Standalone Financial Statements

Independent Auditor's Report

To the Members of
Alkem Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Alkem Laboratories Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information in which included the financial information from one Branch located in Nepal.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from operations

See Note 2.9 and 3.19 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is recognized when the control of the products being sold has been transferred to the customer. There is a risk of revenue being overstated as management, to achieve its performance targets, may recognize revenue on sale of products though control may not have transferred to the customer. This was an area of focus for us. Refer Note 2.9 of the standalone financial statements for details on accounting policy on revenue recognition.	Our audit procedures included the following: • Obtained an understanding of the systems, processes and controls implemented by the Company for recording revenue from sale of goods. • Evaluated Company's revenue recognition policies by assessing compliance with applicable accounting standards. • Assessed the IT environment in which the business system operates and tested automated controls involved in revenue recognition. • Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed to ensure recognition of valid revenue transactions in the correct period. • On selected statistical samples of transactions, we tested the underlying documents, which include testing sale invoices, shipping documents and lead time/ proof of delivery to test evidence for transfer of control both during the period and at period end. • Performed procedures to identify and test exceptional transactions such as one off sales to customers to identify any unusual transactions. • Tested high risk manual journal entries posted to revenue to identify unusual transactions.

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Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 3.26 (a) to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 3.41 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 3.41 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 3.33 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct data changes; and (ii) at the application level for changes made by privileged users for the period from 22 July 2023 to 11 January 2024. Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN:24111410BKGQON3512

Place: Mumbai
Date: 29 May 2024

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Alkem Laboratories Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts on a test check basis has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment or provided any security to companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee to companies and has granted loans and advances in the nature of loans to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee to firms, limited liability partnership or any other parties. The Company has not granted loans or given any advances in nature of loans to companies, firms or limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee to other parties as below:

Particulars	Guarantees (₹ in Millions)	Loans (₹ in Millions)	Advances in nature of loans (₹ in Millions)
Aggregate amount during the year			
Subsidiaries*	166		
Others		54	37.8
Balance outstanding as at balance sheet date			
Subsidiaries*	166		
Others		40	2.8

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans and advances in nature of loan given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, Advances in nature of loan and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. The Company has not made investment or provided any securities during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund during the year.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Due date	Date of payment
Provident Fund Act	Provident Fund	0.4	March 2022 to July 2023	April 2022 to August 2023	Unpaid as of 31 March 2024

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	124.6	5.8	2006-2014	CESTAT
Central Excise Act, 1944	Excise Duty and Penalty	48.1	4.0	2015	Bombay High court

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Maharashtra VAT Act, 2002	Value Added Tax	127.8	8.8	2009-10 2014-15 2015-16 2016-17	Joint Dy. Commissioner Of Sales Tax(Appeals).
Maharashtra VAT Act, 2002	Value Added Tax	90.6	11.7	2006-07, 2010-11, 2011-12, 2012-13, 2013-14	Sales Tax Tribunal - Mazgaon
Bihar VAT Act, 2005	Value Added Tax	0.7	0.2	1999-2001	Sales Tax Special circle
Bihar VAT Act, 2005	Value Added Tax	13.4	3.2	2010-11, 2011-12	Joint commissioner of Commercial taxes Appeals
Bihar VAT Act, 2005	Value Added Tax	70.5	6.9	April 2017-June 2017	Asst. Commissioner of State Tax
Odisha VAT Act, 2004	Value Added Tax	1.0	0.0	2014-15/ 2015-16 (September 2015)	Joint Commissioner of Commercial Tax
Odisha VAT Act, 2004	Value Added Tax	0.5	0.0	2012-14	Order passed by Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK Appeal to be filed in tribunal
Gujarat VAT Act, 2003	Value Added Tax	0.1	-	2006-2007	Commissioner of Commercial Taxes Gujarat
Gujarat VAT Act, 2003	Value Added Tax	2.7	-	2010-11	Dy. Commissioner of Commercial Taxes Vadodara
Maharashtra - VAT	Value Added Tax	4.0	0.2	01/04/2017 to 30/06/2017	Joint. Commissioner Of State Tax(Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	15.0	0.7	2009-10, 2014-15, 2016-17	Joint Dy. Commissioner Of Sales Tax(Appeals).
Central Sales Tax Act, 1956	Central Sales Tax	0.1	-	01/04/2017 to 30/06/2017	Joint. Commissioner Of State Tax(Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	4.2	1.7	2002-2005	Sales Tax Special circle
Bihar VAT Act, 2005	Value Added Tax	164.0	13.5	2016-17	Asst. Commissioner of State Tax - Appeal filed with Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	6.8	0.7	April 2017-June 2017	Asst. Commissioner of State Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.2	0.0	1st April 2014 till 30th September, 2015 & 1st April 2016 till 31st March 2017	Joint commissioner of Commercial Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.2	0.2	2010-11, 2013-14	Sales Tax Tribunal - Mazgaon
Central Sales Tax Act, 1956	Central Sales Tax	57	6.5	2016-17	Asst. Commissioner of State Tax - Appeal filed with Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	0.7	0.1	2015-16(Oct'15 to Mar'16), 2016-17 & 2017-18 (Apr'16 to June'17)	Odisha Sales Tax Tribunal, Cuttack

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	0.1	0.0	2014-15	Joint Commissioner of Commercial Taxes Goa
Central Sales Tax Act, 1956	Central Sales Tax	0.4	0.0	2012-14	Order passed by Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK Appeal to be filed in tribunal
Odisha Entry Tax Act, 1999	Entry Tax	0.2	0.1	2012-2014	Order passed by Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK Appeal to be filed in tribunal
Finance Act, 1994	Service Tax	35.7	1.3	April 2014- June 2017	Commissioner, GST and Central Excise , Mumbai Central
Finance Act, 1994	Service Tax	0.2	0.0	2014-15 to 2017-2018	Yet to be filed
Finance Act, 1994	Service Tax	1.1	0.1	April-2015- 2016 & April 2016-2017	Commissioner (Appeals-II),CGST & CX, 3rd Floor,GST Bhavan, BKC, Bandra
Customs Act 1962	Customs Duty	52.8	5.3	2013-15	The Customs, Excise & Service Tax Appellate Tribunal
GST Act, 2017	GST	36.8	1.3	2017-2018	Deputy Commissioner of State Tax - Appeal Div-6 - Vadodara
GST Act, 2017	GST	19.5	1.0	2017-2018	Oreder Passed by Dy commissioner of CGST - Jaipur Appeal yet to be filed
GST Act, 2017	GST	262.2	-	April to June 2017 - TRAN1 credit	Office of Commissioner of CGST & Cex- Appeals II.
GST Act, 2017	GST	5.3	1.8	2018-19 & Mar - 2024	Appeal yet to be filed
GST Act, 2017	GST	1.8	0.1	2017-18	Office of Principal commissioner CUSTOMS and GST,Appeal II commissionerate Hyderabad
GST Act, 2017	GST	20.5	1.9	2017-18	Office of Commissioner (Appeals),CGST, CUSTOMS & CENTRAL EXCISE,GUWAHATI
GST Act, 2017	GST	4.7	0.2	2017-18, 2018-19, 2019-20, 2020-21	Appellate authority
GST Act, 2017	GST	14.1	0.7	2017-18	Office of special commissioner
GST Act, 2017	GST	4.0	0.4	2017-18, 2018-19, 2019-20	Central GST, Excise and Customs, Appeals Commissionerate
GST Act, 2017	GST	0.4	0.0	2017-18	Office of the Commissioner (Appeals),CGST, CUSTOMS Jaipur
GST Act, 2017	GST	43.2	3.8	2017-18, 2018-19, 2019-20	Chennai Appeals -II Commissionerate
GST Act, 2017	GST	865.2	-	2017-18, 2018-19, 2019-20	Writ filed in Bombay High Court on 03.03.2024

Name of the statute	Nature of the dues	Amount under dispute (₹ in Millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
GST Act, 2017	GST	386.3	-	2017-18, 2018-19, 2019-20, 2020-21 & 2021-22	Writ filed in Bombay High Court on 03.03.2024
Income Tax Act, 1961	Income Tax	2,343.4	123.7	2010-11, 2013-14, 2015-16 & 2017-18 to 2022-23	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not have any associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not have any associates or joint ventures.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Other than the cyber security incident as explained in Note 3.43(a) of the standalone financial statements, no material fraud on the Company has been noticed or reported during the year. Further, no fraud by the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

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

Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN:24111410BKGQON3512

Place: Mumbai
Date: 29 May 2024

Annexure B to the Independent Auditor's Report

on the Standalone Financial Statements of Alkem Laboratories Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Alkem Laboratories Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date in which includes internal financial controls with reference to financial information of one branch at Nepal.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN:24111410BKGQON3512

Place: Mumbai
Date: 29 May 2024

ALKEM

Standalone Balance Sheet
as at 31 March 2024

(₹ in Million)

Particulars	Note no.	As at 31 March 2024	As at 31 March 2023
I. ASSETS			
1 Non-current assets			
(a) **Property, plant and equipment**	3.1	16,596.7	16,725.2
(b) **Right of use assets**	3.1	879.6	959.9
(c) **Capital work in progress**	3.1	499.3	1,851.0
(d) **Other Intangible assets**	3.1	346.1	565.8
(e) **Intangible assets under development**	3.1	408.5	436.5
(f) **Financial assets**			
(i) Investment in subsidiaries	3.2	25,502.6	25,502.6
(ii) Other Investments	3.2	1,349.6	1,427.0
(iii) Loans	3.3	3.5	83.4
(iv) Other financial assets	3.4	520.6	309.4
(g) **Deferred tax assets (net)**	3.7C	12,866.6	10,849.2
(h) **Other tax assets (net)**	3.7D	492.2	381.9
(i) **Other non-current assets**	3.5	511.9	498.2
Total non-current assets		**59,977.2**	**59,590.1**
2 Current assets			
(a) **Inventories**	3.6	18,495.6	17,246.6
(b) **Financial assets**			
(i) Investments	3.2	1,437.6	3,125.9
(ii) Trade receivables	3.8	17,536.4	17,683.4
(iii) Cash and cash equivalents	3.9	389.5	50.1
(iv) Bank balances other than (iii) above	3.10	10,269.0	21,588.6
(v) Loans	3.3	39.5	16.8
(vi) Other financial assets	3.4	25,414.6	1,683.6
(c) **Other current assets**	3.11	6,818.6	6,327.1
Total current assets		**80,400.8**	**67,722.1**
TOTAL ASSETS		**140,378.0**	**127,312.2**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) **Equity share capital**	3.12A	239.1	239.1
(b) **Other equity**	3.12B	105,307.0	93,259.4
Total Equity		**105,546.1**	**93,498.5**
2 Liabilities			
2a Non-current liabilities			
(a) **Financial liabilities**			
(i) Lease liabilities	3.29	376.0	450.6
(ii) Other financial liabilities	3.17	690.6	-
(b) **Provisions**	3.14	2,455.8	2,841.7
(c) **Other non-current liabilities**	3.15	245.5	73.1
Total non-current liabilities		**3,767.9**	**3,365.4**
2b Current liabilities			
(a) **Financial liabilities**			
(i) Borrowings	3.13	9,572.3	11,258.9
(ia) Lease liabilities	3.29	103.8	107.4
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.16	587.6	980.1
Total outstanding dues of creditors other than micro and small enterprises	3.16	15,121.8	9,783.3
(iii) Other financial liabilities	3.17	3,379.9	4,904.2
(b) **Other current liabilities**	3.18	1,192.2	1,170.0
(c) **Provisions**	3.14	1,106.4	2,159.4
(d) **Current tax liabilities (net)**	3.7D	-	85.0
Total current liabilities		**31,064.0**	**30,448.3**
Total liabilities		**34,831.9**	**33,813.7**
TOTAL EQUITY AND LIABILITIES		**140,378.0**	**127,312.2**
Material Accounting Policies	2A		
Notes to the Standalone Financial Statements	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

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

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
Mumbai, India

29 May 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

(₹ in Million)

Particulars		Note no.	For the year ended 31 March 2024	For the year ended 31 March 2023
1	**Income**			
	(a) Revenue from operations	3.19	97,477.2	90,545.5
	(b) Other income	3.20	3,059.9	2,662.9
	Total income		**100,537.1**	**93,208.4**
2	**Expenses**			
	(a) Cost of materials consumed	3.21	27,499.3	26,297.8
	(b) Purchases of stock-in-trade		11,287.0	9,431.3
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.22	(713.1)	2,577.3
	(d) Employee benefits expense	3.23	15,602.8	15,162.2
	(e) Finance costs	3.24	819.1	864.0
	(f) Depreciation and amortisation expense	3.1	2,443.5	2,298.5
	(g) Other expenses	3.25	24,149.9	23,307.4
	Total expenses		**81,088.5**	**79,938.5**
3	**Profit before exceptional items and tax (1) - (2)**		**19,448.6**	**13,269.9**
4	**Exceptional items**	3.43	(638.3)	-
5	**Profit before tax (3) + (4)**		**18,810.3**	**13,269.9**
6	**Tax expense**	3.7A		
	(a) Current tax		3,332.8	2,275.2
	(b) Deferred tax credit (net)		(1,994.0)	(350.0)
	Total Income Tax Expenses		**1,338.8**	**1,925.2**
7	**Profit for the year (5) - (6)**		**17,471.5**	**11,344.7**
8	**Other comprehensive income**			
	(a) (i) Items that will not be reclassified subsequently to profit or loss	3.28	(66.8)	(33.7)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.7A	23.3	11.8
	(b) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total of other comprehensive income / (loss) for the year, net of tax		**(43.5)**	**(21.9)**
9	**Total comprehensive income for the year (7) + (8)**		**17,428.0**	**11,322.8**
10	**Earnings per share (in ₹): Face value of ₹ 2 each**			
	Basic and diluted earnings per share	3.31	146.13	94.88
Material Accounting Policies		2A		
Notes to the Standalone Financial Statements		3		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

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

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
Mumbai, India

29 May 2024

Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(a) Equity share capital

(₹ in Million)

Balance as at 1 April 2023	Change in equity share capital during the year	Restated balance as at 1 April 2023	Change in equity share capital during the year	Balance as at 31 March 2024
239.1	-	239.1	-	239.1

(₹ in Million)

Balance as at 1 April 2022	Change in equity share capital during the year	Restated balance as at 1 April 2022	Change in equity share capital during the year	Balance as at 31 March 2023
239.1	-	239.1	-	239.1

(b) Other Equity

Particulars	Reserves and Surplus				
	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit plans	Total other equity
Balance as at 1 April 2022	5.2	19,380.4	68,233.9	(422.0)	87,197.5
Total Comprehensive Income for the year ended 31 March 2023					
Profit for the year	-	-	11,344.7	-	11,344.7
Other comprehensive income for the year (net of tax)	-	-	-	(21.9)	(21.9)
Total comprehensive income for the year	**-**	**-**	**11,344.7**	**(21.9)**	**11,322.8**
Transactions with owners of the company					
Dividend on equity shares **(Refer Note 3.33)**	-	-	(5,260.9)	-	(5,260.9)
Balance as at 31 March 2023	**5.2**	**19,380.4**	**74,317.7**	**(443.9)**	**93,259.4**
Total comprehensive income for the year ended 31 March 2024					
Profit for the year	-	-	17,471.5	-	17,471.5
Other comprehensive income for the year (net of tax)	-	-	-	(43.5)	(43.5)
Total comprehensive income for the year	**-**	**-**	**17,471.5**	**(43.5)**	**17,428.0**
Transactions with owners of the company					
Dividend on equity shares **(Refer Note 3.33)**	-	-	(5,380.4)	-	(5,380.4)
Balance as at 31 March 2024	**5.2**	**19,380.4**	**86,408.8**	**(487.4)**	**105,307.0**

Capital reserve: Capital reserve represents investment subsidies from state government.

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve and dividends distributed to shareholders.

Remeasurement of defined benefit plans : Remeasurement of defined benefit plans represents actuarial gains and losses relating to gratuity.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

Sreeja Marar
Partner
Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

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

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
Mumbai, India

29 May 2024

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

(₹ in Million)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A.	Cash Flow from Operating Activities:		
	Profit before tax	18,810.3	13,269.9
	Adjustments for:		
	Depreciation and amortisation expense	2,443.5	2,298.5
	Impairment loss on property, plant and equipment	415.6	-
	Unrealised (gain) / loss on fair valuation of investments (net)	-	(329.8)
	Profit on sale of investments (net)	(139.6)	(19.3)
	Loss on sale / write off of property plant and equipment (net)	28.4	123.6
	Dividend income	(26.1)	(36.3)
	Provision for doubtful advances	318.0	-
	Interest income	(2,274.7)	(1,471.8)
	Interest expenses	819.1	864.0
	Loss allowance	198.6	26.1
	Liabilities no longer required , written back	(19.8)	(10.7)
	Rent income	(27.6)	-
	Unrealised foreign currency (gain) / loss on revaluation (net)	382.0	(155.4)
	Subtotal of Adjustments	**2,117.4**	**1,288.9**
	Operating profit before working capital changes	20,927.7	14,558.8
	Adjustments for changes in working capital:		
	(Increase) / Decrease in trade receivables	(437.5)	19.2
	(Increase) / Decrease in loans, other financial assets and other assets	(696.1)	(838.5)
	(Increase) / Decrease in inventories	(1,249.1)	2,510.7
	Increase / (Decrease) in trade payable, other financial liabilities and other liabilities	3,552.4	82.6
	Increase / (Decrease) in provisions	(1,703.5)	283.0
	Subtotal of Adjustments	**(533.8)**	**2,057.0**
	Cash generated from operations	20,393.9	16,615.8
	Less: Income taxes paid (net of refund)	(3,528.3)	(2,241.6)
	Net cash generated from operating activities	**16,865.6**	**14,374.2**
B	Cash Flow from Investing Activities:		
	Purchases of property, plant and equipment (including capital work in progress, other intangible assets and intangible assets under development)	(1,066.8)	(1,417.8)
	Proceeds from disposal of property, plant and equipment and other intangible assets	62.4	27.6
	Other investments redeemed	2,095.3	-
	Other investments made	(189.0)	(1,687.9)
	Investments in subsidiaries	-	(2,732.4)
	Investments made in fixed deposits	(33,104.9)	-
	Redemption of fixed deposits	21,583.6	6,515.1
	Dividend received	26.1	36.3
	Interest received	1,909.7	1,229.5
	Rent received	27.6	-
	Net Cash generated from / (used in) investing activities	**(8,656.0)**	**1,970.4**
C	Cash Flow from Financing Activities:		
	Repayment of current borrowings (net)	(3,443.7)	(11,029.5)
	Principal repayment of lease liabilities	(145.1)	(126.2)
	Dividend paid	(5,380.4)	(5,260.9)
	Interest paid	(621.2)	(696.1)
	Net cash (used in)/generated from financing activities	**(9,590.4)**	**(17,112.7)**
D	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(1,380.8)**	**(768.1)**
E	Cash and cash equivalents as at beginning of the year (Refer Note 3.9)	**50.1**	**818.2**
F	Cash and cash equivalents as at end of the year (D+E) (Refer Note 3.9)	**(1,330.7)**	**50.1**

Standalone Statement of Cash Flow

for the year ended 31 March 2024

Notes:

1 **Debt reconciliation in accordance with Ind AS 7:**

Particulars	Current borrowings	Lease Liabilities
As at 1 April 2022	12,354.2	482.5
Cash flows during the year (net)	(2,121.7)	(126.2)
Non-Cash Items	(166.7)	201.7
As at 31 March 2023 (Refer note 3.13)	**10,065.8**	**558.0**
Cash flows during the year (net)	(2,250.5)	(145.1)
Non-Cash Items	36.8	66.9
As at 31 March 2024 (Refer note 3.13)	**7,852.1**	**479.8**

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents (Refer note 3.9)	389.5	50.1
Loans repayable on demand from banks (Refer note 3.13)	(1,720.2)	-
Total cash and cash equivalents	**(1,330.7)**	**50.1**

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

4 Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

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

Sandeep Singh
Managing Director
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President - Finance &
Chief Financial Officer
Mumbai, India

Manish Narang
President - Legal &
Company Secretary
Mumbai, India

29 May 2024

Notes

to the standalone financial statements for the year ended 31 March 2024

1 General Information

Alkem Laboratories Limited ('the Company') was incorporated in 1973 under the provisions of Companies Act, 1956 of India, as a Company with limited liability. The Company is domiciled in India with its registered office address being Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India. The Company is engaged in pharmaceutical business with global operations. The Company is engaged in the development, manufacture and sale of pharmaceutical products.

2A Material accounting policies:

2.1 Basis of preparation of Standalone Financial Statements ("financial statements"):

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 29 May 2024.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2B**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle*,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

*The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Basis of measurement

These financial statements are prepared under historical cost convention except for provision for defined benefit obligations and certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

d) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. The financial statements are prepared in Indian Rupees in Million, rounded off to the nearest one decimal except for share data and per share data, unless otherwise stated.

Notes

to the standalone financial statements for the year ended 31 March 2024

2.2 Property, plant and equipment ("PPE"):

i) Recognition and Measurement

a) The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items of PPE are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non- refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

b) If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

c) Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.

d) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

e) The cost of property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

ii) Subsequent expenditure

Subsequent expenditure relating to PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably.

iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which is asset is ready to use / disposed off. Freehold land is not depreciated.

The estimated useful lives of Tangible assets are as follows

PPE	Useful Life
Buildings *	5 Years to 59 Years
Plant and Equipment*	1 Years to 20 Years
Furniture and Fixtures*	10 Years
Vehicles	8 Years
Office Equipments*	3 Years to 6 Years

* For these class of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

2.3 Intangible Assets:

i) Recognition and measurement

Research and development	Expenditure on research activities is recognised in statement of profit or loss as incurred.
	Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, such as computer software, Technology, and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

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The cost of Intangible assets at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in statement of profit and loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives of intangible assets are as follows:

Intangible Assets	Useful Life
Computer Software	3 Years to 6 Years
Trade Marks & Patents	5 Years

2.4 Impairment of non-financial assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.5 Leases and Right of use ('ROU'):

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company leases warehouse and factory facilities. Certain lease arrangements include the options to extend the lease before the end of the lease term, but the renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

2.6 Financial instruments:

Recognition initial measurement

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;

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- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in the statement of profit and loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Equity instruments:

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

2.8 Inventories:

a) Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in selling price of finished goods indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.

b) Finished Goods and Work–in–Progress are valued at lower of cost (on Moving weighted average basis) and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities and other overheads. Trading Goods are valued at lower of cost (on Moving weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale on item-by-item basis.

2.9 Revenue Recognition and measurement:

Revenue from operations

a) Revenue from sale of goods is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods at a point in time. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

b) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

Other income

a) Interest income is recognized using the effective interest rate (EIR) method.

b) Revenue (including in respect of insurance or other claims, etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

c) Income from services rendered is recognised over a period of time based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Refund liabilities:

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its refund liabilities as required under Ind AS 115 in the financial statements.

2.10 Foreign currency transactions and translations

Transactions in foreign currencies are translated into the functional currency of the Company by applying the appropriate fortnightly rate which best approximates the actual rate of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

2.11 Employee Benefits:

a) Post Employment Benefits and Other Long Term Benefits:

i) **Defined Contribution Plan:**

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss in period in which the related service is provided by the employee. The Company's contribution towards provident fund are considered to be defined contribution plan which are expensed as employee benefit expenses in the statement of profit and loss in the period in which the related service is provided for which the Company makes contribution on monthly basis. The Company's legal or constructive obligation is limited to the contribution it makes.

ii) **Defined Benefit Plans:**

Company's liabilities towards defined benefit plans viz. gratuity expected to occur after twelve months, are determined annually by a qualified actuary using the Projected Unit Credit Method.

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Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date by an independent actuary. Actuarial gains and losses are recognised in the Statement of Other Comprehensive income in the period of occurrence of such gains and losses for gratuity. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

iii) **Other long-term employee benefits - compensated absences:**

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. In respect of compensated absences, actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

b) **Short term Employee Benefits:**

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee. These benefits include performance incentives. These are expensed as employee benefit expense in the statement of profit and loss in the period in which the related service is provided by the employees.

2.12 Taxes on Income:

Income tax expense represents the sum of the current tax and deferred tax.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates and tax laws enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised :

- in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit
- in case of temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised
- in case of temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is resonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

2.13 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources,whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14 Earnings per share ('EPS'):

Basic EPS is calculated by dividing the profit(or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

2.15 Government Grants:

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of it being received.

2.16 Cash and cash equivalents:

Cash and cash equivalents for the purpose of statement of cash flows comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

2.17 Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

2.18 Exceptional items:

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

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2.19 Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company operates in one reportable business segment i.e. "Pharmaceuticals".

2.20 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2B Key accounting estimates and judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of material accounting policies which are provided in **Note 2A** to the standalone financial statements, 'Material accounting policies'.

i) Judgements:

a. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

ii) Estimates:

a. Estimate of current and deferred tax:

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

b. **Recognition of MAT credit:**

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

c. **Estimation of useful life:**

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

d. **Provisions and contingent liabilities:**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

e. **Impairment loss in investments carried at cost:**

The Company conducts impairment reviews of investments in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which is based on future cash flows and a suitable discount rate in order to calculate the present value.

f. **Fair value measurements and valuation processes:**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. **Defined Benefit Plans:**

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. **Liabilities towards anticipated sales return:**

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

i. **Leases:**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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3.1 Property, Plant and Equipment, Intangible Assets and Right of use assets

(₹ in Million)

Particulars	Property plant and equipment							Intangible assets			Right of use		
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software	Trade Mark & patents	Total	Land	Buildings	Total
As at 1 April 2022	**1,179.7**	**6,868.7**	**15,310.3**	**483.2**	**300.8**	**1,069.7**	**25,212.4**	**485.0**	**1,242.2**	**1,727.1**	**553.6**	**776.6**	**1,330.2**
Additions	68.9	148.4	999.6	32.9	18.2	167.3	1,435.3	127.8	96.7	224.5	-	202.7	202.7
Adjustments **(Refer note 4 below)**	-	-	84.4	-	-	1.1	85.4	-	-	-	-	-	-
Deletions	-	(37.5)	(348.7)	(20.6)	(47.7)	(352.9)	(807.3)	(22.4)	(65.4)	(87.8)	-	-	-
As at 31 March 2023	**1,248.6**	**6,979.6**	**16,045.5**	**495.5**	**271.3**	**885.2**	**25,925.8**	**590.4**	**1,273.5**	**1,863.8**	**553.6**	**979.3**	**1,532.9**
Additions	22.8	845.9	1,101.5	86.4	23.7	314.2	2,394.5	46.5	-	46.5	-	80.2	80.2
Deletions	(18.1)	(23.6)	(217.8)	(13.3)	(1.8)	(60.4)	(335.0)	(0.3)	(65.4)	(65.7)	-	-	-
As at 31 March 2024	**1,253.3**	**7,801.9**	**16,929.3**	**568.6**	**293.2**	**1,139.0**	**27,985.3**	**636.6**	**1,208.1**	**1,844.7**	**553.6**	**1,059.5**	**1,613.1**
Depreciation and Amortisation													
As at 1 April 2022	**-**	**886.3**	**5,888.1**	**249.2**	**162.8**	**713.7**	**7,900.2**	**357.1**	**775.4**	**1,132.5**	**47.7**	**368.6**	**416.3**
Depreciation/amortisation for the year	-	208.7	1,439.5	43.3	33.0	163.9	1,888.4	81.7	171.7	253.4	9.0	147.7	156.7
Adjustments **(Refer note 4 below)**	-	-	67.3	-	-	0.9	68.2	-	-	-	-	-	-
Deductions	-	(18.3)	(250.6)	(18.4)	(38.2)	(330.7)	(656.2)	(22.4)	(65.4)	(87.8)	-	-	-
As at 31 March 2023	**-**	**1,076.7**	**7,144.3**	**274.0**	**157.6**	**547.8**	**9,200.6**	**416.4**	**881.7**	**1,298.0**	**56.7**	**516.3**	**573.1**
Depreciation/amortisation for the year	-	233.2	1,523.7	47.4	32.6	179.7	2,016.6	99.5	166.9	266.4	9.0	151.5	160.5
Impairment loss **(Refer note 3.43b)**	-	-	415.6	-	-	-	415.6	-	-	-	-	-	-
Deductions	-	(5.7)	(163.5)	(13.0)	(1.6)	(60.3)	(244.1)	(0.3)	(65.6)	(65.9)	-	-	-
As at 31 March 2024	**-**	**1,304.2**	**8,920.1**	**308.5**	**188.6**	**667.2**	**11,388.6**	**515.6**	**983.0**	**1,498.6**	**65.7**	**667.8**	**733.6**
Net Book Value													
As at 31 March 2023	1,248.6	5,902.9	8,901.3	221.4	113.7	337.5	16,725.2	174.1	391.8	565.8	496.9	463.0	959.9
As at 31 March 2024	**1,253.3**	**6,497.7**	**8,009.2**	**260.1**	**104.6**	**471.8**	**16,596.7**	**121.0**	**225.1**	**346.1**	**487.9**	**391.7**	**879.6**

Notes

1. Addition to Property, Plant and Equipment includes items aggregating **₹ 1,312.8 Million** (For the year ended 31 March 2023 ₹90.6 Million) located at Research and Development Centres of the Company.
2. **Refer Note 3.26(b)(1)** for contractual commitments with respect to property, plant and equipments and other intangible assets.
3. Exclusive charge by way of hypothecation over the whole of the movable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories and other movable assets, both present and future subject to a maximum value of **₹2,150 Million** (31 March 2023 ₹2,150 Million) - situated at Daman and Sikkim in India against issuance of Stand by letter of credit required for loan of **US $ 20.0 Million** (31 March 2023 - US $ 20.0 Million) advanced by Banco de Chile to Ascend Laboratories SpA, Chile, a wholly owned subsidiary of the Company and **US $ 5.0 Million** (31 March 2023 - US $ 5.0 Million) advanced to PharmaNetwork SpA, Chile, a wholly owned subsidiary of Ascend Laboratories SpA, Chile.
4. During the year ended 31 March 2023, certain assets which were categorised as assets held for sale previously were reclassified to Property, Plant and Equipment.
5. As at 31 March 2024, net block of **₹ 1,188.5 Million** (net of impairment loss) were lying idle at the Company's Indore facility **(Refer note 3.43b)**

6. Depreciation and amortisation expense:

(₹ in Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense	2,177.1	2,045.1
Amortisation expense	266.4	253.4
Total	**2,443.5**	**2,298.5**

7. Capital work-in-progress

Capital work in progress comprises expenditure in respect of various plants in the course of construction/expansion. Total amount of Capital work in progress is **₹ 499.3 Million** as at 31 March 2024 (31 March 2023: ₹1,851.0 million). This amount also includes capitalized borrowing costs related to the construction of various plants of **₹ Nil** (For the year ended 31 March 2023: ₹19.8 Million)

(₹ in Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,851.0	2,006.4
Add: Additions during the year	1,020.0	1,211.0
Less: Capitalised during the year	2,371.7	1,366.4
Closing balance	**499.3**	**1,851.0**

Capital work-in-progress ageing schedule for the year ended 31 March 2024 and 31 March 2023 is as follows:

(₹ in Million)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progess	202.5	50.4	31.4	9.5	293.8
	(509.2)	(671.6)	(218.5)	(451.7)	(1,851.0)
Projects temporarily suspended	-	7.8	148.1	49.6	205.5
	(-)	(-)	(-)	(-)	(-)

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2024 and 31 March 2023:

(₹ in Million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project 1	33.7	-	-	-	33.7
	(20.4)	(-)	(-)	(-)	(20.4)
Project 2	-	-	-	-	-
	(1,031.7)	(-)	(-)	(-)	(1,031.7)
Project 3	205.5	-	-	-	205.5
	(313.4)	(-)	(-)	(-)	(313.4)

Notes
to the standalone financial statements for the year ended 31 March 2024

8. Intangible assets under development

(₹ in Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	436.5	318.1
Add: Additions during the year	-	118.4
Less: Capitalised / written off during the year	28.0	-
Closing balance	**408.5**	**436.5**

Intangible assets under development ageing schedule for the year ended 31 March 2024 and 31 March 2023 is as follows:

(₹ in Million)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progess	-	306.8	-	101.7	408.5
	(118.4)	(188.4)	(8.0)	(121.7)	(436.5)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

For intangibles assets under development, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2024 and 31 March 2023:

(₹ in Million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project 1	-	101.7	-	-	101.7
	(-)	(-)	(101.7)	(-)	(101.7)

Figures in the brackets are the comparative figures of the previous year.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.2 Investments:

Particulars	Units as at 31 March 2024	Units as at 31 March 2023	Face Value	As at 31 March 2024 (₹ in Million)	As at 31 March 2024 (₹ in Million)	As at 31 March 2023 (₹ in Million)	As at 31 March 2023 (₹ in Million)
Non-Current Investments							
In Equity Shares Unquoted: [at cost]							
A) Investment in Subsidiaries:							
Ascend Laboratories (Pty) Limited, South Africa	49,960	49,960	Rand 10	68.8		68.8	
Alkem Laboratories Corporation, Philippines (Including 5 shares held by the nominees)	5,139,682	5,139,682	Peso 100	717.4		717.4	
Ascend GmbH, Germany (One share of Euro 250, second share of Euro 24,750 and third share of Euro 751,880)	3	3	NA	160.9		160.9	
Ascend Laboratories Sdn. Bhd., Malaysia (₹ 91)	2	2	Ringgit 1	0.0		0.0	
S&B Holdings S.a.r.l., Luxembourg	42,964,652	42,964,652	Euro 1	4,682.3		4,682.3	
Alkem Laboratories Korea Inc., South Korea	15,000	15,000	Korean Won 100	0.1		0.1	
Ascend Laboratories SpA, Chile (1,000 Nominative Shares, without par value)	5,427	5,427	NA	281.0		281.0	
Pharmacor Limited, Kenya	1,000	1,000	KES 100	0.1		0.1	
Pharmacor Pty Limited, Australia (without par value)	68,313,954	68,313,954	NA	224.7		224.7	
Ascend Laboratories (UK) Limited, UK (issued capital 250,000 shares of 1 GBP of which 40 Pence is called up & paid)	250,000	250,000	GBP 1	9.9		9.9	
ThePharmaNetwork, LLC , USA	59,674,767	59,674,767	NA	7,583.0		7,583.0	
Cachet Pharmaceuticals Private Limited, India	10,813	10,813	INR 100	925.8		925.8	
Indchemie Health Specialities Private Limited, India	127,500	127,500	INR 10	1,640.7		1,640.7	
Enzene Biosciences Limited, India	47,085,843	47,085,843	INR 10	9,140.0		9,140.0	
Ascend Laboratories SAS, Colombia	1,123,329	1,123,329	COP 1,000	21.9		21.9	
Ascend Laboratories Limited, Canada	20,000	20,000	CAD 1	1.1		1.1	
Alkem Foundation, India	10,000	10,000	INR 10	0.1		0.1	
Connect 2 Clinic Private Limited, India	1,499,994	1,499,994	INR 10	15.0	25,472.8	15.0	25,472.8
Investment in Limited Liability Partnership Firm: Unquoted: [at cost]							
The PharmaNetwork LLP, Kazakhstan					157.6		157.6
Investment in Subsidiaries					25,630.4		25,630.4
Provision for impairment in value of investments **(Refer note 4 below)**					(127.8)		(127.8)
Investment in Subsidiaries - Sub total (A)					**25,502.6**		**25,502.6**

Notes

to the standalone financial statements for the year ended 31 March 2024

Particulars	As at 31 March 2024		As at 31 March 2023	
	(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
B) Other Non-Current Investments:				
In Equity Shares of Other Companies and Limited Liability Partnership Firm: Unquoted [at fair value through profit and loss] (Refer note 2 below)		305.6		408.7
In Preference Shares of Other Companies : Unquoted [at fair value through profit and loss] (Refer note 3 below)		150.0		150.0
Investment In Venture Capital Fund: Unquoted (Non Trade) [at fair value through profit and loss]		737.7		712.0
Non Convertible Debentures [at amortised cost]: Quoted		156.3		156.3
Other Non Current Investments - Sub total (B)		**1,349.6**		**1,427.0**
Total (A+B)		**26,852.2**		**26,929.6**

Notes:

1) Details of The PharmaNetwork LLP, Kazakhstan:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Profit Sharing Ratio	Capital Accounts	Profit Sharing Ratio	Capital Accounts
Alkem Laboratories Limited	100.00%	157.6	100.00%	157.6
Total	**100.00%**	**157.6**	**100.00%**	**157.6**

1) In the current year, the Company has presented investment as part of non-current financial assets and accordingly, has reclassified the investment in subsidiaries for the previous year from non-current assets to non-current financial assets, in order to align with the current year presentation. Presentation of investment in subsidiaries as part of non-current financial assets is consistent with the requirements of Schedule III to the Companies Act, 2013.

2) The Company had invested **₹400.0 Million** in ABCD Technologies LLP with an objective to digitize healthcare infrastructure in India towards facilitating good distribution practices, inter alia, in support of the National Digital Health Mission of Government of India. As at 31 March 2024, the Company had a 6.45% share of profit/loss and voting rights. During the current year, the Company has recognized fair value loss of ₹ 103 Million towards this investment.

3) During the previous year, the Company has invested **₹ 150.0 Million** in Eyestem Research Private Limited with an objective to create a global and scalable cell therapy platform to treat opthalmic diseases.

4) Provision for impairment in value of investments relates to impairment loss of **₹ 127.8 Million** with respect to investment in Alkem Laboratories Corporation, Philippines, a wholly owned subsidiary of the Company.

5) On 27 March 2024, the Company has incorporated a new wholly owned subsidiary, Alkem Medtech Private Limited, and subscribed its 200,000 equity shares of ₹ 10 each. No investment has been made as at 31 March 2024 **(Refer sub-note 5 of note 3.26(c))**.

C. Current Investments

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
1) Investment in funds : (Unquoted) [at fair value through profit and loss]		
Avenue Venture Real Estate Fund (Units of ₹100,000 each, fully paid-up) - **Refer note 5 below**	1,012.6	1,042.6
2) Preference Shares: [at amortised cost] (unquoted)	8.1	8.1
3) Investment In Mutual Funds Quoted (Non-Trade) [at fair value through profit and loss]	372.5	266.2
4) Non Convertible Debentures : - Quoted (at amortised cost)	44.4	1,809.0
Total	**1,437.6**	**3,125.9**

Notes
to the standalone financial statements for the year ended 31 March 2024

Notes:

(₹ in Million)

Particulars	Book Value	Market Value	Book Value	Market Value
1) Aggregate value of Quoted investments	573.2	573.2	2,231.5	2,231.5
2) Aggregate value of Unquoted investments	27,716.6	N.A.	27,824.0	N.A.
3) Aggregate amount of impairment in the value of Investments	127.8		127.8	
4) All Investments in Shares & Securities are fully paid up. **(Except Refer sub-note 2 of note 3.26(c))**				

5) During the year ended 31 March 2016, pursuant to the approval of the Board of Directors in its meeting held on 9 March 2016, the Company in order to focus on its core business activities and for other commercial reasons, restructured its investment in Avenue Venture Real Estate Fund ("Fund") by entering into an Option Agreement with Mr. Tushar Kumar, which was in force for a period of 2 years from the execution date i.e 10 March 2016. The Option Agreement was subsequently renewed for a period of 2 years each by executing First, Second and Third Supplementary agreement till 9 March 2020, 9 March 2022 and 9 March 2024 respectively. During the current year, pursuant to the approval of the Board of Directors in its meeting held on 9 February 2024, the Company has entered into an Option Agreement with Mr. Jyoti Prakash Narayan Singh which is in force for a period of 2 years from execution date i.e 10 March 2024 for grant of unconditional option exercisable without restriction at the option of the option holder to purchase the trust units held by the Company in the Fund at an option price of 102% of the fair market value of each trust unit as on the exercise date.

3.3 Loans

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
A. Non-current loans		
Loans to subsidiary companies **(Refer note 3.35)**	3.5	3.2
Less: Loss allowance	-	-
	3.5	**3.2**
Other receivables	-	80.2
Total	**3.5**	**83.4**
B. Current loans		
Loans to employees	39.5	16.8
Total	**39.5**	**16.8**
Break-up of loans		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	43.0	100.2
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	43.0	100.2
Less: Loss allowance	-	-
Total loans	**43.0**	**100.2**

Notes

to the standalone financial statements for the year ended 31 March 2024

3.4 Other financial assets

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
A. Other non current financial assets		
(Unsecured, considered good unless otherwise stated)		
Bank deposits with original and remaining maturity more than 12 months	64.1	61.7
Interest on deposits, accrued but not due	-	1.8
Security deposits	105.1	-
Balances with government authorities	271.2	245.9
Other receivables	80.2	-
Total	**520.6**	**309.4**

Note:

Bank deposits of **₹2.5 Million** (31 March 2023: ₹Nil) are under lien with the Banks against Overdraft facility.

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
B. Other current financial assets		
(Unsecured, considered good unless otherwise stated)		
Interest on deposits, accrued but not due	-	849.1
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months	21,249.1	-
Deposits with non-banking financial companies	2,811.9	-
Other receivables	444.7	279.6
Incentive receivable from government	908.9	460.7
Security deposits	-	94.3
Total	**25,414.6**	**1,683.6**

Note:

Bank deposits of **₹2,800.0 Million** (31 March 2023: ₹Nil) are under lien with the Banks against Overdraft facility.

3.5 Other non-current assets

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances	57.1	51.5
Balances with government authorities	452.5	444.4
Other advances	2.3	2.3
Total	**511.9**	**498.2**

3.6 Inventories

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw and packing materials	6,968.8	6,447.4
Goods-in-transit	108.9	94.4
	7,077.7	**6,541.8**
Work-in-progress	**951.8**	**1,246.0**
Finished goods	5,025.7	5,362.5
Goods-in-transit	2,555.5	1,992.1
	7,581.2	**7,354.6**
Stock-in-trade	2,833.3	2,030.1
Goods-in-transit	51.6	74.1
	2,884.9	**2,104.2**
Total	**18,495.6**	**17,246.6**

Note:

1. The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2024 is **₹ 545.4 Million** (31 March 2023: ₹604.4 Million)

Notes

to the standalone financial statements for the year ended 31 March 2024

3.7 Income tax

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

(₹ in Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
Current year tax	3,332.8	2,275.2
	3,332.8	**2,275.2**
Deferred tax credit (net)		
Minimum Alternate Tax (MAT) credit entitlement	(2,002.0)	(421.5)
Origination and reversal of temporary differences	8.0	71.6
	(1,994.0)	**(350.0)**
Tax expense for the year	**1,338.8**	**1,925.2**

(ii) Tax recognised in other comprehensive income

(₹ in Million)

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(66.8)	23.3	(43.5)	(33.7)	11.8	(21.9)
	(66.8)	**23.3**	**(43.5)**	**(33.7)**	**11.8**	**(21.9)**

(B) Reconciliation of effective tax rate

(₹ in Million)

Particulars	(%)	For the year ended 31 March 2024	(%)	For the year ended 31 March 2023
Profit before tax		18,810.3		13,269.9
Tax using the Company's applicable tax rate	34.9%	6,572.3	34.9%	4,636.5
Tax effect of:				
Long term capital gains taxable at lower rate / exempt under income tax	0.1%	16.1	0.0%	2.3
Deferred tax reversal during tax holiday period	0.2%	42.1	0.6%	79.7
Deduction on profits earned from exempt units	-28.4%	(5,349.4)	-29.1%	(3,868.1)
Utilisation of previously written off MAT Credit #	-3.6%	(674.2)	0.0%	-
Permanent disallowance - current year	2.0%	373.7	4.2%	557.7
Permanent disallowance - prior years	0.0%	-	2.8%	365.0
Others	1.9%	358.2	1.1%	152.1
	7.1%	**1,338.8**	**14.5%**	**1,925.2**

During the year ended 31 March 2024, the Company has utilized Minimum Alternate Tax ("MAT") credit amounting to ₹674.2 million (31 March 2023: ₹Nil) which was written off in the year ended 31 March 2016. The current tax charge for the year ended 31 March 2024 is after utilizing MAT credit of said amount.

Notes

to the standalone financial statements for the year ended 31 March 2024

(C) Movement in deferred tax assets and liabilities

(₹ in Million)

Particulars	Net balance 1 April 2023	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2024
Deferred Tax Liabilities:				
Property, plant and equipment and Intangible assets	(1,787.9)	(457.1)	-	(2,245.0)
Investments	(290.3)	(0.2)	-	(290.5)
Deferred Tax Assets:				
Employee benefits	1,110.4	110.3	23.3	1,244.0
Trade receivables	116.6	172.0	-	288.6
Deferred Government Grant	28.2	70.4	-	98.6
Impairment of investment in subsidiary	29.8	-	-	29.8
Impairment of assets	-	145.2	-	145.2
Other items	270.8	(48.6)	-	222.2
MAT credit entitlement	11,371.7	2,002.0	-	13,373.7
Deferred Tax Assets / (Liabilities)	**10,849.2**	**1,994.0**	**23.3**	**12,866.6**

(₹ in Million)

Particulars	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2023
Deferred Tax Liabilities:				
Property, plant and equipment and Intangible assets	(1,824.1)	36.2	-	(1,787.9)
Investments	(175.1)	(115.2)	-	(290.3)
Deferred Tax Assets:				
Employee benefits	1,028.4	70.1	11.8	1,110.4
Trade receivables	121.4	(4.8)	-	116.6
Deferred Government Grant	24.9	3.3	-	28.2
Impairment of investment in subsidiary	29.8	-	-	29.8
Other items	331.9	(61.1)	-	270.8
MAT credit entitlement	10,950.2	421.5	-	11,371.7
Net Deferred Tax Assets / (Liabilities)	**10,487.4**	**350.0**	**11.8**	**10,849.2**

The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off tax assets and tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining recoverability of deferred tax assets.

(D) Tax assets and liabilities

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current tax assets (net)	492.2	381.9
Current tax liabilities (net)	-	85.0

(E) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Unrecognised MAT Credit Entitlement	135.8	810.0

Notes

to the standalone financial statements for the year ended 31 March 2024

3.8 Trade receivables

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
Considered good	17,991.4	17,964.3
Credit impaired	-	-
Less: Loss allowance	(455.0)	(280.9)
Total	**17,536.4**	**17,683.4**

Note :

1. Above trade receivables include amount due from related parties **₹10,955.5 Million** (31 March 2023: ₹11,155.4 Million) - **Refer Note 3.35**
2. **Refer note 3.36** for information about credit risk and market risk of trade receivables

Trade receivables ageing schedule for the year ended 31 March 2024 and 31 March 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	13,734.8	2,656.1	968.8	271.4	72.8	174.7	17,878.6
	(11,331.8)	(5,642.0)	(497.1)	(199.5)	(23.5)	(178.7)	(17,872.6)
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed Trade receivables - considered good	-	17.4	12.0	19.9	32.3	31.2	112.8
	(-)	(-)	(6.2)	(56.5)	(23.4)	(5.6)	(91.7)
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Loss Allowance							455.0
							(280.9)
Total							**17,536.4**
							(17,683.4)

Figures in the brackets are the comparative figures of the previous year.

The Company does not have any transactions or balances with struck off Companies.

3.9 Cash and cash equivalents

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	4.1	3.7
Cheques and drafts on hand	97.0	28.2
Balance with banks:		
In current accounts	237.3	18.2
In exchange earners' foreign currency account	51.1	-
Total	**389.5**	**50.1**

Notes

to the standalone financial statements for the year ended 31 March 2024

3.10 Bank balances other than cash and cash equivalents

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Restricted for use:		
Unpaid dividend account	1.7	2.0
Unspent CSR account	4.3	1.0
Benevolent fund account	7.0	3.9
Bank deposits with original maturity more than 3 months but less than 12 months	10,256.0	21,581.7
Total	**10,269.0**	**21,588.6**

Note:

Bank deposits of ₹ **1,850.0 Million** (31 March 2023: ₹16,360.5 Million) are under lien with banks against Overdraft facilities availed.

Details of Bank Deposits (including accrued interest) *

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits with original and remaining maturity greater than 12 months **(Refer Note 3.4 A)**	64.1	63.5
Bank deposits with original maturity greater than 12 months but remaining maturity less than 12 months **(Refer Note 3.4 B)**	21,249.1	849.1
Bank deposits with original maturity more than 3 months but less than 12 months **(Refer Note 3.10)**	10,256.0	21,581.7
Total	**31,569.2**	**22,494.3**

* Previous year includes deposits with non-banking financial companies.

3.11 Other current assets

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities	5,210.7	4,749.0
Advance to suppliers and employees:		
Considered good	1,152.2	1,142.5
Considered doubtful	369.7	124.1
	1,521.9	**1,266.6**
Less: Provision for doubtful advance	(369.7)	(124.1)
	1,152.2	**1,142.5**
Prepaid expenses	316.6	290.5
Right to return asset	139.1	145.1
Total	**6,818.6**	**6,327.1**

Notes

to the standalone financial statements for the year ended 31 March 2024

3.12A Equity share capital

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised:		
250,000,000 equity shares of ₹2 each (31 March 2023: 250,000,000 equity shares of ₹2 each)	500.0	500.0
	500.0	**500.0**
Issued, subscribed and paid up:		
119,565,000 equity shares of ₹2 each fully paid up (31 March 2023: 119,565,000 equity shares of ₹2 each fully paid up)	239.1	239.1
Total	**239.1**	**239.1**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	(₹ in Million)	Number of shares	(₹ in Million)
At the commencement of the year	119,565,000	239.1	119,565,000	239.1
At the end of the year	**119,565,000**	**239.1**	**119,565,000**	**239.1**

(b) Rights, preferences and restrictions attached to Equity Shares:

The Company has issued one class of equity shares with voting rights having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Percentage of Holding	Number of Shares	Percentage of Holding
Mr. Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	24,705,800	20.66%	25,205,800	21.08%
Legal heir of Late Mr. Dhananjay Kumar Singh	-	-	9,518,565	7.96%
Mr. Basudeo Narain Singh	8,695,360	7.27%	8,695,360	7.27%
Mr. Mritunjay Kumar Singh	7,682,000	6.42%	7,682,000	6.42%
Ms. Madhurima Singh (Estate of Mr. Dhananjay Kumar Singh)	6,445,745	5.39%	-	-

(d) Aggregate Number of bonus shares issued for the consideration other than cash during the period of five years immediately preceeding the reporting date:

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

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(e) **Promoters shareholding**

Promoter name	No. of shares as at 31 March 2024	No. of shares as at 31 March 2023	No. of shares as at 31 March 2022	% of total shares as of Mar 24	% of total shares as of Mar 23	% change during the current year	% change during the previous year
Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	24,705,800	25,205,800	25,205,800	20.7%	21.1%	-2.0%	0.0%
Basudeo Narain Singh	8,695,360	8,695,360	8,662,100	7.3%	7.3%	0.0%	0.4%
Mritunjay Kumar Singh	7,682,000	7,682,000	7,630,000	6.4%	6.4%	0.0%	0.7%
Legal heir of Late Dhananjay Kumar Singh	-	9,518,565	9,518,565	0.0%	8.0%	-100.0%	0.0%
Madhurima Singh (Estate of Dhananjay Kumar Singh)	6,445,745	-	-	5.4%	0.0%	NA	0.0%
Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust)	3,092,875	20,055	3,055	2.6%	0.0%	15322.0%	556.5%
Jayanti Sinha	2,938,220	5,138,220	5,138,220	2.5%	4.3%	-42.8%	0.0%
Madhurima Singh	948,194	948,194	908,694	0.8%	0.8%	0.0%	4.3%
Seema Singh	2,937,740	2,937,740	2,937,740	2.5%	2.5%	0.0%	0.0%
Archana Singh	2,394,050	2,394,050	2,394,050	2.0%	2.0%	0.0%	0.0%
Divya Singh	1,208,971	1,208,971	1,208,971	1.0%	1.0%	0.0%	0.0%
Meghna Singh	1,208,650	1,208,650	1,208,650	1.0%	1.0%	0.0%	0.0%
Aniruddha Singh	1,208,971	1,208,971	1,208,971	1.0%	1.0%	0.0%	0.0%
Shrey Shree Anant Singh	1,195,650	1,195,650	1,195,650	1.0%	1.0%	0.0%	0.0%
Sadhika Raj	550,000	-	-	0.5%	0.0%	NA	NA
Sakshi Sinha	550,000	-	-	0.5%	0.0%	NA	NA
Satyam Sinha	550,000	-	-	0.5%	0.0%	NA	NA
Shikhar Raj	550,000	-	-	0.5%	0.0%	NA	NA
Raj Kumar Singh	538,038	538,038	538,038	0.4%	0.4%	0.0%	0.0%
Sandeep Singh	7	97	112,357	0.0%	0.0%	-92.8%	-99.9%
Srinivas Singh	102,695	102,695	81,100	0.1%	0.1%	0.0%	26.6%
Sarandhar Singh	79,800	79,800	79,800	0.1%	0.1%	0.0%	0.0%
Sarvesh Singh	79,800	79,800	79,800	0.1%	0.1%	0.0%	0.0%
Legal heir of Late Balmiki Prasad Singh	-	100,516	122,111	0.0%	0.1%	-100.0%	-17.7%
Manju Singh	100,517	1	1	0.1%	0.0%	NA	0.0%
Satish Kumar Singh	71,934	71,934	71,934	0.1%	0.1%	0.0%	0.0%
Inderjit Kaur Arora	7,800	7,800	7,800	0.0%	0.0%	0.0%	0.0%
Annapurna Singh	3,041	3,041	1	0.0%	0.0%	0.0%	NA
Premlata Singh	1	1	1	0.0%	0.0%	0.0%	0.0%

3.12B Other equity

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	5.2	5.2
General reserve	19,380.4	19,380.4
Retained earnings	86,408.8	74,317.7
Other comprehensive income	(487.4)	(443.9)
Total	**105,307.0**	**93,259.4**

Notes

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3.13 Borrowings

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Current borrowings		
Secured		
Loans repayable on demand from banks	1,720.2	1,193.1
	1,720.2	**1,193.1**
Unsecured		
Working capital loan from banks	7,852.1	10,065.8
	7,852.1	**10,065.8**
Total	**9,572.3**	**11,258.9**

Notes:

Secured:

Loans repayable on demand from Banks include:

1. Overdrafts from banks **₹ 1,720.2 Million** (31 March 2023: ₹1,193.1 Million) are secured against pledge of fixed deposits with the banks.
2. Overdraft Facilities carry a rate of interest ranging between 7.80% to 8.30% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Unsecured:

1. Packing Credit in Foreign Currencies of **₹ 7,852.1 Million** (31 March 2023: ₹10,065.8 Million) are repayable on demand carries interest rate in the range of 5.60% to 5.94%.

3.14 Provisions

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
A. Non-current provisions		
Provisions for employee benefits		
- Gratuity **(Refer note 3.28)**	1,553.2	1,397.1
- Compensated absences	902.6	830.3
Provision for anticipated sales returns **(Refer note.3.32)**	-	614.3
Total	**2,455.8**	**2,841.7**
B. Current provisions		
Provision for employee benefits:		
- Gratuity **(Refer note 3.28)**	790.7	688.9
- Compensated absences	315.7	260.9
Provision for anticipated sales returns **(Refer note.3.32)**	-	1,209.6
Total	**1,106.4**	**2,159.4**

3.15 Other non-current liabilities

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred income on government grant **(Refer note 3.40)**	245.5	73.1
Total	**245.5**	**73.1**

Notes

to the standalone financial statements for the year ended 31 March 2024

3.16 Trade payables

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises **(Refer note 3.27)**	587.6	980.1
Total outstanding dues of creditors other than micro and small enterprises	15,121.8	9,783.3
Total	**15,709.4**	**10,763.4**

Note:-

Due to related parties **₹1,976.3 Million** (31 March 2023: ₹1,599.5 Million) **(Refer note 3.35)**

Trade payables ageing schedule for the year ended 31 March 2024 and 31 March 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	544.4	35.9	7.3	-	-	587.6
	(-)	(189.6)	(790.5)	(-)	(-)	(-)	(980.1)
ii) Others	3,445.5	7,247.1	4,020.3	144.0	122.3	134.4	15,113.6
	(-)	(7,053.5)	(2,351.0)	(190.2)	(33.7)	(146.7)	(9,775.1)
iii) Disputed dues - MSME	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	-
iv) Disputed dues - Others	-	-	-	-	-	8.2	8.2
	(-)	(-)	(-)	(-)	(-)	(8.2)	(8.2)

Figures in the brackets are the comparative figures of the previous year.

Relationship with struck off companies:

(₹ in Million)

Name of Struck off company	Nature of Transactions	Transactions during the year 31 March 2024	Balance o/s. at the end of the year as at 31 March 2024	Transactions during the year 31 March 2023	Balance o/s. at the end of the year as at 31 March 2023	Relationship with the Struck off company, if any, to be disclosed
Perfect Office Systems Private Limited	Payables	0.8	-	-	-	Vendor
Phonographic Performance Limited	Payables	-	0*	-	-	Vendor
Piccadily Holiday Resorts Ltd	Payables	-	0*	0.6	-	Vendor
Shakun And Company (Services) Pvt Ltd	Payables	-	-	0*	-	Vendor
Great Eastern Trading Co.	Payables	-	-	0.1	-	Vendor
A K M Enterprises Private Limited	Payables	0*	-	-	-	Vendor
Southern Star Pvt Ltd	Payables	0*	-	-	-	Vendor
Senator Inns Private Limited	Payables	0*	0*	-	-	Vendor
Pharma Labs Pvt Ltd	Payables	2.1	0*	-	-	Vendor
Veridical Enterprises (Opc) Private Limited	Payables	1.5	-	-	-	Vendor

* Less than 1 lakh

Notes
to the standalone financial statements for the year ended 31 March 2024

3.17 Other financial liabilities

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
A. Other non current financial liabilities		
Liability towards anticipated sales returns **(Refer note 3.32)**	690.6	-
Total	690.6	-
B. Other current financial liabilities		
Employee payables	1,753.7	1,619.7
Security deposits	310.5	272.7
Liabilities towards expenses and anticipated sales returns **(Refer Note 3.32)**	1,314.0	3,009.8
Unpaid dividend*	1.7	2.0
Total	**3,379.9**	**4,904.2**

Notes:-

* Amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013 ₹ **Nil** (31 March 2023: ₹0.2 Million). The same had been deposited within the statutory timelines.

3.18 Other current liabilities

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Due to statutory authorities*	769.3	882.8
Advances from customers	385.7	279.0
Deferred income on government grant **(Refer note 3.40)**	37.2	8.2
Total	**1,192.2**	**1,170.0**

Note:-

* Due to statutory authorities includes Goods and Service Tax ("GST") payable, tax deducted at source payable, provident fund and other dues payable.

3.19 Revenue from operations

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contract with customers		
Sale of products- (A)	**95,186.4**	**88,941.6**
Other operating revenues:		
Export incentives	272.5	150.3
Scrap sales	141.5	179.2
Budgetary support benefit under GST	861.7	748.7
Business compensation and settlement income	709.0	344.4
Miscellaneous income	306.1	181.3
Total other operating revenue: - (B)	**2,290.8**	**1,603.9**
Total (A) + (B)	**97,477.2**	**90,545.5**

Notes
to the standalone financial statements for the year ended 31 March 2024

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contract with customers as per contracted price	100,437.4	93,569.7
Adjustments made to contract price on account of:		
Less: Sales return	1,926.1	1,471.0
Less: Discounts	3,324.9	3,157.1
Revenue from contract with customers	95,186.4	88,941.6
Other operating revenue	2,290.8	1,603.9
Revenue from operations	**97,477.2**	**90,545.5**

b) Disaggregation of revenue from contracts with customers based on geography (at a point in time):

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from Operations:		
Country of Domicile - India	78,175.5	74,101.0
United States of America	13,803.4	12,300.3
Other Countries	5,498.3	4,144.2
	97,477.2	**90,545.5**

3.20 Other income

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest income under the effective interest method		
- Bank deposits at amortised cost	2,108.5	1,377.4
- Bonds, debentures and loans at amortised cost	166.2	94.4
Dividend income on equity securities	26.1	36.3
Foreign currency transactions and translation gain (net)	239.9	412.4
Gain on fair value of investments through profit and loss	-	329.8
Liabilities/provisions no longer required, written back	19.8	10.7
Rental income	27.6	21.4
Profit on sale of investments at FVTPL (net)	139.6	19.3
Miscellaneous income *	332.2	361.2
Total	**3,059.9**	**2,662.9**

* Includes freight income recovered from subsidiaries **(Refer note 3.35)**

3.21 Cost of materials consumed

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Raw material consumed	22,059.6	21,663.0
Packing material consumed	5,439.7	4,634.8
Total	**27,499.3**	**26,297.8**

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to the standalone financial statements for the year ended 31 March 2024

3.22 Changes in inventories of finished goods, work-in-progress and stock-in-trade:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening stock:		
Finished goods	7,354.6	9,047.7
Stock-in-trade	2,104.2	3,170.9
Work-in-progress	1,246.0	1,063.5
	10,704.8	**13,282.1**
Less: Closing stock:		
Finished goods	7,581.2	7,354.6
Stock-in-trade	2,884.9	2,104.2
Work-in-progress	951.8	1,246.0
	11,417.9	**10,704.8**
Total	**(713.1)**	**2,577.3**

3.23 Employee benefits expense

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries, wages and bonus	14,438.9	14,046.5
Contribution to provident and other funds **(Refer note 3.28)**	770.0	730.5
Employees' welfare expenses	393.9	385.2
Total	**15,602.8**	**15,162.2**

3.24 Finance costs

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest expenses on		
- Bank overdraft and others at amortised cost	613.5	684.3
- Defined benefit liabilities **(Refer note 3.28)**	127.5	108.3
Other borrowing cost	23.1	14.3
Interest expense on lease liabilities **(Refer note 3.29 (iii))**	55.0	57.1
Total	**819.1**	**864.0**

3.25 Other expenses

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Consumption of stores and spare parts	554.7	572.2
Power and fuel	1,238.5	1,263.2
Processing charges	513.9	488.1
Contract labour charges	1,001.4	835.8
Rent **(Refer note 3.29(iii))**	21.6	28.7
Rates and taxes	245.2	370.7
Insurance	323.6	270.2
Marketing, advertisement and promotions	6,678.3	7,049.4
Selling and distribution expenses	2,526.0	2,886.4
Legal and professional Fees	1,824.4	2,587.1
Sales commission	757.1	626.2

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(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Travelling and conveyance	2,725.0	2,523.3
Repairs:		
- Buildings	74.6	107.7
- Plant and machineries	473.8	480.1
- Others	385.3	248.2
Loss on sale / write off of property, plant and equipments (net)	28.4	123.6
Commission to directors	13.0	13.0
Donation *	285.2	158.9
Communication and printing expenses	91.9	100.6
Vehicle expenses	220.9	216.6
Clinical and analytical charges	1,386.6	879.1
Loss allowance	198.6	26.1
Corporate Social Responsibility (CSR) expenditure **(Refer note 3.39)**	347.9	330.5
License, registration & technology fees	660.6	724.9
Miscellaneous expenses	1,573.4	396.8
Total	**24,149.9**	**23,307.4**

*Includes ₹250 Million (31 March 2023: ₹ 2.5 Million) paid to a political party (Bharatiya Janata Party) and ₹Nil (31 March 2023: ₹ 150 Million) contribution to a political party (Bharatiya Janata Party) as electoral bonds.

3.26 (a) Contingent Liabilities

(₹ in Million)

	Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
	Claims against the Company not acknowledged as debt:		
(i)	Central Excise and service tax demands disputed in appeal {advances paid in dispute **Nil** (31 March 2023: ₹ 12.6 Million)}	-	177.8
(ii)	Sales Tax / Goods and Service tax demands disputed in appeal {advances paid in dispute **₹ 1.3 Million** (31 March 2023: ₹61.4 Million)}	36.8	632.3
(iii)	Custom duty demand disputed in appeal {advances paid in dispute **Nil** (31 March 2023: ₹ 5.3 Million)}	-	52.8
(iv)	Income Tax demands disputed in appeal {advances paid in dispute **₹ 123.7 Million** (31 March 2023: ₹123.7 Million)}	39.5	39.5
(v)	Other matters: a. In relation to purchase commitments : **₹ Nil** (31 March 2023: ₹968.1 Million) b. Supply of Goods: **₹ 1.5 Million** (31 March 2023: ₹0.5 Million) c. In relation to CCI: **₹ 746.3 Million** (31 March 2023: ₹746.3 Million) d. Legal Matters : **₹ 20.4 Million** (31 March 2023 : Nil)	768.2	1,714.9
	Total	**844.5**	**2,617.3**

Management considers that service tax, excise duty, sales tax/ Goods and service tax, custom duty and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements.

The Company has accrued income of ₹ 278.6 Million cumulatively on account of IGST reimbursement receivable under the Scheme of Budgetary Support under Goods and Service Tax Regime for an industrial unit acquired from Cachet Pharmaceutical Pvt Ltd (a subsidiary of the Company) in Sikkim. The Department for Promotion of Industry and Internal Trade has disputed the company's eligibility to claim the budgetary support on transfer of unit. The company has filed appeal against the same and hence the matter is sub-judice.

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

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

3.26 (c) Commitments

(₹ in Million)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advance paid ₹ **19.7 Million** (31 March 2023: ₹ 7.8 Million)	214.7	320.5
2	Calls in Respect of Partly paid up shares issued by a subsidiary Company	15.8	15.2
3	Uncalled/ Unpaid contribution towards investment in funds **(Refer note. 3.2)**	59.3	203.7
4	Other Commitments: Commitment towards research and development - **EUR 0.0625 Million** (31 March 2023: EUR 0.0625 Million)	5.6	5.6
5	Uncalled/ Unpaid contribution towards investment in subsidiary	2.0	-
6	Pending Export Obligation under advance licence / EPCG Scheme	103.0	74.2

3.27 Dues to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the MSMED as set out in following disclosure.

(₹ in Million)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
a)	Principal amount remaining unpaid to any supplier as at the year end	587.6	980.1
	Interest due thereon	51.2	38.5
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006) (MSMED Act, 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	51.2	38.5
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	51.2	38.5

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company basis the details provided by the enterprises.

Notes

to the standalone financial statements for the year ended 31 March 2024

3.28 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund. The Company is required to contribute a specified percentage of salary cost to the Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance, which are recognised in the Statement of Profit and Loss on accrual basis. Eligible employees receive the benefits from the said funds. Both the employees and the Company make monthly contribution to the said funds plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

The Company has recognised the following amounts in the Statement of Profit and Loss

(₹ in Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
- Contribution to Provident Fund	762.1	712.8
- Contribution to Employee state insurance corporation	7.9	17.7
Total	**770.0**	**730.5**

ii) Defined benefit plan:

The Company provides for payment of gratuity to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2024 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2024:

(₹ in Million)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current Service Cost	226.4	213.6
	Past Service Cost	-	-
	Interest Cost	127.5	108.3
	Actuarial (gain) / loss	66.8	33.7
	Benefits paid	(162.8)	(218.9)
	PVO at the beginning of the year	2,086.0	1,949.3
	PVO at end of the year	2,343.9	2,086.0
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	2,343.9	2,086.0
	Fair Value of planned assets at end of year	-	-
	Funded status	(2,343.9)	(2,086.0)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(2,343.9)	(2,086.0)

Notes
to the standalone financial statements for the year ended 31 March 2024

(₹ in Million)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
III)	**Net cost for the year**		
	Current Service cost	226.4	213.6
	Past Service Cost	-	-
	Interest cost	127.5	108.3
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	66.8	33.7
	Net cost	420.7	355.6
IV)	**Assumption used in accounting for the gratuity plan:**		
	Discount rate (%)	7.18	7.32
	Attrition rate (%)	10% - 20%	10% - 20%
	Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
	Salary escalation rate (%)	10% in Next one year and 8% thereafter	10% in Next one year and 8% thereafter

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Maturity profile of defined benefit obligation

(₹ in Million)

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1st following year	790.7	688.9
2nd following year	270.4	248.6
3rd following year	253.5	217.8
4th following year	224.4	211.1
5th following year	207.5	186.7
Sum of years 6th to 10th	779.5	699.8
Sum of years 11th and above	918.6	860.5

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Million)

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(93.9)	104.1	(83.7)	92.7
Future salary growth (1% movement)	90.9	(83.5)	81.0	(74.5)

The mortality and attrition does not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sentitivity analysis.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **5.87 years** (Previous year: 5.87 years)

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3.29 Leases

Leases as lessee

i. Right of use assets

Right of use assets related to leased properties.

(₹ in Million)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	496.9	463.0	959.9	505.9	408.0	913.9
Depreciation for the year	(9.0)	(151.5)	(160.5)	(9.0)	(147.7)	(156.7)
Additions / Adjustments of right of use assets (net)	-	80.2	80.2	-	202.7	202.7
Closing Balance	**487.9**	**391.7**	**879.6**	**496.9**	**463.0**	**959.9**

ii. Lease liability

(₹ in Million)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Land	Buildings	Total	Land	Buildings	Total
Maturity analysis of lease liability - undiscounted contractual cash flows						
Less than one year	2.9	191.8	194.7	2.9	186.3	189.1
One to three years	5.8	326.1	331.9	5.8	324.3	330.1
More than three years	257.9	147.0	404.9	260.7	210.6	471.3
Total undiscounted cash flows	**266.6**	**664.9**	**931.5**	**269.4**	**721.2**	**990.5**
Current (Discounted)	0.1	103.7	103.8	0.1	107.3	107.4
Non-current (Discounted)	62.9	313.1	376.0	63.0	387.6	450.6

iii. Amount recognised in statement of profit and loss

(₹ in Million)

Particulars	For the Year ended March 2024			For the Year ended March 2023		
	Land	Buildings	Total	Land	Buildings	Total
General and administrative expenses						
Short-term lease rent expense	2.9	18.7	21.6	2.9	25.8	28.7
Depreciation and impairment losses						
Depreciation of right of use lease asset	9.0	151.5	160.5	9.0	147.7	156.7
Finance cost						
Interest expense on lease liability	2.8	52.2	55.0	2.8	54.3	57.1
	14.7	**222.4**	**237.1**	**14.7**	**227.8**	**242.6**

iv. Amount recognised in statement of cash flows

(₹ in Million)

Particulars	For the Year ended March 2024			For the Year ended March 2023		
	Land	Buildings	Total	Land	Buildings	Total
Cash outflow for short-term leases	2.9	18.7	21.6	2.9	25.8	28.7
Principal component of cash outflow for long-term leases	0.0	145.0	145.1	0.0	126.2	126.2
Interest component of cash outflow for long-term leases	2.8	52.2	55.0	2.8	54.3	57.1
Total cash outflow for leases	**5.8**	**215.9**	**221.7**	**5.8**	**206.2**	**212.0**

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to the standalone financial statements for the year ended 31 March 2024

v. Movement of lease liabilities

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening balance of lease liability	558.0	482.5
Addition to lease liability	66.9	201.6
Interest on lease liability	55.0	57.1
Repayment of lease liability	(200.1)	(183.2)
Closing lease liability	479.8	558.0

3.30 The aggregate amount of revenue expenditure incurred during the period on Research and Development and shown in the respective heads of account is ₹ **4,637.7 Million** (Previous year: ₹ 4,797.4 Million).

3.31 Earnings per share (EPS)

Particulars			For the Year ended 31 March 2024	For the Year ended 31 March 2023
Profit / (Loss) after tax attributable to equity shareholders	₹ in Million	A	17,471.5	11,344.7
Weighted average number of equity shares outstanding during the year	Nos.	B	119,565,000	119,565,000
Basic and diluted earnings per equity share (₹) - Face value of ₹2 per share	In ₹	(A / B)	146.13	94.88

3.32 Disclosure as per Ind AS 115 'Revenue from Contracts with Customers' is as under:

Liabilities towards anticipated sales return:

The Company as a trade practice, accepts sales return from market which are primarily in the nature of expired or near expiry products. Liability is created towards such returns on the basis of historical experience, market conditions and business practices. The Company expects to settle the majority of the liability over 2- 3 years.

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount at the beginning of the year	1,823.9	1,573.7
Add: Liability accrued during the year	1,897.4	1,768.5
Less: Amount utilized during the year	1,716.7	1,518.3
Carrying amount at the end of the year	2,004.6	1,823.9

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current	690.6	614.3
Current	1,314.0	1,209.6
Total	**2,004.6**	**1,823.9**

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to the standalone financial statements for the year ended 31 March 2024

3.33 Dividend paid and proposed:

Dividends on equity shares were declared and paid by the Company during the year

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March 2024 (₹ in Million)	Dividend Per Equity Share (₹)	For the year ended 31 March 2023 (₹ in Million)
Dividend on equity shares	45.00	5,380.4	44.00	5,260.9
Total		**5,380.4**		**5,260.9**

After the reporting date, the following dividend was proposed by the Board of Directors in its meeting held on 29 May 2024 (previous year: in the Board meeting held on 19 May 2023) subject to the approval at the annual general meeting. Proposed dividend has not been recognised as a liability.

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March 2024 (₹ in Million)	Dividend Per Equity Share (₹)	For the year ended 31 March 2023 (₹ in Million)
Final dividend on equity shares	5.00	597.8	10.00	1,195.7
Total		**597.8**		**1,195.7**

3.34 Segment Reporting

The Company has presented data relating to its segments in its consolidated financial statements. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) "Segment Reporting", no disclosures related to segments are presented in the standalone financial statements.

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures.

The Company's prinicipal related parties consist of its subsidiaries (Refer list below), Key Managerial Personnel ("KMP"), Close members of KMP and entities in which KMP and their Close members have significant influence ("Affiliates"). The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

List of Subsidiaries and Step down Subsidiaries

A) Subsidiaries and Step down Subsidiaries	Principal Place of Business	% Shareholding and Voting Power	
		As at 31 March 2024	As at 31 March 2023
Ascend Laboratories (Pty) Ltd	South Africa	100%	100%
Ascend GmbH	Germany	100%	100%
Alkem Laboratories Corporation	Philippines	100%	100%
S&B Holdings S.a.r.l. (Previously known as S&B Holdings B.V with principle place of business based at Netherlands redomiciled to Luxembourg w.e.f 16 October 2023)	Luxembourg	100%	100%
Pharmacor Pty Limited	Australia	100%	100%
ThePharmaNetwork, LLC (Subsidiary of S&B Holdings S.a.r.l.)	United States of America	100%	100%
Ascend Laboratories SDN BHD.	Malaysia	100%	100%
Ascend Laboratories SpA	Chile	100%	100%
Enzene Biosciences Limited	India	99.76%	99.76%
Alkem Laboratories Korea Inc.	South Korea	100%	100%
Pharmacor Limited	Kenya	100%	100%
The Pharmanetwork, LLP	Kazakhstan	100%	100%
Ascend Laboratories, LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America	100%	100%
Ascend Laboratories SAS	Colombia	100%	100%
Ascend Laboratories (UK) Limited	United Kingdom	100%	100%

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to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

A) Subsidiaries and Step down Subsidiaries	Principal Place of Business	% Shareholding and Voting Power As at 31 March 2024	As at 31 March 2023
Cachet Pharmaceuticals Private Limited	India	60.63%	60.63%
Indchemie Health Specialities Private Limited	India	51%	51%
Ascend Laboratories Limited	Canada	100%	100%
Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Chile	100%	100%
Alkem Foundation	India	100%	100%
Connect 2 Clinic Private Limited	India	100%	100%
Ascend Laboratories S.A. DE. CV (Wholly owned subsidiary of Ascend Laboratories SpA)	Mexico	100%	100%
Enzene Inc (Wholly owned subsidiary of Enzene Biosciences Limited) (w.e.f 26 May 2022)	United States of America	100%	100%
Pharmacor Limited (Wholly owned subsidiary of Pharmacor Pty Limited) (w.e.f 1 June 2022)	New Zealand	100%	100%
S & B Pharma LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America	100%	100%
Alkem Medtech Private Limited (incorporated on 27th March 2024)	India	100%	NA

B) Key Managerial Personnel ("KMP")

Key Managerial Personnel ("KMP")	
Mr. Basudeo Narain Singh	Executive Chairman
Late Mr. Balmiki Prasad Singh (upto 25 August 2022)	Executive Director
Mr. Mritunjay Kumar Singh	Executive Director
Mr. Sandeep Singh	Managing Director
Mr. Sarvesh Singh	Executive Director
Mr. Srinivas Singh (w.e.f 14 September 2022)	Executive Director
Mrs. Madhurima Singh	Executive Director
Mr. A.K.Purwar	Independent Director
Mr. R.L.Shenoy (upto 11 July 2022)	Independent Director
Mr. Sujjain Talwar (w.e.f 5 August 2022)	Independent Director
Ms. Sangeeta Singh	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Dheeraj Sharma	Independent Director
Mr. Narendra Kumar Aneja	Independent Director
Dr. Vikas Gupta (w.e.f 22 September 2023)	Chief Executive Officer
Mr. Rajesh Dubey (upto 31 January 2024)	President - Finance & Chief Financial Officer
Mr. Nitin Agrawal (w.e.f 1 February 2024)	President - Finance & Chief Financial Officer
Mr. Manish Narang	President - Legal & Company Secretary

C) Close Members of Key Managerial Personnel ("KMP") with whom transactions have taken place during the year

Mr. Satish Kumar Singh	Father of Sandeep Singh and Sarvesh Singh
Mrs. Archana Singh	Daughter of Basudeo Narain Singh
Mr. Sarandhar Singh	Son of Late Balmiki Prasad Singh and Brother of Srinivas Singh
Mr. Srinivas Singh (upto 25 August 2022)	Son of Late Balmiki Prasad Singh
Mrs. Manju Singh	Wife of Late Balmiki Prasad Singh and Mother of Srinivas Singh
Mrs. Premlata Singh	Mother of Sandeep Singh and Sarvesh Singh
Mrs. Seema Singh	Wife of Mritunjay Kumar Singh

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3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Ms. Divya Singh	Daughter of Madhurima Singh
Mr. Aniruddha Singh	Son of Madhurima Singh
Ms. Meghna Singh	Daughter of Mritunjay Kumar Singh
Mr. Shrey Shree Anant Singh	Son of Mritunjay Kumar Singh
Ms.Inderjit Arora	Wife of Sandeep Singh
Mrs. Annapurna Singh	Wife of Sarvesh Singh
Mr. Nawal Kishore Singh (upto 25 August 2022)	Brother of Late Balmiki Prasad Singh
Mr. Sreejan Shandilya	Husband of Madhurima Singh's Daughter

D) Entities in which Key Managerial Personnel's and their Close Members have significant influence and with whom transactions have taken place during the current and previous year ("Affiliates"):

M/s Galpha Laboratories Ltd (upto 25 August 2022), M/s. Samprada and Nanhamati Singh Family Trust, Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust), Madhurima Singh (Estate of Dhananjay Kumar Singh), Sureet Propkem Private Limited

Details of Transactions with Related Parties

Sr. No.	Particulars	For the year ended 31 March 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
1	Remuneration*	-	962.0	152.4	-	1,114.4
		-	(733.8)	(152.4)	-	(886.2)
2	Consultancy fees paid	-	-	3.0	-	3.0
		-	-	(3.0)	-	(3.0)
3	Licensing fees paid	-	-	-	-	-
		(139.7)	-	-	-	(139.7)
4	Purchase of stock in trade	3,361.9	-	-	-	3,361.9
		(2,252.4)	-	-	(122.7)	(2,375.1)
5	Sale of finished goods	18,434.1	-	-	-	18,434.1
		(15,682.0)	-	-	-	(15,682.0)
6	Sale of raw and packing materials	3.9	-	-	-	3.9
		(28.0)	-	-	(5.0)	(33.0)
7	Purchase of raw and packing materials	4.3	-	-	-	4.3
		-	-	-	-	-
8	Services received	732.0	-	-	-	732.0
		(1,501.6)	-	-	-	(1,501.6)
9	Services rendered (March 2023: ₹ 45,642)	-	-	-	-	-
		(0.0)	-	-	-	(0.0)
10	Rental income	23.3	-	-	-	23.3
		(16.6)	-	-	(1.6)	(18.2)
11	Rent expenses	-	3.0	1.1	-	4.1
		-	(3.0)	(1.1)	-	(4.2)
12	Investments made	-	-	-	-	-
		(2,732.4)	-	-	-	(2,732.4)
13	Dividend paid	-	787.9	724.2	1,546.0	3,058.1
		-	(427.9)	(426.4)	(1,908.6)	(2,762.9)
14	Loans and advances given to	-	-	-	-	-
		-	(3.8)	-	-	(3.8)

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to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Sr. No.	Particulars	For the year ended 31 March 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
15	Loans and advances repaid by	-	1.6	-	-	1.6
		(90.0)	(2.2)	-	-	(92.2)
16	Donation given to **	537.4	-	-	-	537.4
		(330.9)	-	-	-	(330.9)
17	Purchase of PPE	4.2	-	-	-	4.2
		-	-	-	(68.9)	(68.9)
18	Royalty expenses	0.4	-	-	-	0.4
		(0.6)	-	-	-	(0.6)
19	Guarantee commission	21.3	-	-	-	21.3
		(10.9)	-	-	-	(10.9)
20	Royalty income	140.0	-	-	-	140.0
		(118.4)	-	-	-	(118.4)
21	Reimbursement of expenses to	862.3	-	-	-	862.3
		(197.8)	-	-	-	(197.8)
22	Reimbursement of expenses from	28.0	35.0	2.8	-	65.8
		(270.1)	(29.7)	(4.3)	-	(304.1)
23	Interest income on loans given (March 24 : ₹ 1,027)	0.2	0.0	-	-	0.2
		(1.0)	(0.1)	-	-	(1.1)
24	Advance received	10.8	-	-	-	10.8
		(55.0)	-	-	-	(55.0)
25	Dividend received	25.5	-	-	-	25.5
		(35.7)	-	-	-	(35.7)
26	Corporate guarantee given for subsidiary	166.8	-	-	-	166.8
		(4,108.5)	-	-	-	(4,108.5)
27	Freight income	194.6	-	-	-	194.6
		(291.9)	-	-	-	(291.9)

** Includes ₹ 193.9 Million (31 March 2023: ₹ 200.0 Million) transferred from CSR unspent account

Figures in the brackets are the comparative figures of the previous year.

***Key managerial personnel remuneration**

Key managerial personnel remuneration comprise the following :

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Short term employee benefits	905.6	657.7
Post-employment benefits	49.8	62.1
Other long-term benefits	6.6	14.0
Total	**962.0**	**733.8**

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, is in accordance with shareholders' approval.

All related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

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to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Significant Related party transactions

Sr. No.	Transactions	Related Party relation	For the year ended 31 March 2024	For the year ended 31 March 2023
1	Purchase of stock in trade			
	Cachet Pharmaceuticals Private Limited	Subsidiary	1,448.2	1,110.3
	Indchemie Health Specialities Private Limited	Subsidiary	700.6	706.2
	Galpha Laboratories Limited	Affiliate	-	122.7
2	Sale of Finished Goods			
	Ascend Laboratories, LLC	Step Down Subsidiary	13,753.0	12,256.3
3	Services received			
	ThePharmaNetwork, LLC	Wholly owned subsidiary	37.6	735.8
	Indchemie Health Specialities Private Limited	Subsidiary	399.9	407.5
4	Investments made			
	Enzene Biosciences Limited, India	Subsidiary	-	2,500.0

Balance due from / to the related Parties

Sr. No.	Particulars	As at 31 March 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	Total
1	Outstanding receivables	10,955.5	-	-	-	10,955.5
2	Outstanding payables	1,976.3	-	-	-	1,976.3
3	Investments	25,630.3	-	-	-	25,630.3
4	Security deposits payable	8.6	-	-	-	8.6
5	Loans receivable	3.5	-	-	-	3.5

Sr. No.	Particulars	As at 31 March 2023				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	Total
1	Outstanding receivables	11,155.4	-	-	-	11,155.4
2	Outstanding payables	1,599.5	-	-	-	1,599.5
3	Investments	25,630.3	-	-	-	25,630.3
4	Security deposits payable	2.5	-	-	-	2.5
5	Loans receivable	3.3	1.6	-	-	4.9

Notes

to the standalone financial statements for the year ended 31 March 2024

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures (Continued)

Note:

1 Disclosures pursuant to Section 186 of the Companies Act, 2013 (hereinafter referred to as "Act")

a) Loans and Advances in the nature of loans to subsidiaries (net of provision for doubtful advances)

(₹ in Million)

Sr. No.	Related Party	Related Party relation	% Shareholding and Voting Power		
			As at 31 March 2024	Maximum balance outstanding during the year	As at 31 March 2023
i	Alkem Laboratories Korea Inc.	Wholly Owned Subsidiary	2.0	2.0	1.8
ii	Ascend Laboratories SDN BHD.	Wholly Owned Subsidiary	1.5	1.5	1.4

Note:

The above loans are given towards meeting working capital requirements and are repayable in accordance with the terms and conditions of loan agreements carry an interest rate of 6.5%.

b) Details of investments made under section 186 of the Act are given in Note 3.2A "Investment in Subsidiaries".

c) Value of assets pledged against loan taken by subsidiaries

(₹ in Million)

Sr. No.	Related Party	Related Party relation	As at 31 March 2024	As at 31 March 2023
i	Ascend Laboratories SpA, Chile	Wholly Owned Subsidiary	2,150.0	2,150.0
ii	PharmaNetwork SpA, Chile	Wholly Owned Subsidiary		

Note:

The assets pledged are against loans taken by subsidiaries for the purpose of meeting working capital requirements **(Refer note 3.1)**

d) The Company has issued corporate guarantee to its wholly owned subsidiary, Pharmacor Pty Limited, Australia amounting to **₹270.6 Million (AUD 5 Million)** (31 March 2023: ₹275.1 Million (AUD 5 Million)), Ascend Laboratories SpA, Chile amounting to **₹166.8 Million (USD 2 Million)** (31 March 2023: ₹164.3 Million (USD 2 Million)), Pharma Network SpA (Wholly owned by Ascend Laboratories SpA), Chile amounting to **₹208.5 Million (USD 2.5 Million)** (31 March 2023: ₹205.4 Million (USD 2.5 Million)) and Enzene Biosciences Limited amounting to ₹500.0 Million (31 March 2023: ₹500.0 Million) in respect of loan taken to meet working capital requirements and Ascend Laboratories LLC amounting to **₹ 4,170.5 million (USD 50.0 Million)** (31 March 2023: ₹ 4,108.5 Million (USD 50 Million)).

3.36 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

(₹ in Million)

Particulars	As at 31 March 2024							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	389.5	389.5	-	-	-	-
Other Bank Balances	-	-	10,269.0	10,269.0	-	-	-	-
Non-current investments *	1,193.3	-	156.3	1,349.6	-	1,193.3	-	1,193.3
Current investments	1,385.1	-	52.5	1,437.6	372.5	-	1,012.6	1,385.1
Non-current loans	-	-	3.5	3.5	-	-	-	-
Current loans	-	-	39.5	39.5	-	-	-	-
Trade receivables	-	-	17,536.4	17,536.4	-	-	-	-
Other Non-current financial assets	-	-	520.6	520.6	-	-	-	-
Other Current financial assets	-	-	25,414.6	25,414.6	-	-	-	-
	2,578.4	**-**	**54,381.9**	**56,960.3**	**372.5**	**1,193.3**	**1,012.6**	**2,578.4**
Financial liabilities								
Other Non Current financial liabilities	-	-	690.6	690.6	-	-	-	-
Current borrowings	-	-	9,572.3	9,572.3	-	-	-	-
Trade payables	-	-	15,709.4	15,709.4	-	-	-	-
Lease liabilities	-	-	479.8	479.8	-	-	-	-
Other Current financial liabilities	-	-	3,379.9	3,379.9	-	-	-	-
	-	**-**	**29,832.0**	**29,832.0**	**-**	**-**	**-**	**-**

* It excludes fair value information for financial assets not measured at fair value, if carrying amount is a reasonable approximation of fair value.

(₹ in Million)

Particulars	As at 31 March 2023							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	50.1	50.1	-	-	-	-
Other Bank Balances	-	-	21,588.6	21,588.6	-	-	-	-
Non-current investments*	1,262.0	-	156.3	1,418.3	-	1,262.0	-	1,262.0
Current investments	1,308.8	-	1,817.1	3,125.9	266.2	-	1,042.6	1,308.8
Non-current loans	-	-	83.4	83.4	-	-	-	-
Current loans	-	-	16.8	16.8	-	-	-	-
Trade receivables	-	-	17,683.4	17,683.4	-	-	-	-
Other Non-current financial assets	-	-	309.4	309.4	-	-	-	-
Other Current financial assets	-	-	1,683.6	1,683.6	-	-	-	-
	2,570.8	**-**	**43,388.7**	**45,959.5**	**266.2**	**1,262.0**	**1,042.6**	**2,570.8**
Financial liabilities								
Current borrowings	-	-	11,258.9	11,258.9	-	-	-	-
Trade payables	-	-	10,763.4	10,763.4	-	-	-	-
Lease liabilities	-	-	557.9	557.9	-	-	-	-
Other Current financial liabilities	-	-	4,904.2	4,904.2	-	-	-	-
	-	**-**	**27,484.4**	**27,484.4**	**-**	**-**	**-**	**-**

* It excludes fair value information for financial assets not measured at fair value, if carrying amount is a reasonable approximation of fair value.

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value :

a) **Level 1:** The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.

b) **Level 2:** The fair value of financial instruments that are not traded in an active market (i.e. venture capital funds) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.

c) **Level 3:** The fair value of the remaining financial instrument is determined using discounted cash flow analysis. The discount rates used are based on management estimates.

The significant unobservable inputs used to determine the fair value of investment in fund together with the quantitative sensitivity analysis as at 31 March 2024 and 31 March 2023 are as shown below:

Type	Level	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Units of Avenue Venture Real Estate Fund	Level 3	Income approach (Discounted cash flow method): The valuation model is based on expected EBITDA of the investee.	Revenue, Cost of construction, absorption timelines	The estimated fair value would increase/ (decrease) if: • the sale price were higher/(lower); • the cost of construction were lower/ (higher); or • the absorption timelines will decrease/ (increase).

There have been no transfers between Level 1 and Level 2 during the year.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of Investment in Avenue Venture Real Estate Fund.

(₹ in Million)

Particulars	Amount
Opening Balance (1 April 2022)	**1,073.3**
Net change in fair value (unrealised)	293.8
Repayment	(324.5)
Closing Balance (31 March 2023)	**1,042.6**
Net change in fair value (unrealised)	-
Repayment	(30.0)
Closing Balance (31 March 2024)	**1,012.6**

Transfer out of Level 3

There has been no transfer out of Level 3 during the year.

Sensitivity analysis

For the fair values of Avenue Venture Real Estate Fund investment possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

(₹ in Million)

Significant unobservable inputs	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Sale Price - 5%	31.4	(31.4)	32.6	(32.6)
Cost of Construction - 5%	(13.8)	13.8	(14.2)	14.2
Absorption Timelines - 1 Year	(40.6)	38.4	(74.6)	(6.0)

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have established a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activites (primarily trade receivables) and from its financing/investing activities, including investments in debt securities, deposits with banks, equity securities, venture capital and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Payment terms with customers vary depending upon the contractual terms of each contract. Sale limits are established for each customer and reviewed quarterly.

At 31 March 2024, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

(₹ in Million)

Particulars	31 March 2024	31 March 2023
India	6,245.6	6,290.8
US	5,897.1	8,251.3
Other regions	5,393.7	3,141.3
	17,536.4	**17,683.4**

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

The Company's exposure to credit risk for trade receivables by type of counter party is as follows:

(₹ in Million)

Particulars	31 March 2024	31 March 2023
Stockists/distributors	6,580.9	6,528.0
Subsidiaries	10,955.5	11,155.4
	17,536.4	**17,683.4**

At 31 March 2024, the carrying amout of the Company's most significant customer (Ascend Laboratories LLC, its wholly owned step-down subsidiary) is **₹5,891.7 million** (31 March 2023: ₹8,107.0 million)

Impairment

As per the simplified approach, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

Refer note 3.8 for ageing of trade receivables that were not impaired.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Balance as at the beginning of the year	280.9	285.6
Impairment loss recognised	198.6	26.1
Amounts written off	(24.5)	(30.8)
Balance as at the end of the year	455.0	280.9

Loans to subsidiaries

The Company has an exposure of **₹3.5 million** as at 31 March 2024 (31 March 2023: ₹3.3 million) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost.

The Company did not have any amounts that were past due but not impaired at 31 March 2024 or 31 March 2023. The Company has no collateral in respect of these loans.

Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in subsidiaries, mutual funds, venture capital funds, investment in equity of other companies /LLP, quoted bonds and non-convertible debentures. These mutual funds and counterparties have low credit risk.

Total non-current and current investments as at 31 March 2024 is **₹60,248.5 million** (31 March 2023: ₹52,600.0 million)

Debt securities

The Company has an exposure of **₹208.8 million** as at 31 March 2024 (31 March 2023: ₹1,973.3 million) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31 March 2024.

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

Credit Rating of debt securities is given below:

(₹ in Million)

Credit Rating	31 March 2024	31 March 2023
AAA	200.7	1,965.3
Not Rated	8.1	8.1
Total	**208.8**	**1,973.4**

The Company did not have any debt securities that were past due but not impaired at 31 March 2024 or 31 March 2023. The Company has no collateral in respect of these investments.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's trade receivables are due for maturity within 21 - 60 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 45 - 60 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term and long term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Million)

31 March 2024	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	9,572.3	9,572.3	9,572.3	-	-	-	-
Trade payables	15,709.4	15,709.4	15,709.4	-	-	-	-
Other Current financial liabilities	3,379.9	3,379.9	3,379.9	-	-	-	-
Total	**28,661.6**	**28,661.6**	**28,661.6**	**-**	**-**	**-**	**-**

(₹ in Million)

31 March 2023	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	11,258.9	11,258.9	11,258.9	-	-	-	-
Trade payables	10,763.4	10,763.4	10,763.4	-	-	-	-
Other Current financial liabilities	4,904.2	4,904.2	4,904.2	-	-	-	-
Total	**26,926.5**	**26,926.5**	**26,926.5**	**-**	**-**	**-**	**-**

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to EUR, GBP, USD, AUD, CNY, CAD, KES, JPY, KES, NPR, AED and CHF. The Company has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024, 31 March 2023 in there respective currencies are as below (absolute values):

(₹ in Million)

Particulars	31 March 2024										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Non-current loans	-	-	41,855	-	-	-	-	-	-	-	-
Trade and other receivables	6,267,228	8,302,294	115,837,397	15,254,324	-	103,777	-	-	411,730	-	10
Cash and cash equivalents	-	-	612,673	-	-	-	-	-	-	-	-
	6,267,228	**8,302,294**	**116,491,925**	**15,254,324**	**-**	**103,777**	**-**	**-**	**411,730**	**-**	**10**
Financial liabilities											
Short term borrowings	-	-	94,000,000	-	-	-	-	-	-	-	-
Trade and other payables	1,768,678	633,445	17,800,960	6,192,267	121,050	-	678,944	-	-	31,500	-
	1,768,678	**633,445**	**111,800,960**	**6,192,267**	**121,050**	**-**	**678,944**	**-**	**-**	**31,500**	**-**
Net foreign currency exposure as at 31 March 2024	**4,498,550**	**7,668,848**	**4,690,965**	**9,062,057**	**(121,050)**	**103,777**	**(678,944)**	**-**	**411,730**	**(31,500)**	**10**

(₹ in Million)

Particulars	31 March 2023										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Non-current loans	-	-	39,579	-	-	-	-	-	-	-	-
Trade and other receivables	801,287	3,093,505	134,210,186	6,062,225	-	159,312	-	-	-	-	-
Cash and cash equivalents	-	-	9	-	-	-	-	42,351	294,185	-	-
	801,287	**3,093,505**	**134,249,774**	**6,062,225**	**-**	**159,312**	**-**	**42,351**	**294,185**	**-**	**-**
Financial liabilities											
Short term borrowings	-	-	122,500,000	-	-	-	-	-	-	-	-
Trade and other payables	1,764,493	317,810	22,849,555	2,861,071	438,047	4,555	-	-	-	15,750	12,431
	1,764,493	**317,810**	**145,349,555**	**2,861,071**	**438,047**	**4,555**	**-**	**-**	**-**	**15,750**	**12,431**
Net foreign currency exposure as at 31 March 2023	**(963,206)**	**2,775,695**	**(11,099,781)**	**3,201,154**	**(438,047)**	**154,757**	**-**	**42,351**	**294,185**	**(15,750)**	**(12,431)**

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to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

INR	For the Year ended 31 March 2024	For the Year ended 31 March 2023
EUR	89.88	89.44
GBP	105.03	101.65
USD	83.41	82.17
AUD	54.11	55.03
CNY	11.48	11.95
CAD	61.27	60.67
JPY	0.55	NA
KES	0.63	0.62
NPR	0.63	0.62
AED	22.71	22.37
CHF	92.04	89.58

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in Million)

31 March 2024 - 10% movement	Profit or (loss) before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
EUR	40.4	(40.4)	26.3	(26.3)
GBP	80.5	(80.5)	52.4	(52.4)
USD	39.1	(39.1)	25.5	(25.5)
AUD	49.0	(49.0)	31.9	(31.9)
CNY	(0.0)	0.0	(0.0)	0.0
CAD	0.6	(0.6)	0.4	(0.4)
JPY	(0.0)	-	(0.0)	0.0
NPR	0.0	(0.0)	0.0	(0.0)
AED	(0.1)	0.1	(0.0)	0.0
CHF	0.0	(0.0)	0.0	(0.0)
	209.5	**(209.5)**	**136.4**	**(136.4)**

(₹ in Million)

31 March 2023 - 10% movement	Profit or (loss) before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
EUR	(8.6)	8.6	(5.6)	5.6
GBP	28.2	(28.2)	18.4	(18.4)
USD	(91.2)	91.2	(59.3)	59.3
AUD	17.6	(17.6)	11.5	(11.5)
CNY	(0.0)	0.0	(0.0)	0.0
CAD	0.9	(0.9)	0.6	(0.6)
JPY	0.0	(0.0)	0.0	(0.0)
NPR	0.0	(0.0)	0.0	(0.0)
AED	(0.0)	0.0	(0.0)	0.0
CHF	(0.1)	0.1	(0.1)	0.1
	(53.2)	**53.2**	**(34.6)**	**34.6**

Notes

to the standalone financial statements for the year ended 31 March 2024

3.36 Financial instruments – Fair values and risk management (Continued)

Other Price Risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2024, the investments in mutual funds amounts to ₹ 372.5 Millions (31st March, 2023: ₹ 266.2 Millions). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the profit or loss by the amounts shown below.

(₹ in Million)

Particulars	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Price change by 1%	3.7	(3.7)	2.7	(2.7)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Fixed-rate instruments		
Financial assets	34,624.8	22,670.5
Financial liabilities	1,720.2	1,751.0
Total	**32,904.6**	**20,919.5**
Variable-rate instruments		
Financial liabilities	7,852.1	10,065.8
Total	**7,852.1**	**10,065.8**

Interest rate sensitivity - fixed rate instruments

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 5% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Million)

Particulars	Profit or loss			
	31 March 2024		31 March 2023	
	5% increase	5% decrease	5% increase	5% decrease
Variable-rate instruments	(22.1)	22.1	(19.3)	19.3
Cash flow sensitivity (net)	**(22.1)**	**22.1**	**(19.3)**	**19.3**

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3.37 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's net debt to equity ratio was as follows.

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Borrowings	9,572.3	11,258.9
Less : Cash and cash equivalents	389.5	50.1
Net debt	**9,182.8**	**11,208.8**
Total equity	**105,546.1**	**93,498.5**
Net debt to equity ratio	0.09	0.12

3.38 Payment to auditors (excluding GST)

(₹ in Million)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
As Auditor		
Audit fees	26.5	27.0
In other capacity		
In any other services such as certification, etc.	12.0	12.0
Reimbursement of out of pocket expenses	4.1	2.2
Total	**42.6**	**41.2**

3.39 The gross amount required to be spent by the Company on Corporate Social Responsibility (""CSR"") as per section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 during the year is ₹ 327.6 million (Previous Year : ₹330.3 million).

The Company has spent an amount of ₹ 343.7 Million (Previous year: ₹ 124.2 Million) towards the CSR obligation of the Company and an amount of ₹ 4.2 Million (Previous Year: ₹ 206.3 Million) was transferred to the "Unspent CSR Account" towards the ongoing projects initiated by the Company towards CSR as per the approved CSR policy of the Company on healthcare, women empowerment, education, sanitation, conservation of environment, rural development.

Above spend includes a transfer of ₹ 343.5 million (Previous Year : ₹130.9 million) to Alkem Foundation, a subsidiary of the Company, which is a Section 8 registered company under Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as healthcare, women empowerment, education, sanitation, conservation of environment, rural development and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

Amount spent during the year on other than ongoing projects:

	Particulars	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
ii)	On purposes other than (i) above	111.5	-	111.5
		(69.0)	(-)	(69.0)

Figures in the brackets are the corresponding figures of the previous year.

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Amount spent during the year on ongoing projects under Section 135(6) of the Act:

Opening balance			Amount spent during the year		Closing balance	
With the Company	In Separate CSR Unspent Account	Amount required to be spent during the year	From the Company's bank account	From separate CSR Unspent account	With the Company	In Separate CSR Unspent Account
-	1.0	216.1	232.2	203.0	-	4.3
-	(1.0)	(261.5)	(55.2)	(200.0)	-	(1.0)

Figures in the brackets are the comparative figures of the previous year.

Subsequent to 31 March 2024, an amount of **₹4.2 million** (Previous year: 206.3 million has been transferred to the separate CSR Unspent account on 30 April 2024 (Previous year: 29 April 2023) in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 rules.

3.40 Government Grant

The Company is eligible for government grants which are conditional upon construction of new factories in the Sikkim region. One of the grants, received in FY 2014-15 amounted to ₹ 72.4 million with respect to the Kumrek facility. The factory has been constructed and in operation since August 2007. The second grant is with respect to Samardung facility in Sikkim amounting to ₹122.1 million for which the Company has received the claim amount in FY 2018-19. The factory has been constructed and in operation since October, 2012. The third grant is with respect to AHS-3 facility in Sikkim amounting to ₹ 30.6 million for which the Company has received the claim amount in current year. Further, during the current year, Company has received grant amounting to ₹ 398.7 million with respect to AHS- 2 facility in Sikkim. These grants, recognized as deferred income, are being amortized over the useful life of the plant and machinery in proportion to the related depreciation expense. The unamortised grant as on 31 March 2024 amounts to ₹282.7 million (Previous year: ₹81.3 million), the breakup of which is as below:

(₹ in Million)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current	245.5	73.1
Current	37.2	8.2
Total	**282.7**	**81.3**

3.41 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3.42 Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these standalone financial statements by the Board of Directors of the Company requiring adjustment or disclosure other than those disclosed in 3.26 (b)

Notes
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3.43 Exceptional items

a) On January 12, 2024, the Company disclosed about a Cyber security incident occured in November 2023 that compromised business email IDs of certain employees at one of the Company's subsidiaries which resulted in a fraudulent transfer of ₹ 513.1 Million. The Company employed independent external agencies to investigate the incident. Based on their report, the Company concluded that the impact of the incident did not extend beyond the above mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of the Company or it's subsidiary.

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

b) The Company has considered indicators of impairment of its cash-generating units (CGUs') for factors like decline in operational performance, changes in the outlook of future profitability, and weaker market conditions, among other potential indicators. In respect of one of the manufacturing units located at Indore, where indicators of impairment were identified, the Company identified the recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, as compared with the carrying value. The value in use is derived from discounted future cash flows uses several assumptions like long term growth rate, discount rate, potential product obsolescence, new product launches and the weighted average cost of capital. The outcome of this exercise as on 31 March 2024 resulted in the Company recognizing an impairment loss of ₹ 415.6 Million in the financial statements under 'Exceptional Items'.

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Long-term growth rate	The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports
Pre-tax risk adjusted discount rate (weighted average cost of capital)	Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC)

The projected cashflows were discounted at pre-tax rate of 12.8%. The terminal growth rate was considered at 0%. The cash flow projections were based on five years specific estimates.

Sensitivity analysis

A reasonably possible change of 2% in weighted average cost of capital at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Profit or loss		Profit or loss	
Significant unobservable inputs	Increase	Decrease	Increase	Decrease
Weighted average cost of capital - 2%	57.9	(58.2)	-	-

Notes
to the standalone financial statements for the year ended 31 March 2024

3.44 Ratios

Sr. No	Ratios	Numerator	Denominator	Mar-24	Mar-23	% Variance	Reason for variance
a)	Current Ratio	Current Assets	Current liabilities	2.59	2.22	16%	
b)	Debt-equity Ratio	Total Debt	Shareholder's equity	0.09	0.12	-25%	Due to decrease in OD utilisation during the year
c)	Debt service coverage Ratio	Earnings available for debt service	Debt service	2.31	1.46	58%	Due to decrease in OD utilisation during the year
d)	Return on equity Ratio	Net profit after taxes	Average shareholder's equity	17.6%	12.5%	40%	Due to increase in gross margin during the year
e)	Inventory turnover Ratio	Cost of goods sold or sales	Average inventory	2.13	2.07	3%	
f)	Trade receivables turnover Ratio	Net credit sales	Average accounts receivable	5.41	5.03	7%	
g)	Trade payables turnover Ratio	Net credit purchases	Average trade payables	2.88	3.50	-18%	
h)	Net capital turnover Ratio	Net sales	Working capital	1.93	2.39	-19%	
i)	Net profit Ratio	Net profit after taxes	Net sales	18.4%	12.8%	44%	Due to increase in gross margin during the year
j)	Return on capital employed	Earnings before interest and taxes	Capital employed	17.1%	13.5%	26%	Due to increase in gross margin during the year
k)	Return on investment						
	- Quoted			12.0%	9.0%	33%	Due to change in Investments mix
	- Unquoted			7.6%	7.0%	8%	

Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Debt service = Interest & Lease Payments + Principal Repayments

Net credit sales consist of gross credit sales minus sales return.

Net credit purchases consist of gross credit purchases minus purchase return

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sreeja Marar
Partner
Membership No. 111410

Mumbai, India
29 May 2024

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

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

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
Mumbai, India

29 May 2024