	-	-
Others (Perquisites and Employer Contribution)	15.1	2.2	7.4	7.2	2.2	5.9
Performance Linked Incentive	-	-	-	-	-	-
Total	200.6	81.5	104.3	104.1	44.5	96.6

*Excludes remuneration of USD 0.9 million paid from M/s The PharmaNetwork, LLC, a subsidiary of the Company in USA.

Service Contracts, Notice Period and Severance Fees

The appointment and remuneration of the Executive Chairman, Managing Director and other Executive Directors are subject to the provisions of the Act and the resolutions passed by the Board of Directors and Members of the Company, as may be applicable, which cover the terms and conditions of such appointment.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Chairman, Managing Director and other Executive Directors of the Company.

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme for its Directors and Employees.

(12) GENERAL BODY MEETINGS**(i) Location and time of the last three Annual General Meetings (AGM) held are as follows:**

Year	Meeting	Location/ Mode	Date	Time	Special Resolutions passed
2020-21	47 th AGM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	27 th August, 2021	11.00 a.m.	Re-appointment of Dr. Dheeraj Sharma (DIN: 07683375) as an Independent Director for the second term of five (5) consecutive years w.e.f. 26 th May, 2022 upto 25 th May, 2027.
2021-22	48 th AGM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	25 th August, 2022	11.00 a.m.	NIL
2022-23	49 th AGM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	25 th August, 2023	11.00 a.m.	Alteration to Articles of Association of the Company.

(ii) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting was held during the financial year.

(iii) Details of Special Resolution passed through Postal Ballot

During financial year 2023-24, the Company vide Postal Ballot Notice dated 07th November, 2023 proposed the Special Resolution for Amendment to the Objects of Memorandum of Association of the Company by inserting certain new object clauses in Clause III (A) – Main Objects (the objects pursued by the Company on its incorporation). The said resolution was duly passed on 06th January, 2024.

Person conducting the Postal Ballot exercise

Mr. Manish Narang, President – Legal, Company Secretary & Compliance Officer of the Company was appointed as person responsible for the entire Postal Ballot process. CS Mannish L. Ghia, Partner of M/s. Manish Ghia & Associates, Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. CS Mannish L. Ghia, Practicing Company Secretary conducted the Postal Ballot process and submitted the report to the Company.

Procedure followed for Postal Ballot

1. In compliance with Regulation 44 of SEBI LODR Regulations and Sections 108, 110 read with the Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, and other applicable provisions of the Act, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to the Members for voting on the proposed Special Resolution.

6. Details of voting results

Special Resolution	No. of Votes polled	Votes cast in favour of the Resolution (No. & %)	Votes cast against the Resolution (No. & %)
Amendment to the Objects of Memorandum of Association of the Company.	9,99,21,460	9,93,75,027 (99.45%)	5,46,433 (0.55%)

The result of the Postal Ballot is also available on the website of the Company at https://admin.alkemlabs.com/uploads/Alkem_Postal_Ballot_Voting_Results08012024_signed_1_fb8fa66252.pdf and communicated to the Stock Exchanges, Depository and Registrar & Share Transfer Agent.

(iv) Details of Special Resolution proposed to be conducted through Postal Ballot

Currently, there are no matters which are required to be passed as a Special Resolution through Postal Ballot.

2. In compliance with the Circular Nos. 14/2020 dated 08th April, 2020, No. 17/2020 dated 13th April, 2020, No. 22/2020 dated 15th June, 2020, No. 33/2020 dated 28th September, 2020, No. 39/2020 dated 31st December, 2020, No. 02/2021 dated 13th January, 2021, No. 10/2021 dated 23rd June, 2021, No. 20/2021 dated 08th December, 2021, No. 03/2022 dated 05th May, 2022, No. 11/2022 dated 28th December, 2022 and No. 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs, the Company dispatched the Postal Ballot Notice dated 07th November, 2023 containing the draft resolution together with the explanatory statement only through electronic mode to those Members whose mail addresses were registered with the Company/Depository Participant and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, 24th November, 2023. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules thereof.

3. The remote e-voting facility was open for Members to vote from Friday, 08th December, 2023 at 9.00 a.m. to Saturday, 06th January, 2024 at 5.00 p.m.

4. The Scrutinizer submitted his report on Monday, 08th January, 2024, after the completion of scrutiny.

5. The result of the Postal Ballot was declared on Monday, 08th January, 2024. The resolution, passed by requisite majority, was deemed to have been passed on the last date of remote e-voting i.e. Saturday, 06th January, 2024.

(13) MEANS OF COMMUNICATION

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the online portal of the Stock Exchanges, press releases, news releases, the Annual Reports and uploading relevant information on its website.

(i) **Financial Results and Statements:** The unaudited quarterly results are announced within forty-five days from the end of the quarter. The audited annual results

are announced within sixty days from the closure of financial year as required under SEBI LODR Regulations. The aforesaid financial results are communicated to the Stock Exchanges within thirty minutes from the close of the Board meeting at which these were considered and approved. The results are generally published in Business Standard, national daily newspaper and in Mumbai Lakshadeep, which is a regional (Marathi) daily newspaper.

The audited financial statements form part of the Annual Report which is sent to the Members within the statutory period and well in advance of the AGM. The Annual Report of the Company, quarterly / half yearly and yearly financial results and financial statements and press releases of the Company are also disseminated on the Company's website www.alkemlabs.com.

- (ii) **Presentations & Press Releases:** The presentations on performance of the Company and press releases are placed on the Company's website immediately after these are communicated to the Stock Exchanges for benefit of Institutional Investors and Analysts and other shareholders.
- (iii) **Material Information:** The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI LODR Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.
- (iv) **Online filing:** All information is filed electronically on BSE's online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS).
- (v) **SCORES:** Facility has been provided by SEBI for investors to place their complaints / grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(14) GENERAL SHAREHOLDER INFORMATION

- (a) The 50th AGM of the Members of the Company will be held on Friday, 30th August, 2024 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means

("OAVM") to be conducted from the registered office of the Company, which shall be deemed to be the venue of the AGM.

- (b) **Financial Year:** 01st April, 2023 to 31st March, 2024.
- (c) **Dividend details:**
 - (i) Final Dividend for financial year 2022-23 was paid during financial year 2023-24 on and from 30th August, 2023.
 - (i) Interim Dividend for financial year 2023-24 was paid on and from 01st March, 2024.
 - (ii) Record Date for the purpose of payment of Final Dividend for financial year ended 31st March, 2024 shall be 10th August, 2024.
 - (iii) Final Dividend on equity shares as recommended by the Board for the year ended 31st March, 2024, if approved at the AGM, will be paid on and from 04th September, 2024.
- (d) **Transfer of Unclaimed Dividend/ Unpaid Amounts to the Investor Education and Protection Fund (IEPF) Authority**
 - (i) Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, mandates that companies shall transfer dividend that has remained unclaimed / unencashed for a period of seven years from the date of transfer to the unpaid dividend account to IEPF Authority account and such shares in respect of which dividend has not been claimed / encashed for seven consecutive years or more be transferred to IEPF Authority.

In order to educate the shareholders and with an intent to protect their rights, the Company sends regular notices to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF Authority and simultaneously publishes newspaper advertisement with respect to the same. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF Authority, including all benefits accruing on such shares, if any, can be claimed from IEPF Authority following the procedure prescribed in the IEPF Rules. No claim shall lie in respect thereof with the Company.

- (ii) The details of unclaimed dividend and their corresponding shares transferred to IEPF Authority during financial year 2023-24 are as follows:

Type of Dividend	Amount of Dividend (in ₹)	Date of transfer	No. of corresponding shares
Second Interim Dividend for financial year 2015-16	2,20,112	02.05.2023	266
Interim Dividend for financial year 2016-17	99,396	09.01.2024	97

The IEPF Authority holds 363 equity shares as on 31st March, 2024. The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

- (iii) The details of due dates for transfer of unclaimed dividend and their corresponding shares to IEPF Authority:

Year	Type of Dividend	Dividend per share (in ₹)	Date of Declaration	Due for transfer to IEPF Authority
2016-17	Final	9	08.09.2017	13.10.2024
2017-18	Interim	6	09.02.2018	13.03.2025
2017-18	Final	7	31.08.2018	01.10.2025
2018-19	Interim	8	08.02.2019	13.03.2026
2018-19	Final	8	27.08.2019	01.10.2026
2019-20	Interim	22	07.02.2020	11.03.2027
2019-20	Final	3	18.08.2020	22.09.2027
2020-21	Interim	25	05.02.2021	09.03.2028
2020-21	Final	5	27.08.2021	29.09.2028
2021-22	Interim	30	04.02.2022	08.03.2029
2021-22	Final	4	25.08.2022	29.09.2029
2022-23	Interim	40	10.02.2023	15.03.2030
2022-23	Final	10	25.08.2023	28.09.2030
2023-24	Interim	35	09.02.2024	12.03.2031

(e) Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the annual listing fees has been paid to each of such Stock Exchanges:

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN for NSDL / CDSL (Dematerialized Shares)
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	539523	INE540L01014
The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	ALKEM	

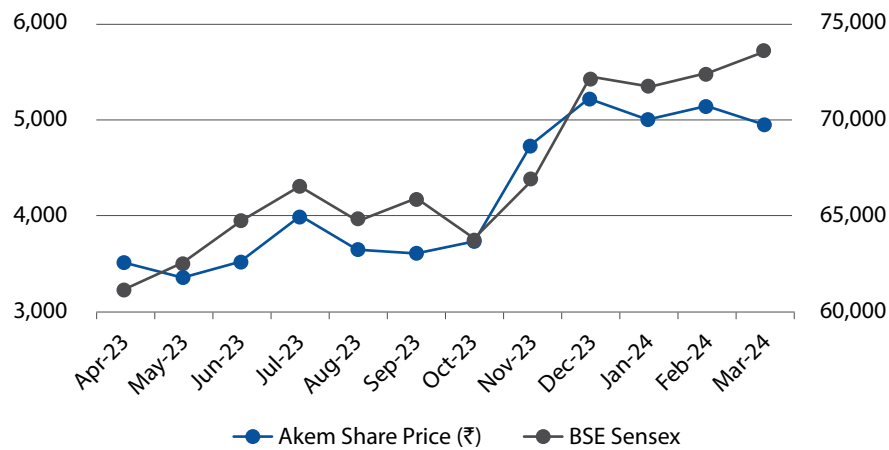
(f) Market Price data

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Number of shares traded	High Price (₹)	Low Price (₹)	Number of shares traded
Apr-23	3,517	3,299	1,43,986	3,520	3,301	36,32,014
May-23	3,625	3,211	1,63,711	3,625	3,186	45,10,496
Jun-23	3,516	3,310	74,678	3,518	3,307	37,04,281
Jul-23	4,050	3,441	75,460	4,050	3,442	40,26,623
Aug-23	4,271	3,635	14,22,972	4,243	3,635	41,19,342
Sep-23	3,765	3,514	1,02,759	3,771	3,512	31,58,187
Oct-23	3,734	3,440	85,241	3,735	3,447	26,15,316
Nov-23	4,784	3,675	1,72,723	4,796	3,676	66,56,565
Dec-23	5,214	4,590	98,978	5,217	4,589	64,76,081
Jan-24	5,315	4,750	5,12,118	5,316	4,763	37,28,200
Feb-24	5,519	4,653	1,60,293	5,520	4,659	88,56,372
Mar-24	5,226	4,700	53,007	5,225	4,650	32,09,478

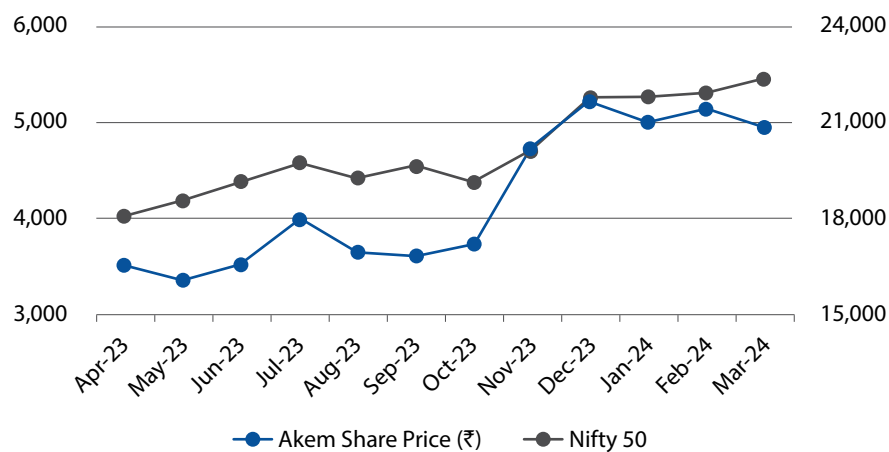
(g) Performance in comparison to broad based indices

Month	BSE		NSE	
	Alkem share price (₹)	S&P BSE Sensex	Alkem share price (₹)	Nifty 50
Apr-23	3,514	61,112	3,510	18,065
May-23	3,358	62,622	3,360	18,534
Jun-23	3,512	64,719	3,513	19,189
Jul-23	3,977	66,528	3,979	19,754
Aug-23	3,639	64,831	3,643	19,254
Sep-23	3,608	65,828	3,606	19,638
Oct-23	3,723	63,875	3,722	19,080
Nov-23	4,726	66,988	4,724	20,133
Dec-23	5,193	72,240	5,203	21,731
Jan-24	4,994	71,752	4,996	21,726
Feb-24	5,123	72,500	5,127	21,983
Mar-24	4,940	73,651	4,942	22,327

Alkem vs. S&P BSE Sensex



Alkem vs. Nifty 50



(h) Registrar and Share Transfer Agent

M/s Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company, having its registered office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 and bearing registration number: INR000004058.

(i) Shares Transfer System

Regulation 40 of the SEBI LODR Regulations as amended vide SEBI Circular No. SEBI/LAD-NRO/ GN/2018/24 dated 08th June, 2018 mandated the transfer (except in case of transmission or transposition) of securities only in dematerialized form with a depository. All the securities of the Company are in dematerialized form.

(j) Distribution of shareholding

Distribution of shareholding as on 31st March, 2024

Shareholding of Nominal Shares	No. of Folios	% Total	Total No. of Shares	% Total
1-1000	66316	99.20	1319716	1.10
1001-2000	80	0.12	120520	0.10
2001-4000	84	0.13	243164	0.20
4001-6000	35	0.05	171416	0.14
6001-8000	27	0.04	192238	0.16
8001-10000	15	0.02	134318	0.11
10001-20000	75	0.11	1050530	0.88
Above 20000	218	0.33	116333098	97.31
Total (Electronic Mode)	66850	100.00	119565000	100.00

Shareholding Pattern as on 31st March, 2024

Category	Total Shares	% Total
Clearing Members	11168	0.01
Other Bodies Corporate	125344	0.10
Hindu Undivided Family	41803	0.04
Mutual Funds	14257003	11.92
Non Nationalised Banks	14	*0.00
Non Resident Indians	39155	0.03
Non Resident (Non Repatriable)	32673	0.03
Public	21885374	18.30
Promoters	67845859	56.74
Trusts	1065	*0.00
Insurance Companies	3283495	2.75
Body Corporate – Ltd Liability Partnership	7150	0.01
Foreign Portfolio Investors (Corporate) – I	10798295	9.03
Provident Funds/ Pension Funds	642168	0.54
NBFCs registered with RBI	1	*0.00
Alternate Investment Funds - III	498669	0.42
Directors and their relatives (excluding Independent Directors and Nominee Directors)	1	*0.00
Key Managerial Personnel	218	*0.00
Foreign Portfolio Investors (Corporate) - II	94220	0.08
Central Government	962	*0.00
Investor Education and Protection Fund	363	*0.00
TOTAL	119565000	100.00

* Negligible

(k) Dematerialization of shares and liquidity

As on 31st March, 2024, 100% of the equity shares of the Company are dematerialized.

(l) Reconciliation of Share Capital Audit

As required by SEBI, quarterly audit of the Company's share capital is being carried out by a Practising Company Secretary (PCS) with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and with the issued and listed capital. The PCS Certificate in regard to the same is submitted to BSE Limited & The National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board.

(m) The Company has not issued any Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments.

(n) Foreign Currency Hedging Activities

The Board of Directors of the Company has approved a "Treasury Policy" to manage the treasury risks of the Company within its risk appetite, which is derived from the business exigency and corporate policy. The hedging activities of the Company shall be a mix of natural hedges, packing credit and forwards & options so that risk can be minimized while capturing opportunity wherever possible.

(o) Plant locations

1. Daman, India
2. Mandva, Gujarat, India
3. Ankleshwar, Gujarat, India
4. Unit I, Baddi, Himachal Pradesh, India
5. Kumrek, East Sikkim, India
6. Alkem Health Science, (Unit of the Company) Unit I, II & III, Samardung, South Sikkim, India
7. Unit 5, South Sikkim, India
8. S.E.Z., Indore, Madhya Pradesh, India
9. S&B Pharma LLC, California, U.S.A.
10. Indchemie Health Specialities Private Limited, Somnath, Daman, India
11. Indchemie Health Specialities Private Limited, Amaliya, Daman, India
12. Indchemie Health Specialities Private Limited, Baddi, Himachal Pradesh, India
13. Unit I & II, Indchemie Health Specialities Private Limited, Kumrek, East Sikkim, India
14. Cachet Pharmaceuticals Private Limited, Baddi, Himachal Pradesh, India
15. Enzene Biosciences Limited, Chakan, Pune, Maharashtra, India
16. Enzene Biosciences Limited, Pimpri-Chinchwad, Pune, Maharashtra, India

(p) Address for correspondence

Alkem Laboratories Limited, Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.

Tel No: +91 22 3982 9999; Fax No: +91 22 2495 2955

Communication by e-mail

For transfer / transmission / subdivision / demat / loss of shares / dividend / general inquiries and investor grievance: investors@alkem.com

(q) List of Credit Ratings**Credit Ratings of Company's outstanding instruments:**

Instrument Type	Rating Agency	Credit Rating
Commercial Paper	CRISIL	CRISIL A1+
	India Ratings (Fitch)	IND A1+

Credit Ratings of Company's outstanding facilities:

Rating	Rating Agency	Credit Rating	Outlook
Long Term Rating	CRISIL	CRISIL AA+	Stable
Short Term Rating	CRISIL	CRISIL A1+	-
Long Term Rating	CARE Rating	CARE AA+	Stable
Short Term Rating	CARE Rating	CARE A1+	-

(15) DISCLOSURES**(a) Related Party Transactions**

The Company has adequate procedures for identification and monitoring of related party transactions. The details of the materially significant transactions entered into by the Company with related party(ies) during financial year 2023-24 have been disclosed in Annexure G forming part of the Directors' Report. All contracts, arrangements and transactions entered by the Company with related parties during financial year 2023-24 were on an arm's length basis. All related party transactions are placed before the Audit Committee on a quarterly basis for review and the same are approved by only the Independent Directors present at the meeting, as per the relevant provisions of the SEBI LODR Regulations. The details of related party transactions are provided in notes to financial statements of this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website and can be accessed through https://admin.alkemlabs.com/uploads/Policy_on_Related_Party_Transactions_99b0363aec.pdf

(b) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(c) Whistle Blower Policy

The Company requires its officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. For this purpose, the Board has adopted “Whistle Blower Policy” to encourage and enable employees and volunteers of the Company to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy and to build and strengthen a culture of transparency and trust within the organization. The person making a report of the violation can keep his/her identity anonymous and choose to submit the violation report on a confidential basis. If an individual reasonably believes that a violation has occurred, the individual is encouraged to share his or her questions, concerns, suggestions or complaints to person designated by the Company. Specific telephone number and email ID is mentioned in the Whistle Blower Policy. In addition to the above, under exceptional circumstances a complainant can complain directly to the Chairperson of the Audit Committee. No personnel of the Company has been denied access to either the Designated Person (as mentioned in the Whistle Blower Policy of the Company) or to the Audit Committee. The Whistle Blower Policy has been placed on the Company’s website and can be accessed through https://admin.alkemlabs.com/uploads/Whistle_Blower_Policy_new_5d094b8491.pdf

(d) The Company has formulated a Risk Management Plan and all the Directors are informed about risk assessment and minimization procedures.

(e) Material Subsidiary

Pursuant to the provisions of the SEBI LODR Regulations, M/s Ascend Laboratories LLC, incorporated on 02nd January, 2003 under the laws of New Jersey, USA is classified as a material subsidiary of the Company. M/s BSR & Co. LLP have been appointed as statutory auditors of the said subsidiary since 15th March, 2017.

The Company’s Policy for determining Material Subsidiaries is placed on the Company’s website and can be accessed through weblink https://admin.alkemlabs.com/uploads/Policy_on_determining_Material_Subsidiaries_e7b2d25771.pdf

(f) The Company does not undertake any Commodity hedging activities.

(g) The Company has not raised any funds by way of preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR Regulations.

(h) A certificate from a Practicing Company Secretary, that none of the Directors are disqualified or debarred from being appointed or continuing as a Director of the Company by Securities Exchange Board of India / Ministry of Corporate Affairs or any other authority has been annexed to the Corporate Governance Report.

(i) The Board has accepted all the recommendations of the Committees of the Board.

(j) A total fees of ₹ 45.6 million for financial year 2023-24, was paid to M/s BSR & Co. LLP, Statutory Auditors and all entities in the network firm/ network entity of which the statutory auditor is a part, for providing audit and all other services to the Company and its subsidiaries, on a consolidated basis.

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during financial year: 1
- b. number of complaints disposed of during financial year: 1
- c. number of complaints pending as on end of financial year: 0

(l) Loans and Advances

During the year under review, there were no loans and advances, in the nature of loans granted by the Company to any firms/ companies in which Directors are interested.

(m) Disclosure of certain type of agreements binding listed entities

Details with respect to the agreement entered into by the Company in terms of Clause 5A of paragraph A of Part A of Schedule III read with Regulation 30 of the SEBI LODR Regulations is as mentioned below:

Sr. No.	Particulars
1.	A liability had been created on the Company pursuant to the Shareholders’ Agreement dated 23 rd December, 2022 entered into by the Company with M/s Enzene Biosciences Limited, a subsidiary of the Company (“Enzene”), M/s Eight Roads Ventures India Healthcare IV, L.P. (“Eight Roads Ventures”) and M/s F-Prime Capital Partners Life Sciences Fund VI LP (“F-Prime Capital”) in connection with an acquisition of a minority stake by Eight Roads Ventures and F-Prime Capital in Enzene.

The salient features of the above-mentioned agreement had been disclosed by the Company to the Stock Exchanges and placed on the Company’s website, which can be accessed through https://admin.alkemlabs.com/uploads/Reg30_Enzeneliabilitydisclosure_Aug23signed_85bd4c36a6.pdf.

(16) COMPLIANCE WITH MANDATORY AND DISCRETIONARY REQUIREMENTS

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI LODR Regulations and adopted the following discretionary requirements of the SEBI LODR Regulations:

- i. Company has an Executive Chairperson.
- ii. Quarterly and half yearly financial statements are published in the newspapers and are also posted on the Company's website.
- iii. The Company's financial statement for financial year ended 31st March, 2024 does not contain any modified audit opinion.
- iv. There are separate posts of Chairperson, Managing Director and Chief Executive Officer and they are not

related to each other as per the term "Relative" defined under the Act.

- v. Internal Auditors directly report to the Audit Committee.

(17) There are no equity shares of the Company in the demat suspense / unclaimed suspense account.

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

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2024

To
The Board of Directors
Alkem Laboratories Limited
Alkem House,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Regulation 26(3) and Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Directors and the Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics as on 31st March, 2024.

Alkem Laboratories Limited

Dr. Vikas Gupta
Chief Executive Officer

Date: 29 May, 2024



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Alkem Laboratories Limited
Alkem House, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Alkem Laboratories Limited having CIN: L00305MH1973PLC174201 and having registered office at Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Basudeo Singh	00760310	08-08-1973
2	Mr. Sandeep Singh	01277984	09-08-2013
3	Mr. Mritunjay Kumar Singh	00881412	11-02-2008
4	Mrs. Madhurima Singh	09137323	20-12-2021
5	Mr. Srinivas Singh	06744441	14-09-2022
6	Mr. Sarvesh Singh	01278229	11-11-2019
7	Mr. Arun Kumar Purwar	00026383	16-03-2015
8	Mr. Sujjain Talwar	01756539	05-08-2022
9	Ms. Sangeeta Singh	06920906	29-06-2015
10	Ms. Sudha Ravi	06764496	29-06-2015
11	Dr. Dheeraj Sharma	07683375	26-05-2017
12	Mr. Narendra Aneja	00124302	16-03-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

Place: Mumbai
Date: May 29, 2024
UDIN: F006252F000471541

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Independent Auditors' certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Member of
Alkem Laboratories Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 28 April 2022 and addendum to the engagement letter dated 29 May 2024.
2. We have examined the compliance of conditions of Corporate Governance by Alkem Laboratories Limited ("the Company"), for the year ended 31 March 2024, as stipulated in regulations 17 to 27, regulation 30(4)(iii), regulation 34(2)(f), clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges and BSE limited (collectively referred to as the 'Stock Exchanges').

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2024.
5. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance stipulated in the Listing Regulations pursuant to the Listing Agreement of the Company with Stock Exchanges. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have also obtained appropriate representations from the Company's management.

6. We conducted our examination of the compliance of corporate governance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. 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 requirements of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai
Date: 29 May 2024

Membership No: 111410
UDIN: 24111410BKQOL8816

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L00305MH1973PLC174201
2	Name of the Listed Entity	Alkem Laboratories Limited (the 'Company' or 'Alkem')
3	Year of incorporation	1973
4	Registered Office Address	Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India
5	Corporate Address	Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India
6	E-mail	investors@alkem.com
7	Telephone	+91 22 3982 9999
8	Website	www.alkemlabs.com
9	Financial year for which reporting is being done	1 st April, 2023 to 31 st March, 2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE)
11	Paid-up Capital	239.1 million INR
12	Contact Person	
	Name of the Person	Mr. Manish Narang (President – Legal, Company Secretary & Compliance Officer)
	Telephone	+91 22 3982 9999
	Email address	investors@alkem.com
13	Reporting Boundary	Disclosures under this report are done on standalone-Basis for Alkem Laboratories Limited
14	Name of Assurance provider	DNV Business Assurance India Pvt. Ltd.
15	Type of Assurance obtained	Reasonable Assurance of BRSR Core Indicators

II. Product/Services

	Sr.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity	
16	Details of business activities	1.	Manufacturing of pharmaceutical products	Manufacturing and marketing of pharmaceutical and nutraceutical products	76%
		2.	Trade	Wholesale trading	24%

	Sr.	Product/Service	NIC Code	% of Total Turnover contributed
17	Products/Services sold by the entity	1. Manufacturing and marketing of pharmaceutical and nutraceutical products	210	100%

III. Operations

18	Number of locations where plants and/or operations/offices of the entity are situated:	Location	Number of plants	No. of Offices	Total	
		National	13*	79**	92	
		International	-	-	-	
19	Market served by the entity	Locations	Numbers			
		a. No. of Locations	National (No. of States)	28 states and 8 Union Territories		
			International (No. of Countries)	More than 40 countries		
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	19.80%				
	c. A brief on types of customers	Alkem serves a variety of patients and customers in more than 40 countries around the globe. The customers served by the company include various pharmaceutical companies, distributors, wholesalers, pharmacy chains, and hospitals.				

*Inclusive of two Research and Development (R&D) facilities of the Company

**Includes 76 depots (7 owned) and 3 Corporate offices

IV. Employees

20. Details as at the end of Financial Year:

Sr.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and workers (including differently abled)						
Employees						
1	Permanent Employees (A)	15,611	15,190	97%	421	3%
2	Other than Permanent Employees (B)*	232	206	89%	26	11%
3	Total Employees (A+B)	15,843	15,396	97%	447	3%
Workers						
4	Permanent Workers (C)	1,821	1,796	99%	25	1%
5	Other than Permanent Workers (D)*	3,393	3,271	96%	122	4%
6	Total Workers (C+D)	5,214	5,067	97%	147	3%
b. Differently abled employees and workers						
Employees						
7	Permanent Employees (E)	3	3	100%	-	-
8	Other than Permanent Employees (F)	0	-	-	-	-
9	Total Employees (E+F)	3	3	100%	-	-
Workers						
10	Permanent Workers (G)	3	3	100%	-	-
11	Other than Permanent Workers (H)	3	3	100%	-	-
12	Total Differently abled Workers (G+H)	6	6	100%	-	-

21. Participation/Inclusion/Representation of women

Sr.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1.	Board of Directors	12	3	25%
2.	Key Management Personnel	3	0	0%

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

Category	FY 2023-2024 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the FY prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	27.7%	25.9%	27.6%	28.2%	30.6%	28.3%	19.7%	29.9%
Permanent Workers	10.2%	7.5%	10.1%	10.5%	0.0%	10.4%	8.7%	0.0%	8.6%

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

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Ascend Laboratories (Pty) Ltd	Subsidiary	100%	No
2	Ascend GmbH	Subsidiary	100%	No
3	Alkem Laboratories Corporation	Subsidiary	100%	No
4	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).	Subsidiary	100%	No
5	Pharmacor Pty Limited	Subsidiary	100%	No
6	ThePharmaNetwork, LLC (Subsidiary of S&B Holdings S.a.r.l.)	Step Down Subsidiary	100%	No
7	Ascend Laboratories SDN BHD.	Subsidiary	100%	No
8	Ascend Laboratories SpA	Subsidiary	100%	No

Sr.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
9	Enzene Biosciences Limited	Subsidiary	99.76%	No
10	Alkem Laboratories Korea Inc.	Subsidiary	100%	No
11	Pharmacor Limited	Subsidiary	100%	No
12	The Pharnanetwork, LLP	Subsidiary	100%	No
13	Ascend Laboratories, LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	Step Down Subsidiary	100%	No
14	Ascend Laboratories SAS	Subsidiary	100%	No
15	Ascend Laboratories (UK) Limited	Subsidiary	100%	No
16	Cachet Pharmaceuticals Private Limited	Subsidiary	60.63%	No
17	Indchemie Health Specialities Private Limited	Subsidiary	51%	No
18	Ascend Laboratories Limited	Subsidiary	100%	No
19	Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Step Down Subsidiary	100%	No
20	Alkem Foundation	Subsidiary	100%	No
21	Connect 2 Clinic Private Limited	Subsidiary	100%	No
22	Ascend Laboratories S.A. DE. CV (Wholly owned subsidiary of Ascend Laboratories SpA)	Step Down Subsidiary	100%	No
23	Enzene Inc (Wholly owned subsidiary of Enzene Biosciences Limited) (w.e.f 26 May 2022)	Step Down Subsidiary	100%	No
24	Pharmacor Limited (Wholly owned subsidiary of Pharmacor Pty Limited) (w.e.f 1 June 2022)	Step Down Subsidiary	100%	No
25	S & B Pharma LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	Step Down Subsidiary	100%	No
26	Alkem Medtech Private Limited (incorporated on 27 th March 2024)	Subsidiary	100%	No

VI. CSR Details

24	i. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes, CSR is applicable as per the section 135 of Companies Act, 2013 to the Company.
	ii. Turnover (in Million INR)	97,477
	iii. Net worth (in Million INR)	1,05,546

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redressal policy	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	• Whistle Blower Policy https://www.alkemlabs.com/pdf/policies/Whistle_Blower_Policy_new.pdf	0	0	-	0	0	-
Customers	Yes		489	12	-	486	0	-
Communities	Yes		-	0	-	15	0	-
Investors (other than shareholders)	Yes		-	-	-	-	-	-
Value Chain Partners	Yes		-	-	-	-	-	-
Employees and workers	Yes	• Whistle Blower Policy https://www.alkemlabs.com/pdf/policies/Whistle_Blower_Policy_new.pdf	13	0	-	13	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redressal policy	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
		<ul style="list-style-type: none"> Code of Ethics https://www.alkemlabs.com/pdf/Alkem_Labs_Code_of_Ethics.pdf Grievance Redressal Policy - Intranet Prevention of Sexual Harassment Policy - Intranet 						
Others (Anonymous)		<ul style="list-style-type: none"> Whistle Blower Policy https://www.alkemlabs.com/pdf/policies/Whistle_Blower_Policy_new.pdf 				2	0	

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

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change & GHG Emissions	Environment	Risk/ Opportunity	<p>Risk: The company's assets are prone to climate induced physical and transition risks which are anticipated to increase in frequency and/or intensity over the years. Adverse weather events can cause various form of business disruptions. Alkem understands the global urgency of addressing climate change i.e., limit the increase in average global temperatures.</p> <p>Opportunity: Climate change impacts may lead to various health implications on individuals, thereby, necessitating the demand for responsive health care services in future.</p>	<p>The Company's initiatives and actions are guided by its ESG policy that serves as an enabling framework to fulfil its business responsibilities towards addressing climate change and GHG emissions related risks. Alkem has taken the targets for reducing its scope 1 and 2 emissions by 42% by FY'33. Additionally, this risk has been included in the company's Enterprise Risk Management system and appropriate mitigation strategies (at entity level) have been identified to address the risk.</p> <p>The company has also undertaken to quantify its Scope-3 emissions and intends to undertake measures to reduce them by engaging with the relevant stakeholders.</p>	Negative implications due to adverse impact on company's assets

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Biodiversity	Environment	Risk	Biodiversity loss can pose a significant risk to the company given the reliance of the pharmaceutical industry on a variety of natural resources and biological compounds. A reduction in biodiversity can lead to a scarcity of medicinal plants and other raw materials critical for drug development (especially in Biosimilars and Nutraceuticals segments), potentially increasing costs and impacting supply chains. Environmental degradation resulting from operations and new projects undertaken could also heighten regulatory scrutiny, leading to stricter compliance requirements.	The company is committed to protecting and preserving the natural resources and ecosystem as a part of Environmental Protection in its ESG Policy. As a part of its CSR initiatives, the company participates in mass plantation drives to restore green cover.	Negative implications due to cost incurred for the protection of biodiversity
3	Energy Management	Environment	Risk / Opportunity	Risk: The Company's operations are energy-intensive and consume a high amount of fuel and electricity. If not managed well, the company might have to bear high operational costs due to energy inefficiencies in operations. Opportunities: Improving the existing processes for increased efficiency, upgrading to new technologies, and switching to greener energy sources will immensely benefit the company's operations in terms of improved yield, increased profitability and reducing the GHG emissions.	The company targets to reduce its energy consumption by 1% Y-O-Y through energy efficiency measures from baseline of FY'23. Multiple initiatives have been adopted for improved energy management, some of these include: <ul style="list-style-type: none"> • Use of PNG Gas in boilers instead of furnace oil at select sites. • Biomass Briquette Boilers installed at sites to minimize the use of traditional fossil fuels. • Installation of Variable Frequency Drive (VFD) • Replacement of non-efficient Air Handling Unit (AHU) with new efficient AHU Additionally, by FY'26, Alkem strives to obtain ISO 50001 for all its operating sites.	Negative impact due to cost incurred for the capex of energy efficient equipment; however, positive financial impact projected in long-run due to lower cost of energy

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Waste Management	Environment	Risk	Being in the pharma sector, the company generates significant quantities of hazardous waste along with other non-hazardous waste categories, which if not managed properly might lead to regulatory non-compliances, fines & penalties, work restrictions and environmental degradation.	The company's emphasis on waste minimization is reflected in their adoption of 3R principle: Reduce, Reuse, Recycle. The company has also tied up with government authorized waste management firms to support in the waste management practices in line with 3R principles.	Negative impact due to cost incurred in handling and management of waste
5	Water Management	Environment	Risk	Shortage of water resource at the key locations of company's business operations, including manufacturing and R&D sites, can disrupt operations and, hence, business continuity. Availability of poor-quality water is also a concern considering pharma manufacturing demands good quality water to meet product quality standards.	The Company focuses on reducing freshwater intake by monitoring its water consumption, auditing the raw effluent and treated water discharge, and educating workforce on water saving practices. Rainwater harvesting and effluent treatment plants are set up at all manufacturing sites. Currently, 42% of the manufacturing plants are following Zero Liquid Discharge (ZLD). Furthermore, the company strives to become water neutral by FY'30.	Negative impact due to cost incurred in meeting water demand during shortages or availability of poor quality water
6	Product Quality and Patient Safety	Social	Risk	Unintended characteristics of the product may cause health and safety risks for end users i.e. patients, thereby, leading to reputational damage, fines, or penalties along with loss of customers' trust	Alkem has a pharmacovigilance system in place to safeguard patient health through efficient and timely identification, collection, assessment, and communication of medicine-related adverse events. The Company also strictly adheres to cGMP guidelines which are enforced by regulatory agencies for quality assurance in manufacturing processes. Quality control checks are conducted periodically across facilities for all machinery and equipment to identify and address any non-compliances.	Positive implications due to customer acceptance and loyalty

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Occupational Health & Safety	Social	Risk	Due to the nature of pharmaceutical industry, the company's employees and workforce are exposed to hazardous chemicals and substances during the manufacturing and R&D processes.	<p>The Company is focused on its 'Zero Harm' approach – Zero Harm to People, Assets, and Environment. The Environment, Health & Safety (EHS) policy is applicable across the all the sites. Baddi (Unit 1 & 2), Daman (Unit 1), Sikkim (Unit 1, 2, 3, & 5), Ankleshwar, and Mandwa manufacturing sites are ISO 45001 certified.</p> <p>The Company carries periodic EHS audits on the sites to identify the gaps and address them. The culture of health & safety is promoted through extensive health and safety trainings for both employees and workers. Multiple initiatives are deployed to ensure Process safety and Control of chemical exposure.</p>	Positive implications due to increased work productivity and reduced LTIFR.
8	Human Resource Development	Social	Opportunity	The industry demands human capital which is knowledge and skills driven. The productivity and efficiency of employees associated with the company, provides better asset integrity and business growth along all functions of the business.	<p>The Company has adopted appropriate enforcement mechanisms in form of dynamic Human Resource policy framework, Environment Health & Safety (EHS) Policy, ESG Policy, and other relevant guidelines. The HR team provides strategic and skill development trainings to foster a balance of personal and professional growth of every employee. Alkem offers its employees with an inclusive and supportive environment with suitable employment benefits such as insurance, medical support, maternity leaves, paternity leave, sick leave, support from benevolent funds during emergencies, and access to counselling in case of need. The Company fosters diversity and encourages equal opportunities among its employees, hereby striving to attract and retain the best talent across all functions and levels.</p>	Positive implications due to increased productivity of workforce.

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Availability and affordability of medicines	Social	Risk	As a part of its social and moral responsibilities, it is important for the company to provide and place products in the markets where they are accessible and affordable for the patients. The company may otherwise lose market share to competitors who offer more accessible and affordable alternatives, resulting in significant decline in revenue and profitability for the company. In a longer run, it may become difficult to regain customer trust and market position in future.	The Company's R&D facilities are working towards innovative solutions to ensure affordability and accessibility of products without compromising the quality.	Positive implications in longer run due to increased market share.
10	Sustainable Supply Chain	Social	Risk	Gaps in pharmaceutical supply chain may likely disrupt the production and distribution of medications, leading to shortages or delays in getting essential drugs to patients. The consequences can affect both company's reputation and public health.	Alkem has obtained an Associate Membership with Pharmaceutical Supply Chain Initiative (PSCI) to attain safety, environmental, and social outcomes, across its value chain and promote responsible value chain practices. In addition, the company has shown its commitment towards sustainability in supply chain by taking targets around screening and evaluating its critical suppliers against ESG practices, while also initiating accounting of its Scope-3 emissions.	Negative implications are observed due to cost incurred in suppliers' assessment.
11	Human Rights	Social, Governance	Risk	Violation of human rights principles can harm the reputational image of the Company and trust within its stakeholders.	The Company has a well-structured Human Rights policy which is applicable for all employees across all grades and locations. The Company also has a specific Code of Ethics for all its stakeholders including suppliers, vendors, and contractors to guide ethical practices in the value chain.	Negative implications in short term due to cost incurred to ensure strict inclusivity of human rights principles in systems and processes through regular audits, trainings, and compliance measures.

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Community Engagement	Social	Opportunity	For a Company to thrive with community entrustment, it is important to grow with the community priorities and align the business goals with them. Any violating practices can damage Company's reputation and give rise to conflicts. Establishing relationships of trust with communities and ensuring their frequent participation will help the company contribute to social development and minimize potential objections from the communities.	The Company addresses and supports the immediate and long-term needs of the community and focuses on creating a positive impact to uplift the community in multiple ways. Some of these initiatives are focussed on improved healthcare, education, rural development, environmental care, and sports culture.	Positive implication due to good will and reputation among the communities, thereby, avoiding chances of legal disputes.
13	R&D and Innovation	Governance	Opportunity	An evolving healthcare landscape demands for innovative solutions and products to address society's unmet medical needs and simultaneously provides opportunity to the company to expand into newer markets.	The Company has a strong team of scientists that steers the R&D operations at Alkem. The R&D infrastructure includes four technologically advanced and internationally accredited R&D centres spread across India and the US. The Company invests significant percentage of their revenue into R&D to drive innovation.	Positive implications with development of new patents that can generate revenue streams
14	Data Privacy and cybersecurity	Social, Governance	Risk	With increasing instances of data breaches, it is important for a Company to safeguard the sensitive customer data or its proprietary information and prevent any potential breaches that could harm its reputation and may lead to both financial and non-financial losses.	The Company has enforced Information Security Policy in accordance with Microsoft Active Directory. It is investing adequately in IT tools for data protection. Any data loss or leakage is closely monitored through VAPT and IT audits. The Company has also set a goal to obtain ISO 27001 certification by FY'26, demonstrating its commitment to develop robust Information Security Management Systems (ISMS) within the company.	Negative implications due to cost incurred in implementing and maintaining cybersecurity technologies.

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Clinical Trial Conduct	Social, Governance	Risk	The conduct of clinical trials is significant for any pharmaceutical Company to ensure safety and efficacy of their products. Violation of regulatory norms and unethical practices in clinical trial may cause delays in drug approvals, inhibit the delivery of commercially viable products, and pose legal consequences.	The Company adheres to all protocols and regulatory constraints to incorporate ethical conduct in clinical trials. The Company is dedicated to conducting scientifically robust and ethical clinical trials to address unmet healthcare needs and generate quality data for the development of effective and safe novel molecules. The Company has significant experience in conducting clinical trials from phase 1 through phase 4 clinical studies across multiple therapies in accordance with ICH GCP and several other international guidelines and regulations. The R&D team has gained extensive experience and expertise in conducting clinical studies on small and large molecules, including monoclonal antibodies and biosimilars, as well as stem cell-based products for domestic and global regulatory submissions like CDSCO, USFDA, and EMEA.	Positive implications due to increased likelihood of regulatory approval of new drugs, potentially speeding up the time to market and increasing revenue streams
16	Pharmacovigilance	Social, Governance	Risk	It is important for a pharmaceutical Company to track the effects of their products upon administration and monitor any side effects elicited through them.	The Company has a well-established pharmacovigilance system to monitor and review the safety of medicines throughout clinical development and post-approval phases. The Company continuously evaluates the benefit/risk profile of the marketed products and is committed to transparency in communicating these benefits and risks to patients, healthcare professionals, and regulators.	Negative implications due to additional cost incurred in implementing monitoring and tracking systems.

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Environmental Compliance	Environment, Governance	Risk / Opportunity	<p>Non-compliances with environmental regulations, such as, the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Hazardous Waste Management Rules, Plastic Waste Management Rules, Extended Producer Responsibility, etc., may result in fines, penalties, legal liabilities, and operational disruptions.</p> <p>Ensuring compliance with all applicable regulatory requirements ensures continuity of business operations while avoiding any significant disruptions and adverse events.</p>	The Company complies with all applicable local laws and regulations of pollution control board. The company also proactively engages in strategies and systems to reduce the overall adverse impact due to its operations in the environment by implementing ISO standards across its operating sites.	Negative implication due to cost incurred on systems and processes to ensure strict compliance.
18	Corporate Governance & Business ethics	Governance	Risk / Opportunity	<p>Any type of unethical behaviour or corporate misconduct in the form of fraud, bribery, corruption, conflicts of interest, or violation of laws and regulations governing the industry may lead to major reputational damages, loss of stakeholder trust, and litigation.</p> <p>Poor corporate governance practices, such as, lack of transparency, ineffective oversight, lack of accountability, etc., can impact investor confidence and shareholder value.</p> <p>On the contrary, a commitment towards ethical conduct and robust corporate governance can increase company's market competitiveness and enhance stakeholder relationships.</p>	<p>The Company places great emphasis on principles such as empowerment and integrity of its employees, safety of the employees & communities surrounding its manufacturing facilities, transparency in decision making process, fair & ethical dealings with all stakeholders and society in general.</p> <p>Guided by its 9 core values at Alkem: Quality, Adaptability, Responsibility, Respect, Gratitude, Fairness, Honesty, Safety and Compassion enables the company to make informed decisions. The business relies on various policies and codes such as Code of Business Conduct, Code of Ethics, Whistle-blower Policy, Code of practices and procedures for fair disclosures, etc., that function as guiding forces to steer Company's business conduct and shape behavioural norms.</p>	Positive implication as good governance improves access to capital.

#	Material Issue Identified	ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
19	Business Continuity	Governance	Risk	It is important for a pharmaceutical Company to thrive through uncertain times that may cause disruption to normal operations of the business. A well-structured business continuity plan ensures resilient operations.	The Company has adopted various business continuity measures along with emergency response plans for all its sites to deal with situations of business disruption. An enterprise-level business continuity policy and a plan are under development which are intended to ensure the continuity of Alkem's business during various scenarios of disruptions.	Negative implications due to expenditure on preparedness measures.
20	Resilient Business Performance	Governance	Risk / Opportunity	For a pharmaceutical company, it is important to always serve the market without being impacted by uncertainties. The strategy of the Company is to generate long-term economic growth with a focus on sustainability and value creation for all stakeholders. Prudent capital allocation is key to profitable growth.	The Company is focused on operating with stable generation of revenue through multiple streams by benefitting from sustainable supply chain, technology adoption, and business continuity plan. For future risk proofing and business resilience, the Company has also integrated the ESG risks into the Enterprise Risk Management system of the company.	Positive implications due to smooth operations
21	Sales and marketing practices	Social, Governance	Opportunity	Alkem caters to a large customer base. For the Company to positively impact consumer behavior while building brand loyalty and sustained market growth, it is important to create influence on consumers through ethical sales and marketing practices.	The Company is working towards building skilled marketing workforce through multiple trainings and workshops. It is investing resources in effective digital marketing campaigns as well. The information disclosed on labels of the products are designed according to the regulatory norms while maintaining patient centricity.	Positive implications due to increased customer acquisition and retention.
22	Combatting counterfeit medicines	Governance	Risk	Presence of counterfeit products in market may seriously harm Company in multiple aspects. The prevalence of spurious product impacts revenue generation and customer loyalty as well.	The Company is deploying technology interventions with Anti-counterfeiting Security features.	Negative implications are due to cost incurred in mitigation plan.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Policies are available on the website of the Company at https://www.alkemlabs.com/investors/policies . The policies which are internal to the Company are available on the intranet of the Company.								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All our facilities adhere to the cGMP standards in addition to the accreditations from international regulatory authorities such as US FDA, WHO, MHRA (UK), TGA (Australia), ANVISA (Brazil), and MCC (South Arica) and regulatory agencies from other countries. Additionally, the manufacturing facilities at Baddi, Daman, Sikkim, Ankleshwar, and Mandwa are ISO 14001 and ISO 45001 certified. Four operational plants at Sikkim have also been certified for ISO 50001.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.									
6	Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.									
	Focus Areas	Commitments/ Goals/ Targets	Timelines	Performance						
P1	-	-	-	-						
P2, P4, P5	Product Safety & Patient Centricity	More than 75% domestic products (by sales value) to have QR Codes on primary packaging	FY'26	22% of the domestic products have been provided with QR Codes on primary packaging.						
	Supply Chain Management	Sign-up for PSCI membership	FY'24	Alkem has obtained a 'Associate Membership' with PSCI						
		Screening of 90% new suppliers on ESG screening criteria	w.e.f. FY'25	>90% of new vendors are being screened on ESG criteria in addition to other key business parameters. The assessment criteria cover ESG policies, Sustainable Procurement practices, EHS (Environment, Health, and Safety) measures and performance, and Employee Diversity and inclusivity.						
		Evaluation of identified critical suppliers in following manners:		Top 40 critical vendors (categorized based on 10% of total spend) are being assessed on their ESG performance. Some of the broad ESG aspects considered as a part of vendor evaluation include Environment, Health, and Safety (EHS), Corporate Social Responsibility, Human Rights Protection, Whistle-Blower Protection, etc.						
		10%	FY'25							
		35%	FY'26							
		70%	FY'27							
		90%	FY'28	Monthly reviews are conducted to monitor the progress of suppliers' basis their ESG performance along with direct follow-ups, site visits & inspections to ensure a comprehensive engagement.						
P3, P5	Human Capital & Safety	Increase overall gender diversity to 5%	FY'27	Alkem is focusing on hiring more female candidates, specifically in Sales Team, and provide equal opportunity in various roles.						

				<p>As a part of promoting equal opportunity, videos showcasing the journey of Alkem's woman employees are released on social media to inspire more women to join the workforce.</p> <p>The company has also launched 'SHINE- Women Excellence Program' to groom its female employees from junior to mid-level to prepare them for future roles.</p>
		More than 75% sites certified with ISO 45001	FY'26	75% of Alkem's manufacturing sites have obtained ISO 45001 certification (occupational health and safety management systems). The company further plans to extend this coverage to the remaining sites in the coming years.
P4	R&D and Business Resilience	ESG risk integration in the Enterprise Risk Management (ERM) framework	FY'24	Alkem's ESG risks, identified as a part of its Materiality Assessment, have been integrated in its Enterprise Risk Management System. Climate and water-related risks are the two newly identified risk categories.
P6	Climate Action	To reduce Scope-1 and Scope-2 GHG emissions by 42% by the FY'33 from the baseline of FY'23	FY'33	Alkem is developing its decarbonization strategy in line with the targets. This strategy shall enter into implementation phase from FY'25 onwards.
	Energy Management	Y-o-Y 1% of reduction in energy consumption achieved through energy efficient measures from base line of FY'23	Till FY'33	As a part of the decarbonization strategy, energy efficiency measures are being identified, which shall come into implementation starting FY'25.
		More than 70% of operating sites certified with ISO 50001	FY'26	Currently, around 33% of Alkem's manufacturing sites have obtained ISO 50001 certification. The company plans to further extend this coverage to other sites as well in the subsequent years.
	Water & Waste Stewardship	Zero waste to landfill at the operating sites	FY'26	100% of waste has been diverted from landfill across 75% of its manufacturing sites. The company is in process to obtain required approvals and formalize systems at its remaining facilities to achieve the target fully.
		Ensure more than 90% reuse/ recycling of non-hazardous waste	FY'25	100% of the non-hazardous waste generated by the company including glass, paper, metal, and food waste, is either getting recycled or recovered.
	Achieve water neutrality	FY'30	Alkem is developing a Water Neutrality Strategy, which shall enter into its implementation phase in FY'25. As a part of this strategy, both supply-side and demand-side water management measures are being identified.	
P7	-	-	-	-
P8, P4	Community Welfare	Quarterly engagement with local community	w.e.f. FY'24	The company has begun to hold monthly meetings/ engagements 'Vaarta' with the local communities at the plant locations and where Alkem Foundation is actively undertaking CSR initiatives. These engagements are intended to address any issues or concerns faced by local communities and raise awareness about company's initiatives towards welfare of the community.
P9, P4	Data Security and Technology Innovation	Obtain ISO 27001 certification	FY'26	Alkem is on track with its ISO 27001 certification goal, having aligned most policies and procedures to the standard. Initial assessments are scheduled for Q2 FY'25, with any identified gaps to be addressed in time for certification by FY'26.

	<p>P1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable</p> <p>P2: Businesses should provide goods and services in a manner that is sustainable and safe</p> <p>P3: Businesses should respect and promote the well-being of all employees, including those in their value chains</p> <p>P4: Businesses should respect the interests of and be responsive to all its stakeholders</p> <p>P5: Businesses should respect and promote human rights</p> <p>P6: Businesses should respect and make efforts to protect and restore the environment</p> <p>P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent</p> <p>P8: Businesses should promote inclusive growth and equitable development</p> <p>P9: Businesses should engage with and provide value to their consumers in a responsible manner</p>
7	<p>Statement by director responsible for the BRSR report, highlighting ESG related challenges, targets and achievement:</p> <p>Alkem has made significant strides over the last 50 years and is committed to improve the well-being of its customers and patients through provision of affordable, high-quality products across a wide range of therapeutic areas. We are committed to a sustainable and responsible growth, as we strive to fulfil the expectations of our valued stakeholders. Aligned with our overarching purpose of 'Enduring Quality, Care, and Innovation', Alkem has formulated its business sustainability strategy based anchored by three strategic pillars:</p> <p>Striving for Environmental Stewardship: At Alkem, we are committed to a greener tomorrow through our strategic steps towards addressing climate change, optimizing energy use, and ensuring sustainable water and waste management. Our efforts include:</p> <ul style="list-style-type: none"> Proactively addressing climate change by reducing our Scope-1 and Scope-2 GHG emissions by 42% by FY'33, alongside reducing energy consumption by 1% year on year through energy efficiency measures, based on FY'23 baselines. Initiatives underway include transitioning to cleaner fuels, increasing the share of renewable energy in our portfolio, and pursuing ISO 50001 certification for key manufacturing sites, such as all four units at our Sikkim facility. Our focus extends to water and waste management, with goals to achieve water neutrality by FY'30, ensure recycle or reuse of non-hazardous wastes to over 90% by FY'25, and reach zero waste to landfill at our operating sites by FY'26. Some of the current key initiatives include repurposing treated water for domestic use, ISO 14001 certification for five manufacturing sites, 100% recycling or recovery of non-hazardous waste generated (such as glass, paper, metal, and food waste), and reclaiming the domestic product plastic packaging waste to be recycled in collaboration with authorized plastic recycling vendors, etc. <p>Ensuring Care for All: Our employees, communities and stakeholders are integral to our success. Some of the key interventions worth mentioning for engaging various stakeholders are as follows:</p> <ul style="list-style-type: none"> Uplifting communities through our CSR initiatives focusing on healthcare, education, rural development, and environment. Some of the key CSR interventions undertaken this year include establishing Advanced Radiotherapy Centre, providing home-based palliative care, conducting campaigns on hygiene and sanitation in schools, and empowering women. Enhancing gender diversity within our workforce, aiming for a 5% increase by FY'27. Strategies include actively recruiting women in our Sales Team and nurturing junior female employees for mid-level roles through initiatives like the 'SHINE-Women Excellence Program'. Creating a conducive work environment where the workforce can thrive. With five of our manufacturing locations certified under ISO 45001 (Occupational Health & Safety Management Systems) and remarkably low Lost Time Injuries records, we are committed to our 'Zero harm' approach, ensuring the safety and well-being of our employees. Driving organizational cultural transformation to mainstream sustainability through an extensive capacity and capability building campaign. Close to 5000 workforce and 30 Senior leadership Team members have been trained on Sustainability principles as of FY'24. <p>Upholding Trustworthy Stewardship: Our Board of Directors, with their rich and diverse experience, provide strategic oversight to our business operations. Under their aegis, we have fortified our commitment to stakeholder interests and long-term value creation through the implementation of robust systems, procedures, and policies. Some of our key initiatives undertaken in FY'24 include:</p> <ul style="list-style-type: none"> Integrating ESG Risks into our Enterprise Risk Management system, recognizing climate change as an integral aspect in our core business strategy. Training 100% of our employees on the 'Code of Conduct', covering essential topics like anti-corruption, anti-bribery, whistleblowing, etc.

	<ul style="list-style-type: none"> Enhancing sustainable supply chain practices with targets to screen 90% our new suppliers for ESG compliance by FY'25 and continue evaluating our critical value chain partners on ESG criteria over the next 4 years. To further drive sustainability efforts in our value chain, we joined the Pharmaceutical Supply Chain Initiative (PSCI) as their Associate Members in FY'24. Reinforcing our resilience towards adverse events through comprehensive Business Continuity Policy and Plan, thereby ensuring uninterrupted operations. <p>- Ms. Madhurima Singh (Executive Director)</p> <p>For a more in-depth understanding of our sustainability endeavours, please refer our company website: Alkem - Sustainability (alkemlabs.com) and our Sustainability Report for FY'24.</p>																																																														
8	<table border="1"> <tr> <td>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</td> <td>Name: Mr. Sandeep Singh Designation: Managing Director DIN Number: 01277984</td> </tr> </table>	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Mr. Sandeep Singh Designation: Managing Director DIN Number: 01277984																																																												
Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Mr. Sandeep Singh Designation: Managing Director DIN Number: 01277984																																																														
9	<table border="1"> <tr> <td>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</td> <td>The Managing Director of the Company is responsible for making decisions on sustainability-related issues. Furthermore, the Risk Management Committee of the Board of Directors of the Company oversees ESG-related issues.</td> </tr> </table>	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Managing Director of the Company is responsible for making decisions on sustainability-related issues. Furthermore, the Risk Management Committee of the Board of Directors of the Company oversees ESG-related issues.																																																												
Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Managing Director of the Company is responsible for making decisions on sustainability-related issues. Furthermore, the Risk Management Committee of the Board of Directors of the Company oversees ESG-related issues.																																																														
10.	<table border="1"> <tr> <td colspan="2">Details of Review of NGRBCs by the company:</td> <td colspan="18">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</td> </tr> <tr> <td>Subject for Review</td> <td>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</td> <td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td> <td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td> </tr> <tr> <td>Performance against above policies and follow up action</td> <td>Department heads/ Board Committees/ Board Members review company's Policies, wherever applicable.</td> <td colspan="18" rowspan="2">Quarterly basis/ On need basis</td> </tr> <tr> <td>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</td> <td>The Board of Directors review the status of compliances with all applicable statutory requirements.</td> </tr> </table>	Details of Review of NGRBCs by the company:		Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																		Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	Performance against above policies and follow up action	Department heads/ Board Committees/ Board Members review company's Policies, wherever applicable.	Quarterly basis/ On need basis																		Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board of Directors review the status of compliances with all applicable statutory requirements.
Details of Review of NGRBCs by the company:		Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																																																													
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9																																												
Performance against above policies and follow up action	Department heads/ Board Committees/ Board Members review company's Policies, wherever applicable.	Quarterly basis/ On need basis																																																													
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board of Directors review the status of compliances with all applicable statutory requirements.																																																														
11.	<table border="1"> <tr> <td>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</td> <td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td> </tr> <tr> <td></td> <td colspan="9">No</td> </tr> </table>	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9		No																																																		
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9																																																						
	No																																																														
12.	<table border="1"> <tr> <td colspan="2">If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:</td> <td colspan="9">Questions</td> </tr> <tr> <td></td> <td></td> <td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td> </tr> <tr> <td>The entity does not consider the Principles material to its business (Yes/No)</td> <td rowspan="5">The entity is actively engaged in an internal review of its policies, with a strategic plan in place to incorporate external review mechanisms in line with our commitment to continuous improvement and adherence to relevant principles.</td> <td colspan="9" rowspan="5"></td> </tr> <tr> <td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td> </tr> <tr> <td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td> </tr> <tr> <td>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td> </tr> <tr> <td>Any other reason (please specify)</td> </tr> </table>	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:		Questions											P1	P2	P3	P4	P5	P6	P7	P8	P9	The entity does not consider the Principles material to its business (Yes/No)	The entity is actively engaged in an internal review of its policies, with a strategic plan in place to incorporate external review mechanisms in line with our commitment to continuous improvement and adherence to relevant principles.										The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Any other reason (please specify)																									
If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:		Questions																																																													
		P1	P2	P3	P4	P5	P6	P7	P8	P9																																																					
The entity does not consider the Principles material to its business (Yes/No)	The entity is actively engaged in an internal review of its policies, with a strategic plan in place to incorporate external review mechanisms in line with our commitment to continuous improvement and adherence to relevant principles.																																																														
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																																																															
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																																																															
The entity does not have the financial or/human and technical resources available for the task (Yes/No)																																																															
Any other reason (please specify)																																																															

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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



Company's Culture and Values: Over the years, Alkem has cultivated a culture of excellence founded on the principles of integrity, ethics, inclusivity, innovation, and collaboration. The company ensures that its workforce operates effectively and ethically at all levels, maintaining accountability and transparency.

Alkem's core values, which the company upholds and continually strives to reinforce, are fairness, honesty, compassion, responsibility, quality, respect, safety, adaptability, and gratitude.

Corporate Governance and Code of Conduct: Alkem is committed to governance that is trusted, transparent and ethical, underpinning professionalism and ethical behaviour. The Board of Directors has formulated a Code of Business Conduct for all employees and Board members of the company. The Code acts as a continuation of the company's values, mirroring its commitment to maintaining ethical standards in all business operations.

Whistle Blower Policy: Alkem has implemented a Whistle Blower Policy to safeguard and enhance value for all stakeholders while upholding its core values. This policy empowers stakeholders to report any unethical conduct, suspected fraud, or breaches of the Code of Business Conduct that might impact the company's operational effectiveness, business performance, and reputation.

ESSENTIAL INDICATORS

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

Segment	Total number of training & awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Environment, Social, and Governance (ESG) related Trainings	100%
Key Management Personnel	4	ESG, POSH, Cybersecurity, Pharmacovigilance	100%
Employees other than BODs and KMPs	1793	BTP, FTM, MDP, Foundation for career success, Being an Effective People Manager, Communication Training, POSH, Cybersecurity, Pharmacovigilance, Road Safety training, Culture change workshop, Behaviours to drive Change workshop, Women Excellence Program, Selling Skills, Sales Process, UCPMP training, Values, Code of ethics, Compliance and Technical training in manufacturing through Technical Training Academy	100%
Workers	65	Compliance Training, Safety Training, ESG, Technical and Behavioural Training	100%

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

During the financial year, no penalty / fine, settlement, compounding fee, imprisonment, or any kind of punishment has been imposed on the Company or its KMPs.

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

Not Applicable

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

Yes, the company has a 'Code of Conduct for Employees' and 'Code of Business Conduct and Ethics for Directors and Senior Management', referred as "Code", in place to outline the guidance regarding ethical business conduct within the company. The Code defines ethical behaviour expected by all employees and management ensuring no instances of corruption and bribery. Additionally, the Company has a 'Code of Ethics for suppliers, vendors, and other stakeholders' to ensure ethical practices throughout its value chain.

The policies are accessible at Company's website, at <https://www.alkemlabs.com/investors/policies>

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

During FY 2023-24 and FY 2022-23, no disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption against the Company's Directors, KMPs, Employees, or Workers.

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

No complaints were received in relation to Conflict of Interest of the Directors or KMPs during FY 2023-24 and FY 2022-23.

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

Not Applicable

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

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	151	103

9. Open-ness of business

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

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	7.0%	7.6%
	b. Number of trading houses where purchases are made from	342	341
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	47.1%	52.9%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	99.98%	99.98%
	b. Number of dealers / distributors to whom sales are made	8,972	8,814
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	3.70%	3.81%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	7.07%	5.39%
	b. Sales (Sales to related parties / Total Sales)	18.91%	17.32%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	3.79%
	d. Investments (Investments in related parties / Total Investments made)	90.15%	84.85%

*Note: Includes both purchases and services

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the NGRBC Principles during the financial year:

Suppliers play a crucial role in Alkem's Sustainability journey. The company has integrated sustainability parameters into the overall supply chain through various measures, including a comprehensive code of conduct policy applicable to all the suppliers. The company evaluates and qualifies vendors based on various ESG parameters and engages with its suppliers to create basic awareness on the subject while also assessing with the supporting documents and certification of management systems required. Alkem is further planning to engage with its suppliers by creating training and awareness session/workshops on topics related to ESG in the near future.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The company has a Code of Business Conduct and Ethics for Directors and Senior Management to ensure that they exercise utmost care when engaging in any transaction that may conflict with the interest of the Company, either directly or indirectly. The Code covers issues on Conflict of Interest like Outside Employment, Outside directorship, Gifts/Payments, Corporate Opportunities, etc. The Code adopted by the Company has been posted on the website of the Company.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe



Alkem's Vision is to provide quality that is infinite and service that cares. We have invested in projects which to improve water management at various sites in Alkem. We have adopted practices to sustainably procure our raw material. We are working towards recycling of our waste and are committed to reduce the waste to landfills to zero by FY'26. This reflects our commitment towards providing products and services in a sustainable and safe.

ESSENTIAL INDICATORS

1. Percentage of R&D and Capital Expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	INR 47 Million	0	<ul style="list-style-type: none"> • Projects to improve product packaging: <ul style="list-style-type: none"> o The Packaging development team is engaging on improving the primary packaging of domestic products through development of QR Codes in place of information leaflets to enhance product tracking.
Capital Expenditure (CAPEX)	INR 28.8 Million	INR 2.2 Million	<ul style="list-style-type: none"> • Projects to improve Water management at Alkem's sites: <ul style="list-style-type: none"> o Ankleshwar site: <ul style="list-style-type: none"> - Magnetic flow meter to measure & record the inlet effluent flow - pH meter for monitoring of effluent pH - DO meter for measuring the oxygen level of ETP aeration tank - Jet aspirators for better mixing and improving Oxygen concentration in aeration tank o Daman site: <ul style="list-style-type: none"> - 2 nos. of Cyclone Aerators to improve Oxygen and mixing of effluent streams o Taloja site: <ul style="list-style-type: none"> - Filter Press for filtration - Flow Meter for monitoring o Sikkim: <ul style="list-style-type: none"> - Installation of Screw Press Filter for Sludge dewatering Unit - Capacity Enhancement of RO system at Alkem Health Science Unit-1&2 - Installation of RO Plant at Unit -3 • Other projects: <ul style="list-style-type: none"> o MPCB (Maharashtra Pollution Control Board) Digital Display board for ensuring compliance at Taloja site

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

We have sourced 20% of our inputs sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	The company is committed to responsibly manage its waste by working with government approved third-party agencies for reclaiming and recycling the plastic packaging waste at its end of life in adherence to the Plastic Waste Management Rules 2016. The waste is recycled/ processed by the agency, thereby, preventing the plastic waste generated by the company from reaching landfills.
b. E-Waste	E-waste generated is directly sent to the authorized vendors/ recyclers
c. Hazardous Waste	No hazardous waste generated by the company is reclaimed at the end of its life. The waste that is directly generated from company's operations is disposed in three ways: Co-processing (53%), Incineration (39%), or sent to landfills (8%). As a responsible company, Alkem is committed to reduce the waste generated at its operating site sent to landfills to zero by FY'26.
d. Other Waste	-

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the Extended Producer Responsibility (EPR) is applicable to the Company, and it is registered with Central Pollution Control Board (CPCB) under EPR for collection & recycle/ disposal of plastic waste generated through sale of medicines. The waste management and collection plan are in adherence with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Alkem, by the nature of its industry, is not engaged in the recycling or reuse of input materials for their use in production activities.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

The company has partnered with a third-party certified agency to reclaim the post-consumer plastic packaging waste from its sold products and recycle (or safety dispose) the reclaimed plastic waste as per the government norms.

	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (packaging)	NA	2,955 MT	NA	NA	-	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
All product plastic packaging	100% of Domestic Sales*

*For international sales, plastic packaging is safely disposed after its end of life as per the local norms & regulations applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains



Alkem Laboratories actively participates in employee welfare programs. The company offers its employees with an inclusive and supportive environment with suitable employment benefits such as insurance, medical support, maternity leaves, paternity leave, sick leave, support from benevolent funds during emergencies, and access to counselling in case of need. Safety is one of its core values, and our Occupational Health and Safety (OHS) system is focused on the prevention of workplace injuries, illnesses, and fatalities. It involves identifying and managing workplace hazards to ensure the health and safety of our employees and workers.

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No.(C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	15,190	15,190	100%	15,190	100%	-	0%	15,190	100%	2,128	14%
Female	421	421	100%	421	100%	421	100%	-	0%	185	44%
Total	15,611	15,611	100%	15,611	100%	421	3%	15,190	97%	2,313	15%
Other than Permanent Employees											
Male	206	206	100%	206	100%	-	0%	206	100%	4	2%
Female	26	26	100%	26	100%	26	100%	-	0%	-	0%
Total	232	232	100%	232	100%	26	11%	206	89%	4	2%

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (E)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	1,796	1,796	100%	1,796	100%	-	0%	1,796	100%	1,699	95%
Female	25	25	100%	25	100%	25	100%	-	0%	24	96%
Total	1,821	1,821	100%	1,821	100%	25	1%	1,796	99%	1,723	95%
Other than Permanent Workers											
Male	3,271	3,271	100%	3,271	100%	-	0%	745	23%	804	25%
Female	122	122	100%	122	100%	122	100%	-	0%	11	9%
Total	3,393	3,393	100%	3,393	100%	122	4%	745	22%	815	24%

<Core Indicator>

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.3%	0.2%

2. Details of retirement benefits, for Current FY and Previous Financial Years

Sr. Benefits	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1 PF	100%	100%	Yes	100%	100%	Yes
2 Gratuity	100%	100%	Yes	100%	100%	Yes
3 ESI	3%	12%	Yes	2.59%	7.94%	Yes
4 NPS	1%	0%	Yes	1.11%	0%	Yes

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Company's offices are accessible for differently abled employees and visitors, in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. As the Company is committed to the well-being of people, it has incorporated various measures to ensure inclusive premises, including, ramps at entry/exit gates and parking areas, spacious lifts available to accommodate wheelchairs, and specially abled restrooms.

Company's manufacturing facilities are partially accessible for differently abled personnel, with accessibility to office & administration spaces within the factory premises.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The company have a 'Code of Ethics' applicable to all the employees of the Company. As a part of this code, Alkem fosters diversity and encourages equal opportunities among its employees as per the Rights of Persons with Disabilities Act, 2016. This policy is available on the intranet of the Company.

The policy is also accessible at Company's website, at https://www.alkemlabs.com/pdf/Alkem_Labs_Code_of_Ethics.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	82%	82%	100%	100%
Total	99%	99%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Alkem is committed to provide safe and healthy work environment to its employees and workers and has implemented a 3-tier approach to receive and redress grievances of employees including contractual workers. We also have:
Other than Permanent Workers	Yes	<ul style="list-style-type: none"> Open Door Policy: The Company believes in open communication between the employees and their line manager/ respective HR manager.
Permanent Employees	Yes	<ul style="list-style-type: none"> Internal Complaints Committee (ICC): ICC is focused on redressing complaints related to sexual harassment. An ICC member has been designated at each location of the company to record and address site-level grievances. The ICC details are provided on company's internal portal accessible to all employees. These details are communicated to new joiners during HR induction sessions and included in online refresher trainings for the existing employees.
Other than Permanent Employees	Yes	<ul style="list-style-type: none"> Digital Complaints: The Company have a whistle-blower policy which encourages its employees to voluntarily report any actions or suspected actions taken within the Company that are illegal, fraudulent, or in violation of any adopted policy by sending an email to whistleblower@alkem.co.in.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

No

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	15,396	15,396	100%	12,870	83%	14,698	14,698	100%	9,890	67%
Female	447	447	100%	375	84%	376	376	100%	280	74%
Total	15,843	15,843	100%	13,155	83%	15,074	15,074	100%	10,170	67%
Workers										
Male	5,067	5,067	100%	5,067	100%	1,769	1,769	100%	1,743	99%
Female	147	147	100%	147	100%	28	28	100%	28	100%
Total	5,214	5,214	100%	5,214	100%	1,797	1,797	100%	1,771	99%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	% (D/C)
Employees						
Male	15,396	15,396	100%	14,698	14,698	100%
Female	447	447	100%	376	376	100%
Total	15,843	15,843	100%	15,074	15,074	100%
Workers						
Male	5,067	5,067	100%	1,769	1,769	100%
Female	147	147	100%	28	28	100%
Total	5,214	5,214	100%	1,797	1,797	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, Alkem prioritises the safety of its employees and all other stakeholders. Safety is one of its core values, and the Company's Environmental, Health and Safety Policy articulates its philosophy and commitment towards the management of key health and safety aspects. Alkem proactively maintains high standards of health and safety across all its sites, including manufacturing, R&D and offices.
What is the coverage of such system?	75% of Alkem's manufacturing sites at Baddi, Daman, Sikkim, Ankleshwar, and Mandwa locations are ISO 45001 (Occupational health and safety management systems) certified. The company further plans to extend the coverage with a target of covering more than 75% of its sites certified with ISO 45001 by FY'26. Risk assessments are carried out using OH&S management systems which covers the control measures required to manage the risk. The existing OH&S management system implemented across sites covers the involvement, participation, and consultation of workers engaged on the site. The Company also conducts EHS cultural events and technical programs, including trainings, in which workers actively participate.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	With the ideology of 'Every incident is avoidable', Alkem has adopted proactive practices to identify work-related hazards and control associated risks. Under the purview of its all-encompassing risk control program, the conduct systematic risk assessments, inspections and audits coupled with proactive hazard controlling and risk mitigation measures. Alkem's EHS objectives are also linked with targets and measured with key performance indicators across sites and functions. We also have in place a system of ensuring EHS-related statutory compliances and tracking upcoming compliance requirements.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Across all sites, SOPs are in place that cover risk controlling measures and norms. Workers are trained on SOPs, and a system for conducting training and retraining on various EHS topics is in place through which workers are educated about the norms to be followed, dos and don'ts, as well as how to remove themselves from such risks. A safety committee is in place where workers and employees are also its members, enabling them to participate in decision-making processes and risk assessments. The Company provides training to all its employees and workers on occupational health and safety modules, which are relevant to their respective line of work. During the safety and emergency evacuation drills, employees are trained to deal with emergency equipment such as fire hydrant, firefighting system, leak and spill control procedures, safety alarms, etc. In addition, the proficiency of employees in dealing with the emergency situations is periodically tested. The practical trainings and online safety modules equip the employees with procedures of reporting any work-related hazards and the steps to remove and/or protect themselves from such situations.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the Company provides non-occupational medical and healthcare services to its employees and workers. Across all manufacturing sites, Occupational Health and Safety centres have been established, and a medical practitioner is available to guide employees and workers on various health-related issues. Apart from this, a medical insurance scheme is in place to cover the financial expenses (as applicable under policy) of medical treatment. As part of Alkem's Environment, Health, Safety and Security drive, the Company educates employees on various health-related topics and conducts programs to make them aware of good health and hygiene practices to be observed in the normal course of life. The Company also conducts awareness programs indirectly linked to the well-being of employees.

<Core Indicator>

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.06
	Workers	0.10	0
Total recordable work-related injuries	Employees	0	1
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, the company has taken measures like, conducting safety trainings for the employees and workers to enhance EHS performance, proactively communicating with employees and encouraging them to participate in identifying safety issues and upholding safety in the workplace.

Additionally, to control exposure to chemicals, the Company has adopted proactive steps such as engineering controls, close operations, and administrative controls, along with providing necessary protective equipment. The Company also conducts regular emergency mock drills for workers and employees to address risks which can arise from handling chemicals and other hazardous & day-to-day operations.

The Company have a safety program which ensures the risk mitigation through proactive approaches such as expert engineering design and good manufacturing practices. Implementing and updating safety systems for controlling process hazards is a continuing program at Alkem. It ensures safety in various processes that involve the use of hazardous materials. Furthermore, the Company carries out periodic audits to assess the conformity of operations with its EHS management system and address any health and safety gaps.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2023-24 (Current FY)			FY 2022-2023 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

Topic	Percentage of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No major non-conformances were observed during the inspections. Appropriate mitigation strategies have been adopted at individual site-level to overcome the minor concerns identified.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. Employees (Yes/No): Yes

b. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The company ensures that statutory dues, as applicable to the transactions with its diversified value chain partners are deducted and deposited in accordance with mutually agreed terms. This activity is also reviewed on a regular basis as part of the internal and statutory audits. The company encourages its value chain partners to act with integrity and ethically in all its business transactions and abide by required compliances.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current FY)	FY 2022-2023 (Previous FY)	FY 2023-24 (Current FY)	FY 2022-2023 (Previous FY)
Employees	0	0	Not applicable	Not applicable
Workers	0	0	Not applicable	Not applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes. The Company provides assistance for continued employability resulting from termination of employment.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	20%
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders



We respect our stakeholders for their inputs and integrate them within our functions. Effective engagement with our internal and external stakeholders enable us to build relationship with them and providing them a transparent view of the Organisation's activities and approach to business.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

Stakeholder interaction and influence directly impacts any business and Alkem believes that having a synergic relationship with all stakeholders is important. Alkem follows a dynamic and holistic procedure to identify stakeholder group that either have a significant impact on the business or are significantly impacted by Company's business and categorize them as 'key stakeholders'. The Company regularly interacts with these stakeholders to identify material topics and develop strategies to prioritise their expectations and generate equitable value for all.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> Annual General Meeting (AGM) Annual reports Investor Meets Email Quarterly Results Company Website Reports to Stock Exchange Press Release Public Notice in newspapers 	Need Based & Quarterly	Alkem is committed to financial transparency with our shareholders. We share our business operations and performance along with the economic value generated & distributed through our quarterly financial results, published on our website. Furthermore, we connect with our shareholders periodically to understand their expectations & grievances and perform consultations on ESG topics amongst other topics.
Regulatory Bodies & Government Agencies	No	<ul style="list-style-type: none"> Media releases Emails In-person meetings Conferences Membership and Associations 	Need Based	Alkem is fully committed to complying with all applicable regulations. We actively engage with government bodies and regulators, to understand the specific requirements affecting the company and pharmaceutical sector at large.
Financial Institutions, Bankers & Lenders	No	<ul style="list-style-type: none"> Annual reports Investor Meets Need basis during financial discussion meeting Emails 	Need Based	Alkem is committed to financial transparency with the financial institutions, Bankers, and Lenders. We interact with our bankers and lenders to deep dive into company's good return on investment.
Employees	No	<ul style="list-style-type: none"> Direct communication in form of emails, newsletters, one-to-one discussion, and intranet 	Continuous	We engage with our Employees on regular basis to discuss on diversity & inclusion, work life balance, fair wages & remuneration benefits, training & development, career growth and health & safety
Customers	No	<ul style="list-style-type: none"> Video Conferencing Emails Customer Meets Website and Brochures 	Continuous	We engage with our customers on regular basis to discuss on issues related to product quality, timely delivery, updating company's latest product portfolio, competitive pricing, availability etc. This helps us in building relationship with our customers and maintain transparency in disclosure.
Suppliers & Contractors	No	<ul style="list-style-type: none"> Supplier meets Supplier assessment Contract discussion meetings Performance review Emails 	Need Basis	We regularly contact our suppliers to ensure the quality, safety, and timely delivery of materials, among other essential services, to maintain business continuity. Additionally, we engage with our suppliers for training purposes and conduct supplier assessments
Local Communities	Yes	<ul style="list-style-type: none"> Regular engagement in person to understand concerns & requirement Community engagement during CSR initiatives Site visit Project specific meetings 	Carried out continually throughout the year	We contribute to the community through our CSR programs which focuses on health, education, sanitation, and infrastructure development.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with stakeholders on various economic, environmental, and social aspects have been delegated to respective business / function heads, who gathers feedback and addresses concerns. The Company strives to continue engagement with key stakeholders which helps to set expectations, thereby establishing trust and fostering open communication.

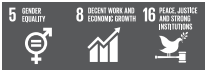
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company considers comprehensive stakeholder consultation, as a part of its materiality assessment to identify key material environmental, social and governance topics and develop effective strategies for effective management of identified material topics. Furthermore, the critical material topics identified and prioritized based on the materiality assessment, the Company has developed its ESG Policy which clearly highlights the policy commitments with regards to the management of identified material topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company's CSR program aims to address the immediate and long-term needs of the community and focus on where the Company can make the major impact on vulnerable/marginalized sections of the society. During the financial year, the Company has engaged and addressed the requirements of local communities in the vicinity of its manufacturing facilities and R&D centres through focused projects in the areas of education, health and hygiene, environment, and community development. For further details, refer the Company's Annual CSR report, which is forming a part of the Annual Report.

PRINCIPLE 5: Businesses should respect and promote human rights



Alkem has well-structured Human Rights policy which is applicable for all employees across all grades and locations and stakeholders. We also have a specific code of ethics for all suppliers, vendors, and contractors to guide ethical practices. We provide fair opportunity to all our employees and workers without fear of prejudice, retaliation, or harassment, regardless of caste, creed, religion, or gender. Alkem has policies in place which includes whistle blower policy and proper protection for women's safety at work from sexual harassment to ensure proper conduct of business.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current FY			FY 2022-23 Previous FY		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	15,396	15,396	100%	15,074	15,074	100%
Other than permanent	447	447	100%	306	306	100%
Total Employees	15,843	15,843	100%	15,380	15,380	100%
Workers						
Permanent	5,067	5,067	100%	1,797	1,797	100%
Other than permanent	147	147	100%	3,229	3,229	100%
Total Workers	5,214	5,214	100%	5,026	5,026	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current FY					FY 2022-23 Previous FY				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	15,190	832	5%	14,385	95%	14,698	783	5.3%	13,915	94.7%
Female	421	30	7%	391	93%	376	31	8.2%	345	91.8%
Other than Permanent										
Male	206	206	100%	0	0%	277	277	100%	0	0%
Female	26	26	100%	0	0%	29	29	100%	0	0%
Workers										
Permanent										
Male	1,796	0	0%	1796	100%	1,769	0	0%	1,769	100%
Female	25	0	0%	25	100%	28	0	0%	28	100%
Other than Permanent										
Male	3,271	3,271	100%	0	0%	3,085	3,085	100%	0	0%
Female	122	122	100%	0	0%	144	144	100%	0	0%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration	Number	Median remuneration
Board of Directors (BoD)	9	35,443,644	3	3,060,000
Key Managerial Personnel	3	20,625,000	0	0
Employees other than BoD and KMP	15,180	2,58,018	420	3,96,348
Workers	1,796	1,89,546	25	1,29,540

<Core Indicator>

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	4%	4%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Alkem is committed to protect and promote Human Rights and ensures adherence with Universal Declaration on Human Rights, UN Guiding Principles of Human Rights and Businesses, Constitution of India, and other applicable local and global norms, regulations, and statutes. The Ethics Committee appointed by the company holds responsibility for addressing any human rights related issues in the company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company ensures and practice ethical business conduct throughout their operations and entire value chain. The robust human rights policy depicts the mechanism of identifying, managing, and assessing the risks associated with human rights impacts.

The Company undertakes regular evaluation of the human rights related risks through feedback and grievances received. The complainant gets notified about actions that would be taken, to the extent reasonably possible and consistent with any privacy or confidentiality limitations. If no further investigation is proceeded, an explanation for the decision will be given to the complainant.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labor	NIL	NIL	-	NIL	NIL	-
Forced Labor/ Involuntary Labor	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

<Core Indicator>

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	0.2%	0%
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company adheres to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy ensures the protection of the concerned individual/s and safeguard them at work against any retaliation or reprisal. Furthermore, the Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. With regards to this, Alkem has adopted Policy on Prevention of Sexual Harassment of Employees in accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. An Internal Complaints Committee (ICC) has been set up at the head office of the Company, i.e., Central Committee (HO) has been constituted by the Management to consider and redress complaints of sexual harassment. Additionally, the Company has established committees at every location of its business operations.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the human rights requirements form a part of business agreements. The Company has a 'Code of Ethics for Suppliers, Vendors and Other Stakeholders' outlining the Company's commitment towards Human Rights and is applicable to all suppliers, contractors, vendors, business partners and other stakeholders.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	100% (The Company's plants are inspected by the regulatory bodies on a periodic basis)
Forced/Involuntary Labor	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant concerns have been observed during the assessments.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company has received single complaint related to Sexual Harassment during the reporting year, which has been appropriately addressed and resolved as per company's policies and procedures related to POSH. No other business processes were updated during the reporting period.

2. Details of the scope and coverage of any Human Rights Due Diligence conducted.

The Company has not conducted any Human Rights due diligence during the reporting period. As a part of the policy statement, the Company outlines that it will undertake human rights due diligence to identify adverse human rights impact of the business on all relevant stakeholders and correspondingly address, prevent, and mitigate through corrective actions.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Company's offices are accessible to differently abled employees and visitors, in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. As the Company is committed to ensuring the well-being of people, it has incorporated various measures to ensure inclusive premises, including, ramps at entry/exit gates and parking areas, spacious lifts available to accommodate wheelchairs, and specially abled restrooms.

Company's manufacturing facilities are partially accessible, with the accessibility limited only to certain spaces within the premises.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labor	150 suppliers were assessed
Forced/involuntary Labor	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment



At Alkem, environment protection has always been a top priority. We have incorporated best practices related to waste management, energy efficiency, water management solutions in our day-to-day operations. Some of the sites are also certified with ISO 9001, ISO 14001, ISO 45001 and ISO 50001 in addition to rigorous compliance applicable as per regional regulations, cGMP etc.

ESSENTIAL INDICATORS

<Core Indicator>

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23** (Previous Financial Year)
From renewable sources		
Total Electricity Consumption (A) (GJ) - (Solar rooftop)	4,791	4,034
Total Fuel Consumption (B) (GJ) - (Bio-briquettes)	1,11,860	1,26,923
Energy Consumption through other sources (C) (GJ)	-	-
Total Energy Consumption from renewable sources (A+B+C) (GJ)	1,16,651	1,30,957
From non-renewable sources		
Total Electricity Consumption (D) (GJ) - (Grid)	3,45,509	3,90,238
Total Fuel Consumption (E) (GJ) - (HSD, LDO, FO, Coal, Petrol, CNG, Refrigerants)	2,06,328	1,80,294

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23** (Previous Financial Year)
Energy Consumption through other sources – Steam, Liquid Nitrogen (F) (GJ) – (Steam, Liquid Nitrogen)	1,41,657	93,815
Total Energy Consumption from non-renewable sources (D+E+F) (GJ)	6,93,494	6,64,347
Total Energy Consumption (A+B+C+D+E+F) (GJ)	8,10,145	7,95,304
Energy Intensity per million INR of turnover (Total energy consumption / Revenue from operations in rupees) (GJ per million INR)	8.31	8.78
Energy Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption / Revenue from operations adjusted for PPP) (GJ per million INR)	186.18*	196.76*
Energy Intensity in terms of physical output	17.08	17.07

*Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Energy Consumption/ Revenue) x 22.401. The conversion factor (22.401) is sourced from International Monetary Fund (IMF).

**FY'23 emission figures do not include some of the energy sources (Liquid Nitrogen, Vehicle fuel, and Ozone Depleting Substances) due to limited availability of data.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

<Core Indicator>

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,70,032	2,00,194
(ii) Groundwater	3,96,672	5,16,460
(iii) Third party water	1,16,664	52,102
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater harvesting)	317	0
Total volume of Water Withdrawal (in kilolitres) (i + ii + iii + iv + v)	6,83,686	7,68,756
Total volume of Water Consumption (in kilolitres)	6,36,784	7,08,953*
Water Intensity per rupee of turnover (Water consumed/ Revenue from operations) (kl per million INR)	6.53	7.83
Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (GJ per million INR)	146.34**	175.40**
Water Intensity in terms of physical output	13.42	15.21

*Number revised as per this formula: Total water consumption = Total water withdrawal – Total water discharge

**Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Water Consumption/ Revenue) x 22.401. The conversion factor (22.401) is sourced from International Monetary Fund (IMF).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Advisory Services.

<Core Indicator>

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
i. To Surface water		
- No treatment	-	
- With treatment – please specify level of treatment	-	
ii. To Groundwater		
- No treatment	-	
- With treatment – please specify level of treatment	-	
iii. To Seawater		
- No treatment	-	
- With treatment – please specify level of treatment	-	
iv. Sent to third-parties		
- No treatment	21,860	Not Accounted
- With treatment (Primary – Transfer to CETPs after primary treatment)	25,042	59,803
v. Others- Please specify: Land		
- No treatment	-	
- With treatment – (Primary, Secondary, and Tertiary treatment at all ZLD sites; Treated effluent sent to CETP at remaining locations)	-	
Total water discharged (in kilolitres)	46,902	59,803

*Includes discharge from offices and depots only, which is directly sent to municipal sewer system.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has implemented a Zero Liquid Discharge (ZLD) System at some of its key manufacturing locations. Currently, 42% of Alkem's manufacturing units including sites at Daman (Unit 1), Ankleshwar, Mandva, and Sikkim (Units 1 and 2) have implemented ZLD. In addition to this, all the manufacturing sites have Effluent Treatment Plant (ETP) for primary treatment of wastewater generated. During the reporting period, approximately 31% of the total treated wastewater at Alkem's manufacturing facilities was recycled and used for utilities and landscaping. The Company follows standard protocols for water recycling and strives to reduce its freshwater intake. As a testament to this, the company has been able to reduce about 11% of its total freshwater withdrawal in FY'24 compared to last year.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current FY) (MT)	FY 2022-23* (Previous FY) (T/YR)
NOx	MT	40	86
SOx	MT	57	85
Particulate matter (PM)	MT	82	117
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others	-	-	-

* FY'23 values are updated

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

<Core Indicator>

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current FY)	FY 2022-23** (Previous FY)
Total Scope 1 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) - (HSD, LDO, FO, Coal, Petrol, CNG, Refrigerants)	tCO ₂ e	19,249	15,773
Total Scope 2 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) – (Grid electricity, Purchased Liquid Nitrogen, Purchased steam)	tCO ₂ e	82,319	78,502
Total Scope 1 and Scope 2 Emissions	tCO ₂ e	1,01,568	94,274
Total Scope 1 and Scope 2 Emissions Intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG Emissions / Revenue from operations)	tCO ₂ e / million INR	1.04	1.04
Total Scope 1 and Scope 2 Emissions Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG Emissions / Revenue from operations adjusted for PPP)	tCO ₂ e / million INR	23.34*	23.32*
Total Scope 1 and Scope 2 Emissions Intensity in terms of physical output	tCO ₂ e/MT	2.14	2.02
Total Scope 1 and Scope 2 Emissions Intensity (optional) – the relevant metric may be selected by the entity	-	-	-

**Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Emissions/ Revenue) x 22.401. The conversion factor (22.401) is sourced from International Monetary Fund (IMF).

**FY'23 emission figures do not include some of the energy sources (Liquid Nitrogen, Vehicle fuel, and Ozone Depleting Substances) due to limited availability of data.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Alkem has adopted Energy Conservation measures at its Sikkim, Taloja, Mandva and Ankleshwar sites along with installation of Renewable Energy at Taloja and Sikkim sites.

Location	Energy saving measures
Mandva Plant	<ul style="list-style-type: none"> Cooling tower fan automation and VFD installation in cooling tower of central utility.
Ankleshwar Plant	<ul style="list-style-type: none"> Traditional lights are replaced with LED lights High efficiency and minimum purge loss air dryer.
Sikkim Plant	<ul style="list-style-type: none"> Installed variable frequency drive (VFD) for power saving. Installed LED Lights for power saving. Automated timer-based Streetlights & Air Curtains. Optimized usage of Chillers & Boiler Steam by stopping them 30 Minutes prior to end of production shift, resulting in 30 Minutes of Energy Savings, while ensuring no impacts on GMP compliance. New energy efficient Screw Air Compressor installed to replace inefficient reciprocation air compressor. 2 Nos. multi-chiller of 20 TR each purchased and installed to save energy by avoiding the running of 250 TR Chiller during low load requirements. Condensate Recovery System Installed in Unit-5 for increasing the efficiency of boiler and thus, saving of fuel. Solar Water Heater is used in the company guest house to minimize the use of power for water heating. Biomass fuel is used for steam generation, thus, avoiding use of non-renewable fuels.
Taloja R&D Centre	<ul style="list-style-type: none"> Installation of Rooftop solar power generation. Installation of motion sensors for lighting control in washrooms. Setting optimum frequency of AHU's and installing timer for AHU in canteen. Optimization and monitoring of Chiller set point on daily basis to reduce the energy consumption.

<Core Indicator>

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)*	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1,335	1,669
E-waste (B)	3	1
Bio-medical waste (C)	15	17
Construction and demolition waste (D)	0	0
Battery waste (E)	5	0
Radioactive waste (F)	0	0
Total other Hazardous waste (G)	7,33 ¹	648
Total other Non-hazardous waste generated (H)	28,92 ²	2,271
Total (A+B + C + D + E + F + G+ H)	4,983	4,607
Waste Intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT per million INR)	0.05	0.05
Waste Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT per million INR)	1.15**	1.14**
Waste Intensity in terms of physical output	0.11	0.10
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	41,89 ³	3,881
(ii) Re-used	-	0
(iii) Other recovery operations	5,23 ⁴	0
Total	4,712	3,881
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	3,66 ⁵	232
(ii) Landfilling	77 ⁶	201
(iii) Other disposal operations	8 ⁷	249
Total	451	682

* FY'24 waste quantities provided include Alkem's offices and depots (which were not accounted in FY'23) in addition to its manufacturing and R&D sites.

**Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Emissions/ Revenue) x 22.401. The conversion factor (22.401) is sourced from International Monetary Fund (IMF).

¹Includes Hazardous waste (solid and Liquid), other than e-waste, battery waste, and bio-medical waste

²Includes Paper, Glass, Metal, and Food Wastes

³Includes Plastic, Paper, Glass, and Metal Wastes.

⁴Includes Hazardous waste sent for co-processing and Food waste sent to hatcheries

⁵Includes Hazardous waste (solid & liquid) and Bio-medical waste

⁶Includes Hazardous waste (solid) sent to landfill

⁷Includes Battery Waste and E-waste disposed through authorized channels

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has adopted waste management practices to reduce the amount of waste generated and recycle the remaining waste. As a part of its sustainability commitments, the company aims to achieve zero waste to landfill at its operating sites by FY'26 and ensure more than 90% of reuse/recycling of non-hazardous waste by FY'25. As of FY'24, 100% of waste has been diverted from landfill across 75% of its manufacturing sites. The company is in process to obtain required approvals and formalize systems at its remaining facilities to achieve the target fully. 100% of the non-hazardous waste generated by the company including glass, paper, metal, and food waste, is either getting recycled or recovered. Furthermore, Alkem has partnered with a government authorized agency responsible for collecting and recycling/co-processing plastic waste. This partnership helps the Company prevent its

waste from ending up in landfills. The company is also actively managing and recycling its post-consumer packaging waste in the domestic market through collaboration with external agencies. As a Brand Owner under the Plastic Waste Management Rules 2016, Alkem adheres to the EPR liabilities set forth by the Indian government for Brand Owners or Producers. The other waste, categorized as hazardous waste, biomedical waste, electronic waste, etc., is disposed of, recycled, or co-processed in an environmentally responsible manner that complies with all relevant regulations. The Company also emphasizes the 3R principle: Reduce, Reuse, Recycle across its business operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

None of the company's operations/ offices are situated in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

There were no environmental impact assessments conducted for projects in the financial year 2023-24.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
No non-compliances have been observed in the reporting year.			

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: Daman, Ahmedabad, Dera Bassi, Jaipur, Patna
- Nature of operations: Manufacturing Plant (Daman); Depots (Ahmedabad, Dera Bassi, Jaipur, Patna)
- Water withdrawal, consumption and discharge in the following format:

Water Withdrawal by source (in Kilolitres)	FY 2023-24 (Q3) (Current Financial Year)	FY 2022-23** (Previous Financial Year)
Source (i) Surface water	-	-
Source (ii) Groundwater	2,14,646	1,74,208
Source (iii) Third party water	34,392	15,216
Source (iv) Seawater / desalinated water	-	-
Source (v) Others- Please specify	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,49,038	1,89,424
Total volume of water consumption (in kilolitres)	2,43,722	Not Available
Water intensity per rupee of turnover (Water consumed / turnover)	2.5	Not Available
Water intensity (optional)	-	-
Water discharge by destination and level of treatment (in kilolitres)		
i. To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
ii. To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
iii. To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
iv. Sent to third-parties	-	-
- No treatment	5,173	-
- With treatment – (Primary – Transfer to CETPs after primary treatment)	142	Not Available

Water Withdrawal by source (in Kilolitres)	FY 2023-24 (Q3) (Current Financial Year)	FY 2022-23** (Previous Financial Year)
v. Others- Please specify:	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	5,316	-

* As per CGWA Report on 'Dynamic Ground Water Resources of India, 2023'

** FY'23 water quantities provided for Daman plant only.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Advisory Services.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO ₂ e	Scope-3 accounting is in process. Scope-3 emissions data shall be disclosed in Alkem's Annual Sustainability Report FY'24	-
Total Scope 3 Emissions per rupee of turnover (Total Scope 3 GHG Emissions / Revenue from operations)	tCO ₂ e / million INR		-
Total Scope 3 Emissions Intensity (optional) – the relevant metric may be selected by the entity			-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Initiatives for water management at plants and R&D centre	<ul style="list-style-type: none"> • Ankleshwar site: <ul style="list-style-type: none"> o Magnetic flow meter to measure & record the inlet effluent flow o pH meter for monitoring of effluent pH o DO meter for measuring the oxygen level of ETP aeration tank o Jet aspirators for better mixing and improving Oxygen concentration in aeration tank • Daman site: <ul style="list-style-type: none"> o 2 nos. of Cyclone Aerators to improve Oxygen and mixing of effluent streams • Talaja site: <ul style="list-style-type: none"> o Filter Press for filtration o Flow Meter for monitoring 	<ul style="list-style-type: none"> • Advanced monitoring and treatment technologies, such as flow meters, pH meters, DO meters, and various aeration systems, help in better control over effluent quality, reduce its ecological footprint, and optimize water usage and recycling processes. • Additionally, the capacity enhancements and installations of new filtration and reverse osmosis systems contribute towards more effective waste minimization and water purification efforts. • Overall, these measures are contributing towards company's goal of Water Neutrality by FY'30.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		<ul style="list-style-type: none"> • Sikkim: <ul style="list-style-type: none"> o Installation of Screw Press Filter for Sludge dewatering Unit o Capacity Enhancement of RO system at Alkem Health Science Unit-1&2 o Installation of RO Plant at Unit -3 	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has implemented an entity-level Business Continuity Plan (BCP) that is designed to minimize the impact of both planned and unplanned interruptions. Broadly, the BCP addresses the operational risks due to extreme weather events, leadership vacuum, supply chain disruptions, and systems failures. Business continuity strategies have also been identified to timely recover from any disruptions caused due to these risks while minimizing any significant financial losses to the company. The BCP has been included in the terms of reference (TOR) of the risk committee.

To manage disaster resilience, Alkem has ensured that all their manufacturing facilities have a disaster management plan in place and are adequately equipped to handle disasters, helping the Company to be well-prepared for a quick recovery from any potential disasters.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact.

150 Suppliers were assessed on ESG parameters including Environmental Impact.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Alkem actively participates and engage with various Industry Chambers and associations to help to facilitate the Government in developing regulations that are aligned with the needs of the industry.

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations:

The Company is an active member of five (5) trade and industry chambers/associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1	Indian Drugs Manufacturer's Association (IDMA)	National
2	Indian Pharmaceutical Alliance (IPA)	National
3	Bombay Chamber of Commerce & Industry	National
4	Pharmaceutical Export Promotion Council of India	National
5	Federation of Pharma Entrepreneurs (FOPE)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

During the Financial Year 2023-24, the Company has not received any cases related to anti-competitive practices.

LEADERSHIP INDICATORS

1. Details of Public Policy positions advocated by the entity

S. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain?	Frequency of review by the board	Web link, if available
	None	-	-	-	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.



We contribute to the well-being of society by supporting local communities, promoting diversity and inclusion, and investing in social programs that benefit the public. We focus on thrust areas of education, health and hygiene, environment, and community development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

During the financial year 2023-24, no social impact assessment was performed for the projects undertaken by the Company.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

At each plant location, the Site Admin takes charge of addressing community grievances directly. Alternatively, communication channels are established with Local Panchayats or Government Bodies for community engagement. In both scenarios, the company prioritizes resolving any concerns regarding its operations within the surrounding communities, ensuring transparency and responsiveness.

Stakeholder	Frequency	Mode of Dialogues	
		Formal	Informal
Local Communities	Monthly/Day to Day	Organize monthly meeting (Vaarta) with communities	On a day-to-day basis during the visit of the Company's personnel to stakeholder's place or when the stakeholder visits the Company's office

<Core Indicator>

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2023-24 Current FY	FY 2022-2023 Previous FY
Directly sourced from MSMEs/ Small producers	13.3%	22.1%
Directly from within India	90.54%	90.82%

<Core Indicator>

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 Current FY*	FY 2022-2023 Previous FY*
Rural	4%	2%
Semi-urban	11%	15%
Urban	33%	33%
Metropolitan	52%	50%

*Methodology Followed for classification of Location: RBI classification of all locations within reporting boundary based on size of population (Rural: <10K, Semi-urban: 10K to 1 lakh, Urban: 1 lakh to 10 lakhs, and Metropolitan: >10 lakhs). Population data for Corporate Office, Depots, R&D sites, and Plants is sourced from the Census 2011.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.	State	Aspirational District	Amount Spent in INR
1.	Bihar	Muzaffarpur	a) Construction of Advance Radiotherapy Center in Muzaffarpur – 57.30 Crore (Fund utilized from current year commitment as well fund carry forward from implementing agency and unspent amount) b) Home based Palliative Care – 48.53 Lacs
2.	Sikkim	Soreng	₹ 10.86 Lacs in Sanitation Project, focusing on campaign on sanitation and hygiene in the Government Schools.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects.

Sr.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Healthcare	32,22,252	100%
2	Education	90,198	100%
3	Rural Development	6,41,664	100%
4	Environment	27,039	100%
5	Sports	286	NA

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner



Alkem is committed in to providing good quality products to its customers. We have developed robust cyber security policy, controls, tools, and services to protect our data and the data of our customers against any attacks or breaches.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a robust mechanism in place to handle and redress customer grievances. Standard operating procedures have been developed which include detailed procedure to welcome customer concerns/ feedback and address them promptly. To work coherently with the consumers’ concerns, the company has updated their website to submit an incident of adverse event reporting elicited by the company’s product.

Weblink for consumer redressal for adverse event - <https://www.alkemlabs.com/adverse-event-reporting.php>

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

3. Number of consumer complaints

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Others (Product Specifications, Labelling, and Packaging)	489	12		486	0	

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	20	Out of a commitment to ensuring patient safety and as a proactive measure, the company has voluntarily initiated a recall of the products in question. Each recall incident is being thoroughly investigated, and appropriate corrective measures are being taken. This is done to guarantee that only products meeting the highest standards of quality are available in the market.
Forced recalls	0	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Alkem has developed a robust Corporate Information Technology Policy, controls, tools, and services to protect its data against any attacks or breaches. Alkem has implemented a security strategy that involves multiple layers of protection wherein each address a specific vulnerable area or weakness to enhance overall security. This strategy ensures that data remains secure even in the event of a failure or breach within the system. If one layer fails to prevent a threat, another layer will intervene to prevent or eliminate the threat. Moreover, Alkem adheres to the ISO 27001 Information Security standard to manage its information security.

The policy is available on Company’s Intranet and is accessible to all the employees.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

<Core Indicator>

7. **Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches**

Nil

- b. **Percentage of data breaches involving personally identifiable information of customers**

Nil

- c. **Impact, if any, of the data breaches**

Nil

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information on products and services of the Company is available on Company's website and the same can be assessed at the following web-link www.alkemlabs.com.

The same information is also included in Company's Annual Reports which are available for public access. The link to Annual Reports and Sustainability Reports can be accessed at <https://www.alkemlabs.com/investors/annual-reports> and <https://www.alkemlabs.com/sustainability/esg> respectively.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company strongly holds the view that it is their obligation to guarantee the safety and welfare of their consumers by offering products that promote a healthy lifestyle. The Company adheres to relevant regulatory requirements by disclosing detailed information to its consumers on safe storage, usage, adverse impacts, mitigation measures and disposal. Such information is made available through appropriate channels such as website, product information leaflets, product labels, etc. Alkem is committed to consistently providing high-quality products at affordable rates to all their consumers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

As a responsible organization, the Company is committed towards ensuring transparency in its communications by keeping its consumers and stakeholders informed of any disruptions/discontinuation of its products. In case of discontinuation of Scheduled Formulations, a public notice is released in the newspaper and due approval is obtained from the concerned government authorities to discontinue any product. The public notice is addressed to all customers and consumers of the company and information such as (i) Details of the product to be discontinued, (ii) time period post which product may not be available in the market, and (iii) the consequences of the discontinuation are clearly stated.

4. a) **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief.**

No. The Company publishes all information on the products, as required under the law.

- b) **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No



Independent Assurance Statement

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by ALKEM LABORATORIES LIMITED, Corporate Identity Number L00305MH1973PLC174201, hereafter referred to as 'ALKEM' or 'the Company') to undertake an independent assurance of the Company's 9 core attribute (as per Annexure I of SEBI circular dated 12 July 2023) disclosures in its Business Responsibility and Sustainability Report (hereafter referred as 'BRSR').

Reporting standard/framework

The disclosures have been prepared by ALKEM in reference to:

- BRSR Core – Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- ISO 14064-1:2018 - Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustain™ Protocol v6.0 has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain protocol, DNV team has also followed ISO 14046 - Environmental management - Water footprint - Principles, requirements, and guidelines to evaluate indicators wrt Greenhouse gases and water disclosures respectively.

Intended User

The intended user of this assurance statement is the Management of ALKEM ('the Management').

Level of Assurance

- Reasonable Level of assurance for BRSR 9 Core Indicators (Ref: Annexure I of SEBI circular)

Responsibilities of the Management of ALKEM Laboratories Limited and of the Assurance Provider

The Management of ALKEM has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in this BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. ALKEM is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

Scope

The scope of our engagement includes a reasonable level of assurance of the 'BRSR 9 Core indicators' (Ref: Annexure I of SEBI Circular) –for the Financial Year (FY) 2023-24.

Boundary of our assurance work:

- Boundary covers the performance of ALKEM operations that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary for BRSR Core indicators covers the operations of ALKEM across all locations in India Alkem Laboratories Limited, i.e. data covers 13 Sites (including manufacturing plants and R&D spread across seven locations, namely, Ankleshwar, Baddi, Daman, Indore, Mandva, Sikkim and Taloja and Mandva), 3 Offices and 7 fully owned Depots.



Limitation(s):

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (ref- all sections of core indicators where currency; INR has been applied) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of ALKEM. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

1. Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core used as basis of reasonable level of assurance.
2. Evaluation of the design and implementation of key systems, processes, and controls for collecting, managing and reporting the BRSR Core indicators
3. Assessment of operational control and reporting boundaries
4. Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
5. Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
6. DNV audit team conducted on-site and remote audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annex- II.
7. Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.



8. DNV teams conducted the:

- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain for reasonable level verification for the disclosures.

Conclusion

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the BRSR Core indicators (as listed in Annex I of this statement) for FY 2023-24 are reported in accordance with requirements.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – Conformity assessment – General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of ALKEM. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to ALKEM in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the ALKEM and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Digitally signed by Panda, Tapan Kumar Date: 2024.07.02 15:15:09 +05'30'	Digitally signed by Kakaraparathi, Venkata Raman Raman Date: 2024.07.02 15:25:16 +05'30'
Tapan Kumar Panda Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Kakaraparathi Venkata Raman A ssurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Karthik Ramaswamy (Verifier)	

2nd July 2024, Bengaluru, India.

¹DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>



Annex I

Verified Data

Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions	MT of CO ₂ e	19,249
		Total Scope 2 emissions	MT of CO ₂ e	82,319
		Total Scope 1 and Scope 2 emission intensity per Million rupee of turnover	MT CO ₂ e per Million INR turnover	1.04
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT CO ₂ e per Million INR turnover adjusted for PPP	23.34
		Total Scope 1 and Scope 2 emission intensity in terms of physical output		2.14
		Total Scope 1 and Scope 2 emission intensity (optional)		
2	Water footprint	Total water consumption	KL	6,36,784
		Water consumption intensity	Water intensity per Million rupee of turnover. (KL/INR Millions)	6.53
			Water intensity per Million INR of turnover adjusted for PPP. (Total water consumption/ Revenue from operation adjusted for PPP)	146.34
		Water intensity in terms of physical output	Water intensity in terms of physical output.	13.42
		Water Discharge by destination and levels of Treatment (with primary, secondary and tertiary treatment) -sent to CETP	KL	25042
		Water Discharge by destination with no treatment (Domestic discharges from Offices and depots to local Authority- Municipality).	KL	21860
3	Energy footprint	Total energy consumed	Gigajoules (GJ)	8,10,145
		% of energy consumed from renewable sources	In % terms	14.39
		Energy intensity	Energy intensity per Million rupee of turnover. (Total Energy consumed/ Revenue from operations)	8.31
			Energy intensity per Million INR of turnover adjusted for PPP. (GJ/ Revenue from operations in adjusted for PPP)	186.18
			Energy intensity in terms of physical output.	17.08
4		Total Hazardous waste generated	MT	2091

Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	1335
		E-waste (B)	MT	3
		Bio-medical waste (C)	MT	15
		Construction and demolition waste (D)	MT	0
		Battery waste (E)	MT	5
		Radioactive waste (F)	MT	NA
		Other Hazardous Waste (G) (Includes Hazardous waste (solid and Liquid), other than e-waste, battery waste, and bio-medical waste)	MT	733
		Total Non-Hazardous Waste (H)	MT	2892
		Total (A+B + C + D + E + F + G+ H)	MT	4983
		Waste intensity per Million Rupee of turnover from operations	Total waste generated /Million revenue from operations	0.05
		Waste intensity per Million INR of turnover adjusted for Purchasing Power Parity (PPP)	Total waste generated / Revenue from operations adjusted for PPP	1.15
		Waste intensity in terms of physical output		0.11
		Waste intensity(optional)		NA
		total waste recovered through recycling, re-using or other recovery operations**		
		(i) Recycled	MT	4189
		(ii) Re-used	MT	0
		(iii) Other recovery operations (Includes Hazardous waste sent for co-processing and Food waste sent to hatcheries)	MT	523
		Total	MT	4712
		Total waste disposed by nature of disposal method***		
		(i) Incineration	MT	366
(ii) Landfilling	MT	77		
(iii) Other disposal options				
· Includes Battery Waste and E- waste disposed through authorized channels	MT	8		
Total	MT	451		
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company (Excluding Workers)	In % terms	0.30%
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Total recordable work- related injuries	Employees: Nil Worker: 1
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees: Nil Worker: 0.10
			No. of fatalities	Employees: Nil Worker: Nil
			High consequence work-related injury or ill-health (excluding fatalities)	Employees: Nil Worker: Nil



Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	4%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	1
			Complaints on POSH as a % of female employees / workers	0.20%
			Complaints on POSH upheld	Nil
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –and from within India	Directly sourced from MSMEs/ small producers (In % terms – As % of total purchases by value)	13.30%
			Directly sourced from within India	90.54%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Location	
			Rural	4%
			Semi-urban	11%
			Urban	33%
Metropolitan	52%			
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured	151
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	7%
			Number of trading houses where purchases are made from	342
			Purchases from top 10 trading houses as % of total purchases from trading houses	47.10%
			Sales to dealers / distributors as % of total sales are made	99.98%
			Number of dealers / distributors to whom sales	8972
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	3.70%
			Share of RPTs (as respective %age) in	
			Purchases	7.07%
			Sales	18.91%
			Loans & advances	0
Investments	90.15%			

Standalone Financial Statements

Independent Auditor's Report

To the Members of
Alkem Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Alkem Laboratories Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information in which included the financial information from one Branch located in Nepal.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Revenue from operations

See Note 2.9 and 3.19 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized when the control of the products being sold has been transferred to the customer. There is a risk of revenue being overstated as management, to achieve its performance targets, may recognize revenue on sale of products though control may not have transferred to the customer. This was an area of focus for us.</p> <p>Refer Note 2.9 of the standalone financial statements for details on accounting policy on revenue recognition.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the systems, processes and controls implemented by the Company for recording revenue from sale of goods. • Evaluated Company's revenue recognition policies by assessing compliance with applicable accounting standards. • Assessed the IT environment in which the business system operates and tested automated controls involved in revenue recognition. • Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period. • On selected statistical samples of transactions, we tested the underlying documents, which include testing sale invoices, shipping documents and lead time/ proof of delivery to test evidence for transfer of control both during the period and at period end. • Performed procedures to identify and test exceptional transactions such as one off sales to customers to identify any unusual transactions. • Tested high risk manual journal entries posted to revenue to identify unusual transactions.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and 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 is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- 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.
- 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 3.26 (a) to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 3.41 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 3.41 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 3.33 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in

accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct data changes; and (ii) at the application level for changes made by privileged users for the period from 22 July 2023 to 11 January 2024. Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Place: Mumbai

Date: 29 May 2024

Membership No.: 111410

ICAI UDIN:24111410BKGQON3512

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Alkem Laboratories Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts on a test check basis has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment or provided any security to companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee to companies and has granted loans and advances in the nature of loans to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee to firms, limited liability partnership or any other parties. The Company has not granted loans or given any advances in nature of loans to companies, firms or limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee to other parties as below:

Particulars	Guarantees (₹ in Millions)	Loans (₹ in Millions)	Advances in nature of loans (₹ in Millions)
Aggregate amount during the year			
Subsidiaries*	166		
Others		54	37.8
Balance outstanding as at balance sheet date			
Subsidiaries*	166		
Others		40	2.8

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans and advances in nature of loan given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, Advances in nature of loan and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. The Company has not made investment or provided any securities during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund during the year.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Due date	Date of payment
Provident Fund Act	Provident Fund	0.4	March 2022 to July 2023	April 2022 to August 2023	Unpaid as of 31 March 2024

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	124.6	5.8	2006-2014	CESTAT
Central Excise Act, 1944	Excise Duty and Penalty	48.1	4.0	2015	Bombay High court

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Maharashtra VAT Act, 2002	Value Added Tax	127.8	8.8	2009-10 2014-15 2015-16 2016-17	Joint Dy. Commissioner Of Sales Tax(Appeals).
Maharashtra VAT Act, 2002	Value Added Tax	90.6	11.7	2006-07, 2010-11, 2011-12, 2012-13, 2013-14	Sales Tax Tribunal - Mazgaon
Bihar VAT Act, 2005	Value Added Tax	0.7	0.2	1999-2001	Sales Tax Special circle
Bihar VAT Act, 2005	Value Added Tax	13.4	3.2	2010-11, 2011-12	Joint commissioner of Commercial taxes Appeals
Bihar VAT Act, 2005	Value Added Tax	70.5	6.9	April 2017- June 2017	Asst. Commissioner of State Tax
Odisha VAT Act, 2004	Value Added Tax	1.0	0.0	2014-15/ 2015-16 (September 2015)	Joint Commissioner of Commercial Tax
Odisha VAT Act, 2004	Value Added Tax	0.5	0.0	2012-14	Order passed by Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK Appeal to be filed in tribunal
Gujarat VAT Act, 2003	Value Added Tax	0.1	-	2006-2007	Commissioner of Commercial Taxes Gujarat
Gujarat VAT Act, 2003	Value Added Tax	2.7	-	2010-11	Dy. Commissioner of Commercial Taxes Vadodara
Maharashtra - VAT	Value Added Tax	4.0	0.2	01/04/2017 to 30/06/2017	Joint. Commissioner Of State Tax(Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	15.0	0.7	2009-10, 2014-15, 2016-17	Joint Dy. Commissioner Of Sales Tax(Appeals).
Central Sales Tax Act, 1956	Central Sales Tax	0.1	-	01/04/2017 to 30/06/2017	Joint. Commissioner Of State Tax(Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	4.2	1.7	2002-2005	Sales Tax Special circle
Bihar VAT Act, 2005	Value Added Tax	164.0	13.5	2016-17	Asst. Commissioner of State Tax - Appeal filed with Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	6.8	0.7	April 2017- June 2017	Asst. Commissioner of State Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.2	0.0	1 st April 2014 till 30 th September, 2015 & 1 st April 2016 till 31 st March 2017	Joint commissioner of Commercial Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.2	0.2	2010-11, 2013-14	Sales Tax Tribunal - Mazgaon
Central Sales Tax Act, 1956	Central Sales Tax	57	6.5	2016-17	Asst. Commissioner of State Tax - Appeal filed with Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	0.7	0.1	2015-16(Oct'15 to Mar'16), 2016-17 & 2017-18 (Apr'16 to June'17)	Odisha Sales Tax Tribunal, Cuttack

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	0.1	0.0	2014-15	Joint Commissioner of Commercial Taxes Goa
Central Sales Tax Act, 1956	Central Sales Tax	0.4	0.0	2012-14	Order passed by Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK Appeal to be filed in tribunal
Odisha Entry Tax Act, 1999	Entry Tax	0.2	0.1	2012-2014	Order passed by Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK Appeal to be filed in tribunal
Finance Act, 1994	Service Tax	35.7	1.3	April 2014- June 2017	Commissioner, GST and Central Excise , Mumbai Central
Finance Act, 1994	Service Tax	0.2	0.0	2014-15 to 2017-2018	Yet to be filed
Finance Act, 1994	Service Tax	1.1	0.1	April-2015- 2016 & April 2016-2017	Commissioner (Appeals-II),CGST & CX, 3 rd Floor,GST Bhavan, BKC, Bandra
Customs Act 1962	Customs Duty	52.8	5.3	2013-15	The Customs, Excise & Service Tax Appellate Tribunal
GST Act, 2017	GST	36.8	1.3	2017-2018	Deputy Commissioner of State Tax - Appeal Div-6 - Vadodara
GST Act, 2017	GST	19.5	1.0	2017-2018	Oreder Passed by Dy commissioner of CGST - Jaipur Appeal yet to be filed
GST Act, 2017	GST	262.2	-	April to June 2017 - TRAN1 credit	Office of Commissioner of CGST & Cex- Appeals II.
GST Act, 2017	GST	5.3	1.8	2018-19 & Mar - 2024	Appeal yet to be filed
GST Act, 2017	GST	1.8	0.1	2017-18	Office of Principal commissioner CUSTOMS and GST,Appeal II commissionerate Hyderabad
GST Act, 2017	GST	20.5	1.9	2017-18	Office of Commissioner (Appeals),CGST, CUSTOMS & CENTRAL EXCISE,GUWAHATI
GST Act, 2017	GST	4.7	0.2	2017-18, 2018-19, 2019-20, 2020-21	Appellate authority
GST Act, 2017	GST	14.1	0.7	2017-18	Office of special commissioner
GST Act, 2017	GST	4.0	0.4	2017-18, 2018-19, 2019-20	Central GST, Excise and Customs, Appeals Commissionerate
GST Act, 2017	GST	0.4	0.0	2017-18	Office of the Commissioner (Appeals),CGST, CUSTOMS Jaipur
GST Act, 2017	GST	43.2	3.8	2017-18, 2018-19, 2019-20	Chennai Appeals -II Commissionerate
GST Act, 2017	GST	865.2	-	2017-18, 2018-19, 2019-20	Writ filed in Bombay High Court on 03.03.2024

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
GST Act, 2017	GST	386.3	-	2017-18, 2018-19, 2019-20, 2020-21 & 2021-22	Writ filed in Bombay High Court on 03.03.2024
Income Tax Act, 1961	Income Tax	2,343.4	123.7	2010-11, 2013-14, 2015-16 & 2017-18 to 2022-23	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not have any associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not have any associates or joint ventures.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Other than the cyber security incident as explained in Note 3.43(a) of the standalone financial statements, no material fraud on the Company has been noticed or reported during the year. Further, no fraud by the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai
Date: 29 May 2024

Membership No.: 111410
ICAI UDIN:24111410BKGQON3512

Annexure B to the Independent Auditor's Report

on the Standalone Financial Statements of Alkem Laboratories Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Alkem Laboratories Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date in which includes internal financial controls with reference to financial information of one branch at Nepal.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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

with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Place: Mumbai

Date: 29 May 2024

Membership No.: 111410

ICAI UDIN:24111410BKGQON3512

Standalone Balance Sheet

as at 31 March 2024

Particulars	Note no.	₹ in Million	
		As at 31 March 2024	As at 31 March 2023
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	16,596.7	16,725.2
(b) Right of use assets	3.1	879.6	959.9
(c) Capital work in progress	3.1	499.3	1,851.0
(d) Other Intangible assets	3.1	346.1	565.8
(e) Intangible assets under development	3.1	408.5	436.5
(f) Financial assets			
(i) Investment in subsidiaries	3.2	25,502.6	25,502.6
(ii) Other Investments	3.2	1,349.6	1,427.0
(iii) Loans	3.3	3.5	83.4
(iv) Other financial assets	3.4	520.6	309.4
(g) Deferred tax assets (net)	3.7C	12,866.6	10,849.2
(h) Other tax assets (net)	3.7D	492.2	381.9
(i) Other non-current assets	3.5	511.9	498.2
Total non-current assets		59,977.2	59,590.1
2 Current assets			
(a) Inventories	3.6	18,495.6	17,246.6
(b) Financial assets			
(i) Investments	3.2	1,437.6	3,125.9
(ii) Trade receivables	3.8	17,536.4	17,683.4
(iii) Cash and cash equivalents	3.9	389.5	50.1
(iv) Bank balances other than (iii) above	3.10	10,269.0	21,588.6
(v) Loans	3.3	39.5	16.8
(vi) Other financial assets	3.4	25,414.6	1,683.6
(c) Other current assets	3.11	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	3.12A	239.1	239.1
(b) Other equity	3.12B	105,307.0	93,259.4
Total Equity		105,546.1	93,498.5
2 Liabilities			
2a Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	3.29	376.0	450.6
(ii) Other financial liabilities	3.17	690.6	-
(b) Provisions	3.14	2,455.8	2,841.7
(c) Other non-current liabilities	3.15	245.5	73.1
Total non-current liabilities		3,767.9	3,365.4
2b Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	9,572.3	11,258.9
(ia) Lease liabilities	3.29	103.8	107.4
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.16	587.6	980.1
Total outstanding dues of creditors other than micro and small enterprises	3.16	15,121.8	9,783.3
(iii) Other financial liabilities	3.17	3,379.9	4,904.2
(b) Other current liabilities	3.18	1,192.2	1,170.0
(c) Provisions	3.14	1,106.4	2,159.4
(d) Current tax liabilities (net)	3.7D	-	85.0
Total current liabilities		31,064.0	30,448.3
Total liabilities		34,831.9	33,813.7
TOTAL EQUITY AND LIABILITIES		140,378.0	127,312.2
Material Accounting Policies	2A		
Notes to the Standalone Financial Statements	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman

DIN. 00760310

Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer

Mumbai, India

29 May 2024

Sandeep Singh

Managing Director

DIN. 01277984

San Francisco, USA

Nitin Agrawal

President - Finance &

Chief Financial Officer

Mumbai, India

29 May 2024

M.K. Singh

Executive Director

DIN. 00881412

Mumbai, India

Manish Narang

President - Legal &

Company Secretary

Mumbai, India

Mumbai, India

29 May 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

(₹ in Million)

Particulars	Note no.	For the year ended 31 March 2024	For the year ended 31 March 2023
1 Income			
(a) Revenue from operations	3.19	97,477.2	90,545.5
(b) Other income	3.20	3,059.9	2,662.9
Total income		100,537.1	93,208.4
2 Expenses			
(a) Cost of materials consumed	3.21	27,499.3	26,297.8
(b) Purchases of stock-in-trade		11,287.0	9,431.3
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.22	(713.1)	2,577.3
(d) Employee benefits expense	3.23	15,602.8	15,162.2
(e) Finance costs	3.24	819.1	864.0
(f) Depreciation and amortisation expense	3.1	2,443.5	2,298.5
(g) Other expenses	3.25	24,149.9	23,307.4
Total expenses		81,088.5	79,938.5
3 Profit before exceptional items and tax (1) - (2)		19,448.6	13,269.9
4 Exceptional items	3.43	(638.3)	-
5 Profit before tax (3) + (4)		18,810.3	13,269.9
6 Tax expense	3.7A		
(a) Current tax		3,332.8	2,275.2
(b) Deferred tax credit (net)		(1,994.0)	(350.0)
Total Income Tax Expenses		1,338.8	1,925.2
7 Profit for the year (5) - (6)		17,471.5	11,344.7
8 Other comprehensive income			
(a) (i) Items that will not be reclassified subsequently to profit or loss	3.28	(66.8)	(33.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3.7A	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 of other comprehensive income / (loss) for the year, net of tax		(43.5)	(21.9)
9 Total comprehensive income for the year (7) + (8)		17,428.0	11,322.8
10 Earnings per share (in ₹): Face value of ₹ 2 each			
Basic and diluted earnings per share	3.31	146.13	94.88
Material Accounting Policies	2A		
Notes to the Standalone Financial Statements	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman
DIN. 00760310
Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer
Mumbai, India

29 May 2024

Sandeep Singh

Managing Director
DIN. 01277984
San Francisco, USA

Nitin Agrawal

President - Finance &
Chief Financial Officer
Mumbai, India

M.K. Singh

Executive Director
DIN. 00881412
Mumbai, India

Manish Narang

President - Legal &
Company Secretary
Mumbai, India

Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(a) Equity share capital

(₹ in Million)				
Balance as at 1 April 2023	Change in equity share capital during the year	Restated balance as at 1 April 2023	Change in equity share capital during the year	Balance as at 31 March 2024
239.1	-	239.1	-	239.1

(₹ in Million)				
Balance as at 1 April 2022	Change in equity share capital during the year	Restated balance as at 1 April 2022	Change in equity share capital during the year	Balance as at 31 March 2023
239.1	-	239.1	-	239.1

(b) Other Equity

Particulars	Reserves and Surplus				Total other equity
	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit plans	
Balance as at 1 April 2022	5.2	19,380.4	68,233.9	(422.0)	87,197.5
Total Comprehensive Income for the year ended 31 March 2023					
Profit for the year	-	-	11,344.7	-	11,344.7
Other comprehensive income for the year (net of tax)	-	-	-	(21.9)	(21.9)
Total comprehensive income for the year	-	-	11,344.7	(21.9)	11,322.8
Transactions with owners of the company					
Dividend on equity shares (Refer Note 3.33)	-	-	(5,260.9)	-	(5,260.9)
Balance as at 31 March 2023	5.2	19,380.4	74,317.7	(443.9)	93,259.4
Total comprehensive income for the year ended 31 March 2024					
Profit for the year	-	-	17,471.5	-	17,471.5
Other comprehensive income for the year (net of tax)	-	-	-	(43.5)	(43.5)
Total comprehensive income for the year	-	-	17,471.5	(43.5)	17,428.0
Transactions with owners of the company					
Dividend on equity shares (Refer Note 3.33)	-	-	(5,380.4)	-	(5,380.4)
Balance as at 31 March 2024	5.2	19,380.4	86,408.8	(487.4)	105,307.0

Capital reserve: Capital reserve represents investment subsidies from state government.

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve and dividends distributed to shareholders.

Remeasurement of defined benefit plans : Remeasurement of defined benefit plans represents actuarial gains and losses relating to gratuity.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India

29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman

DIN. 00760310

Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer

Mumbai, India

29 May 2024

Sandeep Singh

Managing Director

DIN. 01277984

San Francisco, USA

Nitin Agrawal

President - Finance &

Chief Financial Officer

Mumbai, India

M.K. Singh

Executive Director

DIN. 00881412

Mumbai, India

Manish Narang

President - Legal &

Company Secretary

Mumbai, India

Standalone Statement of Cash Flow

for the year ended 31 March 2024

(₹ in Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash Flow from Operating Activities:		
Profit before tax	18,810.3	13,269.9
Adjustments for:		
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)
Investments in subsidiaries	-	(2,732.4)
Investments made in fixed deposits	(33,104.9)	-
Redemption of fixed 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 (Refer Note 3.9)	50.1	818.2
F Cash and cash equivalents as at end of the year (D+E) (Refer Note 3.9)	(1,330.7)	50.1

Standalone Statement of Cash Flow

for the year ended 31 March 2024

Notes:

1 Debt reconciliation in accordance with Ind AS 7:

Particulars	Current borrowings	Lease Liabilities
As at 1 April 2022	12,354.2	482.5
Cash flows during the year (net)	(2,121.7)	(126.2)
Non-Cash Items	(166.7)	201.7
As at 31 March 2023 (Refer note 3.13)	10,065.8	558.0
Cash flows during the year (net)	(2,250.5)	(145.1)
Non-Cash Items	36.8	66.9
As at 31 March 2024 (Refer note 3.13)	7,852.1	479.8

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents (Refer note 3.9)	389.5	50.1
Loans repayable on demand from banks (Refer note 3.13)	(1,720.2)	-
Total cash and cash equivalents	(1,330.7)	50.1

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

4 Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman
DIN. 00760310
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

29 May 2024

Sandeep Singh

Managing Director
DIN. 01277984
San Francisco, USA

Nitin Agrawal
President - Finance &
Chief Financial Officer
Mumbai, India

M.K. Singh

Executive Director
DIN. 00881412
Mumbai, India

Manish Narang
President - Legal &
Company Secretary
Mumbai, India

Notes

to the standalone financial statements for the year ended 31 March 2024

1 General Information

Alkem Laboratories Limited ('the Company') was incorporated in 1973 under the provisions of Companies Act, 1956 of India, as a Company with limited liability. The Company is domiciled in India with its registered office address being Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India. The Company is engaged in pharmaceutical business with global operations. The Company is engaged in the development, manufacture and sale of pharmaceutical products.

2A Material accounting policies:

2.1 Basis of preparation of Standalone Financial Statements ("financial statements"):

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 29 May 2024.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2B**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle*,

- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

*The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Basis of measurement

These financial statements are prepared under historical cost convention except for provision for defined benefit obligations and certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

d) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. The financial statements are prepared in Indian Rupees in Million, rounded off to the nearest one decimal except for share data and per share data, unless otherwise stated.

Notes

to the standalone financial statements for the year ended 31 March 2024

2.2 Property, plant and equipment (“PPE”):

i) Recognition and Measurement

- a) The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items of PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.
- b) If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.
- c) Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.
- d) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.
- e) The cost of property, plant and equipment at 1 April 2016, the Company’s date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

ii) Subsequent expenditure

Subsequent expenditure relating to PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably.

iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives

as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which is asset is ready to use / disposed off. Freehold land is not depreciated.

The estimated useful lives of Tangible assets are as follows

PPE	Useful Life
Buildings *	5 Years to 59 Years
Plant and Equipment*	1 Years to 20 Years
Furniture and Fixtures*	10 Years
Vehicles	8 Years
Office Equipments*	3 Years to 6 Years

* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

2.3 Intangible Assets:

i) Recognition and measurement

Research and development	Expenditure on research activities is recognised in statement of profit or loss as incurred.
Development	Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, such as computer software, Technology, and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Notes

to the standalone financial statements for the year ended 31 March 2024

The cost of Intangible assets at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in statement of profit and loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives of intangible assets are as follows:

Intangible Assets	Useful Life
Computer Software	3 Years to 6 Years
Trade Marks & Patents	5 Years

2.4 Impairment of non-financial assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.5 Leases and Right of use ('ROU'):

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company leases warehouse and factory facilities. Certain lease arrangements include the options to extend the lease before the end of the lease term, but the renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it

Notes

to the standalone financial statements for the year ended 31 March 2024

will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

2.6 Financial instruments:

Recognition initial measurement

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning

contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;

Notes

to the standalone financial statements for the year ended 31 March 2024

- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in the statement of profit and loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual

cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Equity instruments:

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

2.8 Inventories:

- Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in selling price of finished goods indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.
- Finished Goods and Work-in-Progress are valued at lower of cost (on Moving weighted average basis) and

Notes

to the standalone financial statements for the year ended 31 March 2024

net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities and other overheads. Trading Goods are valued at lower of cost (on Moving weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

- c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale on item-by-item basis.

2.9 Revenue Recognition and measurement:

Revenue from operations

- a) Revenue from sale of goods is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods at a point in time. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

- b) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

Other income

- a) Interest income is recognized using the effective interest rate (EIR) method.
- b) Revenue (including in respect of insurance or other claims, etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.
- c) Income from services rendered is recognised over a period of time based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Refund liabilities:

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its refund liabilities as required under Ind AS 115 in the financial statements.

2.10 Foreign currency transactions and translations

Transactions in foreign currencies are translated into the functional currency of the Company by applying the appropriate fortnightly rate which best approximates the actual rate of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

2.11 Employee Benefits:

a) Post Employment Benefits and Other Long Term Benefits:

i) Defined Contribution Plan:

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss in period in which the related service is provided by the employee. The Company's contribution towards provident fund are considered to be defined contribution plan which are expensed as employee benefit expenses in the statement of profit and loss in the period in which the related service is provided for which the Company makes contribution on monthly basis. The Company's legal or constructive obligation is limited to the contribution it makes.

ii) Defined Benefit Plans:

Company's liabilities towards defined benefit plans viz. gratuity expected to occur after twelve months, are determined annually by a qualified actuary using the Projected Unit Credit Method.

Notes

to the standalone financial statements for the year ended 31 March 2024

Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date by an independent actuary. Actuarial gains and losses are recognised in the Statement of Other Comprehensive income in the period of occurrence of such gains and losses for gratuity. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

iii) Other long-term employee benefits - compensated absences:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. In respect of compensated absences, actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

b) Short term Employee Benefits:

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee. These benefits include performance incentives. These are expensed as employee benefit expense in the statement of profit and loss in the period in which the related service is provided by the employees.

2.12 Taxes on Income:

Income tax expense represents the sum of the current tax and deferred tax.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax

rates and tax laws enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised :

- in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit
- in case of temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised
- in case of temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes

to the standalone financial statements for the year ended 31 March 2024

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

2.13 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent

assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14 Earnings per share ('EPS'):

Basic EPS is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

2.15 Government Grants:

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of it being received.

2.16 Cash and cash equivalents:

Cash and cash equivalents for the purpose of statement of cash flows comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

2.17 Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

2.18 Exceptional items:

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

Notes

to the standalone financial statements for the year ended 31 March 2024

2.19 Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company operates in one reportable business segment i.e. "Pharmaceuticals".

2.20 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2B Key accounting estimates and judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of material accounting policies which are provided in **Note 2A** to the standalone financial statements, 'Material accounting policies'.

i) Judgements:

- a. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain

to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

ii) Estimates:

a. Estimate of current and deferred tax:

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Notes

to the standalone financial statements for the year ended 31 March 2024

b. Recognition of MAT credit:

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

c. Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

d. Provisions and contingent liabilities:

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

e. Impairment loss in investments carried at cost:

The Company conducts impairment reviews of investments in subsidiaries whenever events

or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which is based on future cash flows and a suitable discount rate in order to calculate the present value.

f. Fair value measurements and valuation processes:

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Liabilities towards anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

i. Leases:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.1 Property, Plant and Equipment, Intangible Assets and Right of use assets

Particulars	Property plant and equipment						Intangible assets				Right of use		
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software	Trade Mark & patents	Total	Land	Buildings	Total
As at 1 April 2022	1,179.7	6,868.7	15,310.3	483.2	300.8	1,069.7	25,212.4	485.0	1,242.2	1,727.1	553.6	776.6	1,330.2
Additions	68.9	148.4	999.6	32.9	18.2	167.3	1,435.3	127.8	96.7	224.5	-	202.7	202.7
Adjustments (Refer note 4 below)	-	-	84.4	-	-	1.1	85.4	-	-	-	-	-	-
Deletions	-	(37.5)	(348.7)	(20.6)	(47.7)	(352.9)	(807.3)	(22.4)	(65.4)	(87.8)	-	-	-
As at 31 March 2023	1,248.6	6,979.6	16,045.5	495.5	271.3	885.2	25,925.8	590.4	1,273.5	1,863.8	553.6	979.3	1,532.9
Additions	22.8	845.9	1,101.5	86.4	23.7	314.2	2,394.5	46.5	-	46.5	-	80.2	80.2
Deletions	(18.1)	(23.6)	(217.8)	(13.3)	(1.8)	(60.4)	(335.0)	(0.3)	(65.4)	(65.7)	-	-	-
As at 31 March 2024	1,253.3	7,801.9	16,929.3	568.6	293.2	1,139.0	27,985.3	636.6	1,208.1	1,844.7	553.6	1,059.5	1,613.1
Depreciation and Amortisation													
As at 1 April 2022	-	886.3	5,888.1	249.2	162.8	713.7	7,900.2	357.1	775.4	1,132.5	47.7	368.6	416.3
Depreciation/amortisation for the year	-	208.7	1,439.5	43.3	33.0	163.9	1,888.4	81.7	171.7	253.4	9.0	147.7	156.7
Adjustments (Refer note 4 below)	-	-	67.3	-	-	0.9	68.2	-	-	-	-	-	-
Deductions	-	(18.3)	(250.6)	(18.4)	(38.2)	(330.7)	(656.2)	(22.4)	(65.4)	(87.8)	-	-	-
As at 31 March 2023	-	1,076.7	7,144.3	274.0	157.6	547.8	9,200.6	416.4	881.7	1,298.0	56.7	516.3	573.1
Depreciation/amortisation for the year	-	233.2	1,523.7	47.4	32.6	179.7	2,016.6	99.5	166.9	266.4	9.0	151.5	160.5
Impairment loss (Refer note 3.43b)	-	-	415.6	-	-	-	415.6	-	-	-	-	-	-
Deductions	-	(5.7)	(163.5)	(13.0)	(1.6)	(60.3)	(244.1)	(0.3)	(65.6)	(65.9)	-	-	-
As at 31 March 2024	-	1,304.2	8,920.1	308.5	188.6	667.2	11,388.6	515.6	983.0	1,498.6	65.7	667.8	733.6
Net Book Value													
As at 31 March 2023	1,248.6	5,902.9	8,901.3	221.4	113.7	337.5	16,725.2	174.1	391.8	565.8	496.9	463.0	959.9
As at 31 March 2024	1,253.3	6,497.7	8,009.2	260.1	104.6	471.8	16,596.7	121.0	225.1	346.1	487.9	391.7	879.6

Notes

1. Addition to Property, Plant and Equipment includes items aggregating ₹ 1,312.8 Million (For the year ended 31 March 2023 ₹90.6 Million) located at Research and Development Centres of the Company.
2. Refer Note 3.26(b)(1) for contractual commitments with respect to property, plant and equipments and other intangible assets.
3. Exclusive charge by way of hypothecation over the whole of the movable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories and other movable assets, both present and future subject to a maximum value of ₹2,150 Million (31 March 2023 ₹2,150 Million) - situated at Daman and Sikkim in India against issuance of Stand by letter of credit required for loan of US \$ 20.0 Million (31 March 2023 - US \$ 20.0 Million) advanced by Banco de Chile to Ascend Laboratories SpA, Chile, a wholly owned subsidiary of the Company and US \$ 5.0 Million (31 March 2023 - US \$ 5.0 Million) advanced to PharmaNetwork SpA, Chile, a wholly owned subsidiary of Ascend Laboratories SpA, Chile.
4. During the year ended 31 March 2023, certain assets which were categorised as assets held for sale previously were reclassified to Property, Plant and Equipment.
5. As at 31 March 2024, net block of ₹ 1,188.5 Million (net of impairment loss) were lying idle at the Company's Indore facility (Refer note 3.43b)

Notes

to the standalone financial statements for the year ended 31 March 2024

6. Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense	2,177.1	2,045.1
Amortisation expense	266.4	253.4
Total	2,443.5	2,298.5

7. Capital work-in-progress

Capital work in progress comprises expenditure in respect of various plants in the course of construction/expansion. Total amount of Capital work in progress is ₹ 499.3 Million as at 31 March 2024 (31 March 2023: ₹1,851.0 million). This amount also includes capitalized borrowing costs related to the construction of various plants of ₹ Nil (For the year ended 31 March 2023: ₹19.8 Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,851.0	2,006.4
Add: Additions during the year	1,020.0	1,211.0
Less: Capitalised during the year	2,371.7	1,366.4
Closing balance	499.3	1,851.0

Capital work-in-progress ageing schedule for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	202.5	50.4	31.4	9.5	293.8
	(509.2)	(671.6)	(218.5)	(451.7)	(1,851.0)
Projects temporarily suspended	-	7.8	148.1	49.6	205.5
	(-)	(-)	(-)	(-)	(-)

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2024 and 31 March 2023:

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project 1	33.7	-	-	-	33.7
	(20.4)	(-)	(-)	(-)	(20.4)
Project 2	-	-	-	-	-
	(1,031.7)	(-)	(-)	(-)	(1,031.7)
Project 3	205.5	-	-	-	205.5
	(313.4)	(-)	(-)	(-)	(313.4)

Notes

to the standalone financial statements for the year ended 31 March 2024

8. Intangible assets under development

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	436.5	318.1
Add: Additions during the year	-	118.4
Less: Capitalised / written off during the year	28.0	-
Closing balance	408.5	436.5

Intangible assets under development ageing schedule for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	306.8	-	101.7	408.5
	(118.4)	(188.4)	(8.0)	(121.7)	(436.5)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

For intangibles assets under development, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2024 and 31 March 2023:

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project 1	-	101.7	-	-	101.7
	(-)	(-)	(101.7)	(-)	(101.7)

Figures in the brackets are the comparative figures of the previous year.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.2 Investments:

Particulars	Units as at		Face Value	As at 31 March 2024		As at 31 March 2023	
	31 March 2024	31 March 2023		(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
Non-Current Investments							
In Equity Shares Unquoted: [at cost]							
A) Investment in Subsidiaries:							
Ascend Laboratories (Pty) Limited, South Africa	49,960	49,960	Rand 10	68.8		68.8	
Alkem Laboratories Corporation, Philippines (Including 5 shares held by the nominees)	5,139,682	5,139,682	Peso 100	717.4		717.4	
Ascend GmbH, Germany (One share of Euro 250, second share of Euro 24,750 and third share of Euro 751,880)	3	3	NA	160.9		160.9	
Ascend Laboratories Sdn. Bhd., Malaysia (₹ 91)	2	2	Ringgit 1	0.0		0.0	
S&B Holdings S.a.r.l., Luxembourg	42,964,652	42,964,652	Euro 1	4,682.3		4,682.3	
Alkem Laboratories Korea Inc., South Korea	15,000	15,000	Korean Won 100	0.1		0.1	
Ascend Laboratories SpA, Chile (1,000 Nominative Shares, without par value)	5,427	5,427	NA	281.0		281.0	
Pharmacor Limited, Kenya	1,000	1,000	KES 100	0.1		0.1	
Pharmacor Pty Limited, Australia (without par value)	68,313,954	68,313,954	NA	224.7		224.7	
Ascend Laboratories (UK) Limited, UK (issued capital 250,000 shares of 1 GBP of which 40 Pence is called up & paid)	250,000	250,000	GBP 1	9.9		9.9	
ThePharmaNetwork, LLC, USA	59,674,767	59,674,767	NA	7,583.0		7,583.0	
Cachet Pharmaceuticals Private Limited, India	10,813	10,813	INR 100	925.8		925.8	
Indchemie Health Specialities Private Limited, India	127,500	127,500	INR 10	1,640.7		1,640.7	
Enzene Biosciences Limited, India	47,085,843	47,085,843	INR 10	9,140.0		9,140.0	
Ascend Laboratories SAS, Colombia	1,123,329	1,123,329	COP 1,000	21.9		21.9	
Ascend Laboratories Limited, Canada	20,000	20,000	CAD 1	1.1		1.1	
Alkem Foundation, India	10,000	10,000	INR 10	0.1		0.1	
Connect 2 Clinic Private Limited, India	1,499,994	1,499,994	INR 10	15.0	25,472.8	15.0	25,472.8
Investment in Limited Liability Partnership Firm: Unquoted: [at cost]							
The PharmaNetwork LLP, Kazakhstan				157.6		157.6	
Investment in Subsidiaries				25,630.4		25,630.4	
Provision for impairment in value of investments (Refer note 4 below)				(127.8)		(127.8)	
Investment in Subsidiaries - Sub total (A)				25,502.6		25,502.6	

Notes

to the standalone financial statements for the year ended 31 March 2024

Particulars	As at 31 March 2024		As at 31 March 2023	
	(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
B) Other Non-Current Investments:				
In Equity Shares of Other Companies and Limited Liability Partnership Firm: Unquoted [at fair value through profit and loss] (Refer note 2 below)		305.6		408.7
In Preference Shares of Other Companies : Unquoted [at fair value through profit and loss] (Refer note 3 below)		150.0		150.0
Investment In Venture Capital Fund: Unquoted (Non Trade) [at fair value through profit and loss]		737.7		712.0
Non Convertible Debentures [at amortised cost]: Quoted		156.3		156.3
Other Non Current Investments - Sub total (B)		1,349.6		1,427.0
Total (A+B)		26,852.2		26,929.6

Notes:

- 1) Details of The PharmaNetwork LLP, Kazakhstan:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Profit Sharing Ratio	Capital Accounts	Profit Sharing Ratio	Capital Accounts
Alkem Laboratories Limited	100.00%	157.6	100.00%	157.6
Total	100.00%	157.6	100.00%	157.6

- 1) In the current year, the Company has presented investment as part of non-current financial assets and accordingly, has reclassified the investment in subsidiaries for the previous year from non-current assets to non-current financial assets, in order to align with the current year presentation. Presentation of investment in subsidiaries as part of non-current financial assets is consistent with the requirements of Schedule III to the Companies Act, 2013.
- 2) The Company had invested ₹400.0 Million in ABCD Technologies LLP with an objective to digitize healthcare infrastructure in India towards facilitating good distribution practices, inter alia, in support of the National Digital Health Mission of Government of India. As at 31 March 2024, the Company had a 6.45% share of profit/loss and voting rights. During the current year, the Company has recognized fair value loss of ₹ 103 Million towards this investment.
- 3) During the previous year, the Company has invested ₹ 150.0 Million in Eystem Research Private Limited with an objective to create a global and scalable cell therapy platform to treat ocular diseases.
- 4) Provision for impairment in value of investments relates to impairment loss of ₹ 127.8 Million with respect to investment in Alkem Laboratories Corporation, Philippines, a wholly owned subsidiary of the Company.
- 5) On 27 March 2024, the Company has incorporated a new wholly owned subsidiary, Alkem Medtech Private Limited, and subscribed its 200,000 equity shares of ₹ 10 each. No investment has been made as at 31 March 2024 (Refer sub-note 5 of note 3.26(c)).

C. Current Investments

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
1) Investment in funds : (Unquoted) [at fair value through profit and loss]		
Avenue Venture Real Estate Fund (Units of ₹100,000 each, fully paid-up) - Refer note 5 below	1,012.6	1,042.6
2) Preference Shares: [at amortised cost] (unquoted)	8.1	8.1
3) Investment In Mutual Funds Quoted (Non-Trade) [at fair value through profit and loss]	372.5	266.2
4) Non Convertible Debentures : - Quoted (at amortised cost)	44.4	1,809.0
Total	1,437.6	3,125.9

Notes

to the standalone financial statements for the year ended 31 March 2024

Notes:

Particulars	(₹ in Million)			
	Book Value	Market Value	Book Value	Market Value
1) Aggregate value of Quoted investments	573.2	573.2	2,231.5	2,231.5
2) Aggregate value of Unquoted investments	27,716.6	N.A.	27,824.0	N.A.
3) Aggregate amount of impairment in the value of Investments	127.8		127.8	
4) All Investments in Shares & Securities are fully paid up. (Except Refer sub-note 2 of note 3.26(c))				

- 5) During the year ended 31 March 2016, pursuant to the approval of the Board of Directors in its meeting held on 9 March 2016, the Company in order to focus on its core business activities and for other commercial reasons, restructured its investment in Avenue Venture Real Estate Fund ("Fund") by entering into an Option Agreement with Mr. Tushar Kumar, which was in force for a period of 2 years from the execution date i.e 10 March 2016. The Option Agreement was subsequently renewed for a period of 2 years each by executing First, Second and Third Supplementary agreement till 9 March 2020, 9 March 2022 and 9 March 2024 respectively. During the current year, pursuant to the approval of the Board of Directors in its meeting held on 9 February 2024, the Company has entered into an Option Agreement with Mr. Jyoti Prakash Narayan Singh which is in force for a period of 2 years from execution date i.e 10 March 2024 for grant of unconditional option exercisable without restriction at the option of the option holder to purchase the trust units held by the Company in the Fund at an option price of 102% of the fair market value of each trust unit as on the exercise date.

3.3 Loans

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Non-current loans		
Loans to subsidiary companies (Refer note 3.35)	3.5	3.2
Less: Loss allowance	-	-
	3.5	3.2
Other receivables	-	80.2
Total	3.5	83.4
B. Current loans		
Loans to employees	39.5	16.8
Total	39.5	16.8
Break-up of loans		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	43.0	100.2
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	43.0	100.2
Less: Loss allowance	-	-
Total loans	43.0	100.2

Notes

to the standalone financial statements for the year ended 31 March 2024

3.4 Other financial assets

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Other non current financial assets		
(Unsecured, considered good unless otherwise stated)		
Bank deposits with original and remaining maturity more than 12 months	64.1	61.7
Interest on deposits, accrued but not due	-	1.8
Security deposits	105.1	-
Balances with government authorities	271.2	245.9
Other receivables	80.2	-
Total	520.6	309.4

Note:

Bank deposits of ₹2.5 Million (31 March 2023: ₹Nil) are under lien with the Banks against Overdraft facility.

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
B. Other current financial assets		
(Unsecured, considered good unless otherwise stated)		
Interest on deposits, accrued but not due	-	849.1
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months	21,249.1	-
Deposits with non-banking financial companies	2,811.9	-
Other receivables	444.7	279.6
Incentive receivable from government	908.9	460.7
Security deposits	-	94.3
Total	25,414.6	1,683.6

Note:

Bank deposits of ₹2,800.0 Million (31 March 2023: ₹Nil) are under lien with the Banks against Overdraft facility.

3.5 Other non-current assets

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances	57.1	51.5
Balances with government authorities	452.5	444.4
Other advances	2.3	2.3
Total	511.9	498.2

3.6 Inventories

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Raw and packing materials	6,968.8	6,447.4
Goods-in-transit	108.9	94.4
	7,077.7	6,541.8
Work-in-progress	951.8	1,246.0
Finished goods	5,025.7	5,362.5
Goods-in-transit	2,555.5	1,992.1
	7,581.2	7,354.6
Stock-in-trade	2,833.3	2,030.1
Goods-in-transit	51.6	74.1
	2,884.9	2,104.2
Total	18,495.6	17,246.6

Note:

- The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2024 is ₹ 545.4 Million (31 March 2023: ₹604.4 Million)

Notes

to the standalone financial statements for the year ended 31 March 2024

3.7 Income tax

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

Particulars	(₹ in Million)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
Current year tax	3,332.8	2,275.2
	3,332.8	2,275.2
Deferred tax credit (net)		
Minimum Alternate Tax (MAT) credit entitlement	(2,002.0)	(421.5)
Origination and reversal of temporary differences	8.0	71.6
	(1,994.0)	(350.0)
Tax expense for the year	1,338.8	1,925.2

(ii) Tax recognised in other comprehensive income

Particulars	(₹ in Million)					
	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(66.8)	23.3	(43.5)	(33.7)	11.8	(21.9)
	(66.8)	23.3	(43.5)	(33.7)	11.8	(21.9)

(B) Reconciliation of effective tax rate

Particulars	(%)	(₹ in Million)	
		For the year ended 31 March 2024	(%) For the year ended 31 March 2023
Profit before tax		18,810.3	13,269.9
Tax using the Company's applicable tax rate	34.9%	6,572.3	34.9% 4,636.5
Tax effect of:			
Long term capital gains taxable at lower rate / exempt under income tax	0.1%	16.1	0.0% 2.3
Deferred tax reversal during tax holiday period	0.2%	42.1	0.6% 79.7
Deduction on profits earned from exempt units	-28.4%	(5,349.4)	-29.1% (3,868.1)
Utilisation of previously written off MAT Credit #	-3.6%	(674.2)	0.0% -
Permanent disallowance - current year	2.0%	373.7	4.2% 557.7
Permanent disallowance - prior years	0.0%	-	2.8% 365.0
Others	1.9%	358.2	1.1% 152.1
	7.1%	1,338.8	14.5% 1,925.2

During the year ended 31 March 2024, the Company has utilized Minimum Alternate Tax ("MAT") credit amounting to ₹674.2 million (31 March 2023: ₹Nil) which was written off in the year ended 31 March 2016. The current tax charge for the year ended 31 March 2024 is after utilizing MAT credit of said amount.

Notes

to the standalone financial statements for the year ended 31 March 2024

(C) Movement in deferred tax assets and liabilities

(₹ in Million)				
Particulars	Net balance 1 April 2023	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2024
Deferred Tax Liabilities:				
Property, plant and equipment and Intangible assets	(1,787.9)	(457.1)	-	(2,245.0)
Investments	(290.3)	(0.2)	-	(290.5)
Deferred Tax Assets:				
Employee benefits	1,110.4	110.3	23.3	1,244.0
Trade receivables	116.6	172.0	-	288.6
Deferred Government Grant	28.2	70.4	-	98.6
Impairment of investment in subsidiary	29.8	-	-	29.8
Impairment of assets	-	145.2	-	145.2
Other items	270.8	(48.6)	-	222.2
MAT credit entitlement	11,371.7	2,002.0	-	13,373.7
Deferred Tax Assets / (Liabilities)	10,849.2	1,994.0	23.3	12,866.6

(₹ in Million)				
Particulars	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2023
Deferred Tax Liabilities:				
Property, plant and equipment and Intangible assets	(1,824.1)	36.2	-	(1,787.9)
Investments	(175.1)	(115.2)	-	(290.3)
Deferred Tax Assets:				
Employee benefits	1,028.4	70.1	11.8	1,110.4
Trade receivables	121.4	(4.8)	-	116.6
Deferred Government Grant	24.9	3.3	-	28.2
Impairment of investment in subsidiary	29.8	-	-	29.8
Other items	331.9	(61.1)	-	270.8
MAT credit entitlement	10,950.2	421.5	-	11,371.7
Net Deferred Tax Assets / (Liabilities)	10,487.4	350.0	11.8	10,849.2

The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off tax assets and tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining recoverability of deferred tax assets.

(D) Tax assets and liabilities

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Non Current tax assets (net)	492.2	381.9
Current tax liabilities (net)	-	85.0

(E) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Unrecognised MAT Credit Entitlement	135.8	810.0

Notes

to the standalone financial statements for the year ended 31 March 2024

3.8 Trade receivables

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
Considered good	17,991.4	17,964.3
Credit impaired	-	-
Less: Loss allowance	(455.0)	(280.9)
Total	17,536.4	17,683.4

Note :

- Above trade receivables include amount due from related parties ₹10,955.5 Million (31 March 2023: ₹11,155.4 Million) - Refer Note 3.35
- Refer note 3.36 for information about credit risk and market risk of trade receivables

Trade receivables ageing schedule for the year ended 31 March 2024 and 31 March 2023

Particulars	(₹ in Million)						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade receivables - considered good	13,734.8	2,656.1	968.8	271.4	72.8	174.7	17,878.6
	(11,331.8)	(5,642.0)	(497.1)	(199.5)	(23.5)	(178.7)	(17,872.6)
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed Trade receivables - considered good	-	17.4	12.0	19.9	32.3	31.2	112.8
	(-)	(-)	(6.2)	(56.5)	(23.4)	(5.6)	(91.7)
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Loss Allowance							455.0
							(280.9)
Total							17,536.4
							(17,683.4)

Figures in the brackets are the comparative figures of the previous year.

The Company does not have any transactions or balances with struck off Companies.

3.9 Cash and cash equivalents

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Cash on hand	4.1	3.7
Cheques and drafts on hand	97.0	28.2
Balance with banks:		
In current accounts	237.3	18.2
In exchange earners' foreign currency account	51.1	-
Total	389.5	50.1

Notes

to the standalone financial statements for the year ended 31 March 2024

3.10 Bank balances other than cash and cash equivalents

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Restricted for use:		
Unpaid dividend account	1.7	2.0
Unspent CSR account	4.3	1.0
Benevolent fund account	7.0	3.9
Bank deposits with original maturity more than 3 months but less than 12 months	10,256.0	21,581.7
Total	10,269.0	21,588.6

Note:

Bank deposits of ₹ 1,850.0 Million (31 March 2023: ₹16,360.5 Million) are under lien with banks against Overdraft facilities availed.

Details of Bank Deposits (including accrued interest) *

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits with original and remaining maturity greater than 12 months (Refer Note 3.4 A)	64.1	63.5
Bank deposits with original maturity greater than 12 months but remaining maturity less than 12 months (Refer Note 3.4 B)	21,249.1	849.1
Bank deposits with original maturity more than 3 months but less than 12 months (Refer Note 3.10)	10,256.0	21,581.7
Total	31,569.2	22,494.3

* Previous year includes deposits with non-banking financial companies.

3.11 Other current assets

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities	5,210.7	4,749.0
Advance to suppliers and employees:		
Considered good	1,152.2	1,142.5
Considered doubtful	369.7	124.1
	1,521.9	1,266.6
Less: Provision for doubtful advance	(369.7)	(124.1)
	1,152.2	1,142.5
Prepaid expenses	316.6	290.5
Right to return asset	139.1	145.1
Total	6,818.6	6,327.1

Notes

to the standalone financial statements for the year ended 31 March 2024

3.12A Equity share capital

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Authorised:		
250,000,000 equity shares of ₹2 each (31 March 2023: 250,000,000 equity shares of ₹2 each)	500.0	500.0
	500.0	500.0
Issued, subscribed and paid up:		
119,565,000 equity shares of ₹2 each fully paid up (31 March 2023: 119,565,000 equity shares of ₹2 each fully paid up)	239.1	239.1
Total	239.1	239.1

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	(₹ in Million)	Number of shares	(₹ in Million)
At the commencement of the year	119,565,000	239.1	119,565,000	239.1
At the end of the year	119,565,000	239.1	119,565,000	239.1

(b) Rights, preferences and restrictions attached to Equity Shares:

The Company has issued one class of equity shares with voting rights having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Percentage of Holding	Number of Shares	Percentage of Holding
Mr. Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	24,705,800	20.66%	25,205,800	21.08%
Legal heir of Late Mr. Dhananjay Kumar Singh	-	-	9,518,565	7.96%
Mr. Basudeo Narain Singh	8,695,360	7.27%	8,695,360	7.27%
Mr. Mritunjay Kumar Singh	7,682,000	6.42%	7,682,000	6.42%
Ms. Madhurima Singh (Estate of Mr. Dhananjay Kumar Singh)	6,445,745	5.39%	-	-

(d) Aggregate Number of bonus shares issued for the consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

Notes

to the standalone financial statements for the year ended 31 March 2024

(e) Promoters shareholding

Promoter name	No. of shares as at 31 March 2024	No. of shares as at 31 March 2023	No. of shares as at 31 March 2022	% of total shares as of Mar 24	% of total shares as of Mar 23	% change during the current year	% change during the previous year
Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	24,705,800	25,205,800	25,205,800	20.7%	21.1%	-2.0%	0.0%
Basudeo Narain Singh	8,695,360	8,695,360	8,662,100	7.3%	7.3%	0.0%	0.4%
Mritunjay Kumar Singh	7,682,000	7,682,000	7,630,000	6.4%	6.4%	0.0%	0.7%
Legal heir of Late Dhananjay Kumar Singh	-	9,518,565	9,518,565	0.0%	8.0%	-100.0%	0.0%
Madhurima Singh (Estate of Dhananjay Kumar Singh)	6,445,745	-	-	5.4%	0.0%	NA	0.0%
Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust)	3,092,875	20,055	3,055	2.6%	0.0%	15322.0%	556.5%
Jayanti Sinha	2,938,220	5,138,220	5,138,220	2.5%	4.3%	-42.8%	0.0%
Madhurima Singh	948,194	948,194	908,694	0.8%	0.8%	0.0%	4.3%
Seema Singh	2,937,740	2,937,740	2,937,740	2.5%	2.5%	0.0%	0.0%
Archana Singh	2,394,050	2,394,050	2,394,050	2.0%	2.0%	0.0%	0.0%
Divya Singh	1,208,971	1,208,971	1,208,971	1.0%	1.0%	0.0%	0.0%
Meghna Singh	1,208,650	1,208,650	1,208,650	1.0%	1.0%	0.0%	0.0%
Aniruddha Singh	1,208,971	1,208,971	1,208,971	1.0%	1.0%	0.0%	0.0%
Shrey Shree Anant Singh	1,195,650	1,195,650	1,195,650	1.0%	1.0%	0.0%	0.0%
Sadhika Raj	550,000	-	-	0.5%	0.0%	NA	NA
Sakshi Sinha	550,000	-	-	0.5%	0.0%	NA	NA
Satyam Sinha	550,000	-	-	0.5%	0.0%	NA	NA
Shikhar Raj	550,000	-	-	0.5%	0.0%	NA	NA
Raj Kumar Singh	538,038	538,038	538,038	0.4%	0.4%	0.0%	0.0%
Sandeep Singh	7	97	112,357	0.0%	0.0%	-92.8%	-99.9%
Srinivas Singh	102,695	102,695	81,100	0.1%	0.1%	0.0%	26.6%
Sarandhar Singh	79,800	79,800	79,800	0.1%	0.1%	0.0%	0.0%
Sarvesh Singh	79,800	79,800	79,800	0.1%	0.1%	0.0%	0.0%
Legal heir of Late Balmiki Prasad Singh	-	100,516	122,111	0.0%	0.1%	-100.0%	-17.7%
Manju Singh	100,517	1	1	0.1%	0.0%	NA	0.0%
Satish Kumar Singh	71,934	71,934	71,934	0.1%	0.1%	0.0%	0.0%
Inderjit Kaur Arora	7,800	7,800	7,800	0.0%	0.0%	0.0%	0.0%
Annapurna Singh	3,041	3,041	1	0.0%	0.0%	0.0%	NA
Premlata Singh	1	1	1	0.0%	0.0%	0.0%	0.0%

3.12B Other equity

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	5.2	5.2
General reserve	19,380.4	19,380.4
Retained earnings	86,408.8	74,317.7
Other comprehensive income	(487.4)	(443.9)
Total	105,307.0	93,259.4

Notes

to the standalone financial statements for the year ended 31 March 2024

3.13 Borrowings

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Current borrowings		
Secured		
Loans repayable on demand from banks	1,720.2	1,193.1
	1,720.2	1,193.1
Unsecured		
Working capital loan from banks	7,852.1	10,065.8
	7,852.1	10,065.8
Total	9,572.3	11,258.9

Notes:

Secured:

Loans repayable on demand from Banks include:

- Overdrafts from banks ₹ 1,720.2 Million (31 March 2023: ₹1,193.1 Million) are secured against pledge of fixed deposits with the banks.
- Overdraft Facilities carry a rate of interest ranging between 7.80% to 8.30% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Unsecured:

- Packing Credit in Foreign Currencies of ₹ 7,852.1 Million (31 March 2023: ₹10,065.8 Million) are repayable on demand carries interest rate in the range of 5.60% to 5.94%.

3.14 Provisions

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Non-current provisions		
Provisions for employee benefits		
- Gratuity (Refer note 3.28)	1,553.2	1,397.1
- Compensated absences	902.6	830.3
Provision for anticipated sales returns (Refer note.3.32)	-	614.3
Total	2,455.8	2,841.7
B. Current provisions		
Provision for employee benefits:		
- Gratuity (Refer note 3.28)	790.7	688.9
- Compensated absences	315.7	260.9
Provision for anticipated sales returns (Refer note.3.32)	-	1,209.6
Total	1,106.4	2,159.4

3.15 Other non-current liabilities

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Deferred income on government grant (Refer note 3.40)	245.5	73.1
Total	245.5	73.1

Notes

to the standalone financial statements for the year ended 31 March 2024

3.16 Trade payables

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 3.27)	587.6	980.1
Total outstanding dues of creditors other than micro and small enterprises	15,121.8	9,783.3
Total	15,709.4	10,763.4

Note:-

Due to related parties ₹1,976.3 Million (31 March 2023: ₹1,599.5 Million) (Refer note 3.35)

Trade payables ageing schedule for the year ended 31 March 2024 and 31 March 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	-	544.4	35.9	7.3	-	-	587.6
	(-)	(189.6)	(790.5)	(-)	(-)	(-)	(980.1)
ii) Others	3,445.5	7,247.1	4,020.3	144.0	122.3	134.4	15,113.6
	(-)	(7,053.5)	(2,351.0)	(190.2)	(33.7)	(146.7)	(9,775.1)
iii) Disputed dues - MSME	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	-
iv) Disputed dues - Others	-	-	-	-	-	8.2	8.2
	(-)	(-)	(-)	(-)	(-)	(8.2)	(8.2)

Figures in the brackets are the comparative figures of the previous year.

Relationship with struck off companies:

(₹ in Million)

Name of Struck off company	Nature of Transactions	Transactions during the year 31 March 2024	Balance o/s. at the end of the year as at 31 March 2024	Transactions during the year 31 March 2023	Balance o/s. at the end of the year as at 31 March 2023	Relationship with the Struck off company, if any, to be disclosed
Perfect Office Systems Private Limited	Payables	0.8	-	-	-	Vendor
Phonographic Performance Limited	Payables	-	0*	-	-	Vendor
Piccadilly Holiday Resorts Ltd	Payables	-	0*	0.6	-	Vendor
Shakun And Company (Services) Pvt Ltd	Payables	-	-	0*	-	Vendor
Great Eastern Trading Co.	Payables	-	-	0.1	-	Vendor
A K M Enterprises Private Limited	Payables	0*	-	-	-	Vendor
Southern Star Pvt Ltd	Payables	0*	-	-	-	Vendor
Senator Inns Private Limited	Payables	0*	0*	-	-	Vendor
Pharma Labs Pvt Ltd	Payables	2.1	0*	-	-	Vendor
Veridical Enterprises (Opc) Private Limited	Payables	1.5	-	-	-	Vendor

* Less than 1 lakh

Notes

to the standalone financial statements for the year ended 31 March 2024

3.17 Other financial liabilities

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Other non current financial liabilities		
Liability towards anticipated sales returns (Refer note 3.32)	690.6	-
Total	690.6	-
B. Other current financial liabilities		
Employee payables	1,753.7	1,619.7
Security deposits	310.5	272.7
Liabilities towards expenses and anticipated sales returns (Refer Note 3.32)	1,314.0	3,009.8
Unpaid dividend*	1.7	2.0
Total	3,379.9	4,904.2

Notes:-

* Amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013 ₹ Nil (31 March 2023: ₹0.2 Million). The same had been deposited within the statutory timelines.

3.18 Other current liabilities

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Due to statutory authorities*	769.3	882.8
Advances from customers	385.7	279.0
Deferred income on government grant (Refer note 3.40)	37.2	8.2
Total	1,192.2	1,170.0

Note:-

* Due to statutory authorities includes Goods and Service Tax ("GST") payable, tax deducted at source payable, provident fund and other dues payable.

3.19 Revenue from operations

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contract with customers		
Sale of products- (A)	95,186.4	88,941.6
Other operating revenues:		
Export incentives	272.5	150.3
Scrap sales	141.5	179.2
Budgetary support benefit under GST	861.7	748.7
Business compensation and settlement income	709.0	344.4
Miscellaneous income	306.1	181.3
Total other operating revenue: - (B)	2,290.8	1,603.9
Total (A) + (B)	97,477.2	90,545.5

Notes

to the standalone financial statements for the year ended 31 March 2024

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contract with customers as per contracted price	100,437.4	93,569.7
Adjustments made to contract price on account of:		
Less: Sales return	1,926.1	1,471.0
Less: Discounts	3,324.9	3,157.1
Revenue from contract with customers	95,186.4	88,941.6
Other operating revenue	2,290.8	1,603.9
Revenue from operations	97,477.2	90,545.5

b) Disaggregation of revenue from contracts with customers based on geography (at a point in time):

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from Operations:		
Country of Domicile - India	78,175.5	74,101.0
United States of America	13,803.4	12,300.3
Other Countries	5,498.3	4,144.2
	97,477.2	90,545.5

3.20 Other income

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest income under the effective interest method		
- Bank deposits at amortised cost	2,108.5	1,377.4
- Bonds, debentures and loans at amortised cost	166.2	94.4
Dividend income on equity securities	26.1	36.3
Foreign currency transactions and translation gain (net)	239.9	412.4
Gain on fair value of investments through profit and loss	-	329.8
Liabilities/provisions no longer required, written back	19.8	10.7
Rental income	27.6	21.4
Profit on sale of investments at FVTPL (net)	139.6	19.3
Miscellaneous income *	332.2	361.2
Total	3,059.9	2,662.9

* Includes freight income recovered from subsidiaries (Refer note 3.35)

3.21 Cost of materials consumed

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Raw material consumed	22,059.6	21,663.0
Packing material consumed	5,439.7	4,634.8
Total	27,499.3	26,297.8

Notes

to the standalone financial statements for the year ended 31 March 2024

3.22 Changes in inventories of finished goods, work-in-progress and stock-in-trade:

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening stock:		
Finished goods	7,354.6	9,047.7
Stock-in-trade	2,104.2	3,170.9
Work-in-progress	1,246.0	1,063.5
	10,704.8	13,282.1
Less: Closing stock:		
Finished goods	7,581.2	7,354.6
Stock-in-trade	2,884.9	2,104.2
Work-in-progress	951.8	1,246.0
	11,417.9	10,704.8
Total	(713.1)	2,577.3

3.23 Employee benefits expense

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries, wages and bonus	14,438.9	14,046.5
Contribution to provident and other funds (Refer note 3.28)	770.0	730.5
Employees' welfare expenses	393.9	385.2
Total	15,602.8	15,162.2

3.24 Finance costs

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest expenses on		
- Bank overdraft and others at amortised cost	613.5	684.3
- Defined benefit liabilities (Refer note 3.28)	127.5	108.3
Other borrowing cost	23.1	14.3
Interest expense on lease liabilities (Refer note 3.29 (iii))	55.0	57.1
Total	819.1	864.0

3.25 Other expenses

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Consumption of stores and spare parts	554.7	572.2
Power and fuel	1,238.5	1,263.2
Processing charges	513.9	488.1
Contract labour charges	1,001.4	835.8
Rent (Refer note 3.29(iii))	21.6	28.7
Rates and taxes	245.2	370.7
Insurance	323.6	270.2
Marketing, advertisement and promotions	6,678.3	7,049.4
Selling and distribution expenses	2,526.0	2,886.4
Legal and professional Fees	1,824.4	2,587.1
Sales commission	757.1	626.2

Notes

to the standalone financial statements for the year ended 31 March 2024

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Travelling and conveyance	2,725.0	2,523.3
Repairs:		
- Buildings	74.6	107.7
- Plant and machineries	473.8	480.1
- Others	385.3	248.2
Loss on sale / write off of property, plant and equipments (net)	28.4	123.6
Commission to directors	13.0	13.0
Donation *	285.2	158.9
Communication and printing expenses	91.9	100.6
Vehicle expenses	220.9	216.6
Clinical and analytical charges	1,386.6	879.1
Loss allowance	198.6	26.1
Corporate Social Responsibility (CSR) expenditure (Refer note 3.39)	347.9	330.5
License, registration & technology fees	660.6	724.9
Miscellaneous expenses	1,573.4	396.8
Total	24,149.9	23,307.4

*Includes ₹250 Million (31 March 2023: ₹ 2.5 Million) paid to a political party (Bharatiya Janata Party) and ₹Nil (31 March 2023: ₹ 150 Million) contribution to a political party (Bharatiya Janata Party) as electoral bonds.

3.26 (a) Contingent Liabilities

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Claims against the Company not acknowledged as debt:		
(i) Central Excise and service tax demands disputed in appeal {advances paid in dispute Nil (31 March 2023: ₹ 12.6 Million)}	-	177.8
(ii) Sales Tax / Goods and Service tax demands disputed in appeal {advances paid in dispute ₹ 1.3 Million (31 March 2023: ₹61.4 Million)}	36.8	632.3
(iii) Custom duty demand disputed in appeal {advances paid in dispute Nil (31 March 2023: ₹ 5.3 Million)}	-	52.8
(iv) Income Tax demands disputed in appeal {advances paid in dispute ₹ 123.7 Million (31 March 2023: ₹123.7 Million)}	39.5	39.5
(v) Other matters:	768.2	1,714.9
a. In relation to purchase commitments : ₹ Nil (31 March 2023: ₹968.1 Million)		
b. Supply of Goods: ₹ 1.5 Million (31 March 2023: ₹0.5 Million)		
c. In relation to CCI: ₹ 746.3 Million (31 March 2023: ₹746.3 Million)		
d. Legal Matters : ₹ 20.4 Million (31 March 2023 : Nil)		
Total	844.5	2,617.3

Management considers that service tax, excise duty, sales tax/ Goods and service tax, custom duty and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements.

The Company has accrued income of ₹ 278.6 Million cumulatively on account of IGST reimbursement receivable under the Scheme of Budgetary Support under Goods and Service Tax Regime for an industrial unit acquired from Cachet Pharmaceutical Pvt Ltd (a subsidiary of the Company) in Sikkim. The Department for Promotion of Industry and Internal Trade has disputed the company's eligibility to claim the budgetary support on transfer of unit. The company has filed appeal against the same and hence the matter is sub-judice.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.26 (b) 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 statements.

3.26 (c) Commitments

		(₹ in Million)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advance paid ₹ 19.7 Million (31 March 2023: ₹ 7.8 Million)	214.7	320.5
2	Calls in Respect of Partly paid up shares issued by a subsidiary Company	15.8	15.2
3	Uncalled/ Unpaid contribution towards investment in funds (Refer note. 3.2)	59.3	203.7
4	Other Commitments: Commitment towards research and development - EUR 0.0625 Million (31 March 2023: EUR 0.0625 Million)	5.6	5.6
5	Uncalled/ Unpaid contribution towards investment in subsidiary	2.0	-
6	Pending Export Obligation under advance licence / EPCG Scheme	103.0	74.2

3.27 Dues to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the MSMED as set out in following disclosure.

		(₹ in Million)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
a)	Principal amount remaining unpaid to any supplier as at the year end	587.6	980.1
	Interest due thereon	51.2	38.5
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006) (MSMED Act, 2006), 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 (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	51.2	38.5
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 the MSMED Act, 2006.	51.2	38.5

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company basis the details provided by the enterprises.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.28 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund. The Company is required to contribute a specified percentage of salary cost to the Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance, which are recognised in the Statement of Profit and Loss on accrual basis. Eligible employees receive the benefits from the said funds. Both the employees and the Company make monthly contribution to the said funds plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

The Company has recognised the following amounts in the Statement of Profit and Loss

Particulars	₹ in Million	
	For the year ended 31 March 2024	For the year ended 31 March 2023
- Contribution to Provident Fund	762.1	712.8
- Contribution to Employee state insurance corporation	7.9	17.7
Total	770.0	730.5

ii) Defined benefit plan:

The Company provides for payment of gratuity to vested employees as under:

- On Normal retirement/ early retirement/ withdrawal/resignation:
As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service:
As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2024 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2024:

Sr. No.	Particulars	₹ in Million	
		As at 31 March 2024	As at 31 March 2023
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation:		
	Current Service Cost	226.4	213.6
	Past Service Cost	-	-
	Interest Cost	127.5	108.3
	Actuarial (gain) / loss	66.8	33.7
	Benefits paid	(162.8)	(218.9)
	PVO at the beginning of the year	2,086.0	1,949.3
	PVO at end of the year	2,343.9	2,086.0
II)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year	2,343.9	2,086.0
	Fair Value of planned assets at end of year	-	-
	Funded status	(2,343.9)	(2,086.0)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(2,343.9)	(2,086.0)

Notes

to the standalone financial statements for the year ended 31 March 2024

		(₹ in Million)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
III)	Net cost for the year		
	Current Service cost	226.4	213.6
	Past Service Cost	-	-
	Interest cost	127.5	108.3
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	66.8	33.7
	Net cost	420.7	355.6
IV)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	7.18	7.32
	Attrition rate (%)	10% - 20%	10% - 20%
	Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
	Salary escalation rate (%)	10% in Next one year and 8% thereafter	10% in Next one year and 8% thereafter

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Maturity profile of defined benefit obligation

		(₹ in Million)	
Projected benefits payable in future years from the date of reporting		As at 31 March 2024	As at 31 March 2023
1 st following year		790.7	688.9
2 nd following year		270.4	248.6
3 rd following year		253.5	217.8
4 th following year		224.4	211.1
5 th following year		207.5	186.7
Sum of years 6 th to 10 th		779.5	699.8
Sum of years 11 th and above		918.6	860.5

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

		(₹ in Million)			
Particulars	31 March 2024		31 March 2023		
	Increase	Decrease	Increase	Decrease	
Discount rate (1% movement)	(93.9)	104.1	(83.7)	92.7	
Future salary growth (1% movement)	90.9	(83.5)	81.0	(74.5)	

The mortality and attrition does not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **5.87 years** (Previous year: 5.87 years)

Notes

to the standalone financial statements for the year ended 31 March 2024

3.29 Leases

Leases as lessee

i. Right of use assets

Right of use assets related to leased properties.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Land	Buildings	Total	Land	Buildings	Total
	Opening balance	496.9	463.0	959.9	505.9	408.0
Depreciation for the year	(9.0)	(151.5)	(160.5)	(9.0)	(147.7)	(156.7)
Additions / Adjustments of right of use assets (net)	-	80.2	80.2	-	202.7	202.7
Closing Balance	487.9	391.7	879.6	496.9	463.0	959.9

(₹ in Million)

ii. Lease liability

Particulars	As at 31 March 2024			As at 31 March 2023		
	Land	Buildings	Total	Land	Buildings	Total
	Maturity analysis of lease liability - undiscounted contractual cash flows					
Less than one year	2.9	191.8	194.7	2.9	186.3	189.1
One to three years	5.8	326.1	331.9	5.8	324.3	330.1
More than three years	257.9	147.0	404.9	260.7	210.6	471.3
Total undiscounted cash flows	266.6	664.9	931.5	269.4	721.2	990.5
Current (Discounted)	0.1	103.7	103.8	0.1	107.3	107.4
Non-current (Discounted)	62.9	313.1	376.0	63.0	387.6	450.6

(₹ in Million)

iii. Amount recognised in statement of profit and loss

Particulars	For the Year ended March 2024			For the Year ended March 2023		
	Land	Buildings	Total	Land	Buildings	Total
	General and administrative expenses					
Short-term lease rent expense	2.9	18.7	21.6	2.9	25.8	28.7
Depreciation and impairment losses						
Depreciation of right of use lease asset	9.0	151.5	160.5	9.0	147.7	156.7
Finance cost						
Interest expense on lease liability	2.8	52.2	55.0	2.8	54.3	57.1
	14.7	222.4	237.1	14.7	227.8	242.6

(₹ in Million)

iv. Amount recognised in statement of cash flows

Particulars	For the Year ended March 2024			For the Year ended March 2023		
	Land	Buildings	Total	Land	Buildings	Total
	Cash outflow for short-term leases	2.9	18.7	21.6	2.9	25.8
Principal component of cash outflow for long-term leases	0.0	145.0	145.1	0.0	126.2	126.2
Interest component of cash outflow for long-term leases	2.8	52.2	55.0	2.8	54.3	57.1
Total cash outflow for leases	5.8	215.9	221.7	5.8	206.2	212.0

(₹ in Million)

Notes

to the standalone financial statements for the year ended 31 March 2024

v. Movement of lease liabilities

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening balance of lease liability	558.0	482.5
Addition to lease liability	66.9	201.6
Interest on lease liability	55.0	57.1
Repayment of lease liability	(200.1)	(183.2)
Closing lease liability	479.8	558.0

3.30 The aggregate amount of revenue expenditure incurred during the period on Research and Development and shown in the respective heads of account is ₹ **4,637.7 Million** (Previous year: ₹ 4,797.4 Million).

3.31 Earnings per share (EPS)

Particulars			For the Year ended 31 March 2024	For the Year ended 31 March 2023
	Profit / (Loss) after tax attributable to equity shareholders	₹ in Million	A	17,471.5
Weighted average number of equity shares outstanding during the year	Nos.	B	119,565,000	119,565,000
Basic and diluted earnings per equity share (₹) - Face value of ₹2 per share	In ₹	(A / B)	146.13	94.88

3.32 Disclosure as per Ind AS 115 'Revenue from Contracts with Customers' is as under:

Liabilities towards anticipated sales return:

The Company as a trade practice, accepts sales return from market which are primarily in the nature of expired or near expiry products. Liability is created towards such returns on the basis of historical experience, market conditions and business practices. The Company expects to settle the majority of the liability over 2- 3 years.

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Carrying amount at the beginning of the year	1,823.9	1,573.7
Add: Liability accrued during the year	1,897.4	1,768.5
Less: Amount utilized during the year	1,716.7	1,518.3
Carrying amount at the end of the year	2,004.6	1,823.9

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Non-current	690.6	614.3
Current	1,314.0	1,209.6
Total	2,004.6	1,823.9

Notes

to the standalone financial statements for the year ended 31 March 2024

3.33 Dividend paid and proposed:

Dividends on equity shares were declared and paid by the Company during the year

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March 2024 (₹ in Million)	Dividend Per Equity Share (₹)	For the year ended 31 March 2023 (₹ in Million)
Dividend on equity shares	45.00	5,380.4	44.00	5,260.9
Total		5,380.4		5,260.9

After the reporting date, the following dividend was proposed by the Board of Directors in its meeting held on 29 May 2024 (previous year: in the Board meeting held on 19 May 2023) subject to the approval at the annual general meeting. Proposed dividend has not been recognised as a liability.

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March 2024 (₹ in Million)	Dividend Per Equity Share (₹)	For the year ended 31 March 2023 (₹ in Million)
Final dividend on equity shares	5.00	597.8	10.00	1,195.7
Total		597.8		1,195.7

3.34 Segment Reporting

The Company has presented data relating to its segments in its consolidated financial statements. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) "Segment Reporting", no disclosures related to segments are presented in the standalone financial statements.

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures.

The Company's principal related parties consist of its subsidiaries (Refer list below), Key Managerial Personnel ("KMP"), Close members of KMP and entities in which KMP and their Close members have significant influence ("Affiliates"). The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

List of Subsidiaries and Step down Subsidiaries

A) Subsidiaries and Step down Subsidiaries	Principal Place of Business	% Shareholding and Voting Power	
		As at 31 March 2024	As at 31 March 2023
Ascend Laboratories (Pty) Ltd	South Africa	100%	100%
Ascend GmbH	Germany	100%	100%
Alkem Laboratories Corporation	Philippines	100%	100%
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 October 2023)	Luxembourg	100%	100%
Pharmacor Pty Limited	Australia	100%	100%
ThePharmaNetwork, LLC (Subsidiary of S&B Holdings S.a.r.l.)	United States of America	100%	100%
Ascend Laboratories SDN BHD.	Malaysia	100%	100%
Ascend Laboratories SpA	Chile	100%	100%
Enzene Biosciences Limited	India	99.76%	99.76%
Alkem Laboratories Korea Inc.	South Korea	100%	100%
Pharmacor Limited	Kenya	100%	100%
The Pharmanetwork, LLP	Kazakhstan	100%	100%
Ascend Laboratories, LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America	100%	100%
Ascend Laboratories SAS	Colombia	100%	100%
Ascend Laboratories (UK) Limited	United Kingdom	100%	100%

Notes

to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

A) Subsidiaries and Step down Subsidiaries	Principal Place of Business	% Shareholding and Voting Power	
		As at 31 March 2024	As at 31 March 2023
Cachet Pharmaceuticals Private Limited	India	60.63%	60.63%
Indchemie Health Specialities Private Limited	India	51%	51%
Ascend Laboratories Limited	Canada	100%	100%
Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Chile	100%	100%
Alkem Foundation	India	100%	100%
Connect 2 Clinic Private Limited	India	100%	100%
Ascend Laboratories S.A. DE. CV (Wholly owned subsidiary of Ascend Laboratories SpA)	Mexico	100%	100%
Enzene Inc (Wholly owned subsidiary of Enzene Biosciences Limited) (w.e.f 26 May 2022)	United States of America	100%	100%
Pharmacor Limited (Wholly owned subsidiary of Pharmacor Pty Limited) (w.e.f 1 June 2022)	New Zealand	100%	100%
S & B Pharma LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America	100%	100%
Alkem Medtech Private Limited (incorporated on 27 th March 2024)	India	100%	NA

B) Key Managerial Personnel ("KMP")

Key Managerial Personnel ("KMP")

Mr. Basudeo Narain Singh	Executive Chairman
Late Mr. Balmiki Prasad Singh (upto 25 August 2022)	Executive Director
Mr. Mritunjay Kumar Singh	Executive Director
Mr. Sandeep Singh	Managing Director
Mr. Sarvesh Singh	Executive Director
Mr. Srinivas Singh (w.e.f 14 September 2022)	Executive Director
Mrs. Madhurima Singh	Executive Director
Mr. A.K.Purwar	Independent Director
Mr. R.L.Shenoy (upto 11 July 2022)	Independent Director
Mr. Sujain Talwar (w.e.f 5 August 2022)	Independent Director
Ms. Sangeeta Singh	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Dheeraj Sharma	Independent Director
Mr. Narendra Kumar Aneja	Independent Director
Dr. Vikas Gupta (w.e.f 22 September 2023)	Chief Executive Officer
Mr. Rajesh Dubey (upto 31 January 2024)	President - Finance & Chief Financial Officer
Mr. Nitin Agrawal (w.e.f 1 February 2024)	President - Finance & Chief Financial Officer
Mr. Manish Narang	President - Legal & Company Secretary

C) Close Members of Key Managerial Personnel ("KMP") with whom transactions have taken place during the year

Mr. Satish Kumar Singh	Father of Sandeep Singh and Sarvesh Singh
Mrs. Archana Singh	Daughter of Basudeo Narain Singh
Mr. Sarandhar Singh	Son of Late Balmiki Prasad Singh and Brother of Srinivas Singh
Mr. Srinivas Singh (upto 25 August 2022)	Son of Late Balmiki Prasad Singh
Mrs. Manju Singh	Wife of Late Balmiki Prasad Singh and Mother of Srinivas Singh
Mrs. Premlata Singh	Mother of Sandeep Singh and Sarvesh Singh
Mrs. Seema Singh	Wife of Mritunjay Kumar Singh

Notes

to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Ms. Divya Singh	Daughter of Madhurima Singh
Mr. Aniruddha Singh	Son of Madhurima Singh
Ms. Meghna Singh	Daughter of Mritunjay Kumar Singh
Mr. Shrey Shree Anant Singh	Son of Mritunjay Kumar Singh
Ms. Inderjit Arora	Wife of Sandeep Singh
Mrs. Annapurna Singh	Wife of Sarvesh Singh
Mr. Nawal Kishore Singh (upto 25 August 2022)	Brother of Late Balmiki Prasad Singh
Mr. Sreejan Shandilya	Husband of Madhurima Singh's Daughter

D) Entities in which Key Managerial Personnel's and their Close Members have significant influence and with whom transactions have taken place during the current and previous year ("Affiliates"):

M/s Galpha Laboratories Ltd (upto 25 August 2022), M/s. Samprada and Nanhamati Singh Family Trust, Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust), Madhurima Singh (Estate of Dhananjay Kumar Singh), Sureet Propkem Private Limited

Details of Transactions with Related Parties

Sr. No.	Particulars	For the year ended 31 March 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
1	Remuneration*	-	962.0	152.4	-	1,114.4
		-	(733.8)	(152.4)	-	(886.2)
2	Consultancy fees paid	-	-	3.0	-	3.0
		-	-	(3.0)	-	(3.0)
3	Licensing fees paid	-	-	-	-	-
		(139.7)	-	-	-	(139.7)
4	Purchase of stock in trade	3,361.9	-	-	-	3,361.9
		(2,252.4)	-	-	(122.7)	(2,375.1)
5	Sale of finished goods	18,434.1	-	-	-	18,434.1
		(15,682.0)	-	-	-	(15,682.0)
6	Sale of raw and packing materials	3.9	-	-	-	3.9
		(28.0)	-	-	(5.0)	(33.0)
7	Purchase of raw and packing materials	4.3	-	-	-	4.3
		-	-	-	-	-
8	Services received	732.0	-	-	-	732.0
		(1,501.6)	-	-	-	(1,501.6)
9	Services rendered (March 2023: ₹ 45,642)	-	-	-	-	-
		(0.0)	-	-	-	(0.0)
10	Rental income	23.3	-	-	-	23.3
		(16.6)	-	-	(1.6)	(18.2)
11	Rent expenses	-	3.0	1.1	-	4.1
		-	(3.0)	(1.1)	-	(4.2)
12	Investments made	-	-	-	-	-
		(2,732.4)	-	-	-	(2,732.4)
13	Dividend paid	-	787.9	724.2	1,546.0	3,058.1
		-	(427.9)	(426.4)	(1,908.6)	(2,762.9)
14	Loans and advances given to	-	-	-	-	-
		-	(3.8)	-	-	(3.8)

Notes

to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Sr. No.	Particulars	For the year ended 31 March 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
15	Loans and advances repaid by	-	1.6	-	-	1.6
		(90.0)	(2.2)	-	-	(92.2)
16	Donation given to **	537.4	-	-	-	537.4
		(330.9)	-	-	-	(330.9)
17	Purchase of PPE	4.2	-	-	-	4.2
		-	-	-	(68.9)	(68.9)
18	Royalty expenses	0.4	-	-	-	0.4
		(0.6)	-	-	-	(0.6)
19	Guarantee commission	21.3	-	-	-	21.3
		(10.9)	-	-	-	(10.9)
20	Royalty income	140.0	-	-	-	140.0
		(118.4)	-	-	-	(118.4)
21	Reimbursement of expenses to	862.3	-	-	-	862.3
		(197.8)	-	-	-	(197.8)
22	Reimbursement of expenses from	28.0	35.0	2.8	-	65.8
		(270.1)	(29.7)	(4.3)	-	(304.1)
23	Interest income on loans given (March 24 : ₹ 1,027)	0.2	0.0	-	-	0.2
		(1.0)	(0.1)	-	-	(1.1)
24	Advance received	10.8	-	-	-	10.8
		(55.0)	-	-	-	(55.0)
25	Dividend received	25.5	-	-	-	25.5
		(35.7)	-	-	-	(35.7)
26	Corporate guarantee given for subsidiary	166.8	-	-	-	166.8
		(4,108.5)	-	-	-	(4,108.5)
27	Freight income	194.6	-	-	-	194.6
		(291.9)	-	-	-	(291.9)

** Includes ₹ 193.9 Million (31 March 2023: ₹ 200.0 Million) transferred from CSR unspent account

Figures in the brackets are the comparative figures of the previous year.

*Key managerial personnel remuneration

Key managerial personnel remuneration comprise the following :

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Short term employee benefits	905.6	657.7
Post-employment benefits	49.8	62.1
Other long-term benefits	6.6	14.0
Total	962.0	733.8

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, is in accordance with shareholders' approval.

All related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Significant Related party transactions

Sr. No.	Transactions	Related Party relation	For the year ended 31 March 2024	For the year ended 31 March 2023
1	Purchase of stock in trade			
	Cachet Pharmaceuticals Private Limited	Subsidiary	1,448.2	1,110.3
	Indchemie Health Specialities Private Limited	Subsidiary	700.6	706.2
	Galpha Laboratories Limited	Affiliate	-	122.7
2	Sale of Finished Goods			
	Ascend Laboratories, LLC	Step Down Subsidiary	13,753.0	12,256.3
3	Services received			
	ThePharmaNetwork, LLC	Wholly owned subsidiary	37.6	735.8
	Indchemie Health Specialities Private Limited	Subsidiary	399.9	407.5
4	Investments made			
	Enzene Biosciences Limited, India	Subsidiary	-	2,500.0

Balance due from / to the related Parties

Sr. No.	Particulars	As at 31 March 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	Total
1	Outstanding receivables	10,955.5	-	-	-	10,955.5
2	Outstanding payables	1,976.3	-	-	-	1,976.3
3	Investments	25,630.3	-	-	-	25,630.3
4	Security deposits payable	8.6	-	-	-	8.6
5	Loans receivable	3.5	-	-	-	3.5

Sr. No.	Particulars	As at 31 March 2023				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	Total
1	Outstanding receivables	11,155.4	-	-	-	11,155.4
2	Outstanding payables	1,599.5	-	-	-	1,599.5
3	Investments	25,630.3	-	-	-	25,630.3
4	Security deposits payable	2.5	-	-	-	2.5
5	Loans receivable	3.3	1.6	-	-	4.9

Notes

to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Note:

1 Disclosures pursuant to Section 186 of the Companies Act, 2013 (hereinafter referred to as "Act")

- a) Loans and Advances in the nature of loans to subsidiaries (net of provision for doubtful advances)

(₹ in Million)					
Sr. No.	Related Party	Related Party relation	% Shareholding and Voting Power		
			As at 31 March 2024	Maximum balance outstanding during the year	As at 31 March 2023
i	Alkem Laboratories Korea Inc.	Wholly Owned Subsidiary	2.0	2.0	1.8
ii	Ascend Laboratories SDN BHD.	Wholly Owned Subsidiary	1.5	1.5	1.4

Note:

The above loans are given towards meeting working capital requirements and are repayable in accordance with the terms and conditions of loan agreements carry an interest rate of 6.5%.

- b) Details of investments made under section 186 of the Act are given in Note 3.2A "Investment in Subsidiaries".

- c) Value of assets pledged against loan taken by subsidiaries

(₹ in Million)				
Sr. No.	Related Party	Related Party relation	As at 31 March 2024	As at 31 March 2023
i	Ascend Laboratories SpA, Chile	Wholly Owned Subsidiary	2,150.0	2,150.0
ii	PharmaNetwork SpA, Chile	Wholly Owned Subsidiary		

Note:

The assets pledged are against loans taken by subsidiaries for the purpose of meeting working capital requirements (Refer note 3.1)

- d) The Company has issued corporate guarantee to its wholly owned subsidiary, Pharmacor Pty Limited, Australia amounting to **₹270.6 Million (AUD 5 Million)** (31 March 2023: ₹275.1 Million (AUD 5 Million)), Ascend Laboratories SpA, Chile amounting to **₹166.8 Million (USD 2 Million)** (31 March 2023: ₹164.3 Million (USD 2 Million)), Pharma Network SpA (Wholly owned by Ascend Laboratories SpA), Chile amounting to **₹208.5 Million (USD 2.5 Million)** (31 March 2023: ₹205.4 Million (USD 2.5 Million)) and Enzene Biosciences Limited amounting to ₹500.0 Million (31 March 2023: ₹500.0 Million) in respect of loan taken to meet working capital requirements and Ascend Laboratories LLC amounting to **₹ 4,170.5 million (USD 50.0 Million)** (31 March 2023: ₹ 4,108.5 Million (USD 50 Million)).

3.36 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

(₹ in Million)

Particulars	As at 31 March 2024							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	389.5	389.5	-	-	-	-
Other Bank Balances	-	-	10,269.0	10,269.0	-	-	-	-
Non-current investments *	1,193.3	-	156.3	1,349.6	-	1,193.3	-	1,193.3
Current investments	1,385.1	-	52.5	1,437.6	372.5	-	1,012.6	1,385.1
Non-current loans	-	-	3.5	3.5	-	-	-	-
Current loans	-	-	39.5	39.5	-	-	-	-
Trade receivables	-	-	17,536.4	17,536.4	-	-	-	-
Other Non-current financial assets	-	-	520.6	520.6	-	-	-	-
Other Current financial assets	-	-	25,414.6	25,414.6	-	-	-	-
	2,578.4	-	54,381.9	56,960.3	372.5	1,193.3	1,012.6	2,578.4
Financial liabilities								
Other Non Current financial liabilities	-	-	690.6	690.6	-	-	-	-
Current borrowings	-	-	9,572.3	9,572.3	-	-	-	-
Trade payables	-	-	15,709.4	15,709.4	-	-	-	-
Lease liabilities	-	-	479.8	479.8	-	-	-	-
Other Current financial liabilities	-	-	3,379.9	3,379.9	-	-	-	-
	-	-	29,832.0	29,832.0	-	-	-	-

* It excludes fair value information for financial assets not measured at fair value, if carrying amount is a reasonable approximation of fair value.

(₹ in Million)

Particulars	As at 31 March 2023							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	50.1	50.1	-	-	-	-
Other Bank Balances	-	-	21,588.6	21,588.6	-	-	-	-
Non-current investments*	1,262.0	-	156.3	1,418.3	-	1,262.0	-	1,262.0
Current investments	1,308.8	-	1,817.1	3,125.9	266.2	-	1,042.6	1,308.8
Non-current loans	-	-	83.4	83.4	-	-	-	-
Current loans	-	-	16.8	16.8	-	-	-	-
Trade receivables	-	-	17,683.4	17,683.4	-	-	-	-
Other Non-current financial assets	-	-	309.4	309.4	-	-	-	-
Other Current financial assets	-	-	1,683.6	1,683.6	-	-	-	-
	2,570.8	-	43,388.7	45,959.5	266.2	1,262.0	1,042.6	2,570.8
Financial liabilities								
Current borrowings	-	-	11,258.9	11,258.9	-	-	-	-
Trade payables	-	-	10,763.4	10,763.4	-	-	-	-
Lease liabilities	-	-	557.9	557.9	-	-	-	-
Other Current financial liabilities	-	-	4,904.2	4,904.2	-	-	-	-
	-	-	27,484.4	27,484.4	-	-	-	-

* It excludes fair value information for financial assets not measured at fair value, if carrying amount is a reasonable approximation of fair value.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value :

- Level 1:** The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.
- Level 2:** The fair value of financial instruments that are not traded in an active market (i.e. venture capital funds) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
- Level 3:** The fair value of the remaining financial instrument is determined using discounted cash flow analysis. The discount rates used are based on management estimates.

The significant unobservable inputs used to determine the fair value of investment in fund together with the quantitative sensitivity analysis as at 31 March 2024 and 31 March 2023 are as shown below:

Type	Level	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Units of Avenue Venture Real Estate Fund	Level 3	Income approach (Discounted cash flow method): The valuation model is based on expected EBITDA of the investee.	Revenue, Cost of construction, absorption timelines	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> the sale price were higher/(lower); the cost of construction were lower/ (higher); or the absorption timelines will decrease/ (increase).

There have been no transfers between Level 1 and Level 2 during the year.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of Investment in Avenue Venture Real Estate Fund.

Particulars	(₹ in Million)
	Amount
Opening Balance (1 April 2022)	1,073.3
Net change in fair value (unrealised)	293.8
Repayment	(324.5)
Closing Balance (31 March 2023)	1,042.6
Net change in fair value (unrealised)	-
Repayment	(30.0)
Closing Balance (31 March 2024)	1,012.6

Transfer out of Level 3

There has been no transfer out of Level 3 during the year.

Sensitivity analysis

For the fair values of Avenue Venture Real Estate Fund investment possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

Significant unobservable inputs	(₹ in Million)			
	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Sale Price - 5%	31.4	(31.4)	32.6	(32.6)
Cost of Construction - 5%	(13.8)	13.8	(14.2)	14.2
Absorption Timelines - 1 Year	(40.6)	38.4	(74.6)	(6.0)

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including investments in debt securities, deposits with banks, equity securities, venture capital and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Payment terms with customers vary depending upon the contractual terms of each contract. Sale limits are established for each customer and reviewed quarterly.

At 31 March 2024, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	(₹ in Million)	
	31 March 2024	31 March 2023
India	6,245.6	6,290.8
US	5,897.1	8,251.3
Other regions	5,393.7	3,141.3
	17,536.4	17,683.4

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

The Company's exposure to credit risk for trade receivables by type of counter party is as follows:

Particulars	₹ in Million	
	31 March 2024	31 March 2023
Stockists/distributors	6,580.9	6,528.0
Subsidiaries	10,955.5	11,155.4
	17,536.4	17,683.4

At 31 March 2024, the carrying amount of the Company's most significant customer (Ascend Laboratories LLC, its wholly owned step-down subsidiary) is ₹5,891.7 million (31 March 2023: ₹8,107.0 million)

Impairment

As per the simplified approach, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

Refer note 3.8 for ageing of trade receivables that were not impaired.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	₹ in Million	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Balance as at the beginning of the year	280.9	285.6
Impairment loss recognised	198.6	26.1
Amounts written off	(24.5)	(30.8)
Balance as at the end of the year	455.0	280.9

Loans to subsidiaries

The Company has an exposure of ₹3.5 million as at 31 March 2024 (31 March 2023: ₹3.3 million) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost.

The Company did not have any amounts that were past due but not impaired at 31 March 2024 or 31 March 2023. The Company has no collateral in respect of these loans.

Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in subsidiaries, mutual funds, venture capital funds, investment in equity of other companies /LLP, quoted bonds and non-convertible debentures. These mutual funds and counterparties have low credit risk.

Total non-current and current investments as at 31 March 2024 is ₹60,248.5 million (31 March 2023: ₹52,600.0 million)

Debt securities

The Company has an exposure of ₹208.8 million as at 31 March 2024 (31 March 2023: ₹1,973.3 million) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31 March 2024.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

Credit Rating of debt securities is given below:

Credit Rating	₹ in Million	
	31 March 2024	31 March 2023
AAA	200.7	1,965.3
Not Rated	8.1	8.1
Total	208.8	1,973.4

The Company did not have any debt securities that were past due but not impaired at 31 March 2024 or 31 March 2023. The Company has no collateral in respect of these investments.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's trade receivables are due for maturity within 21 - 60 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 45 - 60 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term and long term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2024	₹ in Million						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	9,572.3	9,572.3	9,572.3	-	-	-	-
Trade payables	15,709.4	15,709.4	15,709.4	-	-	-	-
Other Current financial liabilities	3,379.9	3,379.9	3,379.9	-	-	-	-
Total	28,661.6	28,661.6	28,661.6	-	-	-	-

31 March 2023	₹ in Million						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	11,258.9	11,258.9	11,258.9	-	-	-	-
Trade payables	10,763.4	10,763.4	10,763.4	-	-	-	-
Other Current financial liabilities	4,904.2	4,904.2	4,904.2	-	-	-	-
Total	26,926.5	26,926.5	26,926.5	-	-	-	-

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to EUR, GBP, USD, AUD, CNY, CAD, KES, JPY, KES, NPR, AED and CHF. The Company has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024, 31 March 2023 in there respective currencies are as below (absolute values):

Particulars	31 March 2024										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Non-current loans	-	-	41,855	-	-	-	-	-	-	-	-
Trade and other receivables	6,267,228	8,302,294	115,837,397	15,254,324	-	103,777	-	-	411,730	-	10
Cash and cash equivalents	-	-	612,673	-	-	-	-	-	-	-	-
	6,267,228	8,302,294	116,491,925	15,254,324	-	103,777	-	-	411,730	-	10
Financial liabilities											
Short term borrowings	-	-	94,000,000	-	-	-	-	-	-	-	-
Trade and other payables	1,768,678	633,445	17,800,960	6,192,267	121,050	-	678,944	-	-	31,500	-
	1,768,678	633,445	111,800,960	6,192,267	121,050	-	678,944	-	-	31,500	-
Net foreign currency exposure as at 31 March 2024	4,498,550	7,668,848	4,690,965	9,062,057	(121,050)	103,777	(678,944)	-	411,730	(31,500)	10

Particulars	31 March 2023										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Non-current loans	-	-	39,579	-	-	-	-	-	-	-	-
Trade and other receivables	801,287	3,093,505	134,210,186	6,062,225	-	159,312	-	-	-	-	-
Cash and cash equivalents	-	-	9	-	-	-	-	42,351	294,185	-	-
	801,287	3,093,505	134,249,774	6,062,225	-	159,312	-	42,351	294,185	-	-
Financial liabilities											
Short term borrowings	-	-	122,500,000	-	-	-	-	-	-	-	-
Trade and other payables	1,764,493	317,810	22,849,555	2,861,071	438,047	4,555	-	-	-	15,750	12,431
	1,764,493	317,810	145,349,555	2,861,071	438,047	4,555	-	-	-	15,750	12,431
Net foreign currency exposure as at 31 March 2023	(963,206)	2,775,695	(11,099,781)	3,201,154	(438,047)	154,757	-	42,351	294,185	(15,750)	(12,431)

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

INR	For the Year ended 31 March 2024	For the Year ended 31 March 2023
EUR	89.88	89.44
GBP	105.03	101.65
USD	83.41	82.17
AUD	54.11	55.03
CNY	11.48	11.95
CAD	61.27	60.67
JPY	0.55	NA
KES	0.63	0.62
NPR	0.63	0.62
AED	22.71	22.37
CHF	92.04	89.58

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in Million)

31 March 2024 - 10% movement	Profit or (loss) before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
EUR	40.4	(40.4)	26.3	(26.3)
GBP	80.5	(80.5)	52.4	(52.4)
USD	39.1	(39.1)	25.5	(25.5)
AUD	49.0	(49.0)	31.9	(31.9)
CNY	(0.0)	0.0	(0.0)	0.0
CAD	0.6	(0.6)	0.4	(0.4)
JPY	(0.0)	-	(0.0)	0.0
NPR	0.0	(0.0)	0.0	(0.0)
AED	(0.1)	0.1	(0.0)	0.0
CHF	0.0	(0.0)	0.0	(0.0)
	209.5	(209.5)	136.4	(136.4)

(₹ in Million)

31 March 2023 - 10% movement	Profit or (loss) before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
EUR	(8.6)	8.6	(5.6)	5.6
GBP	28.2	(28.2)	18.4	(18.4)
USD	(91.2)	91.2	(59.3)	59.3
AUD	17.6	(17.6)	11.5	(11.5)
CNY	(0.0)	0.0	(0.0)	0.0
CAD	0.9	(0.9)	0.6	(0.6)
JPY	0.0	(0.0)	0.0	(0.0)
NPR	0.0	(0.0)	0.0	(0.0)
AED	(0.0)	0.0	(0.0)	0.0
CHF	(0.1)	0.1	(0.1)	0.1
	(53.2)	53.2	(34.6)	34.6

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

Other Price Risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2024, the investments in mutual funds amounts to ₹ 372.5 Millions (31st March, 2023: ₹ 266.2 Millions). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the profit or loss by the amounts shown below.

Particulars	(₹ in Million)			
	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Price change by 1%	3.7	(3.7)	2.7	(2.7)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Fixed-rate instruments		
Financial assets	34,624.8	22,670.5
Financial liabilities	1,720.2	1,751.0
Total	32,904.6	20,919.5
Variable-rate instruments		
Financial liabilities	7,852.1	10,065.8
Total	7,852.1	10,065.8

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 5% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	(₹ in Million)			
	Profit or loss			
	31 March 2024		31 March 2023	
	5% increase	5% decrease	5% increase	5% decrease
Variable-rate instruments	(22.1)	22.1	(19.3)	19.3
Cash flow sensitivity (net)	(22.1)	22.1	(19.3)	19.3

Notes

to the standalone financial statements for the year ended 31 March 2024

3.37 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's net debt to equity ratio was as follows.

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Total Borrowings	9,572.3	11,258.9
Less : Cash and cash equivalents	389.5	50.1
Net debt	9,182.8	11,208.8
Total equity	105,546.1	93,498.5
Net debt to equity ratio	0.09	0.12

3.38 Payment to auditors (excluding GST)

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
As Auditor		
Audit fees	26.5	27.0
In other capacity		
In any other services such as certification, etc.	12.0	12.0
Reimbursement of out of pocket expenses	4.1	2.2
Total	42.6	41.2

3.39 The gross amount required to be spent by the Company on Corporate Social Responsibility ("CSR") as per section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 during the year is ₹ 327.6 million (Previous Year : ₹330.3 million).

The Company has spent an amount of ₹ 343.7 Million (Previous year: ₹ 124.2 Million) towards the CSR obligation of the Company and an amount of ₹ 4.2 Million (Previous Year: ₹ 206.3 Million) was transferred to the "Unspent CSR Account" towards the ongoing projects initiated by the Company towards CSR as per the approved CSR policy of the Company on healthcare, women empowerment, education, sanitation, conservation of environment, rural development.

Above spend includes a transfer of ₹ 343.5 million (Previous Year : ₹130.9 million) to Alkem Foundation, a subsidiary of the Company, which is a Section 8 registered company under Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as healthcare, women empowerment, education, sanitation, conservation of environment, rural development and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

Amount spent during the year on other than ongoing projects:

Particulars	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	111.5	-	111.5
	(69.0)	(-)	(69.0)

Figures in the brackets are the corresponding figures of the previous year.

Notes

to the standalone financial statements for the year ended 31 March 2024

Amount spent during the year on ongoing projects under Section 135(6) of the Act:

Opening balance		Amount spent during the year			Closing balance	
With the Company	In Separate CSR Unspent Account	Amount required to be spent during the year	From the Company's bank account	From separate CSR Unspent account	With the Company	In Separate CSR Unspent Account
-	1.0	216.1	232.2	203.0	-	4.3
-	(1.0)	(261.5)	(55.2)	(200.0)	-	(1.0)

Figures in the brackets are the comparative figures of the previous year.

Subsequent to 31 March 2024, an amount of ₹4.2 million (Previous year: 206.3 million) has been transferred to the separate CSR Unspent account on 30 April 2024 (Previous year: 29 April 2023) in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 rules.

3.40 Government Grant

The Company is eligible for government grants which are conditional upon construction of new factories in the Sikkim region. One of the grants, received in FY 2014-15 amounted to ₹ 72.4 million with respect to the Kumrek facility. The factory has been constructed and in operation since August 2007. The second grant is with respect to Samardung facility in Sikkim amounting to ₹122.1 million for which the Company has received the claim amount in FY 2018-19. The factory has been constructed and in operation since October, 2012. The third grant is with respect to AHS-3 facility in Sikkim amounting to ₹ 30.6 million for which the Company has received the claim amount in current year. Further, during the current year, Company has received grant amounting to ₹ 398.7 million with respect to AHS- 2 facility in Sikkim. These grants, recognized as deferred income, are being amortized over the useful life of the plant and machinery in proportion to the related depreciation expense. The unamortised grant as on 31 March 2024 amounts to ₹282.7 million (Previous year: ₹81.3 million), the breakup of which is as below:

Particulars	₹ in Million	
	As at 31 March 2024	As at 31 March 2023
Non-current	245.5	73.1
Current	37.2	8.2
Total	282.7	81.3

3.41 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3.42 Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these standalone financial statements by the Board of Directors of the Company requiring adjustment or disclosure other than those disclosed in 3.26 (b)

Notes

to the standalone financial statements for the year ended 31 March 2024

3.43 Exceptional items

- a) On January 12, 2024, the Company disclosed about a Cyber security incident occurred in November 2023 that compromised business email IDs of certain employees at one of the Company's subsidiaries which resulted in a fraudulent transfer of ₹ 513.1 Million. The Company employed independent external agencies to investigate the incident. Based on their report, the Company concluded that the impact of the incident did not extend beyond the above mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of the Company or its subsidiary.

The Company has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long-term measures to augment its security controls systems across the organization. The Company believes that no legal violations have occurred because of this incident, and all known impacts on its standalone financial statements for the year ended 31 March 2024 on account of this incident have been considered. Further, subsequent to this event, the Company has been able to recover an amount of ₹ 290.4 Million and the net amount of ₹ 222.7 million has been shown as 'Exception item' in the Statement of Profit and Loss.

- b) The Company has considered indicators of impairment of its cash-generating units (CGUs) for factors like decline in operational performance, changes in the outlook of future profitability, and weaker market conditions, among other potential indicators. In respect of one of the manufacturing units located at Indore, where indicators of impairment were identified, the Company identified the recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, as compared with the carrying value. The value in use is derived from discounted future cash flows uses several assumptions like long term growth rate, discount rate, potential product obsolescence, new product launches and the weighted average cost of capital. The outcome of this exercise as on 31 March 2024 resulted in the Company recognizing an impairment loss of ₹ 415.6 Million in the financial statements under 'Exceptional Items'.

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Long-term growth rate	The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports
Pre-tax risk adjusted discount rate (weighted average cost of capital)	Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC)

The projected cashflows were discounted at pre-tax rate of 12.8%. The terminal growth rate was considered at 0%. The cash flow projections were based on five years specific estimates.

Sensitivity analysis

A reasonably possible change of 2% in weighted average cost of capital at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
Significant unobservable inputs	Increase	Decrease	Increase	Decrease
Weighted average cost of capital - 2%	57.9	(58.2)	-	-

Notes

to the standalone financial statements for the year ended 31 March 2024

3.44 Ratios

Sr. No	Ratios	Numerator	Denominator	Mar-24	Mar-23	% Variance	Reason for variance
a)	Current Ratio	Current Assets	Current liabilities	2.59	2.22	16%	
b)	Debt-equity Ratio	Total Debt	Shareholder's equity	0.09	0.12	-25%	Due to decrease in OD utilisation during the year
c)	Debt service coverage Ratio	Earnings available for debt service	Debt service	2.31	1.46	58%	Due to decrease in OD utilisation during the year
d)	Return on equity Ratio	Net profit after taxes	Average shareholder's equity	17.6%	12.5%	40%	Due to increase in gross margin during the year
e)	Inventory turnover Ratio	Cost of goods sold or sales	Average inventory	2.13	2.07	3%	
f)	Trade receivables turnover Ratio	Net credit sales	Average accounts receivable	5.41	5.03	7%	
g)	Trade payables turnover Ratio	Net credit purchases	Average trade payables	2.88	3.50	-18%	
h)	Net capital turnover Ratio	Net sales	Working capital	1.93	2.39	-19%	
i)	Net profit Ratio	Net profit after taxes	Net sales	18.4%	12.8%	44%	Due to increase in gross margin during the year
j)	Return on capital employed	Earnings before interest and taxes	Capital employed	17.1%	13.5%	26%	Due to increase in gross margin during the year
k)	Return on investment						
-	Quoted			12.0%	9.0%	33%	Due to change in Investments mix
-	Unquoted			7.6%	7.0%	8%	

Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Debt service = Interest & Lease Payments + Principal Repayments

Net credit sales consist of gross credit sales minus sales return.

Net credit purchases consist of gross credit purchases minus purchase return

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman
DIN. 00760310
Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer
Mumbai, India

29 May 2024

Sandeep Singh

Managing Director
DIN. 01277984
San Francisco, USA

Nitin Agrawal

President - Finance &
Chief Financial Officer
Mumbai, India

29 May 2024

M.K. Singh

Executive Director
DIN. 00881412
Mumbai, India

Manish Narang

President - Legal &
Company Secretary
Mumbai, India

Consolidated Financial Statements

Independent Auditor's Report

To the Members of
Alkem Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements 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"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information in which are included one branch at Nepal (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income,

Revenue from operations

See Note 2.10 and 3.19 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group has numerous customers operating in multiple geographies and sales contracts with these customers have distinct terms and conditions relating to the recognition of revenue, the right of return and price adjustments. Contractual arrangements as well as regulatory requirements in various geographies result in adjustments to gross sales price. These adjustments arise from the Group's obligations to customers towards chargebacks, rebates, product recalls, Medicaid, allowances and right of return ("variable consideration"). As stated in Note 3.19 to the consolidated financial statements, revenue from the sale of goods is measured after adjusting the effects of variable consideration. Adjustments are made with respect to variable components which requires judgement and estimation by the Group. These are based on contractual arrangements, market conditions and accumulated experience.</p> <p>Accordingly we identified recognition of revenue from sale of products during the year and at the period end and accruals for variable consideration in revenue recognition as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the systems, processes and controls implemented by the group for recording revenue from sale of goods. • Evaluated Group's revenue recognition policies by assessing compliance with applicable accounting standards. • Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period. • Testing key internal controls with respect to accrual for variable consideration. These accruals are made using accumulated experience, contractual arrangements and volume of transactions with respective customers. • Tested the adequacy of accruals for unsettled obligations in respect of reductions from gross sales on account of variable consideration. Performed retrospective review to identify any bias with respect to these estimates.

consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • On selected statistical samples of transactions, we tested the underlying documents, which include testing contractual terms of sale contracts/ invoices, shipping documents and lead time/ proof of delivery to test evidence for transfer of control both during the period and at period end. • Performed procedures to identify and test exceptional transactions such as one off sales to customers to identify any unusual transactions. • Tested high risk manual journal entries posted to revenue to identify unusual transactions.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective 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 the assets of each company 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 financial statements that give a true and fair view and are free from material misstatement,

whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 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 in preparation of consolidated financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which has 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 paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements / financial information of 19 subsidiaries, whose financial statements/ financial information reflects total assets (before consolidation adjustments) of ₹ 21,402 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 22,016 million and net cash flows (before consolidation adjustments) amounting to ₹ 1,856 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information 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/financial information 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 financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The financial statements/financial information of one subsidiary, whose financial statements/financial information reflects total assets (before consolidation adjustments) of ₹ 51 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 115 million and net cash flows (before consolidation adjustments) amounting to ₹ 1 million for the year ended on that date, as considered in the

consolidated financial statements, have not been audited either by us or by other auditors. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those the reports of the other auditors except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 3.26(a) to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
 - d. (i) The respective management of the Holding Company and three of its subsidiary companies incorporated in India whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 3.46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary

companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and three of its subsidiary companies incorporated in India whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 3.46 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements/ financial information have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 3.35 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks and in accordance with requirements of the

Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

- i. In respect of the Holding Company and two of its subsidiary companies, the feature of recording audit trail (edit log) was not enabled during the year at the database level to log any direct data changes for the accounting software used for maintaining the books of account and at the application level for changes made by privileged users for the period from 22 July 2023 to 11 January 2024.
- ii. In respect of one subsidiary company, in the absence of independent auditor's report we are unable to comment on whether audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in the subsidiary's books of accounts.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with during the course of the audit.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai
Date: 29 May 2024

Membership No.: 111410
ICAI UDIN:24111410BKGQOM3807

Annexure A to the Independent Auditor's Report

on the Consolidated Financial Statements of Alkem Laboratories Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by their auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
Alkem Laboratories Limited	L00305MH1973PLC174201	Holding Company	3 vii(a), 3 xi(a)
Cachet Pharmaceuticals Private Limited	U24230BR1978PTC001328	Subsidiary Company	3 vii(a)
Enzene Biosciences Limited	U24232PN2006PLC165610	Subsidiary Company	3 xvii
Indchemie Health Specialities Private Limited	U24230MH1986PTC039692	Subsidiary Company	3 vii(a)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Subsidiary/ JV/ Associate
Connect 2 Clinic Private Limited	U93090MH2020PTC339772	Subsidiary

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No.: 111410

ICAI UDIN:24111410BKGQOM3807

Place: Mumbai

Date: 29 May 2024

Annexure B to the Independent Auditor's Report

on the Consolidated Financial Statements of Alkem Laboratories Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Alkem Laboratories Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company in which are included internal financial controls with reference to financial statements/financial information of one branch located in Nepal and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements/financial information of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies incorporated in India considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance

Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are

companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matter.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Place: Mumbai

Date: 29 May 2024

Membership No.: 111410

ICAI UDIN:24111410BKGQOM3807

Consolidated Balance Sheet

as at 31 March 2024

Particulars	Note no.	(₹ in Million)	
		As at 31 March 2024	As at 31 March 2023
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	21,614.6	20,654.0
(b) Right of use assets	3.1	2,471.7	1,378.6
(c) Capital work in progress	3.1	1,484.0	3,102.7
(d) Goodwill	3.36	4,167.4	4,131.7
(e) Other intangible assets	3.1	474.1	664.2
(f) Intangible assets under development	3.1	101.7	129.7
(g) Financial assets			
(i) Investments	3.2	3,348.0	3,046.1
(ii) Loans	3.3	-	80.2
(iii) Other financial assets	3.4	1,202.2	2,952.5
(h) Deferred tax assets (net)	3.7C	15,148.3	13,025.0
(i) Other tax assets (net)	3.7D	781.7	575.4
(j) Other non-current assets	3.5	839.5	529.6
Total non-current assets		51,633.2	50,269.7
2 Current assets			
(a) Inventories	3.6	26,611.8	26,075.3
(b) Financial assets			
(i) Investments	3.2	1,489.9	3,172.1
(ii) Trade receivables	3.8	22,528.1	21,321.8
(iii) Cash and cash equivalents	3.9	4,550.7	2,738.0
(iv) Bank balances other than (iii) above	3.10	11,242.8	23,430.9
(v) Loans	3.3	90.7	67.7
(vi) Other financial assets	3.4	29,302.0	1,897.5
(c) Other current assets	3.11	8,299.8	7,360.9
		104,115.8	86,064.2
(d) Non-current assets held for sale	3.43	-	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	3.12A	239.1	239.1
(b) Other equity	3.12B	102,881.5	90,213.8
Equity attributable to owners of the Company		103,120.6	90,452.9
(c) Non-controlling interest	3.37	4,023.4	3,897.1
Total Equity		107,144.0	94,350.0
2 Liabilities			
2a Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	400.0	-
(ia) Lease liabilities	3.29	1,892.6	703.3
(ii) Other financial liabilities	3.17	3,109.9	1,660.1
(b) Provisions	3.14	2,998.6	3,693.6
(c) Other non-current liabilities	3.15	258.4	88.0
Total non-current liabilities		8,659.5	6,145.0
2b Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	11,739.7	13,071.5
(ia) Lease liabilities	3.29	151.8	192.0
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.16	670.0	1,104.6
Total outstanding dues of creditors other than micro and small enterprises	3.16	16,811.2	10,545.7
(iii) Other financial liabilities	3.17	6,457.7	6,326.9
(b) Other current liabilities	3.18	2,296.5	1,868.9
(c) Provisions	3.14	1,268.7	3,727.5
(d) Current tax liabilities (net)	3.7D	549.9	234.4
Total current liabilities		39,945.5	37,071.5
Total liabilities		48,605.0	43,216.5
TOTAL EQUITY AND LIABILITIES		155,749.0	137,566.5
Material Accounting Policies	2A		
Notes to the Consolidated Financial Statements	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman
DIN. 00760310
Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer
Mumbai, India

29 May 2024

Sandeep Singh

Managing Director
DIN. 01277984
San Francisco, USA

Nitin Agrawal

President - Finance &
Chief Financial Officer
Mumbai, India

M.K. Singh

Executive Director
DIN. 00881412
Mumbai, India

Manish Narang

President - Legal &
Company Secretary
Mumbai, India

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

(₹ in Million)

Particulars	Note no.	For the year ended 31 March 2024	For the year ended 31 March 2023
1 Income			
(a) Revenue from operations	3.19	126,675.8	115,992.6
(b) Other income	3.20	3,108.4	2,160.8
Total income		129,784.2	118,153.4
2 Expenses			
(a) Cost of materials consumed	3.21	32,945.9	30,569.2
(b) Purchases of stock-in-trade		16,288.7	13,875.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.22	141.2	4,623.7
(d) Employee benefits expense	3.23	22,010.1	21,313.5
(e) Finance costs	3.24	1,124.1	1,073.6
(f) Depreciation and amortisation expense	3.1	2,993.0	3,104.2
(g) Other expenses	3.25	32,835.0	29,516.2
Total expenses		108,338.0	104,075.9
3 Profit before exceptional items and tax (1) - (2)		21,446.2	14,077.5
4 Exceptional items	3.43-3.45	(1,214.9)	(1,029.8)
5 Profit before tax (3) + (4)		20,231.3	13,047.7
6 Tax expense	3.7A		
(a) Current tax		4,222.8	2,739.0
(b) Deferred tax charge/(credit) (net)		(2,106.1)	240.6
Total tax expenses (a+b)		2,116.7	2,979.6
7 Profit for the year (5) - (6)		18,114.6	10,068.1
8 Profit attributable to Non-Controlling Interest	3.37	156.9	226.4
9 Profit attributable to Owners of the Company (7) - (8)		17,957.7	9,841.7
10 Other Comprehensive Income			
(a) (i) Items that will not be reclassified subsequently to profit or loss	3.28	(93.4)	(48.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3.7A	29.8	16.1
(b) (i) Items that will be reclassified to profit or loss		264.0	1,181.6
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total of other comprehensive income / (loss) for the year, net of tax		200.4	1,149.0
11 Other Comprehensive Income/(Loss) attributable to Non-Controlling Interest	3.37	(6.1)	(4.1)
12 Other Comprehensive Income/(Loss) attributable to Owners of the Company (10) - (11)		206.5	1,153.1
13 Total Comprehensive Income for the year (7) + (10)		18,315.0	11,217.1
14 Total Comprehensive Income/(Loss) attributable to Non-Controlling Interest (8) + (11)	3.37	150.8	222.3
15 Total Comprehensive Income/(Loss) attributable to Owners of the Company (13) - (14)		18,164.2	10,994.8
16 Earnings per share (in ₹): Face value of ₹ 2 each			
Basic and diluted earnings per share	3.33	150.19	82.31
Material Accounting Policies	2A		
Notes to the Consolidated Financial Statements	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman

DIN. 00760310

Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer

Mumbai, India

29 May 2024

Sandeep Singh

Managing Director

DIN. 01277984

San Francisco, USA

Nitin Agrawal

President - Finance &

Chief Financial Officer

Mumbai, India

M.K. Singh

Executive Director

DIN. 00881412

Mumbai, India

Manish Narang

President - Legal &

Company Secretary

Mumbai, India

Mumbai, India

29 May 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(a) Equity share capital

	(₹ in Million)		
	Change in equity share capital during the year	Restated balance as at 1 April 2023	Change in equity share capital during the year
Balance as at 1 April 2023	-	239.1	Balance as at 31 March 2024
239.1	-	239.1	239.1

	(₹ in Million)		
	Change in equity share capital during the year	Restated balance as at 1 April 2022	Balance as at 31 March 2023
Balance as at 1 April 2022	-	239.1	239.1
239.1	-	239.1	239.1

(b) Other Equity

Particulars	Attributable to Owners of the Parent										(₹ in Million)
	Reserves and Surplus					Items of OCI					
	Capital reserve	Gross obligation non-controlling interest under put option	Employee stock option outstanding account	General reserve	Retained earnings	Remeasurement of defined benefit plans	Foreign currency translation reserve	Total other equity attributable to owners of the controlling parent interest	Total other equity	Total other equity	
Balance as at 1 April 2022	5.2	-	6.0	19,872.5	65,938.9	(458.7)	776.0	86,139.9	2,094.3	88,234.2	
Total comprehensive income for the year ended 31 March 2023											
Profit for the year	-	-	-	-	9,841.7	-	-	9,841.7	226.4	10,068.1	
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(32.6)	1,185.8	1,153.2	(4.1)	1,149.1	
Total comprehensive income for the year	-	-	-	-	9,841.7	(32.6)	1,185.8	10,995.0	222.3	11,217.3	
Dividend on equity shares (Refer Note 3.35)	-	-	-	-	(5,260.9)	-	-	(5,260.9)	(34.3)	(5,295.2)	
Compulsorily convertible preference shares issued to NCI	-	-	-	-	-	-	-	-	1,614.8	1,614.8	
Recognition of put option liability during the year	-	(1,660.1)	-	-	-	-	-	(1,660.1)	-	(1,660.1)	
Balance as at 31 March 2023	5.2	(1,660.1)	6.0	19,872.5	70,519.7	(491.3)	1,961.8	90,213.8	3,897.1	94,111.1	
Total comprehensive income for the year ended 31 March 2024											
Profit for the year	-	-	-	-	17,957.7	-	-	17,957.7	156.9	18,114.6	
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(63.6)	270.1	206.5	(6.1)	200.4	
Total comprehensive income for the year	-	-	-	-	17,957.7	(63.6)	270.1	18,164.2	150.8	18,315.0	
Dividend on equity shares (Refer Note 3.35)	-	-	-	-	(5,380.4)	-	-	(5,380.4)	(24.5)	(5,405.1)	
Recognition of put option liability during the year	-	(305.5)	-	-	-	-	-	(305.5)	-	(305.5)	
Employee compensation expense for the year (Refer Note 3.41)	-	-	189.4	-	-	-	-	(305.5)	-	(189.4)	
Balance as at 31 March 2024	5.2	(1,965.6)	195.4	19,872.5	83,097.0	(554.9)	2,231.9	102,881.5	4,023.4	106,904.9	

The Description of the nature and purpose of each reserve within equity:

Capital reserve: Capital reserve represents investment subsidies from state government.

Employee stock options outstanding account: The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of profit and loss with corresponding credit to Employee stock options outstanding account.

General reserve: General reserve represents portion of the net profit transferred before declaring dividend pursuant to the provisions of Companies Act 1956 applicable to Company and its Indian subsidiaries. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve and dividends distributed to shareholders.

Foreign currency translation reserve: Foreign currency translation reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

Remeasurement of defined benefit plans: Remeasurement of defined benefit plans represents actuarial gains and losses relating to gratuity.

Gross obligation to non-controlling interest under put option: The amount that may become payable under the option on exercise is initially recognised at fair value within other financial liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as gross obligation to non-controlling interest under put option in other equity.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India

29 May 2024

For and on behalf of the Board of Directors of Alkerm Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman

DIN. 00760310

Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer

Mumbai, India

29 May 2024

Sandeep Singh

Managing Director

DIN. 01277984

San Francisco, USA

Nitin Agrawal

President - Finance &

Chief Financial Officer

Mumbai, India

M.K. Singh

Executive Director

DIN. 00881412

Mumbai, India

Manish Narang

President - Legal &

Company Secretary

Mumbai, India

Consolidated Statement of Cash Flow

for the year ended 31 March 2024

Particulars	(₹ in Million)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash Flow from Operating Activities:		
Profit before Tax	20,231.3	13,047.7
Adjustments for:		
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 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)
Impairment loss on property, plant and equipment	992.2	1,051.5
Interest Income	(2,757.7)	(1,711.4)
Provision for doubtful advances	318.0	-
Interest expenses	1,124.1	1,073.6
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 and cash equivalents as at end of the year (D+E) (Refer Note 3.9)	663.1	2,738.0

Consolidated Statement of Cash Flow

for the year ended 31 March 2024

Notes:

- 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"
- Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year
- Debt reconciliation in accordance with Ind AS 7:**

Particulars	Lease Liabilities	Non-current borrowings	Current borrowings
As at 1 April 2022	880.7	93.8	12,355.6
Cash flows from borrowing during the year (net)	(238.4)	(95.0)	(2,122.8)
Non-Cash Items	253.0	1.2	(166.7)
As at 31 March 2023 (Refer note 3.13)	895.3	-	10,066.1
Cash flows from borrowing during the year (net)	(323.2)	400.0	(2,237.4)
Non-Cash Items	1,472.3	(0.0)	36.8
As at 31 March 2024 (Refer note 3.13)	2,044.4	400.0	7,865.5

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents (Refer note 3.9)	4,550.7	2,738.0
Loans repayable on demand from banks (Refer note 3.13)	(3,887.6)	-
Total Cash and cash equivalents	663.1	2,738.0

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India

29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman

DIN. 00760310

Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer

Mumbai, India

29 May 2024

Sandeep Singh

Managing Director

DIN. 01277984

San Francisco, USA

Nitin Agrawal

President - Finance &

Chief Financial Officer

Mumbai, India

M.K. Singh

Executive Director

DIN. 00881412

Mumbai, India

Manish Narang

President - Legal &

Company Secretary

Mumbai, India

Notes

to the Consolidated financial statements for the year ended 31 March 2024

1 General Information

Alkem Laboratories Limited ('the Company') was incorporated in 1973 under the provisions of Companies Act, 1956 of India, as a Company with limited liability. The Company is domiciled in India with its registered office address being, Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India. The Company is engaged in pharmaceutical business with global operations. The Company is engaged in the development, manufacture and sale of pharmaceutical products. These consolidated financial statements comprise the Company and its subsidiaries (collectively 'the Group').

2A Material accounting policies:

2.1 Basis of preparation of Consolidated Financial Statements ("financial statements"):

a) Statement of compliance

The financial statements of the Group as at and for the year ended 31 March 2024 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 29 May 2024.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2B**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

*The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Basis of measurement

These financial statements are prepared under historical cost convention except for provision for defined benefit obligations and certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

d) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. The financial statements are prepared in Indian Rupees in Million, rounded off to the nearest one decimal except for share data and per share data, unless otherwise stated.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

2.2 Basis of consolidation

The financial statements incorporate the financial statements of the Company and the entities it controls, both unilaterally and jointly.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the financial statements from the date on which control commences until the date on which control ceases.

The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined 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, intra-group transactions and profits/losses, unless cost/revenue cannot be recovered.

The details of the subsidiaries consolidated are as follows:

Name of Subsidiaries	Principal place of Business	% of Shareholding and voting power	
		As at 31 March 2024	As at 31 March 2023
Alkem Laboratories Corporation	Philippines	100%	100%
Ascend Laboratories Pty Ltd	South Africa	100%	100%
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 October 2023)	Luxembourg	100%	100%
Ascend GmbH	Germany	100%	100%
Pharmacor Pty Ltd	Australia	100%	100%
The PharmaNetwork LLC*	USA	100%	100%
Ascend Laboratories SpA	Chile	100%	100%
Ascend Laboratories SDN BHD.	Malaysia	100%	100%
Enzene Biosciences Limited	India	99.76%	99.76%
Ascend Laboratories, LLC **	USA	100%	100%
Alkem Laboratories, Korea Inc	South Korea	100%	100%
Pharmacor Ltd.	Kenya	100%	100%
The PharmaNetwork, LLP	Kazakhstan	100%	100%
Ascend Laboratories (UK) Limited	United Kingdom	100%	100%
Ascend Laboratories SAS	Colombia	100%	100%
Cachet Pharmaceuticals Private Limited	India	60.63%	60.63%
Indchemie Health Specialities Private Limited	India	51%	51%
Connect 2 Clinic Private Limited	India	100%	100%
S & B Pharma LLC **	USA	100%	100%
Ascend Laboratories Ltd.	Canada	100%	100%
Pharma Network SpA ***	Chile	100%	100%
Ascend Laboratories S.A. DE. CV ***	Mexico	100%	100%
Alkem Foundation	India	100%	100%
Pharmacor Limited #	New Zealand	100%	100%
Enzene Inc ##	USA	100%	100%

On 27 March 2024, the Company has incorporated a new wholly owned subsidiary, Alkem Medtech Private Limited, and subscribed its 200,000 equity shares of ₹ 10 each.

*Ownership interest held through S&B Holdings S.a.r.l. (Previously known as S&B Holdings B.V)

** Ownership interest held through The PharmaNetwork LLC

*** Ownership interest held through Ascend Laboratories SpA

Ownership interest held through Pharmacor Pty Ltd with effect from 1 June 2022

Ownership interest held through Enzene Biosciences Limited with effect from 26 May 2022

Notes

to the Consolidated financial statements for the year ended 31 March 2024

(b) Non-controlling interests (NCI)

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the asset and liabilities of the subsidiary, any related NCI and other component of equity. Any interest retained in the form of subsidiary is measured

at fair value at the date control is lost. Any resulting gain or loss is recognised in profit or loss.

(d) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Business Combination

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.36). Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, none of the assets or liabilities are restated to their fair values. Instead, the acquirer incorporates carrying values from the date on which the business combination between entities under common control occurred. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

2.3 Property, plant and equipment (“PPE”)

i) Recognition and measurement

- a) The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.
- b) If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.
- c) Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.
- d) Cost of Items of PPE not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards

acquisition of PPE outstanding at each balance sheet date are disclosed as capital advance under other non-current assets.

- e) The cost property, plant and equipment at 1 April 2016, the Group’s date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

ii) Subsequent expenditure

Subsequent expenditure relating to PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably.

iii) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which is asset is ready to use / disposed off. Freehold land is not depreciated.

The estimated useful lives of Tangible assets are as under:-

PPE	Company and Subsidiaries in India	Subsidiaries in USA	Subsidiary in Australia	Subsidiary in Philippines and United Kingdom	Subsidiary in South Africa	Subsidiaries in Chile and Kenya	Subsidiary in Kazakhstan	Subsidiary in Germany
Buildings*	5-60 years	5 - 40 years	-	-	-	-	-	-
Plant and machinery*	1 - 20 years	5 - 7 years	-	-	-	-	-	-
Furniture and fixtures*	10 years	5 - 7 years	5 years	3 years	6 years	10 years	7 years	-
Office equipment*	3 - 6 years	5 years	2.5 - 5 years	3 years	3 years	3 - 10 years	3 - 10 years	5-10 years
Vehicles*	8 years	5 years	-	3 years	-	5 - 8 years	4 years	-

* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

2.4 Intangible Assets:

I. Recognition and measurement

Research and development	Expenditure on research activities is recognised in statement of profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
Goodwill	Goodwill is initially recognised based on the accounting policy for business combinations (refer note 2.2 (e)). These assets are not amortised but are tested for impairment annually.

The cost of Intangible assets at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

II. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

III. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in Statement of profit and loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year-end and adjusted prospectively, if appropriate.

Intangible Assets	Company and Subsidiaries in India	Subsidiaries in USA	Subsidiary in Australia	Subsidiary in Philippines, Kazakhstan	Subsidiary in Chile, Germany and Kenya	Subsidiary in South Africa
Computer Software	3 - 6 years	3 years	2.5 years	2 - 5 years	2 - 6 years	-
Trademark and patents	5 years	5 years	-	-	5 years	5 years
Technology	-	15 years	-	-	-	-

2.5 Impairment of non-financial assets:

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is

recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money

Notes

to the Consolidated financial statements for the year ended 31 March 2024

is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date by the Group.

2.7 Financial instruments:

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers not retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Put option

The Group in accordance with Ind AS has accounted for the gross obligation on account of put option liability through Other equity on initial recognition and has an accounting policy choice of recognising subsequent changes through equity or through the consolidated statement of profit and loss. The Group has opted to account for subsequent measurements through Other equity.

In the event that the put option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

2.8 Equity instruments:

Equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

2.9 Inventories:

- a) Raw materials and packing materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.
- b) Finished goods and work-in-progress are valued at lower of cost and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities and other overheads. Trading Goods are valued at lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale on item-by-item basis.

2.10 Revenue recognition and measurement

Revenue from Operations:

- a) Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the company. Chargeback, rebates, returns and medicaid payments are variable consideration that is recognised and recorded based on historical experience, market conditions and specific contractual terms. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices historical trends, past experience and projected market conditions.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

- b) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

Other Income

- a) Interest income is recognized using the effective interest rate (EIR) method.
- b) Revenue (including in respect of insurance or other claims, interest etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Refund liabilities:

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Group has presented its refund liabilities as required under Ind AS 115 in the financial statements.

2.11 Foreign currency transactions and translations

i. Foreign exchange transactions:

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

ii. Foreign operations:

The assets and liabilities of foreign subsidiaries including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR by applying the appropriate monthly average rate which best approximates the actual rate of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant

proportion of cumulative amount is reclassified to profit or loss.

2.12 Employee Benefits:

a) Post-employment benefits and other long term benefits:

i) Defined contribution plans:

Group's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss in period in which the related service is provided by the employee. The Group's contribution towards provident fund are considered to be defined contribution plan for which the Group makes contribution on monthly basis. The Group's obligation is limited to the contribution it makes.

ii) Defined benefit plans:

Group's liabilities towards defined benefit plans viz. gratuity expected to occur after twelve months, are determined annually by a qualified independent actuary using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of other comprehensive income in the period of occurrence of such gains and losses for gratuity. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

iii) Other long-term employee benefits - compensated absences:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. In respect of compensated absences, actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

b) Short term employee benefits:

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee. These benefits include performance incentives. These are expensed as employee benefit expense in the statement of profit and loss in the period in which the related service is provided by the employee.

2.13 Taxes on Income:

Income tax expense represents the sum of the current tax and deferred tax.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates and tax laws enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised :

- in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit
- in case of temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available

against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternate Tax (MAT) credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the Company and its Indian subsidiaries will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

2.14 Leases and Right of use ('ROU'):

The Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

Notes

to the Consolidated financial statements for the year ended 31 March 2024

- (i) the contract involves the use of an identified asset;
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend the lease before the end of the lease term, but the renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

2.15 Earnings per share ('EPS'):

Basic EPS is calculated by dividing the profit(or loss) attributable to the owners of the Group by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

2.16 Government Grants:

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Grants related to depreciable assets are treated as deferred income, which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of it being received.

2.17 Cash and cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

2.18 Employee stock option scheme:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The excess of fair value of shares over the exercise price determined at the grant date of the equity-settled share-based payments, is charged to Statement of Profit and Loss on the straight-line basis over the vesting period of the option, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

2.19 Segment reporting:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Group operates in one reportable business segment i.e. "Pharmaceuticals".

2.20 Exceptional items:

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

2.21 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (India Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

2B Key accounting estimates and judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group disclosure of material accounting policies which are provided in **Note 2A** to the consolidated financial statements, 'Material accounting policies'.

i) Judgements:

a. Determination of functional currency of foreign operations:

Judgement is required to determine the functional currency of foreign operations, which requires evaluation of the primary economic environment in which the foreign operations operate. Factors that are considered in such evaluation include :-

- (i) the currency that mainly influences sales price for goods;
- (ii) the currency of the country whose competitive forces and regulations mainly determine the the sales price of goods;

- (iii) the currency that mainly influences labour, material and other costs of providing goods or services;
- (iv) the currency in which funds from financing activities;
- (v) the currency in which receipts from operating activities are usually retained.
- (vi) whether the activities of the foreign operation are carried out as an extension of the reporting entity;
- (vii) whether transactions with the reporting entity are a high or a low proportion of the foreign operation's activities;
- (viii) whether cash flows from the activities of the foreign operation directly affect the cash flows of the reporting entity and are readily available for remittance to it; and
- (ix) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations without funds being made available by the reporting entity.

Differing conclusions around these judgements may materially impact how foreign exchange differences arising on translation of these foreign operations are reported in the consolidated financial statements.

- b. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

ii) Estimates:

a Estimate of current and deferred tax:

The Group tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows.

The complexity of the Group structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Consolidated Statement of Profit and Loss and tax payments.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

b. Recognition of MAT credit entitlement:

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company along with its Indian subsidiaries will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company and its Indian subsidiaries.

c. Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

d. Provisions and contingent liabilities:

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

e. Fair value measurements and valuation processes:

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

f. Defined benefit plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

g. Provision for anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

h. Chargebacks, rebates and discount:

Provisions for chargeback, rebates, discounts, other deductions and medicaid payments are

estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

i. Percentage of completion:

Revenue for fixed price contracts is recognised using percentage of completion method. The Group uses judgement to estimate the future cost to completion of the contracts which is used to determine degree of completion of the performance obligation.

j. Discount rate for Leases:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.1 Property, plant and equipment, Intangible assets and Right of use assets

Particulars	Property plant and equipment						Other Intangible assets					Right of use			
	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software	Trade Mark & patents	Technology	Total	Buildings	Land	Total
As at 1 April 2022	1,363.3	9.2	9,671.7	20,035.5	605.2	418.7	1,494.8	33,598.6	692.9	1,203.1	192.2	2,088.3	1,584.9	553.6	2,138.5
Additions	68.9	-	197.3	1,341.4	41.9	38.4	248.4	1,936.3	134.4	96.7	-	231.0	275.5	-	275.5
Adjustments (Refer note 4 below)	-	-	-	85.2	-	0.0	1.1	86.3	-	-	-	-	-	-	-
Deletions	-	-	(37.5)	(358.0)	(20.3)	(60.9)	(350.1)	(826.8)	(22.4)	(65.4)	-	(87.7)	(66.3)	-	(66.3)
Reclassification to assets held for sale (Refer note 3.43)	(83.7)	-	(1,146.5)	(1,947.6)	(15.0)	-	(27.6)	(3,220.4)	(142.6)	-	-	(142.6)	-	-	-
Foreign Exchange Differences on account of foreign operations	10.4	0.8	101.0	145.7	1.7	4.5	26.9	291.0	9.5	0.8	21.4	31.8	37.6	-	37.6
As at 31 March 2023	1,358.9	10.2	8,786.0	19,302.2	613.5	400.7	1,393.5	31,864.8	671.8	1,235.2	213.6	2,120.6	1,831.7	553.6	2,385.3
Additions	22.8	96.1	1,455.3	1,742.0	121.8	63.6	381.9	3,883.5	132.7	-	-	132.7	1,416.5	-	1,416.5
Deletions	(18.1)	-	(23.6)	(228.3)	(13.4)	(16.4)	(55.8)	(355.6)	(0.9)	(65.4)	-	(66.2)	(48.6)	-	(48.6)
Foreign Exchange Differences on account of foreign operations	1.0	0.9	8.4	15.6	0.2	0.8	(31.5)	(4.7)	(0.3)	0.1	(2.8)	(2.9)	(55.6)	-	(55.6)
As at 31 March 2024	1,364.6	107.0	10,226.1	20,831.5	722.1	448.7	1,688.1	35,388.1	803.3	1,169.9	210.8	2,184.0	3,144.0	553.6	3,697.6
Depreciation and Amortisation															
As at 1 April 2022	0.1	3.1	1,261.5	7,931.9	310.5	209.8	1,010.9	10,727.6	516.4	745.2	104.7	1,366.2	697.3	47.7	745.0
Depreciation/amortisation for the year	-	0.6	303.4	1,896.8	53.9	48.9	210.8	2,514.4	118.1	165.5	17.3	300.9	279.9	9.0	288.9
Adjustments (Refer note 4 below)	-	-	-	68.1	-	-	0.9	69.0	-	-	-	-	-	-	-
Deductions	-	-	(18.3)	(265.1)	(18.6)	(49.6)	(334.1)	(685.7)	(22.4)	(65.4)	-	(87.8)	(50.2)	-	(50.2)
Reclassification to assets held for sale	-	-	(167.2)	(1,344.7)	(7.7)	-	(24.8)	(1,544.4)	(141.2)	-	-	(141.2)	-	-	-
Foreign Exchange Differences on account of foreign operations	-	0.3	15.0	88.0	1.7	3.1	21.6	129.7	7.9	0.9	9.4	18.2	23.0	-	23.0
As at 31 March 2023	0.1	4.0	1,394.4	8,375.0	339.8	212.2	885.3	11,210.8	478.8	846.2	131.4	1,456.4	950.0	56.7	1,006.7
Depreciation/amortisation for the year	-	4.8	297.0	1,766.9	58.5	53.6	227.2	2,408.1	133.5	167.1	17.2	317.8	258.1	9.0	267.1
Impairment loss (Refer note 3.44)	-	-	-	415.6	-	-	-	415.6	-	-	-	-	-	-	-
Deductions	-	-	(5.7)	(172.4)	(13.1)	(11.5)	(60.9)	(263.6)	(0.3)	(65.4)	-	(65.7)	(24.4)	-	(24.4)
Foreign Exchange Differences on account of foreign operations	-	0.1	1.4	4.8	0.2	0.5	(4.4)	2.6	(0.5)	0.1	1.8	1.4	(23.5)	-	(23.5)
As at 31 March 2024	0.1	8.9	1,687.1	10,389.9	385.4	254.8	1,047.2	13,773.5	611.5	948.0	150.4	1,709.9	1,160.2	65.7	1,225.9
Net Book Value															
As at 31 March 2023	1,358.8	6.0	7,391.6	10,927.2	273.7	188.5	508.2	20,654.0	193.0	389.0	82.2	664.2	881.7	496.9	1,378.6
As at 31 March 2024	1,364.5	98.1	8,539.0	10,441.5	336.7	193.9	640.9	21,614.6	191.9	221.9	60.4	474.1	1,983.8	487.9	2,471.7

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Refer **Note 3.13** on Borrowings, for the details related to charge on Property, plant and equipment of the Group.

1. Addition to Property, Plant and Equipment includes items aggregating ₹1,369.0 million (31 March 2023: ₹141.4 million) located at Research and Development Centres of the Group.
2. Refer **Note 3.27(1)** for contractual commitments with respect to property, plant and equipments and other intangible assets.
3. Exclusive charge by way of hypothecation over the whole of the movable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories and other movable assets, both present and future subject to a maximum value of ₹2,150 million (31 March 2023 ₹2,150 Million) - situated at Daman and Sikkim in India against issuance of Stand by letter of credit required for loan of US \$ 20.0 million (31 March 2023 - US \$ 20.0 Million) advanced by Banco de Chile to Ascend Laboratories SpA, Chile, a wholly owned subsidiary of the Company and US \$ 5.0 million (31 March 2023 - US \$ 5.0 Million) advanced to PharmaNetwork SpA, Chile, a wholly owned subsidiary of Ascend Laboratories SpA, Chile.
4. During the year ended 31 March 2023, certain assets which were categorised as assets held for sale previously had been reclassified to Property, Plant and Equipment.
5. As at 31 March 2024, net block of ₹ 1,932.5 million (net of impairment loss) were lying idle at the Group's Indore and Norac facility
6. Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense	2,675.2	2,803.3
Amortisation expense	317.8	300.9
Total	2,993.0	3,104.2

7. Capital work-in-progress

Capital work in progress comprises expenditure in respect of various plants in the course of construction/expansion. Total amount of Capital work in progress is ₹ 1,484.0 million as at 31 March 2024 (31 March 2023: ₹3,102.7 million). This amount also includes capitalised borrowing cost related to construction of various plants amounting to ₹ Nil (31 March 2023: ₹ 19.8 million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	3,102.7	3,394.8
Add: Additions during the year	2,244.1	1,944.0
Less: Capitalised during the year	3,862.8	1,783.6
Less: Impairment (refer note 3.43)	-	288.2
Less: Transferred to Non-current assets held for sale	-	164.3
Closing balance	1,484.0	3,102.7

Capital work-in-progress ageing schedule for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	1,087.0	150.6	31.4	9.5	1,278.5
	(1,130.6)	(887.0)	(635.8)	(449.3)	(3,102.7)
Projects temporarily suspended	-	7.8	148.1	49.6	205.5
	(-)	(-)	(-)	(-)	(-)

Notes

to the Consolidated financial statements for the year ended 31 March 2024

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2024 and 31 March 2023:

Particulars	To be completed in			Total
	Less than 1 Year	1-2 Years	2-3 Years	
Project 1	-	-	-	-
	(365.2)	(-)	(-)	(365.2)
Project 2	97.3	-	-	97.3
	(322.3)	(-)	(-)	(322.3)
Project 3	33.7	-	-	33.7
	(20.4)	(-)	(-)	(20.4)
Project 4	-	-	-	-
	(1,031.7)	(-)	(-)	(1,031.7)
Project 5	205.5	-	-	205.5
	(313.4)	(-)	(-)	(313.4)

8. Intangible assets under development

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	129.7	129.7
Add: Additions during the year	-	-
Less: Capitalised / written off during the year	28.0	-
Closing balance	101.7	129.7

Intangible assets under development ageing schedule for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	Amount in Intangible assets under development for a period of			Total
	Less than 1 Year	1-2 Years	2-3 Years	
Projects in progress	-	-	-	101.7
	(-)	(-)	(8.0)	(121.7)
Projects temporarily suspended	-	-	-	-
	(-)	(-)	(-)	(-)

Figures in the brackets are the comparative figures of the previous year.

For intangibles assets under development, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2024 and 31 March 2023:

Particulars	To be completed in			Total
	Less than 1 Year	1-2 Years	2-3 Years	
Project 1	-	101.7	-	101.7
	(-)	(-)	(101.7)	(-)

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.2 Investments:

Particulars	As at 31 March 2024		As at 31 March 2023	
	(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
A. Non-Current Investments				
1) In equity shares: [at fair value through profit and loss] Unquoted: (Refer sub note 7 of Note 3.2)		306.8		409.9
2) In preference shares: [at fair value through profit and loss] Unquoted: (Refer sub note 8 of Note 3.2)		150.0		150.0
3) Investment In venture capital funds: Unquoted (Non Trade) [at fair value through profit and loss]		1,187.2		1,059.5
4) Non convertible debentures :[at amortised cost]: Quoted		156.3		156.3
5) Bonds: Quoted [at amortised cost]		1,547.7		1,270.4
Total		3,348.0		3,046.1
B. Current investments				
1) Investment in funds : (Unquoted) [at fair value through profit and loss] Avenue Venture Real Estate Fund (Units of ₹100,000 each, fully paid-up) (Refer sub note 5 of Note 3.2)		1,012.6		1,042.6
2) Equity shares: Quoted [at fair value through profit and loss]		36.9		35.2
3) Equity shares: Unquoted [at fair value through profit and loss] Less: Provision for impairment in value of investments (Refer sub note 6 of Note 3.2)	170.4 (170.4)	-	170.4 (170.4)	-
4) Investment In mutual funds: Quoted: [at fair value through profit and loss]		386.9		277.2
5) Preference shares: (Unquoted) : [at amortised cost]		8.1		8.1
6) Non convertible debentures : Quoted [at amortised cost]		45.4		1,809.0
Total		1,489.9		3,172.1

Notes:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Book Value	Market Value	Book Value	Market Value
1) Aggregate value of Quoted investments	2,173.2	2,173.2	3,548.1	3,548.1
2) Aggregate value of Unquoted investments	2,664.7	N.A.	2,670.1	N.A.
3) Aggregate amount of impairment in the value of Investments	(170.4)		(170.4)	

- 4) All Investments in Shares & Securities are fully paid up except for investment in Venture Capital Funds (Refer Note 3.27(2)).
- 5) During the year ended 31 March 2016, pursuant to the approval of the Board of Directors in its meeting held on 9 March 2016, the Company in order to focus on its core business activities and for other commercial reasons, restructured its investment in Avenue Venture Real Estate Fund ("Fund") by entering into an Option Agreement with Mr. Tushar Kumar, which was in force for a period of 2 years from the execution date i.e 10 March 2016. The Option Agreement was subsequently renewed for a period of 2 years each by executing First, Second and Third Supplementary agreement till 9 March 2020, 9 March 2022 and 9 March 2024 respectively. During the current year, pursuant to the approval of the Board of Directors in its meeting held on 9 February 2024, the Company has entered into an Option Agreement with Mr. Jyoti Prakash Narayan Singh which is in force for a period of 2 years from execution date i.e 10 March 2024 for grant of unconditional option exercisable without restriction at the option of the option holder to purchase the trust units held by the Company in the Fund at an option price of 102% of the fair market value of each trust unit as on the exercise date.
- 6) During the year ended 31 March 2022, the Group had impaired one of its investments in the USA and considering the contingencies on business projections of the investee company the amount had been debited to the Statement of Profit and Loss.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

- 7) During the year ended 31 March 2021, the Company had invested ₹400.0 million in ABCD Technologies LLP with an objective to digitize healthcare infrastructure in India towards facilitating good distribution practices, inter alia, in support of the National Digital Health Mission of Government of India. As at 31 March 2024, the Company had a 6.45% share of profit/loss and voting rights. During the current year, the Company has recognized fair value loss of ₹ 103.1 million towards this investment.
- 8) During the previous year, the Company had invested ₹ 150 million in Eystem Research Private Limited with an objective to create a global and scalable cell therapy platform to treat ophthalmic diseases.

3.3 Loans

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Non-current loans		
(Unsecured, considered good unless otherwise stated)		
Other receivables	-	80.2
Total	-	80.2
B. Current loans		
Loans to employees	90.7	67.7
Total	90.7	67.7
Break-up of loans		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	90.7	147.9
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	90.7	147.9
Less: Loss allowance	-	-
Total	90.7	147.9

3.4 Other financial assets

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Other non current financial assets		
(Unsecured, considered good unless otherwise stated)		
Bank deposits with original and remaining maturity more than 12 months	705.8	2,600.1
Interest on deposits, accrued but not due	-	66.7
Other receivables	80.2	-
Balances with government authorities	271.2	245.9
Security deposits	145.0	39.8
Total	1,202.2	2,952.5

Note:

Bank deposits of ₹ 2.5 Million (31 March 2023: ₹ 397.5 Million) are under lien with the Banks against Overdraft facility.

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
B. Other current financial assets		
(Unsecured, considered good unless otherwise stated)		
Interest on deposits, accrued but not due	-	902.5
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months	24,806.9	-
Deposits with non-banking financial companies	2,811.9	-
Other receivables	514.6	286.5
Incentive receivable from government	1,143.4	592.8
Security deposits	25.2	115.7
Total	29,302.0	1,897.5

Note:

Bank deposits of ₹ 4,674.0 Million (31 March 2023: ₹ Nil) are under lien with the Banks against Overdraft facility.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.5 Other non-current assets

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances	384.7	82.9
Balances with government authorities	452.5	444.4
Other advances	2.3	2.3
Total	839.5	529.6

3.6 Inventories

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Raw and packing materials	8,685.2	8,058.4
Goods-in-transit	108.9	94.4
	8,794.1	8,152.8
Work-in-progress	1,474.1	1,639.9
Finished goods	8,290.9	10,082.5
Goods-in-transit	2,557.5	1,992.2
	10,848.4	12,074.7
Stock-in-trade	5,435.6	4,110.4
Goods-in-transit	59.6	97.5
	5,495.2	4,207.9
Total	26,611.8	26,075.3

Note:

- The Group follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year is ₹ 878.4 Million (31 March 2023: ₹ 931.8 Million).
- Refer note 3.13 on Borrowings, for the details related to charge on inventories lying with the Group.

3.7 Income tax

A. Components of Income Tax Expenses

(i) Amounts recognised in profit and loss

Particulars	(₹ in Million)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax:		
Current year tax	4,222.8	2,739.0
	4,222.8	2,739.0
Deferred tax:		
Minimum Alternate Tax (MAT) credit entitlement	(2,002.0)	(421.5)
Origination and reversal of temporary differences	(104.1)	662.1
	(2,106.1)	240.6
Tax expense for the year	2,116.7	2,979.6

Notes

to the Consolidated financial statements for the year ended 31 March 2024

(ii) Amounts recognised in other comprehensive income

Particulars	(₹ in Million)					
	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(93.4)	29.8	(63.6)	(48.7)	16.1	(32.6)
	(93.4)	29.8	(63.6)	(48.7)	16.1	(32.6)

B. Reconciliation of effective tax rate

Particulars	(%)	(₹ in Million)	
		For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax		20,231.3	13,047.7
Tax using the Company's applicable tax rate	34.9%	7,068.8	4,558.9
Tax effect of:			
Deduction on profits earned from exempt units	-27.5%	(5,562.4)	(3,958.0)
Expense not deductible for tax purposes	-0.1%	(10.4)	40.0
Deferred tax assets written off	0.0%	-	1,197.2
Utilisation of previously written off MAT Credit #	-3.3%	(674.2)	-
Unrecognised deferred tax asset in subsidiaries	0.0%	(4.1)	130.3
Deferred tax assets on brought forward losses not recognised earlier	0.0%	-	(292.8)
Permanent disallowance - prior years	0.0%	-	365.0
Permanent disallowance - current year	2.8%	564.1	557.7
Deferred tax reversal during tax holiday period	0.2%	42.1	79.7
Others	3.4%	692.8	301.6
	10.5%	2,116.7	2,979.6

During the year ended 31 March 2024, the Group has utilized Minimum Alternate Tax ("MAT") credit amounting to ₹ 674.2 Million (31 March 2023: ₹ Nil) which was written off in the year ended 31 March 2016. The current tax charge for the year ended 31 March 2024 is after utilizing MAT credit of said amount.

C. Movement in deferred tax assets and liabilities

Particulars	(₹ in Million)						
	Net balance 1 April 2023	Recognised in profit or loss	Recognised in OCI	Exchange rate difference	Net balance 31 March 2024	Deferred tax asset	Deferred tax liability
Deferred tax liabilities							
Property, plant and equipment and intangible assets	(1,714.1)	(596.1)	-	-	(2,310.2)	-	2,310.2
Investments	(243.9)	(1.8)	-	-	(245.7)	-	245.7
Deferred tax assets							
Inventories	610.4	(11.1)	-	-	599.3	599.3	-
Employee benefits	1,285.0	135.3	29.8	-	1,450.1	1,450.1	-
Trade receivable	241.6	182.5	-	-	424.1	424.1	-
Deferred government grant	32.8	69.9	-	-	102.7	102.7	-
Impairment of assets	-	145.2	-	-	145.2	145.2	-
Other items	896.8	65.3	-	(12.7)	949.4	949.4	-
Tax losses carried forward	506.8	114.9	-	-	621.7	621.7	-
MAT credit entitlement	11,409.7	2,002.0	-	-	13,411.7	13,411.7	-
Tax assets / (liabilities)	13,025.0	2,106.1	29.8	(12.7)	15,148.3	17,704.2	2,555.9
Offsetting of deferred tax assets and deferred tax liabilities						(2,555.9)	(2,555.9)
Net tax assets	13,025.0	2,106.1	29.8	(12.7)	15,148.3	15,148.3	-

Notes

to the Consolidated financial statements for the year ended 31 March 2024

(₹ in Million)

Particulars	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Exchange rate difference	Net balance 31 March 2023	Deferred tax asset	Deferred tax liability
Deferred tax liabilities							
Property, plant and equipment and intangible assets	(2,052.0)	337.9	-	-	(1,714.1)	-	1,714.1
Investments	(134.6)	(109.2)	-	-	(243.9)	-	243.9
Deferred tax assets							
Inventories	562.9	47.5	-	-	610.4	610.4	-
Employee benefits	1,179.2	89.7	16.1	-	1,285.0	1,285.0	-
Trade receivable	164.9	76.7	-	-	241.6	241.6	-
Deferred government grant	30.1	2.7	-	-	32.8	32.8	-
Other items	747.8	(7.9)	-	156.9	896.8	896.8	-
Tax losses carried forward	1,606.3	(1,099.5)	-	-	506.8	506.8	-
MAT credit entitlement	10,988.1	421.5	-	-	11,409.7	11,409.7	-
Tax assets (liabilities)	13,092.6	(240.6)	16.1	156.9	13,025.0	14,983.0	1,958.0
Offsetting of deferred tax assets and deferred tax liabilities						(1,958.0)	(1,958.0)
Net tax assets	13,092.6	(240.6)	16.1	156.9	13,025.0	13,025.0	-

The Group offsets tax assets and liabilities only if it has a legally enforceable right to set off tax assets and tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred tax assets will be recovered.

D. Tax assets and liabilities

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current tax assets (net)	781.7	575.4
Current tax liabilities (net)	549.9	234.4

E. Unrecognised deferred tax liability

A deferred tax liability in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised amounting to ₹1,997.9 Million (31 March 2023: ₹1,808.9 Million) because the Group controls the dividend policy of its subsidiaries and the management is not expecting to distribute profit in the foreseeable future.

F. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

(₹ in Million)

Particulars	31 March 2024		31 March 2023	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	60.9	15.8	35.9	9.3
Tax Losses	9,618.6	2,179.7	9,269.7	2,202.3
Unrecognised MAT credit entitlement	-	137.4	-	811.6
Total	9,679.5	2,332.9	9,305.7	3,023.2

Notes

to the Consolidated financial statements for the year ended 31 March 2024

G. Tax Losses carried forward

(₹ in Million)				
	Expiry Date (Financial Year)	As at 31 March 2024	Expiry Date (Financial Year)	As at 31 March 2023
Business losses (allowed to carry forward for specified period)	2025-2032	896.9	2024-2031	971.6
Business losses (allowed to carry forward for specified period)	2034-2038	395.8	2033-2037	210.8
Unabsorbed depreciation (allowed to carry forward for infinite period)		887.0		1,019.9
Total		2,179.7		2,202.3

3.8 Trade receivables

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
Considered good	23,441.6	21,760.0
Credit impaired	-	-
Less: Loss allowance	(913.5)	(438.2)
Total	22,528.1	21,321.8

Note :

1. Refer note 3.38 for information about credit risk and market risk of trade receivables.

Trade receivables ageing schedule for the year ended 31 March 2024 and 31 March 2023

(₹ in Million)							
Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade receivables - considered good	16,624.7	4,995.1	229.9	274.4	57.0	241.6	22,422.7
	(14,353.2)	(6,343.1)	(282.2)	(305.0)	(133.7)	(249.1)	(21,666.2)
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed Trade receivables - considered good	-	21.9	776.6	478.5	33.7	34.7	1,345.4
	(-)	(115.3)	(8.1)	(58.1)	(25.2)	(7.7)	(214.4)
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Loss Allowance							913.5
							(438.2)
Total							22,854.6
							(21,442.5)

* Includes unbilled revenue amounting to ₹ 326.5 million (Previous year : ₹ 120.6 million) (Refer note 3.11)

Figures in the brackets are the comparative figures of the previous year.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Relationship with struck off companies:

(₹ in Million)						
Name of Struck off company	Nature of Transactions	Transactions during the year 31 March 2024	Balance o/s. at the end of the year as at 31 March 2024	Transactions during the year 31 March 2023	Balance o/s. at the end of the year as at 31 March 2023	Relationship with the Struck off company, if any, to be disclosed
Arlin Trading And Distribution Pvt Ltd	Receivables	-	0.1	-	0.1	Customer

3.9 Cash and cash equivalents

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	10.4	7.6
Cheques and drafts on hand	97.0	28.2
Balance with banks:		
In Current accounts	4,392.2	1,960.1
In Exchange Earners' Foreign Currency Account	51.1	-
In Deposit accounts:		
Deposit with original maturity less than three months	-	742.1
Total	4,550.7	2,738.0

3.10 Bank balances other than Cash and Cash Equivalents:

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Restricted for use:		
Unpaid dividend account	1.7	2.0
Unspent CSR account	4.3	1.0
Benevolent fund account	6.9	3.9
Bank deposits with original maturity more than 3 months but less than 12 months	11,229.9	23,424.0
Total	11,242.8	23,430.9

Note:

Bank deposits of ₹ 2,192.1 Million (31 March 2023: ₹17,902.5 Million) are under lien with banks against Overdraft facilities availed.

Details of Bank Deposits (including accrued interest) *

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits with original and remaining maturity more than 12 months (Refer Note 3.4A)	705.8	2,666.8
Bank deposits with original maturity greater than 12 months but remaining maturity less than 12 months (Refer Note 3.4B)	24,806.9	902.5
Bank deposits with original maturity more than 3 months but less than 12 months (Refer Note 3.10)	11,229.9	23,424.0
Total	36,742.6	26,993.2

* Previous year includes deposits with non-banking financial companies

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.11 Other current assets

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities	6,037.9	5,361.3
Advance to suppliers and employees:		
Considered good	1,222.1	1,214.0
Considered doubtful	369.7	124.1
	1,591.8	1,338.1
Less: Provision for doubtful advance	(369.7)	(124.1)
	1,222.1	1,214.0
Prepaid expenses	499.1	443.9
Right to return asset	214.2	221.1
Unbilled revenue	326.5	120.6
Total	8,299.8	7,360.9

3.12A Equity share capital

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Authorised:		
250,000,000 equity shares of ₹ 2/- each (31 March 2023: 250,000,000 equity shares of ₹2/- each)	500.0	500.0
	500.0	500.0
Issued, subscribed and paid up:		
119,565,000 equity shares of ₹ 2/- each fully paid up (31 March 2023: 119,565,000 equity shares of ₹ 2 each fully paid up)	239.1	239.1
Total	239.1	239.1

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	(₹ in Million)	Number of shares	(₹ in Million)
At the commencement of the year	119,565,000	239.1	119,565,000	239.1
At the end of the year	119,565,000	239.1	119,565,000	239.1

(b) Rights, preferences and restrictions attached to Equity Shares:

The Company has issued one class of equity shares with voting rights having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Percentage of Holding	Number of Shares	Percentage of Holding
Mr. Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	24,705,800	20.66%	25,205,800	21.08%
Legal heir of Late Dhananjay Kumar Singh	-	-	9,518,565	7.96%
Mr. Basudeo Narain Singh	8,695,360	7.27%	8,695,360	7.27%
Mr. Mritunjay Kumar Singh	7,682,000	6.42%	7,682,000	6.42%
Ms. Madhurima Singh (Estate of Mr. Dhananjay Kumar Singh)	6,445,745	5.39%	-	-

(d) Aggregate number of bonus shares issued for the consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

(e) Promoters shareholding

Promoter name	No. of shares as at 31 March 2024	No. of shares as at 31 March 2023	No. of shares as at 31 March 2022	% of total shares as of Mar 24	% of total shares as of Mar 23	% change during the current year	% change during the previous year
Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	24,705,800	25,205,800	25,205,800	20.7%	21.1%	-2.0%	0.0%
Basudeo Narain Singh	8,695,360	8,695,360	8,662,100	7.3%	7.3%	0.0%	0.4%
Mritunjay Kumar Singh	7,682,000	7,682,000	7,630,000	6.4%	6.4%	0.0%	0.7%
Legal heir of Late Dhananjay Kumar Singh	-	9,518,565	9,518,565	-	8.0%	-100.0%	0.0%
Madhurima Singh (Estate of Dhananjay Kumar Singh)	6,445,745	-	-	5.4%	-	NA	0.0%
Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust)	3,092,875	20,055	3,055	2.6%	0.0%	15322.0%	556.5%
Jayanti Sinha	2,938,220	5,138,220	5,138,220	2.5%	4.3%	-42.8%	0.0%
Madhurima Singh	948,194	948,194	908,694	0.8%	0.8%	0.0%	4.3%
Seema Singh	2,937,740	2,937,740	2,937,740	2.5%	2.5%	0.0%	0.0%
Archana Singh	2,394,050	2,394,050	2,394,050	2.0%	2.0%	0.0%	0.0%
Divya Singh	1,208,971	1,208,971	1,208,971	1.0%	1.0%	0.0%	0.0%
Meghna Singh	1,208,650	1,208,650	1,208,650	1.0%	1.0%	0.0%	0.0%
Aniruddha Singh	1,208,971	1,208,971	1,208,971	1.0%	1.0%	0.0%	0.0%
Shrey Shree Anant Singh	1,195,650	1,195,650	1,195,650	1.0%	1.0%	0.0%	0.0%
Sadhika Raj	550,000	-	-	0.5%	-	NA	NA
Sakshi Sinha	550,000	-	-	0.5%	-	NA	NA
Satyam Sinha	550,000	-	-	0.5%	-	NA	NA
Shikhar Raj	550,000	-	-	0.5%	-	NA	NA
Raj Kumar Singh	538,038	538,038	538,038	0.4%	0.4%	0.0%	0.0%
Sandeep Singh	7	97	112,357	0.0%	0.0%	-92.8%	-99.9%
Srinivas Singh	102,695	102,695	81,100	0.1%	0.1%	0.0%	26.6%
Sarandhar Singh	79,800	79,800	79,800	0.1%	0.1%	0.0%	0.0%
Sarvesh Singh	79,800	79,800	79,800	0.1%	0.1%	0.0%	0.0%
Legal heir of Late Balmiki Prasad Singh	-	100,516	122,111	-	0.1%	-100.0%	-17.7%

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Promoter name	No. of shares as at 31 March 2024	No. of shares as at 31 March 2023	No. of shares as at 31 March 2022	% of total shares as of Mar 24	% of total shares as of Mar 23	% change during the current year	% change during the previous year
Manju Singh	100,517	1	1	0.1%	0.0%	NA	0.0%
Satish Kumar Singh	71,934	71,934	71,934	0.1%	0.1%	0.0%	0.0%
Inderjit Kaur Arora	7,800	7,800	7,800	0.0%	0.0%	0.0%	0.0%
Annapurna Singh	3,041	3,041	1	0.0%	0.0%	0.0%	NA
Premlata Singh	1	1	1	0.0%	0.0%	0.0%	0.0%

3.12 B Other equity

Particulars	₹ in Million	
	As at 31 March 2024	As at 31 March 2023
Capital reserve	5.2	5.2
Employee stock options outstanding account	195.4	6.0
General reserve	19,872.5	19,872.5
Retained earnings	83,097.0	70,519.7
Other comprehensive income	1,677.0	1,470.5
Gross obligation to non-controlling interest under put option	(1,965.6)	(1,660.1)
Total	102,881.5	90,213.8

3.13 Borrowings

Particulars	₹ in Million	
	As at 31 March 2024	As at 31 March 2023
A. Non-current borrowings		
Secured		
Term loans		
- from other parties	400.0	-
Total	400.0	-

Notes:

Enzene Biosciences Limited ('EBL')

Term loan consists of ₹ 800 million loan sanctioned by Export-Import Bank of India (EXIM bank) for a period of 5 years. The loan carries an interest rate of MCLR + 0.25bps (effective interest rate of 8.50% as on date of loan). EBL received ₹ 400 million as at 31 March 2024 in terms of the sanction letter agreed with the bank.

MCLR to be fixed on the date of first disbursement and to be reset after 12 months from the date of first disbursement and every 12 months thereafter. The loan is to be repaid in 14 equal quarterly installments after moratorium of 18 months from date of first disbursement.

The term loan is secured against the following:

- First Pari passu charge on entire Immovable properties, situated at Chakan
- First Pari passu charge on entire movable fixed assets of the company
- Cash Deposit of ₹ 91.5 million by way of lien marked on fixed deposits in favour of EXIM bank

Notes

to the Consolidated financial statements for the year ended 31 March 2024

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
B. Current borrowings		
Secured		
Loans repayable on demand from banks	3,874.2	3,005.4
Term loan from banks	13.4	0.3
	3,887.6	3,005.7
Unsecured		
Working capital loan from banks	7,852.1	10,065.8
	7,852.1	10,065.8
Total	11,739.7	13,071.5

Notes :

Secured:

The Company:

Loans repayable on demand from Banks include:

- Overdrafts from banks ₹ **1,720.2 Million** (31 March 2023: ₹1,193.1 Million) are secured against pledge of fixed deposits with the banks.
- Overdraft Facilities carry a rate of interest ranging between 7.80% to 8.30% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Indchemie Health Specialities Private Limited ('IHSP')

Overdraft from banks ₹ **143.7 Million** (31 March 2023 ₹ 25.3 Million) are secured against fixed deposits placed with respective banks. This facility carries interest in the range of 5.46% to 6.76%.

Cachet Pharmaceuticals Private Limited ('CPPL')

Working capital loan comprises of Packing credit in Foreign currencies provided by ICICI Bank of ₹ **13.4 Million** (31st March 2023: Nil) are repayable on demand and it carries interest rate in the range of 6.307% to 6.309%, which are secured against hypothecation of company's stock, book debts, tangible movable property. Hire purchase loan of ₹ 0.3 million as at 31 March 2023 has been repaid during the year.

Enzene Biosciences Limited

- Overdraft from banks ₹ **1,042.2 Million** (31 March 2023: ₹155.5 Million) are secured against fixed deposits placed with respective banks
- Overdraft facilities carry a rate of interest ranging between 5.90% to 8.27% p.a computed on a monthly basis on the actual amount utilised, and are repayable on demand.

Ascend Laboratories SpA, Chile

Loan facilities of ₹ **Nil (CLP Nil)** (31 March 2023: ₹ 768.9 Million (CLP 7,407.4 Million) by Banco de Chile are comprised by a fund based facility (working capital credits) with a limit of **CLP 10,000.0 Million**. The interest rate is Tab30+0.083% monthly. The same has been repaid during the year.

For security details refer subnote 3 of note 3.1.

The PharmaNetwork, LLC, USA ('TPN')

Working Capital loan of ₹ **968.1 Million (USD 11.6 Million)** (31 March 2023 ₹ 862.6 Million (USD 10.5 Million) from bank includes revolving credit line taken on 3 November 2012 ('closing date') by TPN are secured upto USD 50 Million (31 March 2023 USD 50 Million) by issue of ABF Revolving Credit Facility by JP Morgan Chase which is secured by a continuing lien on security interest in all of the Collateral, whether in the form of cash or other property and whether tangible or intangible as well as Inventory, Receivables, Equipment and intellectual property of the TPN. Interest on this Revolving Credit Facility is payable monthly in arrears on the first business day of each month at a rate equal to SOFR + 1.25%. (31 March 2023 1.25% plus daily LIBOR).

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Unsecured:

The Company:

Packing Credit in Foreign Currencies of ₹ 7,852.1 Million (31 March 2023: ₹10,065.8 Million) and are repayable on demand carries Interest rate in the range of 5.60% to 5.94%.

3.14 Provisions

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
A. Non-current provisions		
Provisions for employee benefits		
- Gratuity (Refer note 3.28)	1,930.9	1,701.6
- Compensated absences	1,067.7	969.9
Provision for anticipated sales returns (Refer note.3.34)	-	1,022.1
Total	2,998.6	3,693.6
B. Current provisions		
Provision for employee benefits:		
- Gratuity (Refer note 3.28)	849.6	747.1
- Compensated absences	419.1	364.7
Provision for rebates (Refer note.3.34)	-	1,012.9
Provision for anticipated sales returns (Refer note.3.34)	-	1,602.8
Total	1,268.7	3,727.5

3.15 Other non-current liabilities

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Deferred income on government grant (Refer note 3.42)	258.4	88.0
Total	258.4	88.0

3.16 Trade payables

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	670.0	1,104.6
Total outstanding dues of creditors other than micro and small enterprises	16,811.2	10,545.7
Total	17,481.2	11,650.3

Due to related parties ₹ Nil (31 March 2023: ₹Nil) (Refer note 3.31)

Trade payables ageing schedule for the year ended 31 March 2024 and 31 March 2023

Particulars	(₹ in Million)						Total
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	-	624.2	38.5	7.3	-	-	670.0
	(-)	(261.8)	(838.6)	(4.2)	(-)	(-)	(1,104.6)
ii) Others	3,887.2	8,010.6	4,840.7	10.6	39.8	14.1	16,803.0
	(-)	(8,063.4)	(2,296.5)	(108.6)	(14.8)	(54.2)	(10,537.5)
iii) Disputed dues - MSME	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed dues - Others	-	-	-	-	-	8.2	8.2
	(-)	(-)	(-)	(-)	(-)	(8.2)	(8.2)

Figures in the brackets are the comparative figures of the previous year.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Relationship with struck off companies:

(₹ in Million)						
Relationship with struck off companies:	Nature of Transactions	Transactions during the year 31 March 2024	Balance o/s. at the end of the year as at 31 March 2024	Transactions during the year 31 March 2023	Balance o/s. at the end of the year as at 31 March 2023	Relationship with the Struck off company, if any, to be disclosed
Perfect Office Systems Private Limited	Payables	0.8	-	-	-	Vendor
Phonographic Performance Limited	Payables	-	0*	-	-	Vendor
Piccadilly Holiday Resorts Ltd	Payables	-	0*	0.6	-	Vendor
Shakun And Company (Services) Pvt Ltd	Payables	-	-	0*	-	Vendor
Great Eastern Trading Co.	Payables	-	-	0.1	-	Vendor
A K M Enterprises Private Limited	Payables	0*	-	-	-	Vendor
Southern Star Pvt Ltd	Payables	0*	-	-	-	Vendor
Senator Inns Private Limited	Payables	0*	0*	-	-	Vendor
Pharma Labs Pvt Ltd	Payables	2.1	0*	-	-	Vendor
Veridical Enterprises (Opc) Private Limited	Payables	1.5	-	-	-	Vendor

* Less than 1 lakh

3.17 Other financial liabilities

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Non Current		
Put option liability	1,965.6	1,660.1
Liability towards anticipated sales returns (Refer note 3.34)	1,144.3	-
Total	3,109.9	1,660.1

Note:

During the previous year, the Company and Enzene Biosciences Limited ('Enzene') had entered into an agreement with Eight Roads Ventures India Healthcare IV, L.P. ("Eight Roads Ventures") and F-Prime Capital Partners Life Sciences Fund VI LP ("F-Prime Capital") ('Investors') whereby the Investors have infused ₹1,614.8 million towards subscription of 4,108,973 Compulsorily Convertible Preference Shares ('CCPS') and 20 Equity Shares. The transaction involved the investment of ₹ 1,614.8 million and issuance and allotment of CCPS and equity shares having a face value of ₹ 10 each, by Enzene to Investors in lieu of such investment. The investment towards CCPS and equity shares received on 27 January 2023 is convertible into a fixed number of equity shares of Enzene and hence has been classified as equity in the financial statements of Enzene.

In these consolidated financial statements, CCPS has been reflected as part of non-controlling interests. As per the Shareholders Agreement dated 23 December 2022, the Company will be required to provide various options to enable the Investor to exit over a period of time. In case such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement. As of 31 March 2024, the CCPS have been recognized as a financial liability, the fair value of which is ₹ 1,965.6 million (31 March 2023 : ₹ 1660.1 million). CCPS is convertible into equity shares at any time but not later than nineteen years, at the option of the Investors, and is convertible compulsorily and automatically at the agreed conversion date, which is linked to meeting one of the agreed conditions.

(₹ in Million)		
Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Employee payables	2,905.0	2,377.7
Security deposits	353.2	321.0
Liabilities towards expenses, anticipated sales returns and rebates (Refer Note 3.34)	3,197.8	3,626.1
Unpaid dividend*	1.7	2.0
Total	6,457.7	6,326.9

* Amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013 ₹ Nil (31 March 2023: ₹0.2 Million). The same has been deposited within the statutory timelines.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.18 Other current liabilities

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Due to statutory authorities*	1,134.5	1,119.1
Unearned revenue	-	0.4
Advances from customers	1,122.9	739.3
Deferred income on government grant (Refer note 3.42)	39.1	10.1
Total	2,296.5	1,868.9

*Due to statutory authorities includes GST payable, sales tax payable, tax deducted at source payable, provident fund and other dues payable.

3.19 Revenue from operations

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contract with customers		
Sale of products- (A)	123,857.6	113,887.7
Sale of services- (B)	534.8	515.8
Revenue from contracts with customers	124,392.4	114,403.5
Other operating revenues:		
Export incentives	293.8	161.1
Scrap sales	163.9	196.3
Budgetary support benefit under GST	955.0	820.8
Business compensation and settlement income	709.0	344.4
Miscellaneous income	161.7	66.5
Total other operating revenue: (C)	2,283.4	1,589.1
Total (A) + (B) + (C)	126,675.8	115,992.6

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contract with customers as per contracted price	191,556.2	177,801.5
Adjustments made to contract price on account of:		
Less: Sales return	2,823.9	2,571.3
Less: Discounts / Rebates / Chargebacks	64,339.9	60,826.8
Revenue from contract with customers	124,392.4	114,403.5
Other operating revenue	2,283.4	1,589.1
Revenue from operations	126,675.8	115,992.6

b) Disaggregation of revenue from contracts with customers: Refer note 3.30(a)

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.20 Other income:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest income under the effective interest method		
-Bank deposits at amortised cost	2,487.1	1,541.3
-Bonds, debentures and loans at amortised cost	270.6	170.1
Liabilities/provisions no longer required written back	19.8	17.5
Profit on sale of investments at FVTPL (net)	146.3	21.6
Gain on fair value of investments through profit and loss	5.4	287.0
Miscellaneous income	179.2	123.3
Total	3,108.4	2,160.8

3.21 Cost of materials consumed:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Raw material consumed	26,840.7	25,315.1
Packing material consumed	6,105.2	5,254.1
Total	32,945.9	30,569.2

3.22 Changes in inventories of finished goods, work-in-progress and stock-in-trade:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening stock:		
Finished goods	12,074.7	15,977.0
Stock-in-trade	4,207.9	4,707.0
Work-in-progress	1,639.9	1,343.4
	17,922.5	22,027.4
Less: Closing stock:		
Finished goods	10,848.4	12,074.7
Stock-in-trade	5,495.2	4,207.9
Work-in-progress	1,474.1	1,639.9
	17,817.7	17,922.5
Effect of foreign exchange translation	36.4	518.8
Total	141.2	4,623.7

3.23 Employee benefits expense:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries, wages and bonus	20,080.4	19,613.9
Contribution to provident and other fund	1,089.9	1,018.2
Employees' welfare expenses	650.4	681.4
Employee stock compensation expenses (Refer note 3.41)	189.4	-
Total	22,010.1	21,313.5

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.24 Finance costs:

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest expenses on		
- Bank overdraft and others at amortised cost	803.8	809.2
- Defined benefit liabilities	153.3	128.3
Other borrowing cost	167.0	136.1
Total	1,124.1	1,073.6

3.25 Other expenses:

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Consumption of stores and spare parts	672.8	673.7
Power and fuel	1,625.8	1,639.4
Processing charges	621.5	585.2
Contract labour charges	1,308.4	1,094.6
Rent (Refer note 3.29)	96.0	97.8
Rates and taxes	523.4	687.3
Insurance	583.6	504.9
Marketing, advertisement and promotions	8,065.0	8,185.8
Selling and distribution expenses	3,941.8	4,288.2
Legal and professional fees	2,208.6	2,283.7
Sales commission	811.9	676.8
Travelling and conveyance	3,743.8	3,449.8
Repairs:		
- Buildings	110.6	163.5
- Plant and machineries	604.9	595.0
- Others	550.2	380.4
Loss on sale / write off of property, plant and equipments (net)	31.8	123.6
Commission to directors	13.0	13.0
Donation *	287.5	159.9
Communication and printing expenses	236.8	202.8
Vehicle expenses	257.3	248.0
Clinical and analytical charges	1,594.9	896.1
Loss allowance	524.0	48.8
Corporate Social Responsibility (CSR) expenditure	363.1	345.3
Royalty expenses	269.1	81.1
License, registration & technology fees	884.3	917.9
Impairment loss on property, plant and equipments	-	21.7
Foreign currency transactions and translation loss (net)	335.1	188.6
Miscellaneous expenses	2,569.8	963.3
Total	32,835.0	29,516.2

*Includes ₹250 Million (31 March 2023: ₹ 2.5 Million) paid to a political party (Bharatiya Janata Party) and ₹ Nil (31 March 2023: ₹ 150 Million) contribution to a political party (Bharatiya Janata Party) as electoral bonds.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.26 (a) Contingent Liabilities

		(₹ in Million)	
Sr. No.	Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Claims against the Group not acknowledged as debt:			
(i)	Central Excise and service tax demands disputed in appeal {advances paid in dispute ₹ Nil (31 March 2023: ₹12.6 Million)}	-	177.8
(ii)	Sales Tax / Goods and service tax demand disputed in appeal {advances paid in dispute ₹10.2 Million (31 March 2023: ₹73.0 Million)}	82.8	660.4
(iii)	Custom duty demand disputed in appeal {advances paid in dispute ₹Nil (31 March 2023: ₹5.3 Million)}	2.4	55.3
(iv)	Income Tax demand disputed in appeal {advances paid dispute in ₹123.7 Million (31 March 2023: ₹136.1 Million)}	44.5	237.3
(v)	Other matters:	787.3	1,714.9
	a. In relation to purchase commitments : ₹ Nil (31 March 2023: ₹968.1 Million)		
	b. Supply of Goods: ₹ 20.6 Million (31 March 2023: ₹0.5 Million)		
	c. In relation to CCI: ₹746.3 Million (31 March 2023: ₹746.3 Million)		
	d. Legal Matters : ₹ 20.4 Million (31 March 2023 : Nil)		
Total		917.1	2,845.7

Management considers that the above service tax, excise duty, sales tax / Goods and service tax, custom duty and income tax demands received from the authorities are not tenable against the Group, and therefore no provision for these tax contingencies have been made.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on its financial statements.

The Holding Company has accrued income of ₹ 278.6 Million cumulatively on account of IGST reimbursement receivable under the Scheme of Budgetary Support under Goods and Service Tax Regime for an industrial unit acquired from Cachet Pharmaceutical Pvt Ltd (a subsidiary of the Company) in Sikkim. The Department for Promotion of Industry and Internal Trade has disputed the company's eligibility to claim the budgetary support on transfer of unit. The Holding Company has filed appeal against the same and hence the matter is sub-judice.

3.26 (b) 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 statements.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.27 Commitments

		(₹ in Million)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advances paid ₹163.1 Million (31 March 2023: ₹32.4 Million)	841.0	649.7
2	Uncalled / Unpaid contribution towards investment in funds (Refer Note.3.2)	60.1	392.2
3	Other Commitments: Commitment towards research and development - EUR 0.0625 Million (31 March 2023: EUR 0.0625 Million)	5.6	5.6
4	Pending Export Obligation under advance licence / EPCG Scheme	283.0	209.4

3.28 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

The Company and its Indian subsidiaries:

i) Defined contribution plans:

The Company and its Indian subsidiaries make contributions towards provident fund. The Company and its Indian subsidiaries are required to contribute a specified percentage of salary cost to the Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance, which are recognised in the Statement of Profit and Loss on accrual basis. Eligible employees receive the benefits from the said funds. Both the employees and the Company and its Indian subsidiaries make monthly contribution to the said funds plan equal to a specific percentage of the covered employee's salary. The Company and its Indian subsidiaries have no obligations other than to make the specified contributions.

The Company and its Indian subsidiaries have recognised the following amounts in the Statement of Profit and Loss

		(₹ in Million)	
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	
- Contribution to Provident Fund	961.4	888.7	
- Contribution to Employee state insurance corporation	22.8	32.1	
Total	984.2	920.8	

ii) Defined benefit plan:

The Company and its Indian subsidiaries earmarks liability towards unfunded Group Gratuity and Compensated absences and provides for payment to vested employees as under:

- a) On Normal retirement/ early retirement/ withdrawal/resignation:
As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- b) On death in service:
As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2024 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's and its Indian subsidiaries financial statements as at 31 March 2024:

		(₹ in Million)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	262.2	244.9
	Past Service Cost	36.7	-
	Interest Cost	152.0	128.3
	Actuarial (gain) / loss	92.4	48.7
	Benefits paid	(213.7)	(233.8)
	PVO at the beginning of the year	2,443.7	2,255.6
	PVO at end of the year	2,773.2	2,443.7
II)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year	2,773.2	2,443.7
	Fair Value of planned assets at end of year	-	-
	Funded status	(2,773.2)	(2,443.7)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset/ (liability) recognised in the balance sheet	(2,773.2)	(2,443.7)
III)	Net cost for the year		
	Current Service cost	262.2	244.9
	Past Service Cost	36.7	-
	Interest cost	152.0	128.3
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	92.4	48.7
	Net cost	543.3	421.9
IV)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	7.17% - 7.20%	7.31% - 7.44%
	Attrition rate (%)	10% - 20%	10% - 20%
	Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
	Salary escalation rate (%)	7% - 10%	5% - 10%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Maturity profile of defined benefit obligation

		(₹ in Million)	
Projected benefits payable in future years from the date of reporting		As at 31 March 2024	As at 31 March 2023
	1 st following year	856.1	708.7
	2 nd following year	308.8	231.1
	3 rd following year	287.1	222.7
	4 th following year	252.6	207.8
	5 th following year	242.9	195.0
	Sum of years 6 th to 10 th	941.6	732.3
	Sum of years 11 th and above	1,433.3	1,205.8

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(119.5)	133.9	(110.5)	123.8
Future salary growth (1% movement)	118.7	(107.9)	109.4	(99.6)

The mortality and attrition does not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **5.16 - 10.09 years** (Previous year: 3.96 - 10.02 years)

Alkem Laboratories Corporation, Philippines ("ALC"):

ALC does not have an established retirement plan and only conforms to the minimum regulatory benefit under R.A. 7641 which is of defined benefit type and provides a retirement benefit equal to 22.5 days pay for every year of credited service for employees who attain the normal retirement age of 60 years old with at least five years of credited service. The regulatory benefit is paid in lump-sum upon retirement. For the years ended 31 March 2024 and 2023, ALC's post - employment defined benefit obligation amounted to ₹ 7.3 Million (PHP 4.9 Million) and ₹ 5.0 Million (PHP 3.4 Million), respectively.

In determining the amounts of the retirement benefit obligation, the following significant actuarial assumptions were used:

Discount rate - **6.26%** (31 March 2023 - 5.62%)

Expected salary increase rate - **3.00%** (31 March 2023 - 3.00%)

Particulars	As at	
	31 March 2024	31 March 2023
(₹ in Million)		
Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
Current Service Cost	1.3	0.7
Actuarial (gain) / loss	1.0	-
PVO at the beginning of the year	5.0	4.3
PVO at end of the year	7.3	5.0

3.29 Leases

Leases as lessee

i. Right of use assets

Right of use assets related to leased properties.

Particulars	As at 31 March 2024						As at 31 March 2023		
	Land			Buildings			Total		
	Land	Buildings	Total	Land	Buildings	Total			
Opening balance	496.9	881.7	1,378.6	505.9	887.5	1,393.5			
Depreciation for the year	(9.0)	(258.1)	(267.1)	(9.0)	(279.9)	(288.9)			
Additions / Adjustments to right of use assets	-	1,416.5	1,416.5	-	275.5	275.5			
Derecognition of right of use assets	-	(24.2)	(24.2)	-	(16.1)	(16.1)			
Foreign exchange differences	-	(32.1)	(32.1)	-	14.6	14.6			
Closing balance	487.9	1,983.8	2,471.7	496.9	881.7	1,378.6			

Notes

to the Consolidated financial statements for the year ended 31 March 2024

ii. Lease liability

(₹ in Million)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Land	Buildings	Total	Land	Buildings	Total
Maturity analysis of lease liability - undiscounted contractual cash flows						
Less than one year	2.9	313.2	316.1	2.9	297.7	300.5
One to three years	5.8	887.9	893.6	5.8	481.6	487.4
More than three years	257.9	2,571.4	2,829.4	260.7	369.6	630.3
Total undiscounted cash flows	266.6	3,772.5	4,039.1	269.4	1,148.9	1,418.2
Current (Discounted)	0.1	151.7	151.8	0.1	191.9	192.0
Non-current (Discounted)	62.9	1,829.7	1,892.6	63.0	640.2	703.3

iii. Amount recognised in statement of profit and loss

(₹ in Million)

Particulars	For the Year ended March 2024			For the Year ended March 2023		
	Land	Buildings	Total	Land	Buildings	Total
General and administrative expenses						
Short-term lease rent expense	2.9	93.1	96.0	2.9	94.9	97.8
Depreciation and impairment losses						
Depreciation of right of use lease asset	9.0	258.1	267.1	9.0	270.9	279.9
Foreign exchange difference		(23.5)	(23.5)		23.0	23.0
Finance cost						
Interest expense on lease liability	2.8	76.8	79.6	2.8	74.1	77.0
	14.8	404.5	419.1	14.8	462.9	477.6

iv. Amount recognised in statement of cash flows

(₹ in Million)

Particulars	For the Year ended March 2024			For the Year ended March 2023		
	Land	Buildings	Total	Land	Buildings	Total
Cash outflow for short-term leases	2.9	93.1	96.0	2.9	94.9	97.8
Principal component of cash outflow for long-term leases	0.0	323.2	323.2	0.0	238.3	238.4
Interest component of cash outflow for long-term leases	2.8	76.8	79.6	2.8	74.1	77.0
Total cash outflow for leases	5.7	493.1	498.8	5.8	407.4	413.2

v. Movement of lease liabilities

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening balance of lease liability	895.3	880.7
Addition to lease liability	1,392.7	176.0
Interest on lease liability	79.6	77.0
Repayment of lease liability	(323.2)	(238.4)
Closing lease liability	2,044.4	895.3

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.30 Segment Reporting

Basis for Segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The operating segments are reported in a manner consistent with the internal reporting provided to the Company's Chief Operating Decision Maker (CODM). The CODM has been identified as the Executive Chairman of the Company who reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

Entity-wide disclosures

The below information analyses the group's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
a) Revenue from Operations:		
Country of Domicile - India	86,620.2	81,599.7
United States of America	27,709.3	25,133.5
Other Countries	12,346.3	9,259.4
	126,675.8	115,992.6
b) Non-current assets (Refer note below)		
Country of Domicile - India	25,849.2	25,580.8
United States of America	3,977.9	3,965.4
Other Countries	486.4	515.4
	30,313.5	30,061.6

Note:-

Non-current assets for this purpose consist of Property, Plant and Equipments, Capital work in progress, Right of use assets, Intangible assets, Intangible assets under development and Goodwill.

- c) The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue during the year.

3.31 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures

The Group's principal related parties consist of Key Managerial Personnel ("KMP"), Close Members of KMP and entities in which KMP and their Close Members have significant influence ("Affiliates"). The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.31 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

A) Key Managerial Personnel ("KMP")

Mr. Basudeo Narain Singh	Executive Chairman
Late Mr. Balmiki Prasad Singh (upto 25 August 2022)	Executive Director
Mr. Mritunjay Kumar Singh	Executive Director
Mr. Sandeep Singh	Managing Director
Mr. Sarvesh Singh	Executive Director
Mr. Srinivas Singh (w.e.f 14 September 2022)	Executive Director
Mrs. Madhurima Singh	Executive Director
Mr. A.K.Purwar	Independent Director
Mr. R.L.Shenoy (upto 11 July 2022)	Independent Director
Mr. Sujjain Talwar (w.e.f 5 August 2022)	Independent Director
Ms. Sangeeta Singh	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Dheeraj Sharma	Independent Director
Mr. Narendra Kumar Aneja	Independent Director
Dr. Vikas Gupta (w.e.f 22 September 2023)	Chief Executive Officer
Mr. Rajesh Dubey (upto 31 January 2024)	President - Finance & Chief Financial Officer
Mr. Nitin Agrawal (w.e.f 1 February 2024)	President - Finance & Chief Financial Officer
Mr. Manish Narang	President - Legal & Company Secretary

B) Close Members of Key Managerial Personnel with whom transaction have taken place during the year

Mr. Satish Kumar Singh	Father of Sandeep Singh and Sarvesh Singh
Mrs. Archana Singh	Daughter of Basudeo Narain Singh
Mr. Sarandhar Singh	Son of Late Balmiki Prasad Singh and Brother of Srinivas Singh
Mr. Srinivas Singh (upto 25 August 2022)	Son of Late Balmiki Prasad Singh
Mrs. Manju Singh	Wife of Late Balmiki Prasad Singh and Mother of Srinivas Singh
Mrs. Premlata Singh	Mother of Sandeep Singh and Sarvesh Singh
Mrs. Seema Singh	Wife of Mritunjay Kumar Singh
Ms. Divya Singh	Daughter of Madhurima Singh
Mr. Aniruddha Singh	Son of Madhurima Singh
Ms. Meghna Singh	Daughter of Mritunjay Kumar Singh
Mr. Shrey Shree Anant Singh	Son of Mritunjay Kumar Singh
Ms. Inderjit Kaur Arora	Wife of Sandeep Singh
Mrs. Annapurna Singh	Wife of Sarvesh Singh
Mr. Nawal Kishore Singh (upto 25 August 2022)	Brother of Late Balmiki Prasad Singh
Mr. Sreejan Shandilya	Husband of Madhurima Singh's Daughter

C) Entities in which Key Managerial Personnel's and their Close Members have significant influence and with whom transactions have taken place during the current and previous year ("Affiliates"):

M/s Galpha Laboratories Ltd (upto 25 August 2022), M/s. Samprada and Nanhamati Singh Family Trust, Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust), Madhurima Singh (Estate of Dhananjay Kumar Singh), Sureet Propkem Private Limited

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.31 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Details of Transactions with Related Parties

		(₹ in Million)			
Sr. No.	Particulars	Year ended 31 March 2024			
		Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	
1	Remuneration*	1,032.5	152.4	-	1,184.9
		(799.7)	(152.4)	-	(952.2)
2	Consultancy fees paid	-	3.0	-	3.0
		-	(3.0)	-	(3.0)
3	Loans repaid	-	-	-	-
		-	(91.5)	-	(91.5)
4	Interest expense on loans taken	-	-	-	-
		-	(4.9)	-	(4.9)
5	Purchase of stock in trade	-	-	-	-
		-	-	(126.2)	(126.2)
6	Sale of raw and packing materials	-	-	-	-
		-	-	(5.0)	(5.0)
7	Purchase of raw and packing materials	-	-	-	-
		-	-	(2.0)	(2.0)
8	Services rendered	-	-	-	-
		-	-	(0.7)	(0.7)
9	Rental income	-	-	-	-
		-	-	(1.6)	(1.6)
10	Rent expenses	3.0	1.1	-	4.2
		(3.0)	(1.1)	-	(4.2)
11	Dividend paid	787.9	724.2	1,546.0	3,058.1
		(435.7)	(439.3)	(1,908.6)	(2,783.6)
12	Loan given	-	-	-	-
		(3.8)	-	-	(3.8)
13	Repayment of loan given	1.6	-	-	1.6
		(2.2)	-	-	(2.2)
14	Interest income on loans given (March 24 : ₹ 1,027)	0.0	-	-	0.0
		(0.1)	-	-	(0.1)
15	Reimbursement of expenses from	35.0	2.8	-	37.8
		(29.7)	(4.3)	-	(34.0)
16	Purchase of PPE	-	-	-	-
		-	-	(68.9)	(68.9)

Figures in the brackets are the comparative figures of the previous year.

*Key managerial personnel remuneration

Key managerial personnel remuneration comprise the following :

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Short term employee benefits	976.1	723.7
Post-employment benefits	49.8	62.1
Other long-term benefits	6.6	14.0
Total	1,032.5	799.7

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.31 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval.

All related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

Balance due from / to the related Parties

		(₹ in Million)			
Sr. No.	Particulars	As at 31 March 2024			Total
		Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	
1	Loan receivable	-	-	-	-

		(₹ in Million)			
Sr. No.	Particulars	As at 31 March 2023			Total
		Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	
1	Loan receivable	1.6	-	-	1.6

3.32 The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹5,228.8 Million (31 March 2023: ₹5,394.1 Million).

3.33 Earnings per share (EPS)

Particulars			Year ended 31 March 2024	Year ended 31 March 2023
Profit for the year attributable to Owners of the Parent	₹ in Million	A	17,957.7	9,841.7
Weighted average number of equity shares outstanding	Nos.	B	119,565,000	119,565,000
Basic and diluted earnings per equity share (₹) - Face value of ₹ 2 per share	In ₹	(A / B)	150.19	82.31

3.34 Disclosure as per Ind AS 115 'Revenue from Contracts with Customers' is as under:

Liability towards anticipated sales return:

The Group as a trade practice, accepts sales return from market which are primarily in the nature of expired or near expiry products. Liability is calculated for such returns on the basis of historical experience, market conditions and specific contractual terms. The Group expects to settle the majority of the liability over 2- 3 years.

	(₹ in Million)	
Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount at the beginning of the year	2,624.9	2,189.7
Add: Liability accrued during the year	3,101.7	3,197.9
Less: Amount utilized during the year	2,799.1	2,762.7
Carrying amount at the end of the year	2,927.5	2,624.9

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.34 Disclosure as per Ind AS 115 'Revenue from Contracts with Customers' is as under: (Continued)

Liability towards rebates:

The Group provides the rebate to the customers based on the contractual agreement executed between the group and the insurance agencies. Liability is calculated in the books for the rebates amounts based on the details of sales made to the customers and actual liability arises on account of rebate invoices received from the insurance agencies.

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Carrying amount at the beginning of the year	1,012.9	386.5
Add: Liability accrued during the year	1,939.8	1,411.8
Less: Amount utilized during the year	1,538.1	785.4
Carrying amount at the end of the year	1,414.6	1,012.9

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Non-current liability	1,144.3	1,022.1
Current liability	3,197.8	2,615.8
Total	4,342.1	3,637.8

3.35 Dividend paid and proposed

Dividends on equity shares were declared and paid by the Company during the year

Particulars	Dividend Per Equity Share (₹)	Year ended 31 March 2024 (₹ in Million)		Year ended 31 March 2023 (₹ in Million)	
		Dividend Per Equity Share (₹)	Year ended 31 March 2024 (₹ in Million)	Dividend Per Equity Share (₹)	Year ended 31 March 2023 (₹ in Million)
Dividend on equity shares	45.00	5,380.4	44.00	5,260.9	
Total		5,380.4		5,260.9	

After the reporting date, the following dividend was proposed by the Board of Directors in its meeting held on 29 May 2024 (previous year: in the Board meeting held on 19 May 2023) subject to the approval at the annual general meeting. Proposed dividend has not been recognised as a liability.

Particulars	Dividend Per Equity Share (₹)	Year ended 31 March 2024 (₹ in Million)		Year ended 31 March 2023 (₹ in Million)	
		Dividend Per Equity Share (₹)	Year ended 31 March 2024 (₹ in Million)	Dividend Per Equity Share (₹)	Year ended 31 March 2023 (₹ in Million)
Final Dividend on Equity Shares	5.00	597.8	10.00	1,195.7	
Total		597.8		1,195.7	

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.36 Impairment testing for cash generating unit (CGU) containing goodwill

The goodwill at each CGU level and goodwill acquired separately are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax Budgeted EBITDA projections of the next five years and the Terminal Value at the end of the fifth year (after considering the relevant long-term growth rate) which is considered by the Board as a reasonable period given the long development and life cycle of medicine.

Goodwill acquired through business combinations with indefinite lives has been allocated to the following CGU's

Name of the Entities	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Goodwill		
The PharmaNetwork LLC, United States of America	2,503.2	2,464.6
Pharmacor Pty Ltd, Australia	170.0	172.9
Enzene Biosciences Limited, India	106.0	106.0
Cachet Pharmaceuticals Private Limited ("CPPL"), India	487.9	487.9
Indchemie Health Specialities Private Limited ("IHSPL"), India	900.3	900.3
Total	4,167.4	4,131.7

The table below shows the key assumptions used in the value in use calculations for goodwill at each CGU level:

Particulars	The Pharma Network LLC	Enzene Biosciences Limited	Pharmacor Pty Ltd	CPPL	IHSPL
Pre-tax adjusted discount rate (in %)	12.8%	17.4%	12.0%	12.0%	12.0%
Long-term growth rate (in %)	2.0%	2.0%	1.0%	3.0%	3.0%

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Long-term growth rate	The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports
Pre-tax risk adjusted discount rate	Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC)

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, goodwill acquired separately in manufacturing plant located at St. Louis a unit under S & B Pharma LLC, USA, a subsidiary has been impaired in the current year amounting to ₹ Nil (31 March 2023 ₹108.2 million) (Refer note 3.43). Apart from above no impairment was identified for any of the CGU and for goodwill acquired separately as at 31 March 2024 and 31 March 2023 as the recoverable value of the CGU and goodwill acquired separately exceeded the carrying value.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Group has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.37 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has non-controlling interest, before any intra-group eliminations.

31 March 2024

(₹ in Million)				
Particulars	CPPL	IHSPL	EBL	Total
Non-controlling interest percentage	39.4%	49.0%	0.24%	
Non- current assets	507.7	3,330.1	5,468.8	9,306.5
Current assets	1,764.5	3,495.2	5,385.0	10,644.7
Non-current liabilities	157.9	915.0	1,713.6	2,786.5
Current liabilities	1,285.1	1,693.2	2,606.4	5,584.7
Net assets	829.2	4,217.1	6,533.8	11,580.0
Net assets attributable to the non-controlling interest	326.5	2,066.4	15.7	2,408.6
Add: Transactions with NCI (Refer note 3.17)	-	-	1,614.8	1,614.8
Total attributable to NCI	326.5	2,066.4	1,630.5	4,023.4
Revenue from operations	4,424.4	6,815.2	2,626.3	13,865.8
Profit after tax	82.7	254.5	(131.9)	205.3
Other comprehensive income (net of tax)	(4.1)	(9.2)	0.9	(12.4)
Total comprehensive income	78.6	245.3	(131.0)	192.9
Profit/(loss) allocated to non-controlling interest	32.5	124.7	(0.3)	156.9
Changes in proportion held by non-controlling interest	-	-	-	-
Profit attributable to Non-Controlling Interest (a)	32.5	124.7	(0.3)	156.9
Other comprehensive income allocated to non-controlling interest (b)	(1.6)	(4.5)	0.0	(6.1)
Total comprehensive income allocated to non-controlling interest (a + b)	30.9	120.2	(0.3)	150.8
Cash flows from operating activities	196.7	222.0	(122.9)	295.8
Cash flows from investing activities	(221.1)	(207.9)	(1,477.2)	(1,906.2)
Cash flows from financing activities	(22.2)	(156.4)	169.3	(9.3)
Net increase (decrease) in cash and cash equivalents	(46.6)	(142.3)	(1,430.8)	(1,619.7)

31 March 2023

(₹ in Million)				
Particulars	CPPL	IHSPL	EBL	Total
Non-controlling interest percentage	39.4%	49.0%	0.24%	
Non- current assets	786.7	3,471.5	4,187.3	8,445.5
Current assets	1,284.0	2,570.8	3,571.3	7,426.1
Non-current liabilities	142.7	762.6	38.4	943.8
Current liabilities	1,177.3	1,256.8	1,244.3	3,678.4
Net assets	750.7	4,022.9	6,475.9	11,249.4
Net assets attributable to the non-controlling interest	295.6	1,971.2	15.5	2,282.3
Add: Transactions with NCI (Refer Note no. 3.17)	-	-	1,614.8	1,614.8
Total attributable to NCI	295.6	1,971.2	1,630.3	3,897.1
Revenue from operations	4,022.7	6,280.8	1,439.8	11,743.2
Profit after tax	135.7	335.5	(173.4)	297.8
Other comprehensive income (net of tax)	(2.4)	(6.3)	(1.9)	(10.6)
Total comprehensive income	133.3	329.2	(175.3)	287.2
Profit/(loss) allocated to non-controlling interest	53.4	164.4	(0.4)	217.4
Changes in proportion held by non-controlling interest	-	-	9.0	9.0
Profit attributable to Non-Controlling Interest (a)	53.4	164.4	8.6	226.4
Other comprehensive income allocated to non-controlling interest (b)	(1.0)	(3.1)	(0.0)	(4.1)
Total comprehensive income allocated to non-controlling interest (a + b)	52.5	161.3	8.6	222.3
Cash flows from operating activities	273.4	393.0	(473.2)	193.1
Cash flows from investing activities	(134.6)	(261.9)	(2,754.0)	(3,150.5)
Cash flows from financing activities	(119.8)	(139.2)	3,923.7	3,664.7
Net increase (decrease) in cash and cash equivalents	19.0	(8.1)	696.5	707.3

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management

A. Accounting classification and fair value

The Group uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

(₹ in Million)

Particulars	As at 31 March 2024							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	4,550.7	4,550.7	-	-	-	-
Other bank balances	-	-	11,242.8	11,242.8	-	-	-	-
Non-current investments*	1,634.2	-	1,703.9	3,338.1	-	1,634.2	-	1,634.2
Current investments	1,436.4	-	53.5	1,489.9	423.8	-	1,012.6	1,436.4
Current loans	-	-	90.7	90.7	-	-	-	-
Trade receivables	-	-	22,528.1	22,528.1	-	-	-	-
Other non-current financial assets	-	-	1,202.2	1,202.2	-	-	-	-
Other current financial assets	-	-	29,302.0	29,302.0	-	-	-	-
	3,070.6	-	70,673.9	73,744.5	423.8	1,634.2	1,012.6	3,070.6
Financial liabilities								
Non Current borrowings	-	-	400.0	400.0	-	-	-	-
Current borrowings	-	-	11,739.7	11,739.7	-	-	-	-
Trade payables	-	-	17,481.2	17,481.2	-	-	-	-
Lease liabilities	-	-	2,044.4	2,044.4	-	-	-	-
Other financial liabilities	-	-	7,602.0	7,602.0	-	-	-	-
	-	-	39,267.3	39,267.3	-	-	-	-

* It excludes fair value information for financial assets not measured at fair value, if carrying amount is a reasonable approximation of fair value.

The above table excludes other non-current financial liabilities amounting to ₹1,965.6 million valued using the fair value methodology (Level 3). The changes in fair value has been accounted directly through other equity.

(₹ in Million)

Particulars	As at 31 March 2023							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	2,738.0	2,738.0	-	-	-	-
Other bank balances	-	-	23,430.9	23,430.9	-	-	-	-
Non-current investments*	1,609.5	-	1,426.7	3,036.2	-	1,609.5	-	1,609.5
Current investments	1,355.0	-	1,817.1	3,172.1	312.4	-	1,042.6	1,355.0
Non-current loans	-	-	80.2	80.2	-	-	-	-
Current loans	-	-	67.7	67.7	-	-	-	-
Trade receivables	-	-	21,321.8	21,321.8	-	-	-	-
Other non-current financial assets	-	-	2,952.5	2,952.5	-	-	-	-

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

(₹ in Million)

Particulars	As at 31 March 2023							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Other current financial assets	-	-	1,897.5	1,897.5	-	-	-	-
	2,964.5	-	55,732.5	58,697.1	312.4	1,609.5	1,042.6	2,964.5
Financial liabilities								
Current borrowings	-	-	13,071.5	13,071.5	-	-	-	-
Trade payables	-	-	11,650.2	11,650.2	-	-	-	-
Lease liabilities	-	-	895.3	895.3	-	-	-	-
Other current financial liabilities	-	-	6,326.9	6,326.9	-	-	-	-
	-	-	31,943.9	31,943.9	-	-	-	-

* It excludes fair value information for financial assets not measured at fair value, if carrying amount is a reasonable approximation of fair value.

The above table excludes other non-current financial liabilities amounting to ₹1,660.1 million valued using the fair value methodology (Level 3). The changes in fair value has been accounted directly through other equity.

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value

- Level 1:** The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.
- Level 2:** The fair value of financial instruments that are not traded in an active market (i.e. venture capital funds) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
- Level 3:** The fair value of the remaining financial instrument is determined using discounted cash flow method. The discount rates used is based on management estimates.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Details about the methods used to determine the amount of fair value change attributable to change in credit risk including an explanation of why the method is appropriate.

Type	Level	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Avenue Venture Real Estate Fund	Level 3	Income approach (Discounted cash flow method): The valuation model is based on expected EBITDA of the investee.	Revenue, Cost of construction, absorption timelines	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> the sale price were higher /(lower); the cost of construction were lower / (higher); or the absorption timelines will decrease /(increase).
Compulsorily convertible preference shares	Level 3	Income approach (Discounted cash flow method): The valuation model is based on expected EBITDA of the investee.		

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

There have been no transfers between Level 1 and Level 2 during the year.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of Investment in Avenue Venture Real Estate Fund.

Particulars	(₹ in Million)
	Amount
Opening Balance (1 April 2022)	1,073.3
Net change in fair value (unrealised)	293.8
Repayment	(324.5)
Closing Balance (31 March 2023)	1,042.6
Net change in fair value (unrealised)	-
Repayment	(30.0)
Closing Balance (31 March 2024)	1,012.6

Transfer out of Level 3

There has been no transfer out of Level 3 during the year.

Sensitivity analysis

For the fair values of Avenue Venture Real Estate Fund investment possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Significant unobservable inputs				
Sale Price - 5%	31.4	(31.4)	32.6	(32.6)
Cost of Construction - 5%	(13.8)	13.8	(14.2)	14.2
Absorption Timelines - 1 Year	(40.6)	38.4	(74.6)	(6.0)

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including investments in debt securities, deposits with banks, equity securities, venture capital and mutual fund investments. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Payment terms with customers vary depending upon the contractual terms of each contract. Sale limits are established for each customer and reviewed quarterly.

The maximum exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	(₹ in Million)	
	31 March 2024	31 March 2023
India	7,452.2	7,377.6
US	11,297.6	10,770.2
Other regions	3,778.3	3,174.0
	22,528.1	21,321.8

At 31 March 2024 the Group had exposure to only one type of counter party. No single customer's balance was more than 10% of the total receivables. (Nil as at 31 March 2023)

Impairment

As per the simplified approach, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

Refer note 3.8 for ageing of trade receivables that were not impaired.

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Balance as at the beginning of the year	438.2	464.4
Impairment loss recognised	524.0	48.8
Amounts written back / written off	(48.7)	(75.0)
Balance as at the end of the year	913.5	438.2

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

Investments, Cash and Cash equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in mutual funds, venture capital funds, quoted bonds and non-convertible debentures. These mutual funds and counterparties have low credit risk.

Total value of investments, cash and cash equivalents and bank deposits as on 31 March 2024 is ₹48,943.1 million (31 March 2023: ₹35,949.4 million)

Debt securities:

The Group has an exposure of ₹1,757.4 million as at 31 March 2024 (31 March 2023: ₹3,243.8 million) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31 March 2024.

Credit Rating of debt securities is given below:

Credit Rating	(₹ in Million)	
	31 March 2024	31 March 2023
A	-	55.0
A +	74.3	35.4
A1 +	30.0	-
AA	6.2	418.5
AA -	35.2	-
AA +	1,233.5	593.4
AAA	370.1	2,133.4
Not Rated	8.1	8.1
Total	1,757.4	3,243.8

The Group did not have any debt securities that were past due but not impaired at 31 March 2024, 31 March 2023. The Group has no collateral in respect of these investments.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's trade receivables are due for maturity within one to four months from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 45 - 60 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Million)

31 March 2024	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non current borrowings	400.0	400.0	-	-	-	400.0	-
Current borrowings	11,739.7	11,739.7	11,739.7	-	-	-	-
Trade Payables	17,481.2	17,481.2	13,260.7	4,220.5	-	-	-
Other Non current Financial Liabilities	3,109.9	3,109.9	-	-	-	-	3,109.9
Other Current Financial Liabilities	6,457.7	6,457.7	6,416.7	35.7	-	-	5.3
Total	39,188.5	39,188.5	31,417.1	4,256.2	-	400.0	3,115.2

(₹ in Million)

31 March 2023	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Current borrowings	13,071.5	13,071.5	13,071.5	-	-	-	-
Trade Payables	11,650.3	11,650.3	11,650.3	-	-	-	-
Other Non current Financial Liabilities	1,660.1	1,660.1	-	-	-	-	1,660.1
Other Current Financial Liabilities	6,326.9	6,326.9	6,326.9	-	-	-	-
Total	32,708.8	32,708.8	31,048.7	-	-	-	1,660.1

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The Group has exposure to EUR, GBP, USD, AUD, CAD, CNY, JPY, AED, CHF, NPR and KES. The Group has formulated hedging policy for monitoring its foreign currency exposure.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024, 31 March 2023 in their respective currencies are as below (absolute values):

Particulars	31 March 2024										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Trade Receivables	1,760,985	2,473,432	9,988,138	48,287	-	-	-	10	-	411,730	-
Cash and cash equivalents	-	-	612,673	-	-	-	-	-	-	-	-
	1,760,985	2,473,432	10,600,811	48,287	-	-	-	10	-	411,730	-
Financial liabilities											
Short Term Borrowings	-	-	94,000,000	-	-	-	-	-	-	-	-
Trade Payables	1,795,014	5,450	6,393,406	(88,559)	-	121,050	31,500	-	678,944	-	-
Other Current financial liabilities	-	-	-	-	-	-	-	-	-	-	-
	1,795,014	5,450	100,393,406	(88,559)	-	121,050	31,500	-	678,944	-	-
Net foreign currency exposure as at 31 March 2024	(34,029)	2,467,982	(89,792,595)	136,845	-	(121,050)	(31,500)	10	(678,944)	411,730	-

Particulars	31 March 2023										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Trade Receivables	1,843,840	-	9,921,899	88,733	91,968	-	-	-	-	-	-
Cash and cash equivalents	-	-	9	-	-	-	-	-	-	294,185	42,351
	1,843,840	-	9,921,909	88,733	91,968	-	-	-	-	294,185	42,351
Financial liabilities											
Short Term Borrowings	-	-	122,500,000	-	-	-	-	-	-	-	-
Trade Payables	1,942,420	40,994	16,365,721	9,774	4,555	438,047	15,750	12,431	-	-	-
Other Current financial liabilities	-	-	-	-	-	-	-	-	-	-	-
	1,942,420	40,994	138,865,721	9,774	4,555	438,047	15,750	12,431	-	-	-
Net foreign currency exposure as at 31 March 2023	(98,580)	(40,994)	(128,943,812)	78,959	87,413	(438,047)	(15,750)	(12,431)	-	294,185	42,351

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

INR	For the Year ended 31 March 2024	For the Year ended 31 March 2023
EUR	89.88	89.44
GBP	105.03	101.65
USD	83.41	82.17
AUD	54.11	55.03
CAD	61.27	60.67
CNY	11.48	11.95
AED	22.71	22.37
KES	0.63	0.62
JPY	0.55	NA
NPR	0.63	0.62
CHF	92.04	89.58

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 March 2024 - 10% movement	(₹ in Million)	
	Profit or (loss) before tax	
	Strengthening	Weakening
EUR	(0.3)	0.3
GBP	25.9	(25.9)
USD	(748.9)	748.9
AUD	0.7	(0.7)
CAD	-	-
KES	-	-
JPY	(0.0)	0.0
CNY	(0.1)	0.1
AED	(0.1)	0.1
NPR	0.0	(0.0)
CHF	0.0	(0.0)
	(722.8)	722.8

31 March 2023 - 10% movement	(₹ in Million)	
	Profit or (loss) before tax	
	Strengthening	Weakening
EUR	(0.9)	0.9
GBP	(0.4)	0.4
USD	(1,059.5)	1,059.5
AUD	0.4	(0.4)
CAD	0.5	(0.5)
KES	0.0	(0.0)
CNY	(0.5)	0.5
AED	(0.0)	0.0
NPR	0.0	(0.0)
CHF	(0.1)	0.1
	(1,060.5)	1,060.5

Other Price Risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2024, the investments in mutual funds amounts to ₹ 386.9 million (31st March, 2023: ₹ 277.2 million). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the profit or loss by the amounts shown below.

Particulars	(₹ in Million)			
	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Price change by 1%	3.9	(3.9)	2.8	(2.8)

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.38 Financial instruments – Fair values and risk management (Continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Particulars	(₹ in Million)	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Fixed-rate instruments		
Financial assets	49,033.9	12,673.3
Financial liabilities	3,319.4	3,038.4
Total	45,714.5	9,634.9
Variable-rate instruments		
Financial liabilities	8,820.3	10,928.4
Total	8,820.3	10,928.4

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 5% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	(₹ in Million)			
	Profit or loss			
	31 March 2024		31 March 2023	
	5% increase	5% decrease	5% increase	5% decrease
Variable-rate instruments	(73.2)	73.2	(21.9)	21.9
Cash flow sensitivity (net)	(73.2)	73.2	(21.9)	21.9

3.39 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'net debt' to 'total equity'. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents.

The Group's net debt to equity ratio was as follows.

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Total Borrowings	12,139.7	13,071.5
Less : Cash and cash equivalent	4,550.7	2,738.0
Net debt	7,589.0	10,333.5
Total equity	107,144.0	94,350.0
Net debt to equity ratio	0.07	0.11

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.40 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013

Name of the enterprises	31 March 2024							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit or loss	Amount	As (%) of consolidated OCI	Amount	As (%) of consolidated TCI	
Parent Company								
Alkem Laboratories Limited	102%	105,546.1	97%	17,471.5	-21%	(43.5)	96%	17,428.0
Subsidiaries								
Indian								
Enzene Biosciences Limited & Subsidiary (Enzene Inc)	6%	6,534.8	-1%	(131.4)	0%	0.9	-1%	(130.4)
Cachet Pharmaceuticals Private Limited	1%	829.2	0%	82.7	-2%	(4.1)	0%	78.6
Indchemie Health Specialities Private Limited	4%	4,218.3	1%	254.5	-4%	(9.2)	1%	245.4
Alkem Foundation	0%	(0.3)	0%	(0.2)	0%	-	0%	(0.2)
Connect 2 Clinic Private Limited	0%	30.4	0%	5.1	0%	0.2	0%	5.3
Foreign								
Ascend Laboratories (Pty) Ltd	0%	101.6	0%	9.2	-3%	(5.3)	0%	3.9
Ascend GmbH	0%	(125.1)	0%	26.2	0%	(0.7)	0%	25.5
Alkem Laboratories Corporation	0%	150.4	0%	(12.0)	-2%	(3.9)	0%	(15.9)
S&B Holdings S.a.r.l.(Previously known as S&B Holdings B.V)	2%	2,097.7	0%	(5.7)	0%	0.2	0%	(5.5)
Pharmacor Pty Ltd & Subsidiary (Pharmacor Limited)	1%	1,183.9	1%	199.9	-9%	(17.6)	1%	182.3
The PharmaNetwork LLC & Subsidiaries (Ascend Laboratories LLC and S&B Pharma LLC)	12%	12,042.8	0%	(51.0)	87%	178.7	1%	127.8
Ascend Laboratories SDN BHD.	0%	(1.0)	0%	(0.4)	0%	0.0	0%	(0.3)
Ascend Laboratories SpA & Subsidiaries (Pharma Network SpA and Ascend Laboratories S.A. DE C.V.)	1%	695.6	1%	187.4	-60%	(124.6)	0%	62.9
Alkem Laboratories, Korea Inc	0%	(2.2)	0%	(0.7)	0%	0.0	0%	(0.6)
Pharmacor Ltd.	0%	45.8	0%	9.5	1%	1.9	0%	11.4
The PharmaNetwork, LLP	0%	147.9	0%	33.8	1%	3.0	0%	36.8
Ascend Laboratories (UK) Limited	0%	84.0	0%	15.1	1%	2.4	0%	17.5
Ascend Laboratories Ltd	0%	(5.9)	0%	(2.6)	0%	(0.0)	0%	(2.6)
Ascend Laboratories SAS	0%	65.2	0%	22.3	4%	8.9	0%	31.2
Total Eliminations	-26%	(26,495.2)	0%	1.5	103%	213.1	1%	214.0
Non Controlling Interest	-4%	(4,023.4)	-1%	(156.9)	3%	6.1	-1%	(150.9)
	100%	103,120.6	100%	17,957.7	100%	206.5	100%	18,164.2

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Name of the enterprises	31 March 2023							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit or loss	Amount	As (%) of consolidated OCI	Amount	As (%) of consolidated TCI	Amount
Parent Company								
Alkem Laboratories Limited	99%	93,498.3	115%	11,344.0	-2%	(21.9)	103%	11,322.1
Subsidiaries								
Indian								
Enzene Biosciences Limited & Subsidiary (Enzene Inc)	7%	6,475.9	-2%	(173.4)	0%	(1.9)	-2%	(175.3)
Cachet Pharmaceuticals Private Limited	1%	750.7	1%	135.7	0%	(2.4)	1%	133.3
Indchemie Health Specialities Private Limited	4%	4,022.9	3%	335.5	-1%	(6.3)	3%	329.1
Alkem Foundation	0%	(0.0)	0%	2.1	0%	-	0%	2.1
Connect 2 Clinic Private Limited	0%	26.3	0%	4.0	0%	(0.1)	0%	4.0
Foreign								
Ascend Laboratories Pty Ltd	0%	97.7	0%	7.9	-1%	(11.7)	0%	(3.7)
Ascend GmbH	0%	(150.6)	-1%	(57.6)	-1%	(9.6)	-1%	(67.2)
Alkem Laboratories Corporation	0%	166.1	0%	7.9	0%	2.2	0%	10.1
S & B Holdings B.V	2%	2,102.9	0%	(8.8)	0%	2.9	0%	(5.8)
Pharmacor Pty Ltd & Subsidiary (Pharmacor Limited)	1%	1,001.8	2%	237.4	-2%	(24.1)	2%	213.2
The PharmaNetwork LLC & Subsidiaries	13%	11,915.0	-25%	(2,467.5)	97%	1,113.0	-12%	(1,354.5)
Ascend Laboratories SDN BHD.	0%	(0.5)	0%	(0.2)	0%	(0.0)	0%	(0.2)
Ascend Laboratories SpA & Subsidiaries (Pharma Network SpA and Ascend Laboratories S.A. DE C.V.)	1%	632.6	2%	165.9	5%	57.6	2%	223.4
Alkem Laboratories, Korea Inc	0%	(1.5)	0%	(0.2)	0%	(0.0)	0%	(0.2)
Pharmacor Ltd.	0%	34.3	0%	(21.7)	0%	(1.5)	0%	(23.2)
The PharmaNetwork, LLP	0%	111.1	0%	10.4	1%	11.7	0%	22.2
Ascend Laboratories (UK) Limited	0%	66.5	0%	10.9	0%	1.9	0%	12.7
Ascend Laboratories Ltd	0%	(3.2)	0%	(0.1)	0%	(0.0)	0%	(0.1)
Ascend Laboratories SAS	0%	33.7	0%	13.7	0%	(3.1)	0%	10.6
Total Eliminations	-32%	(30,327.1)	5%	522.2	4%	42.3	5%	564.1
Non Controlling Interest	4%	3,897.1	-2%	(226.4)	0%	4.1	-2%	(222.3)
	100%	94,350.0	100%	9,841.7	100%	1,153.1	100%	10,994.4

Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.41 Employee Stock Option Scheme

ENZENE BIOSCIENCES LIMITED (Subsidiary)

As at 31 March 2024, Subsidiary has following share based payment arrangements for employees:

ESOS 2016

This Scheme shall be called 'Enzene Employee Stock Option Scheme 2016' ("ESOS 2016"/"Scheme").

ESOS 2016 is established with effect from 15 January 2016 on which the Shareholders have approved the Scheme by way of a special resolution and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOS 2016 have been issued and exercised, whichever is earlier. The plan entitles key managerial personnel and senior employees to purchase shares in the subsidiary at the stipulated exercise price, subject to compliance with vesting conditions; all exercised options shall be settled by physical delivery of shares.

The terms and conditions related to the grant of the shares options are as follows:

1	Date of Grant	03 March 2016
	Exercise price per Option	₹ 125.80
	Number of Options granted	145,600
	Exercise period	Shall be 2 years from the date of respective vesting. The board in its meeting on 9 November 2022 have approved the following changes: <ul style="list-style-type: none"> i. The Exercise Period, for the unexercised Options as on 9 November 2022, shall be until liquidity event from the date of respective vesting of Options. ii. This shall not apply to the Options that have been already Exercised or have lapsed or not Granted as on 9 November 2022. iii. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Board, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws. <p>Liquidity event is defined as</p> <ul style="list-style-type: none"> a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
03 March 2017	1 year from the date of grant	5.0%
03 March 2018	2 years from the date of grant	15.0%
03 March 2019	3 years from the date of grant	20.0%
03 March 2020	4 years from the date of grant	30.0%
03 March 2021	5 years from the date of grant	30.0%
Total		100%

Notes

to the Consolidated financial statements for the year ended 31 March 2024

2	Date of Grant	27 January 2017
	Exercise price per Option	₹10
	Number of Options granted	56,400
	Exercise period	<p>Shall be 2 years from the date of respective vesting. The board in its meeting on 9 November 2022 have approved the following changes:</p> <ol style="list-style-type: none"> The Exercise Period, for the unexercised Options as on 9 November 2022, shall be until liquidity event from the date of respective vesting of Options. This shall not apply to the Options that have been already Exercised or have lapsed or not Granted as on 9 November 2022. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Board, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws. <p>Liquidity event is defined as</p> <ol style="list-style-type: none"> An IPO Strategic sale of part of business / vertical to third party Substantial change in shareholding / management Merger with another entity
	Vesting Period	1 to 4 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
27 January 2018	1 year from the date of grant	15.0%
27 January 2019	2 years from the date of grant	25.0%
27 January 2020	3 years from the date of grant	30.0%
27 January 2021	4 years from the date of grant	30.0%
Total		100.0%

3	Date of Grant	25 May 2017
	Exercise price per Option	₹ 125.80
	Number of Options granted	18000
	Exercise period	<p>Shall be 2 years from the date of respective vesting. The board in its meeting on 9 November 2022 have approved the following changes:</p> <ol style="list-style-type: none"> The Exercise Period, for the unexercised Options as on 9 November 2022, shall be until liquidity event from the date of respective vesting of Options. This shall not apply to the Options that have been already Exercised or have lapsed or not Granted as on 9 November 2022. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Board, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws. <p>Liquidity event is defined as</p> <ol style="list-style-type: none"> An IPO Strategic sale of part of business / vertical to third party Substantial change in shareholding / management Merger with another entity
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
25 May 2018	1 year from the date of grant	5.0%
25 May 2019	2 years from the date of grant	15.0%
25 May 2020	3 years from the date of grant	20.0%
25 May 2021	4 years from the date of grant	30.0%
25 May 2022	5 years from the date of grant	30.0%
Total		100%

Reconciliation of outstanding share options

Particulars	No. of Options	
	31 March 2024	31 March 2023
Outstanding at 1 April		
Granted during the year	53,208	53,208
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March	-	-
	53,208	53,208

1. The estimated grant-date fair value of Stock options granted under ESOS 2016(1) plan is ₹ 69.94
2. The estimated grant-date fair value of Stock options granted under ESOS 2016(2) plan is ₹ 147.43
3. The estimated grant-date fair value of Stock options granted under ESOS 2016(3) plan is ₹ 75.48

The fair values are measured based on the Black-Scholes-Merton formula. Expected volatility, an input in this formula, is estimated by considering historical average of share price volatility of peer companies. The Inputs used in the measurement of grant-date fair values are as follows:

	ESOS 2016 (1)	ESOS 2016 (2)	ESOS 2016 (3)
Fair value as on Grant Date of Equity Share	148	155	155
Compounded Risk-Free Interest Rate	7.7%	7.5%	7.5%
Expected volatility	31.93%	31.93%	31.93%

Enzene Employee Stock Option Plan ("ESOP 2022")

ESOP 2022 is established with effect from 24 February 2023, on which the Shareholders have approved the plan by way of a Special Resolution and shall continue to be in force until its termination by the Board/ EBL/ the Committee. The plan entitles the employees who as may be decided by the Committee at its own discretion to participate in this option plan to purchase shares in EBL at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by crediting the shares in their Demat account.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

The terms and conditions related to the grant of the shares options are as follows:

1	Date of Grant	23 July 2023
	Exercise price per Option	₹ 10
	Number of Options granted	964,823 - SCHEME "A"
	Exercise period	Shall be 1 years from the date of respective vesting. The board in its meeting on 6 th July 2023 have approved the option: The Exercise Period is based on scenerios : 1. Death / Permanent Disability - Until liquidity event 2. Resignation - Until last working day 3. Retirement - Until last working day 4. Termination with clause / Abandonment - Not applicable 5. Other cases - Until Liquidity event Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
22 July 2024	At the end of 12 months from the date of Grant	40.0%
22 July 2025	At the end of 24 months from the date of Grant	20.0%
22 July 2026	At the end of 36 months from the date of Grant	20.0%
22 July 2027	At the end of 48 months from the date of Grant	20.0%
Total		100%

2	Date of Grant	23 July 2023
	Exercise price per Option	₹ 10
	Number of Options granted	40000 SCHEME "A2"
	Exercise period	Shall be 1 years from the date of respective vesting. The board in its meeting on 6 th July 2023 have approved the option: The Exercise Period is based on scenerios : 1. Death / Permanent Disability - Until liquidity event 2. Resignation - Until last working day 3. Retirement - Until last working day 4. Termination with clause / Abandonment - Not applicable 5. Other cases - Until Liquidity event - Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
	Vesting Period	1 to 4 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
22 July 2024	At the end of 12 months from the date of Grant	20.0%
22 July 2025	At the end of 24 months from the date of Grant	30.0%
22 July 2026	At the end of 36 months from the date of Grant	30.0%
22 July 2027	At the end of 48 months from the date of Grant	20.0%
Total		100%

3	Date of Grant	1 st grant given on -23-07-2023, 2 nd grant - 05-08-2023, 3 rd grant -14-08-2023
	Exercise price per Option	₹ 10
	Number of Options granted	200,000
	Exercise period	Shall be 1 years from the date of respective vesting. The board in its meeting on 6 th July 2023 have approved the option: The Exercise Period is based on scenerios : 1. Death / Permanent Disability - Until liquidity event 2. Resignation - Until last working day 3. Retirement - Until last working day 4. Termination with clause / Abandonment - Not applicable 5. Other cases - Until Liquidity event Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
22 July 2024	At the end of 12 months from the date of Grant	5.0%
22 July 2025	At the end of 24 months from the date of Grant	15.0%
22 July 2026	At the end of 36 months from the date of Grant	30.0%
22 July 2027	At the end of 48 months from the date of Grant	30.0%
22 July 2028	At the end of 60 months from the date of Grant	20.0%
Total		100%

Share based payment expenses for the year

Particulars	(₹ in Million)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
ESOS 2022	189.4	-
Total Expenses recognised	189.4	-

Reconciliation of outstanding share options

Particulars	No. of Options	
	31 March 2024	31 March 2023
Outstanding at 1 April	-	-
Granted during the year	1,264,823	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March	1,264,823	-

Notes

to the Consolidated financial statements for the year ended 31 March 2024

- 1 The estimated grant-date fair value of Stock options granted under ESOS 2022 Scheme 'A' is ₹ 400.94
The estimated grant-date fair value of Stock options granted under ESOS 2022 Scheme 'A2' is ₹ 399.95
The estimated grant-date fair value of Stock options granted under ESOS 2022 Scheme 'B' is ₹ 400.82
- 2 The estimated weighted average exercise price of Stock options granted under ESOS 2022 Scheme 'A' is ₹ 10
The estimated weighted average exercise price of Stock options granted under ESOS 2022 Scheme 'A2' is ₹ 10
The estimated weighted average exercise price of Stock options granted under ESOS 2022 Scheme 'B' is ₹ 10
- 3 The estimated weighted average life of options granted under ESOS 2022 Scheme 'A' is ₹ 6.50
The estimated weighted average life of options granted under ESOS 2022 Scheme 'A2' is ₹ 4.50
The estimated weighted average life of options granted under ESOS 2022 Scheme 'B' is ₹ 6.25

The fair values are measured based on the Black-Scholes-Merton formula. Expected volatility, an input in this formula, is estimated by considering historical average of share price volatility of peer companies. The Inputs used in the measurement of grant-date fair values are as follows:

Particulars	ESOP 2022 Scheme 'A'	ESOP 2022 Scheme 'A2'	ESOP 2022 Scheme 'B'
Fair value as on Grant Date of Equity Share	407.19	407.19	407.19
Compounded Risk-Free Interest Rate	7.24%	7.17%	7.22%
Expected life	5.75	3.75	5.25
Expected volatility	0.4286	0.4173	0.4218
Dividend	-	-	-

3.42 Government Grant

The Company:

The Company is eligible for government grants which are conditional upon construction of new factories in the Sikkim region. One of the grants, received in FY 2014-15 amounted to ₹ 72.4 million with respect to the Kumrek facility. The factory has been constructed and in operation since August 2007. The second grant is with respect to Samardung facility in Sikkim amounting to ₹122.1 million for which the Company has received the claim amount in FY 2018-19. The factory has been constructed and in operation since October, 2012. The third grant is with respect to AHS-3 facility in Sikkim amounting to ₹ 30.6 million for which the Company has received the claim amount in current year. Further, during the current year, Company have received grant amounting to ₹ 398.7 million with respect to AHS- 2 facility in Sikkim. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion to the related depreciation expense. The unamortised grant as on 31 March 2024 amount to ₹ **282.7 million** (31 March 2023 ₹ 81.3 million).

Enzene Biosciences Limited ("EBL"):

EBL is eligible for government grant from Biotechnology Industry Research Assistance Council (BIRAC) under National Biopharma Mission. The grant received/receivable includes grant in relation to the assets and grant which are revenue in nature. The grant received/receivable is for specific project for which EBL is incurring the expenditure. Accordingly the eligible amount of revenue grant is deducted from the respective head of expenditure. EBL is also eligible for government grants which are against Capital expenditure incurred by EBL on the specific purchase of assets. These grants, recognized as deferred income, are being amortized over the useful life of the assets in proportion in which the related depreciation expense is recognised. The unamortised grant as on 31 March 2024 amount to ₹ **3.8 million** (31 March 2023 ₹ 4.2 million).

Indchemie Health Specialities Private Limited ("IHSP")

IHSP is eligible for government grant which is conditional upon construction of new factory in the Sikkim region under the capital investment subsidy scheme of North East Industrial and Investment Promotion Policy (NEIIPP) 2007. One of the grant is with respect to Kumrek facility in Sikkim [Unit-IV] amounting to ₹ 10.7 million received in FY 2016-17. The factory has been constructed and in operation since 27 August 2007. The second grant is with respect to Kumrek facility in Sikkim [Unit-V] amounting to ₹ 23.4 million received in FY 2019-20. The factory has been constructed and in operation since 9 May 2016. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised. The unamortised grant as on 31 March 2024 amounts to ₹ **11.0 million** (31 March 2023: ₹ 12.7 million).

Notes

to the Consolidated financial statements for the year ended 31 March 2024

The unamortised grant as on 31 March 2024 of the Group amounts to ₹ 297.6 million (31 March 2023: ₹ 98.1 million), the breakup of which is as below:

Particulars	(₹ in Million)	
	As at 31 March 2024	As at 31 March 2023
Non current	258.4	88.0
Current	39.1	10.1
Total	297.5	98.1

3.43 Non-current assets held for sale:

During the previous year, the Group considered indicators of impairment of cash generating units for decline in operational performance, changes in the outlook of future profitability and weaker market conditions, among other potential indicators. In respect of one of the manufacturing plant located at St. Louis a unit under S & B Pharma LLC, USA, a subsidiary, where indicators of impairment were identified, the Company estimated the recoverable amount of the assets based on the fair value less costs to sell. The outcome of the above exercise for the year ended 31 March 2023 resulted in the Group recognizing an impairment loss of ₹ 576.6 Million (31 March 2023: ₹ 1,029.7 million) shown as exceptional item in the financial statement. Consequently, deferred tax assets pertaining to the above assets were no longer available for utilisation were derecognised in the consolidated financial statements amounting to USD 14.9 million (₹ 1,197.2 million)

During the current year, the abovementioned plant held for sale amounting to ₹ 1,232.6 million (USD 15 million) have been sold for a total net consideration of ₹ 656.0 million (USD 8 million) pursuant to a 'Purchase and Sale' Agreement leading to impairment of Property, plant and equipment held for sale amounting to ₹ 576.6 million (USD 7 million) which is reflecting in the Profit and Loss under 'Exceptional items'.

Particulars	(₹ in Million)							
	Net Book value of assets (1)		Recoverable amount as (2)		Exchange rate difference (3)		Impairment loss recognized in the statement of profit and loss (1)- (2) - (3)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Plant and equipment	-	616.9	-	90.4	-	12.0	-	514.6
Office Equipments	-	2.9	-	-	-	0.1	-	2.8
Freehold Land	-	85.7	-	85.7	-	-	-	-
Buildings	-	1,002.1	-	892.2	-	2.5	-	107.4
Capital work in progress	-	459.3	-	164.3	-	6.7	-	288.2
Furniture and Fixtures	-	7.4	-	-	-	0.2	-	7.2
Computer software	-	1.4	-	-	-	0.0	-	1.3
Goodwill (Refer note 3.36)	-	110.7	-	-	-	2.5	-	108.2
Total	-	2,286.4	-	1,232.6	-	24.0	-	1,029.8

3.44 Impairment of asset

The Group has considered indicators of impairment of its cash-generating units (CGUs) for factors like decline in operational performance, changes in the outlook of future profitability, and weaker market conditions, among other potential indicators. In respect of one of the manufacturing units located at Indore, where indicators of impairment were identified, the Group identified the recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, as compared with the carrying value. The value in use is derived from discounted future cash flows uses several assumptions like long term growth rate, discount rate, potential product obsolescence, new product launches and the weighted average cost of capital. The outcome of this exercise as on 31 March 2024 resulted in the Group recognizing an impairment loss of ₹ 415.6 Million in the consolidated financial statements under 'Exceptional Items'.

Notes

to the Consolidated financial statements for the year ended 31 March 2024

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Long-term growth rate	The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports
Pre-tax risk adjusted discount rate (weighted average cost of capital)	Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC)

The projected cashflows were discounted at pre-tax rate of 12.8%. The terminal growth rate was considered at 0%. The cash flow projections were based on five years specific estimates.

Sensitivity analysis

A reasonably possible change of 2% in weighted average cost of capital at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
Significant unobservable inputs	Increase	Decrease	Increase	Decrease
Weighted average cost of capital - 2%	57.9	(58.2)	-	-

3.45 On January 12, 2024, the Group disclosed about a Cyber security incident occurred in November 2023 which compromised business email IDs of certain employees at one of the Group's subsidiaries which resulted in a fraudulent transfer of ₹ 513 Million. The Group employed independent external agencies to investigate the incident. Based on their report, the Group concluded that the impact of the incident did not extend beyond the above mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of the Group.

The Group has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Group is also implementing certain long-term measures to augment its security controls systems across the organization. The Group believes that no legal violations have occurred because of this incident, and all known impacts on its consolidated financial statements for the year ended 31 March 2024 on account of this incident have been considered. Further, subsequent to this event, the Group have been able to recover an amount of ₹ 290.4 Million out of the above mentioned. The net amount of ₹ 222.7 Million has been shown as 'Exception item' in the Statement of Profit and Loss.

3.46 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Notes

to the Consolidated financial statements for the year ended 31 March 2024

3.47 Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these consolidated financial statements by the Board of Directors of the Group requiring adjustment or disclosure other than those as disclosed in 3.26 (b)

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

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

Sreeja Marar

Partner

Membership No. 111410

Mumbai, India

29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited

CIN: L00305MH1973PLC174201

B.N. Singh

Executive Chairman

DIN. 00760310

Mumbai, India

Dr. Vikas Gupta

Chief Executive Officer

Mumbai, India

29 May 2024

Sandeep Singh

Managing Director

DIN. 01277984

San Francisco, USA

Nitin Agrawal

President - Finance &

Chief Financial Officer

Mumbai, India

M.K. Singh

Executive Director

DIN. 00881412

Mumbai, India

Manish Narang

President - Legal &

Company Secretary

Mumbai, India



ALKEM

ALKEM LABORATORIES LIMITED

CIN: L00305MH1973PLC174201

Registered Office: 'AlkemHouse', Senapati Bapat Marg, Lower Parel, Mumbai 400 013

Phone: +91 22 3982 9999 Fax: +91 22 2495 2955

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

Notice

(pursuant to Section 101 of the Companies Act, 2013)

NOTICE is hereby given that the Fiftieth (50th) Annual General Meeting ("AGM") of the Members of Alkem Laboratories Limited (the "Company") will be held on Friday, 30th August, 2024 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for financial year ended 31st March, 2024 and the Reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for financial year ended 31st March, 2024 and the Report of Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on Equity Shares for financial year ended 31st March, 2024.
3. To appoint a Director in place of Mrs. Madhurima Singh (DIN: 09137323), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Sarvesh Singh (DIN: 01278229), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company and to fix their fees:

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 read with the Companies (Audit & Auditors) Rules, 2014, and such other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and upon the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.

117366W/W-100018) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of 5 (five) consecutive years from the conclusion of this 50th Annual General Meeting until the conclusion of 55th Annual General Meeting of the Company to be held in the year 2029, on such fees as may be decided by the Board of Directors of the Company and the Statutory Auditors.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to sign, execute, submit and file the relevant forms, documents etc. and to do all acts, deeds and things as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT a copy of the above resolution certified by any one of the Directors or Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013, as amended ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, the relevant provisions of the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and Audit Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded that Mr. Basudeo N. Singh (DIN: 00760310), in respect of whom, notice has been received from a Member under Section 160 of the Act, be re-appointed as an Executive Chairman of the Company, not liable to retire by rotation, for a further term of 3 (three) consecutive years w.e.f. 01st April, 2025 upto 31st March, 2028, at a remuneration of ₹ 1,60,43,936/- (Rupees One Crore Sixty Lakhs Forty-Three Thousand Nine Hundred and Thirty Six only) per month, and that he shall also be entitled for the following benefits:

- (i) **Medical Reimbursement:**
Medical reimbursement for himself and his family subject to a ceiling of ₹ 3,00,000/- per year.
- (ii) **Leave Travel Allowance:**
Leave Travel Allowance for himself and his family once in a year which shall not exceed one month's salary.
- (iii) **Personal Accident Insurance Premium:**
The Company shall also reimburse the Personal Accident Insurance Premium.
- (iv) **Provident Fund and Family Pension:**
Benefit of Provident Fund and Family Pension as per the Company's rules.
- (v) **Gratuity:**
Gratuity payable shall not exceed half month's salary for each completed year of service.
- (vi) **Encashment of Leave not availed:**
Unavailed leaves shall be encashed at the end of the tenure.
- (vii) **Company's Car and Driver:**
He shall be entitled for two Company cars with two drivers.
- (viii) **Club Fees:**
He shall be entitled for Entrance and Annual membership fees of any one club.
- (ix) **Domestic Help:**
He shall be entitled for two domestic help personnel.
- (x) **Hospitalisation Mediclaim/ Group Term Policy:**
As per Company's Policy.

Other terms

- (a) **Leave:**
As per rules of the Company.
- (b) **Sitting fees:**
He shall not be entitled for sitting fees for attending the meetings of the Board of Directors or of the Committees constituted by the Board of Directors.
- (c) He shall be entitled to re-imburement of expenses incurred in the course of legitimate business purpose of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to approve the increments, from time to time, not exceeding 20% p.a. of his last drawn annual remuneration after considering his contribution towards the growth and performance of the Company.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to file the relevant forms, documents, applications and returns with the office of the Registrar of Companies and Central Government (if required) as per the applicable provisions of the Act and to do all acts, deeds and things including signing of documents and filing of forms and applications with governmental and regulatory authorities as may be deemed necessary to give effect to the above resolution.

RESOLVED FURTHER THAT a copy of the above resolution certified by any one of the Directors or Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

- 7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013, as amended ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, the relevant provisions of the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and Audit Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sarvesh Singh (DIN: 01278229) as an Executive Director of the Company, liable to retire by rotation, for a further term of 5 (five) consecutive years with effect from 11th November, 2024 upto 10th November, 2029 ("Service Period"), at a remuneration of ₹ 35,45,552/- (Rupees Thirty Five Lakhs Forty Five Thousand Five Hundred and Fifty Two only) per month and that he shall also be entitled for the following benefits:

- (i) **Medical Reimbursement:**
He shall get medical reimbursement for himself and his family subject to a ceiling of ₹ 16,667/- per month.
- (ii) **Leave Travel Allowance:**
He shall get Leave Travel Allowance for himself and his family once in a year which shall not exceed one month's salary.
- (iii) **Personal Accident Insurance Premium:**
The Company shall also reimburse the Personal Accident Insurance Premium.
- (iv) **Provident Fund and Family Pension:**
He shall get benefit of Provident Fund and Family Pension as per the Company's rules.

(v) Gratuity:

As per the rules of the Company.

(vi) Encashment of Leave:

As per the rules of the Company.

(vii) Company's Car and Driver:

He shall be entitled to two Company cars with two drivers use on actual basis.

(viii) Club Fees:

He shall be entitled for Entrance and Annual membership fees of any one club.

(ix) Domestic Help:

He shall be entitled for two domestic help personnel.

(x) Hospitalisation Medclaim/ Group Term Policy:

As per Company's Policy.

Other terms**(a) Leave:**

As per rules of the Company.

(b) Sitting fees:

He shall not be entitled for sitting fees for attending the meeting of the Board of Directors of the Company.

(c) He shall be entitled to re-imburement of expenses incurred in the course of legitimate business purpose of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to approve increments, from time to time during the Service Period, not exceeding 20% p.a. of his last drawn annual remuneration after considering his contribution towards the growth and performance of the Company and such increment shall be effective from 11th November of the relevant year of service during the Service Period in which such increment has been awarded.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to sign, execute, submit and file the relevant forms, documents etc. and to do all acts, deeds and things as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT a copy of the above resolution certified by any one of the Directors or Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable

provisions, if any, of the Companies Act, 2013, as amended ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended and the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), Mr. Narendra Kumar Aneja, whose term of office as an Independent Director will expire on 15th March, 2025, has given his consent for re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the SEBI LODR Regulations and is eligible for re-appointment and whose re-appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded that Mr. Narendra Kumar Aneja (DIN: 00124302), in respect of whom notice has been received from a Member of the Company under Section 160 of the Act, be re-appointed as an Independent Director of the Company, not liable to retire by rotation for a second term of five (5) consecutive years w.e.f. 16th March, 2025 upto 15th March, 2030.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to file the relevant forms, documents and returns with the office of the Registrar of Companies as per the applicable provisions of the Act, and to do all acts, deeds and things as may be deemed necessary to give effect to the above resolution.

RESOLVED FURTHER THAT a copy of the above resolution certified by any one of the Directors or Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, as amended, read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, as amended, the fees, as approved by the Board of Directors, amounting to ₹ 14,00,000/- (Rupees Fourteen Lakhs only) plus applicable taxes and re-imburement at actuals of out of pocket expenses subject to a maximum limit of 3% of total fees i.e. ₹ 42,000/- (Rupees Forty Two Thousand only) incurred in connection with the audit, payable to Mr. Suresh D. Shenoy, Cost Accountant (Membership No. 8318), who was appointed by the Board of Directors of the Company as Cost Auditor to conduct audit of cost records maintained by the Company for financial year ended 31st March, 2024, be and is hereby ratified.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to sign, execute, submit and file the relevant forms, documents etc. and to do all acts, deeds and things as may be deemed necessary to give effect to this resolution."

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular dated 05th May, 2020 read with General Circulars dated 08th April, 2020, 13th April, 2020, 28th September, 2020, 31st December, 2020, 13th January, 2021, 08th December, 2021, 05th May, 2022, 28th December, 2022 and 25th September, 2023 as amended (collectively referred to as "MCA General Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), MCA General Circulars and subsequent circulars issued by SEBI, the AGM of the Company is being held through VC/OAVM. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at "ALKEM HOUSE", Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
2. The Explanatory Statement pursuant to Section 102 of the Act relating to the Special Business covered under Item Nos. 6, 7, 8 and 9 to be transacted at the AGM is annexed hereto. In respect of resolutions proposed at Item Nos. 3, 4, 6, 7 and 8 a statement giving additional information on the Directors seeking re-appointment is annexed hereto as required under SEBI LODR Regulations, read with Secretarial Standard – 2 on General Meetings.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Members can login and join 30 minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 minutes after the scheduled time. Members are allowed to participate on first come-first served basis, as participation through video conferencing is limited upto 1000 Members only. However, the participation of Members holding 2% or more, Promoters, Institutional Investors, Directors, Auditors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee etc. are not restricted on first come first served basis.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members are advised to make nomination in respect of their shareholdings in the Company with their respective Depository Participants.
7. The final dividend on equity shares as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Wednesday, 04th September, 2024 to those Members or their mandates whose names appear:
 - a) As Members in the Registrar of Members of the Company on the record date i.e. Saturday, 10th August, 2024; and
 - b) As beneficial owners on the record date as per the lists to be furnished by Depositories in respect of shares held in electronic form.
8. Members who have not claimed their dividend(s) are requested to make their claim to the Company at the Registered Office or to the Registrar & Share Transfer Agent of the Company at the earliest but not later than the due dates for transfer to Investor Education and Protection Fund (IEPF). The details of unpaid or unclaimed dividend(s), along with the due dates for transfer to the IEPF of the Central Government pursuant to Section 124 of the Act are provided in point no.14(d) of Corporate Governance Report, which forms part of the Board of Directors Report.
9. Members are requested to update their Bank Mandate / NECS / Direct Credit details / Name / Address / Power of Attorney and update their Core Banking Solutions enabled account number with the Depository Participants with whom they maintain their demat accounts.
10. In case, the Company is unable to pay the dividend to any Member by electronic mode, due to non-availability of details of the bank account, the Company shall dispatch dividend warrants to such Members by post.
11. Non-resident Indian Members are requested to immediately inform their Depository Participants about:
 - the change in the residential status on return to India for permanent settlement;
 - the particulars of the NRE account with a Bank in India, if not furnished earlier.
12. Members may note that in terms of the provisions of the Income-Tax Act, 1961 ("the IT Act") as amended by and read with the Finance Act, 2020, with effect from 01st April, 2020, dividend distributed or paid by a Company shall be taxable in the hands of the Members and the Company shall be therefore required to deduct tax at source (TDS) from dividend paid to the Members at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the following documents in accordance with the provisions of the IT Act.
 - (i) **For Resident Members:** TDS shall be made under Section 194 of the IT Act @ 10% on the amount of dividend declared and paid by the Company during financial year 2023-24 unless exempt under any of the provisions of the IT Act, provided PAN is registered by the Member. However, in case of individuals, TDS would not apply if the aggregate of total dividend

distributed to them by the Company during financial year 2024-25 does not exceed ₹ 5,000/-.

TDS shall not be deducted in cases where a Member provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Form 15G and 15H can be downloaded from the following link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. Members are requested to click on General Tab, wherein all the forms are available under the head "Form 15G/15H/10F". Please note that all fields are mandatory and Company may at its sole discretion reject any such form that does not fulfil the requirement of law.

In order to provide exemption from withholding of tax, the following organizations must provide a self-declaration as listed below:

- a) **Insurance Companies:** A declaration that they are beneficial owners of shares held.
- b) **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the IT Act along with copy of registration documents (self-attested).
- c) **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10(23FBA) of the IT Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
- d) **Other Non-Individual shareholders** who are holding certificate issued by the Income- Tax Department u/s. 197 of the IT Act for lower / nil rate or exempt from TDS under provisions of Section 194 of the IT Act or who are covered u/s 196 of the IT Act, are required to submit an attested copy of the PAN along with the documentary evidence in relation to the exemption/ lower rate.

Needless to mention, valid PAN and linking of PAN with Aadhar will be required

Section 206AB of the IT Act - Rate of 10% is subject to provisions of Section 206AB effective 01st July, 2021 which introduced special provision for TDS for non-filers of income-tax return whereby tax has to be deducted at twice the rate specified in the relevant provision of the IT Act if conditions specified in the section is fulfilled.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher rate between both the said sections.

Government has prescribed the mechanism to determine applicability of Section 206AB using the reporting portal. Company shall determine applicability of Section 206AB and TDS deducted in accordance with said provision shall be final. Company shall not refund or adjust the amount of TDS.

As per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the IT Act. The Company will be using functionality of the Income-tax department for the same.

- (ii) **For Non-Resident Members:** Tax is required to be withheld in accordance with the provisions of Section 195 of the IT Act at applicable rates in force. As per the relevant provisions of the IT Act, tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the IT Act, a Non-Resident Member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the Member, if they are more beneficial to the Member. For this purpose, i.e. to avail the tax treaty benefits, the Non-Resident Member will have to provide all the following documents:
 - a) Self-attested copy of PAN card, if any, allotted by the Indian Income Tax authorities;
 - b) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the Member is resident (valid for financial year 2024-25);
 - c) Form 10F in the digital format as prescribed by the Government;
 - d) Self-declaration by the Non-Resident Member of having no permanent establishment in India in accordance with the applicable Tax Treaty;
 - e) Self-declaration by Non-Resident Member of meeting treaty eligibility requirement and satisfying beneficial ownership requirement under the treaty as modified by the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting;
 - f) In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate;
 - g) In case of shareholder being tax resident of Singapore, proof of satisfying requirement

of Article 24 – Limitation of Relief should be provided.

It is recommended that Members should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

The documents referred to in point nos. (c) to (e) above can be downloaded from the following link <https://liiplweb.linkintime.co.in/client-downloads.html>. Members are requested to click on General Tab, wherein all the forms are available under the head "Form 15G/15H/10F".

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Members.

13. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the details and documents as mentioned above not later than Saturday, 10th August, 2024.
14. Kindly note that the aforesaid documents, duly completed and signed are required to be sent on the email ID alkemlabtaxexemption@linkintime.co.in on or before Saturday, 10th August, 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post Saturday, 10th August, 2024.
15. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted. In case of any queries, kindly write to our Registrar and Share Transfer Agent at rnt.helpdesk@linkintime.co.in. (No tax exemption forms should be sent and this email ID is only for queries).
16. Members may note that, since the tax consequences are dependent on facts and circumstances of each case, the Members are advised to consult their own tax consultants with respect to specific tax implications arising out of receipt of dividend.
17. The Securities and Exchange Board of India has mandated the submission of the PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).
18. In compliance with the aforesaid MCA General Circulars and SEBI Circular dated 12th May, 2020, 15th January, 2021, 13th May, 2022, 05th January, 2023 and 07th October, 2023, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those

Members whose email addresses are registered with the Company/ Depositories.

Process for registration of e-mail id for obtaining Notice of the AGM along with Annual Report is as follows:

If your e-mail address is not registered with the Company/ Depository Participant, you may register on or before 5:00 p.m. (IST) on Friday, 23rd August, 2024 to receive this Notice of AGM along with the Annual Report 2023-24 by completing the process for registration of e-mail address as under:

(a) For permanent registration for demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant by following the procedure prescribed by the Depository Participant.

(b) For temporary registration for demat shareholders:

The Members of the Company holding equity shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with M/s. Link Intime India Pvt Ltd (LIPL) by clicking the link: https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html on their website www.linkintime.co.in in the Investor Services tab by choosing the email registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and email ID.

19. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.alkemlabs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and Notice of AGM shall also be available on the website of CDSL www.evotingindia.com.
20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of Act, and all other documents referred to in the Annual Report, will be available for inspection in electronic mode during the AGM. Members may inspect the same by sending an email to investors@alkem.com.
22. Pursuant to Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI LODR Regulations, the Company is providing facilities for remote e-voting (refer

instructions at point no. 23) and voting during the AGM by electronic means (refer instructions at point no. 26) to all Members in proportion to their shareholding as on the cut-off date i.e. Friday, 23rd August, 2024 (as per the applicable regulations). All the businesses contained in this Notice may be transacted through abovementioned e-voting facilities, being provided by Central Depository Services Limited (CDSL).

23. The instructions for shareholders for remote e-voting are as under:

- (i) The voting period begins on Tuesday, 27th August, 2024 at 9.00 a.m. and ends on Thursday, 29th August, 2024 at 5.00 p.m. During this period, shareholders of the Company, as on the cut-off date i.e. Friday, 23rd August, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 29th August, 2024. The e-voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. 23rd August, 2024.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of SEBI LODR Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020 on e-voting facility provided by listed entities, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, login method for e-voting and joining virtual meetings for individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where e-voting is in progress and also able to directly access the system of all e-voting service providers.

Individual Shareholders holding securities in demat mode with NSDL

1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>

3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode) login through their **Depository Participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 4886 700 and 022 2499 7000

- (v) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" module.
 - 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company

- Next enter the Image Verification as displayed and click on Login.
- 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.
- If you are a first time user follow the steps given below:

For Shareholders holding shares in demat form other than individual and physical form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/LIPL or contact LIPL.
Dividend Birth (in dd/mm/yyyy format) as or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date Bank Details recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the Depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Click on the EVSN for 'Alkem Laboratories Limited' on which you choose to vote.
- (viii) 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.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (x) 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.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xiii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiv) 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 in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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 the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same. The authorization in respect of representative(s) of the Corporation shall be received by the scrutiniser /Company before close of e-voting.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Company at the email address investors@alkem.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

24. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

- (i) For demat shareholders – please update your email ID & Mobile No. with your respective Depository Participant (DP).
- (ii) For Individual demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

25. The details of the process and manner for participating in AGM through VC/OAVM are explained herein below:

- (i) The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- (iii) Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the meeting through Laptops / IPads having audio/video facility for better experience and internet with a good speed to avoid any disturbance during the meeting.
- (v) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- (vi) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request via email at investors@alkem.com in advance atleast 3 (three) days prior to the date of meeting i.e. on or before 26th August, 2024 mentioning your name, demat account number/folio number, email ID, mobile number. The shareholders who do not wish to speak during the AGM but have queries may send their queries via email at investors@alkem.com in advance atleast 5 (five) days prior to the date of meeting i.e. on or before 24th August, 2024 mentioning their name, demat account number/folio number, email id, mobile number. These queries will be replied to by the Company suitably by email.
- (vii) Only those shareholders who have registered themselves as speakers will be allowed to express their views/ask questions during the meeting.

26. The instructions for shareholders for e-voting during the AGM are as under:

- (i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

(iii) If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

27. If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you can write an email to helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi - Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call at toll free no. 1800 22 55 33.

28. Details of Scrutiniser and result of e-voting:

- (i) The Company has appointed CS Mannish L. Ghia, Partner, M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai (Membership No. 6252) to act as the Scrutiniser, to scrutinise the entire e-voting in a fair and transparent manner.
- (ii) The Scrutiniser shall submit his report to the Chairman of the meeting or any person authorised by him within two working days of the conclusion of the AGM. The results declared along with the report of Scrutiniser shall be placed on the website of the Company www.alkemlabs.com and on website of CDSL immediately after declaration of results by the Chairman or person authorised by him in this behalf. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
- (iii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.

Registered Office:
"ALKEM HOUSE",
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400013.

For and on behalf of the Board

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2024

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5

Pursuant to the resolution passed by Members at the 45th Annual General Meeting ("AGM") held on 27th August, 2019, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were re-appointed as the Statutory Auditors of the Company to hold office for second term of 5 (five) years from the conclusion of the 45th AGM till the conclusion of the 50th AGM.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 29th May, 2024, proposed the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the new Statutory Auditors of the Company ("Deloitte") for a term of 5 (five) consecutive years to hold office from conclusion of 50th AGM till conclusion of 55th AGM of the Company to be held in the year 2029.

Deloitte has provided its consent and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Brief Profile:

M/s. Deloitte Haskins & Sells, Mumbai has been converted to a Limited Liability Partnership (LLP), with the name Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm"), w.e.f. November 20, 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 2,700 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

Details as required under Regulation 36(5) of the SEBI LODR Regulations are as follows:

- a) The fee proposed to be paid to Deloitte towards statutory audit including limited reviews for financial year 2024-25 shall not exceed ₹ 3,25,00,000/- (Rupees Three Crores Twenty Five Lakhs only) plus out of pocket expenses. The fees for the subsequent years of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

The fee for services in the nature of statutory certifications and other permissible non-audit services will be in addition to the statutory audit including limited review fee as above, and will be decided by the management in consultation with Deloitte. The provision of such permissible non-audit services will be reviewed and approved by the Audit Committee.

- b) There is no material change in the proposed fee to be paid to Deloitte for financial year 2024-25 from the fees paid to M/s. B S R & Co. LLP, Chartered Accountants, Outgoing Auditor for financial year 2023-24.
- c) The Audit Committee and the Board of Directors, while recommending the appointment of Deloitte as the new Statutory Auditor of the Company, have taken into consideration, among other things, the credentials of the firm and partners, proven track record of the firm and eligibility criteria prescribed under the Act.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

None of the Directors / Key Managerial Personnel of the Company and / or their relatives is, in any way, concerned or interested, in the aforesaid resolution.

ITEM NO. 6

The Members of the Company, through Postal Ballot passed on 04th April, 2020, had approved the re-appointment of Mr. Basudeo N. Singh as an Executive Director designated as Executive Chairman of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. 01st April, 2020 upto 31st March, 2025 at a remuneration of ₹ 1,15,00,000/- (Rupees One Crore Fifteen Lakhs Only) per month and other perquisites and further authorized the Board of Directors of the Company to approve the increments in remuneration to be paid to Mr. Basudeo N. Singh, from time to time, not exceeding 20% p.a. of his last drawn annual remuneration after considering his contribution towards the growth and performance of the Company.

Brief Profile:

Mr. Basudeo N. Singh, the co-founder of the Company, holds a B.A. (Honours) and an M.A. in political science from Patna University. He has an extensive experience of five decades in understanding the world of Indian pharmaceuticals and then transforming it for good. His leadership skills paved the way for him to become the President of the Indian Drug Manufacturers' Association. Mr. Singh's entrepreneurial skills took the Company to new heights and he was, therefore, awarded the 'Business Leader of the Year 2014' at the 7th Annual Pharmaceutical Leadership Summit and the Pharma Leaders Business Leadership Awards 2014. His vision and unparalleled resilience enabled the organization to climb the ladder of accelerated growth. He was also named the 'EY Entrepreneur of the Year in Life Sciences' in 2016. A member of the Executive Council of the Indian Pharmaceutical Alliance, he was named the 'Chief Mentor of the Year' in 2018 by the Indian Drug Manufacturers' Association. In 2024, he was felicitated with the 'Hurun India Lifetime Achievement Award' for his unwavering commitment and achievements throughout his entrepreneurial journey.

Since the term of Mr. Basudeo N. Singh, Executive Chairman of the Company is due to expire on 31st March, 2025 and considering his experience and contribution towards the growth of the Company and based on the recommendation of Nomination & Remuneration Committee and Audit Committee, the Board at its meeting held on 29th May, 2024, subject to the approval of shareholders of the Company, approved the re-appointment of Mr. Basudeo N. Singh as an Executive Director to be designated as Executive Chairman of the Company, not liable to retire by rotation for a further term of 3 (three) consecutive years w.e.f. 01st April, 2025 upto 31st March, 2028 on such terms and conditions as detailed in resolution under Item No. 6. The Company has received a notice in writing from a Member, under Section 160 of the Act proposing his candidature.

Further, Mr. Basudeo N. Singh shall also be entitled to payment of increments, from time to time, not exceeding 20% per annum of his last drawn annual remuneration after considering his contribution towards the growth and performance of the Company.

The Board recommends the Special Resolution as set out in Item No. 6 of the Notice for approval of the Members. Disclosure as required under Regulation 36 of SEBI LODR Regulations and Secretarial Standard-2 on General Meetings is given as an Annexure to this Explanatory Statement.

Except Mr. Basudeo N. Singh, Mr. Mritunjay Kumar Singh and Mrs. Madhurima Singh and their respective relatives, none of the other Promoters, Directors, Key Managerial Personnel and their respective relatives is concerned or interested in the proposed Special Resolution.

ITEM NO. 7

The Members of the Company, through Postal Ballot passed on 04th April, 2020, approved the appointment of Mr. Sarvesh Singh as an Executive Director, liable to retire by rotation, for a term of 5 (five) consecutive years with effect from 11th November, 2019 upto 10th November, 2024 at a remuneration of ₹ 24,16,403/- (Rupees Twenty Four Lakhs Sixteen Thousand Four Hundred and Three Only) per month along with other perquisites and further authorized the Board of Directors of the Company to approve the increments in remuneration to be paid to Mr. Sarvesh Singh, from time to time, not exceeding 20% p.a. of his last drawn annual remuneration after considering his contribution towards the growth and performance of the Company.

Brief Profile:

Mr. Sarvesh Singh has been associated with the Company since 2004 and joined the Board in 2019. He has over 18 years of experience in sales and marketing in the pharmaceutical industry and heads the Pentacare and Prizma divisions of the Company's domestic business.

Considering his experience and contribution towards the growth of the Company and based on the recommendation of Nomination & Remuneration Committee and Audit Committee, the Board at its meeting held on 29th May, 2024, subject to the approval of shareholders of the Company, approved the re-appointment of Mr. Sarvesh Singh as an Executive Director of the Company, liable

to retire by rotation, for a term of 5 (five) consecutive years w.e.f. 11th November, 2024 upto 10th November, 2029 ("Service Period") on such terms and conditions as detailed in resolution set out under Item No. 7 hereinabove.

Further, Mr. Sarvesh Singh shall also be entitled to payment of increments, from time to time during the Service Period, not exceeding 20% per annum of his last drawn annual remuneration after considering his contribution towards the growth and performance of the Company and such increment will be effective from 11th November of the relevant year of service during the Service Period in which such increment has been awarded.

The Board recommends the Ordinary Resolution as set out in Item No. 7 of the Notice for approval of the Members. Disclosure as required under Regulation 36 of SEBI LODR Regulations and Secretarial Standard-2 on General Meetings is given as an Annexure to this Explanatory Statement.

Except Mr. Sarvesh Singh and Mr. Sandeep Singh and their relatives, none of the other Promoters, Directors, Key Managerial Personnel and their respective relatives are concerned or interested in the proposed Ordinary Resolution.

ITEM NO. 8

As per the provisions of Sections 149, 152 & Schedule IV of the Act read with the relevant rules thereunder, as amended, the Company had appointed Mr. Narendra Kumar Aneja as an Independent Director of the Company for a term of 5 (five) consecutive years w.e.f 16th March, 2020 upto 15th March, 2025.

Since Mr. Narendra Kumar Aneja, Independent Director will be completing his first term of appointment on 15th March, 2025, he is eligible for re-appointment for second term of 5 (five) consecutive years w.e.f 16th March, 2025 upto 15th March, 2030, subject to approval of the Members by Special Resolution. Mr. Narendra Kumar Aneja has consented to his re-appointment and confirmed that he does not suffer from any disqualifications which stand in the way of his re-appointment as an Independent Director. In the opinion of the Board, he fulfills the conditions for appointment as an Independent Director of the Company as specified in the Companies Act, and rules made thereunder and SEBI LODR Regulations.

Brief Profile:

Mr. Narendra Kumar Aneja inducted on the Board in 2020, is the Chief Executive of Aneja Associates, Chartered Accountants, India. He is a Fellow Chartered Accountant, Certified Internal Auditor, Certification in Risk Management Assurance (CRMA) and holds an MBA from the Wharton Business School. He is a Gold Medalist (ICWA), a Tata Scholar and was ranked on the Director's List at Wharton School (1978). He has over 30 years of experience in GRC (Governance, Risk and Compliance) Assignments and Management Consultancy.

On the basis of the performance evaluation of the Independent Directors and recommendation of Nomination & Remuneration Committee, the Board at its meeting held on 29th May, 2024, subject to the approval of shareholders of the Company,

approved the re-appointment of Mr. Narendra Kumar Aneja as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 16th March, 2025 upto 15th March, 2030. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 149(13) of the Act. The Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of his re-appointment is available for inspection by the Members in electronic mode. Members can inspect the same by sending an email to investors@alkem.com.

The Board recommends the Special Resolution as set out in Item No. 8 of the Notice for approval of the Members. Disclosure as required under Regulation 36 of SEBI LODR Regulations and Secretarial Standard-2 on General Meetings is given as an Annexure to this Explanatory Statement.

None of the Directors / Key Managerial Personnel of the Company and / or their relatives is, in any way, concerned or interested, in proposed resolution.

ITEM NO. 9

The Board of Directors at its meeting held on 19th May, 2023, on recommendation of the Audit Committee had approved the appointment of Mr. Suresh D. Shenoy, Cost Accountant (Membership No. 8318) as the Cost Auditor of the Company to conduct audit of cost records maintained by the

Company for financial year ended 31st March, 2024 at a fees of ₹ 14,00,000/- (Rupees Fourteen Lakhs only) plus applicable taxes and re-imbursement at actuals of out of pocket expenses subject to a maximum limit of 3% of total fees i.e. ₹ 42,000/- (Rupees Forty Two Thousand only) incurred for the purpose of the above audit.

In accordance with Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 including any statutory modification(s) or enactments thereof, for the time being in force, the fees payable to Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the Board of Directors recommends for your approval the Ordinary Resolution set out at item no. 9 of the Notice for ratification of fees payable to Cost Auditor for financial year 2023-24.

None of the Directors / Key Managerial Personnel of the Company and / or their relatives is, in any way, concerned or interested, in proposed resolution.

Registered Office:
"ALKEM HOUSE",
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400013.

For and on behalf of the Board

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2024

ANNEXURE TO ITEM NOS. 3, 4 and 6 to 8 OF THE NOTICE

Profile of Directors seeking re-appointment at the forthcoming Annual General Meeting

(in pursuance of Regulation 36 of the SEBI LODR Regulations, read with Secretarial Standard – 2 on General Meetings)

Name of Director	Mrs. Madhurima Singh	Mr. Sarvesh Singh	Mr. Basudeo N. Singh	Mr. Narendra Kumar Aneja
DIN	09137323	01278229	00760310	00124302
Date of Birth	02 nd October, 1965	27 th August, 1981	20 th November, 1940	22 nd July, 1952
Age (in years)	58	42	83	71
Qualifications	Msc (Botany) with specialization in Plant Pathology and Genetics, Diploma in entrepreneurship, B.A in Astronomy	Bachelor of Arts (2 nd year)	Bachelor of Arts and Degree in Political Science	Master's Chartered Accountant and Master of Business Administration
Experience	Entrepreneurial professional having an extensive experience in various fields	Over 18 years	Over 5 decades	Over 34 years
Expertise in specific functional areas	Legal and Compliance, Financial Management, Human Resources, Supply Chain Management and Marketing	Sales and Marketing in the Pharmaceutical Industry	Core understanding of Pharmaceutical Industry and Management & Senior Leadership development	the Governance, Risk and Compliance assignments and management consultancy
Skills and capabilities required for the role and the manner in which the Independent Director meet the requirements	NA	NA	NA	Refer Item No. 8 of the Notice and Explanatory Statement
Brief Profile	Mrs. Madhurima has an extensive experience in the fields of Legal and Compliance, Financial Management, Human Resources, Supply Chain Management and Marketing. She has been actively involved in overseeing and driving the semi-chronic therapy SBU's of the Company's domestic business, indirect procurement, distribution and supply chain, HR, CSR and corporate communication functions in the Company. She is additionally responsible for the Active Pharmaceutical Ingredients (API) business of the Company.	Refer Item No. 7 of the Explanatory Statement.	Refer Item No. 6 of the Explanatory Statement.	Refer Item No. 8 of the Explanatory Statement.
Date of appointment on the Board	Original Appointment: 20 th December, 2021	Original Appointment: 11 th November, 2019	Original Appointment: August, 1973, current designation: 2015	Original Appointment: 08 th March, 2020

Name of Director	Mrs. Madhurima Singh	Mr. Sarvesh Singh	Mr. Basudeo N. Singh	Mr. Narendra Kumar Aneja
Terms and conditions of appointment	On such terms and conditions as mentioned in the resolution passed on 10 th February, 2022 through Postal Ballot.	as proposed in the resolution no. 7 of the Notice.	On such terms and conditions as proposed in the resolution no. 6 of the Notice.	On such terms and conditions as proposed in the resolution no. 8 of the Notice.
Remuneration drawn during FY 2023-24	₹ 104.1 million	₹ 44.5 million	₹ 200.6 million	₹ 3.2 million
Number of shares held in the Company as on 31 st March, 2024	9,48,194 Equity Shares of ₹ 2/- each	79,800 Equity Shares of ₹ 2/- each	86,95,360 Equity Shares of ₹ 2/- each	NIL
List of Directorships held in other listed companies	NIL	NIL	NIL	NIL
List of Directorships in listed companies from which the person has resigned in the past three years	NIL	NIL	NIL	NIL
Chairmanship/Membership of Audit and Stakeholders' Relationship Committees across Public Companies including Alkem Laboratories Limited	Member of Stakeholder' Relationship Committee of Alkem Laboratories Limited	NIL	NIL	Member of Audit Committee of Alkem Laboratories Limited
Relationship between Directors inter se	Daughter-in-law of Mr. Basudeo N. Singh, Executive Chairman of the Company.	Brother of Mr. Sandeep Singh, Managing Director of the Company.	Father of Mr. Mritunjay Kumar Singh, Executive Director of the Company.	Not related to any directors of the Company.
Number of Board Meetings attended during the year 2023-24 (out of total 10 Board Meetings held)	10	09	10	10



Registered Office:

Alkem House, Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013, Maharashtra, India.

CIN: L00305MH1973PLC174201

Telephone: +91 22 3982 9999

Fax: +91 22 2495 2955

Website: www.alkemlabs.com