

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.

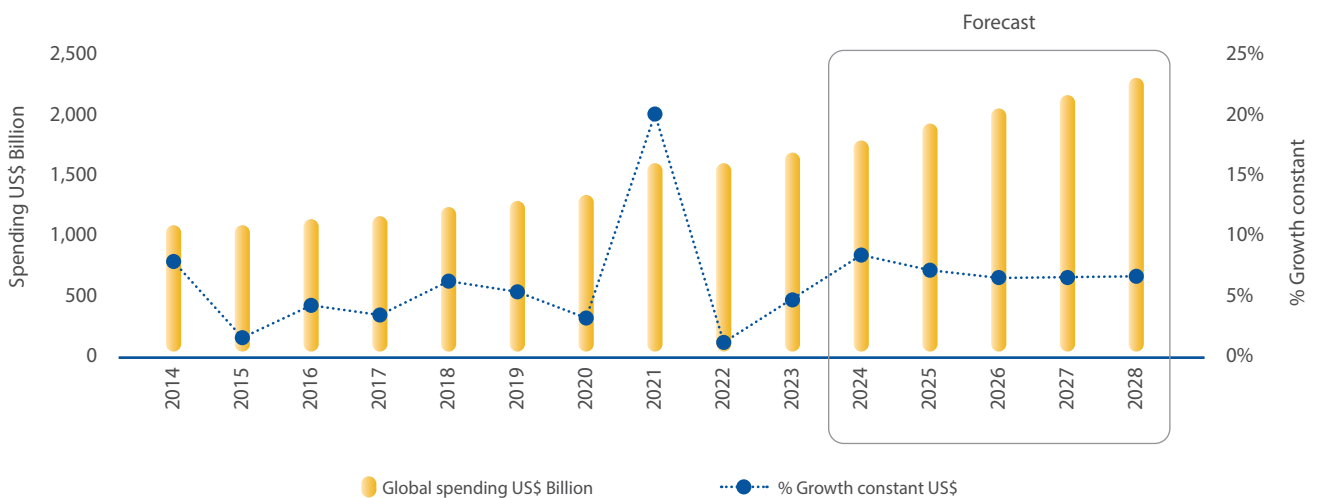


Global medicine spending and growth by product type

	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%

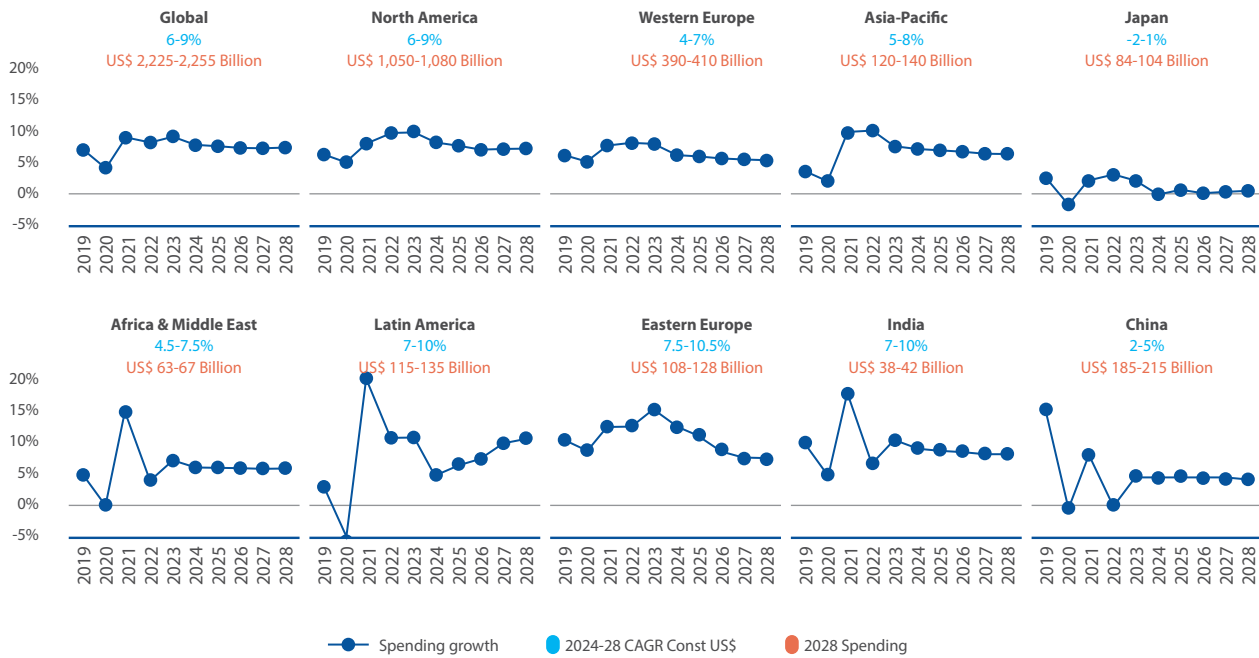
Source: IQVIA Market Prognosis, Sep 2023; IQVIA Institute, Dec 2023

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).

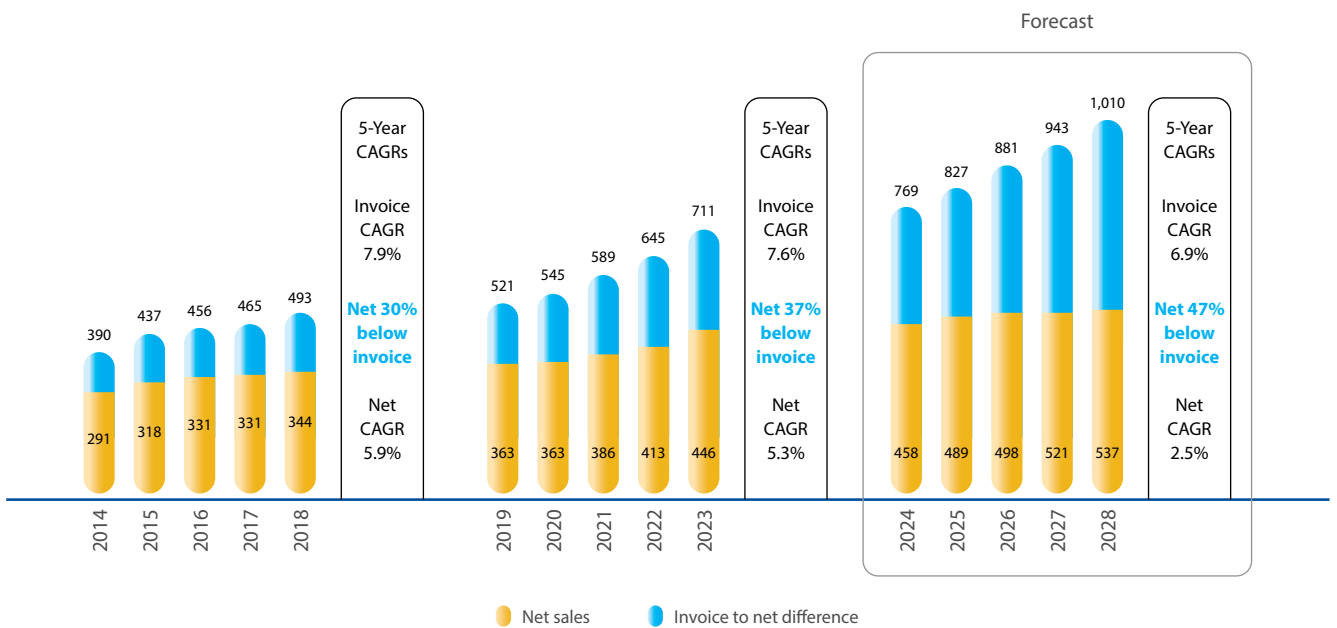
The contribution from new brands is expected to increase to US\$ 119 billion over five years as more than 250 new active substances (NASs) are expected to be launched. This presents a significant opportunity for Indian pharmaceutical companies to launch their own innovative products in the US market. 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)

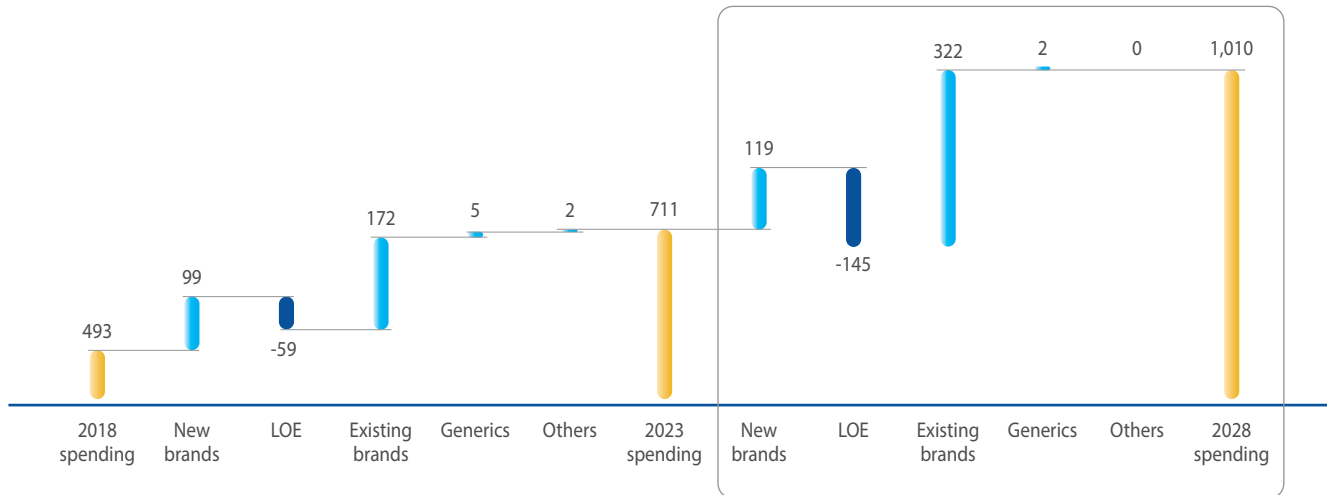
The impact of Loss of Exclusivity (LoE) is expected to be US\$ 145 billion as compared to US\$ 59 billion in the prior five years, as both small molecule and biologic product exposure to LOE has increased substantially. This presents a humungous growth opportunity for Indian pharmaceutical companies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

(₹ in Crore)

Therapy Area	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,

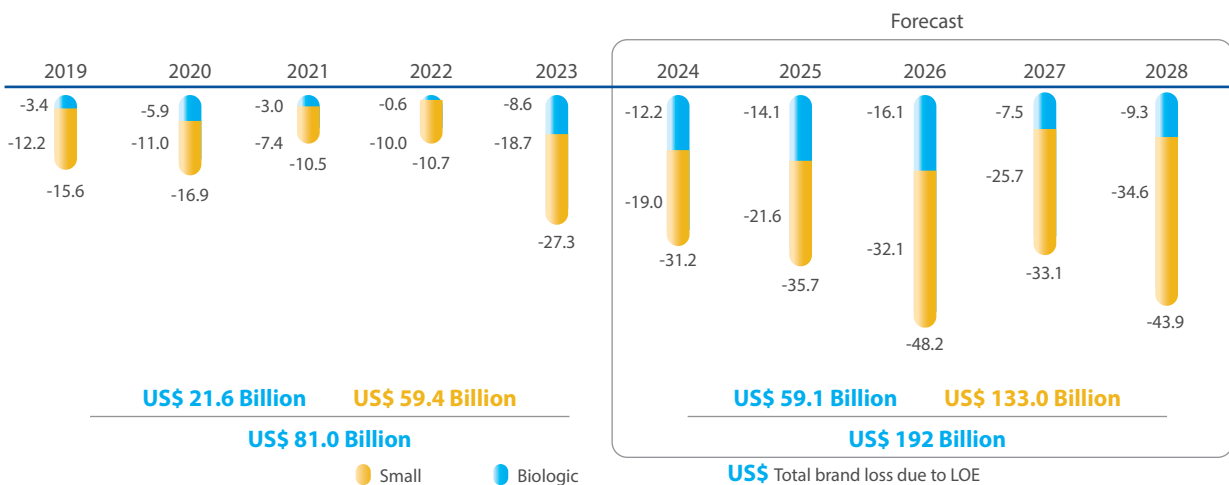
up from US\$ 16.8 billion in 2022. The growth is primarily driven by the expiry of patents on blockbuster biologic drugs, rising awareness about efficacy, and cost-effectiveness increased incidences of chronic diseases and technological advancements. The biosimilars market is likely to reach US\$ 164.5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

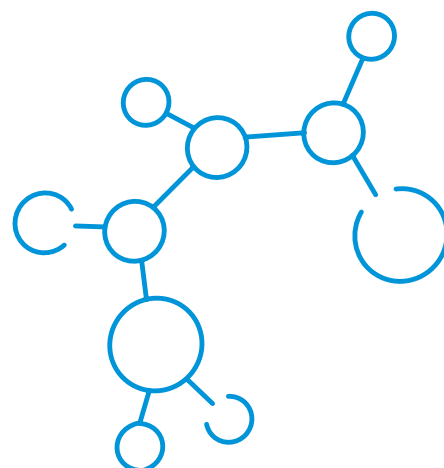
- **April 2023** - USFDA inspected the Company’s manufacturing facility located at Ankleshwar. The inspection was closed successfully without any observations. Establishment Investigation Report (EIR) was received in June 2023.
- **December 2023** - USFDA had inspected the Company’s manufacturing facility 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

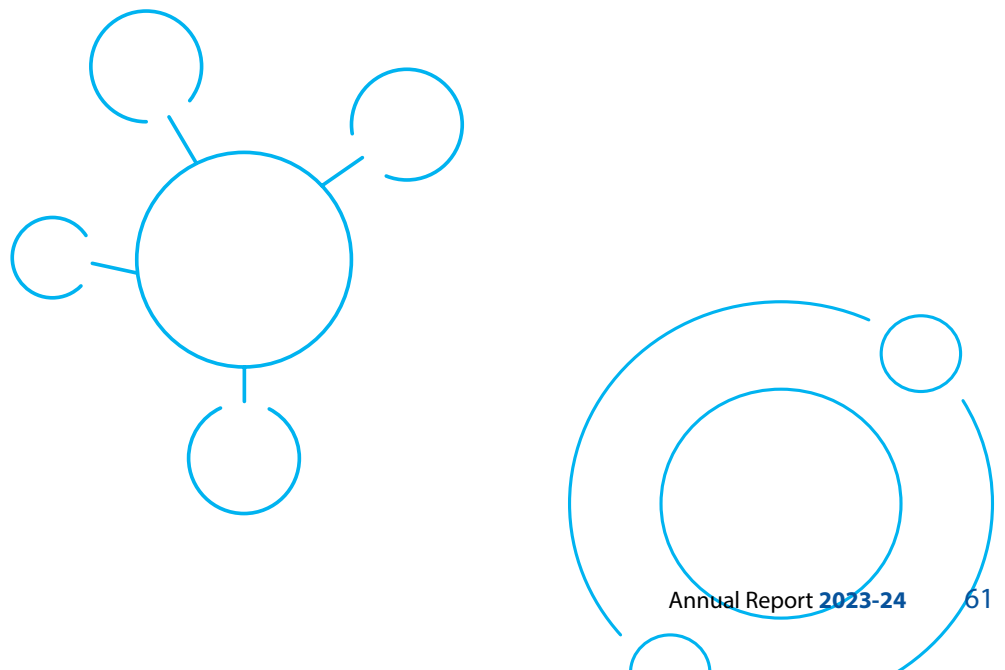
Human capital is a vital resource for organizational growth and continuity. The Company considers its workforce to be the cornerstone of its achievements at the global level. The Company maintains a safe, conducive and productive work environment across its plants and offices. Our HR team continues to 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

Annexure B

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

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

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

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

29 May 2024

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	

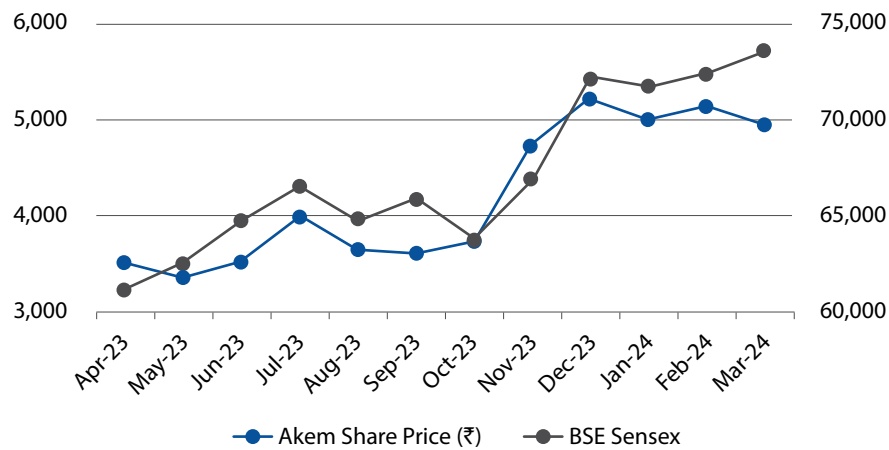
(f) Market Price data

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

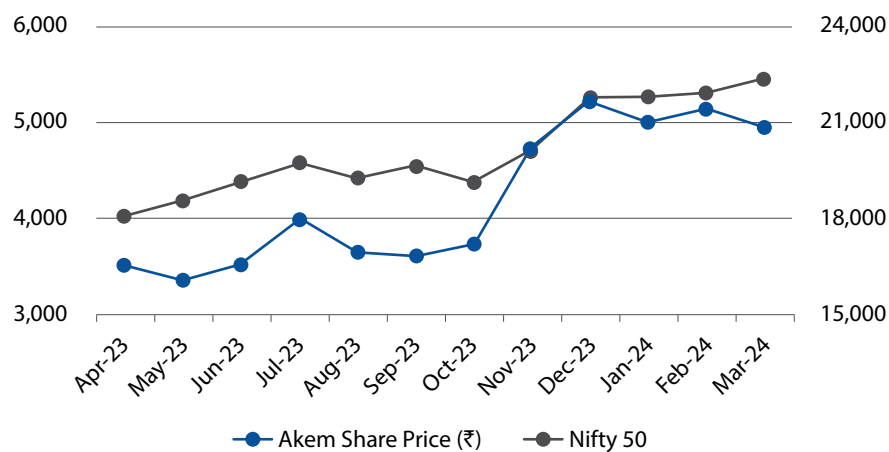
(g) Performance in comparison to broad based indices

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 Pharmanetwork, 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>																																																														
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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	• Cooling tower fan automation and VFD installation in cooling tower of central utility.
Ankleshwar Plant	• Traditional lights are replaced with LED lights • High efficiency and minimum purge loss air dryer.
Sikkim Plant	• 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	• 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 CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , 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 to 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%			