

**ALKEM LABORATORIES LTD.**

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

10th December, 2024

To,

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
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Sub: Disclosure under Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”)

Dear Sir(s)/ Madam,

This is to inform you that the Board of Directors of Alkem Laboratories Limited (**‘the Company’**) at its meeting held today i.e. 10th December, 2024 approved the transfer of the trade generics business of the Company as a going concern, on a slump sale basis, to M/s. Alkem Wellness Limited, a wholly owned subsidiary of the Company, incorporated in India. The transaction is proposed to be effected through a business transfer agreement and will be effective on or before 1st April, 2025 or such other date as may be mutually agreed between the parties, subject to customary closing conditions.

The details as required under Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 are enclosed herewith as Annexure I.

Kindly take the same on records.

Sincerely,
For **Alkem Laboratories Limited**

Manish Narang
President – Legal, Company Secretary & Compliance Officer

Encl: a/a

Annexure I

<p>1) The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year</p>	<p>The Company is proposing to transfer its trade generics business in India along with all related assets and liabilities including but not limited to movable assets, products, employees, contracts (including lease deeds), intellectual property, licenses, permits, consents, approvals, transferable tax credits, trade receivables, inventory, trade payables and insurance policies (collectively ‘the undertaking’) to Alkem Wellness Limited (“AWL”), a wholly owned subsidiary of the Company.</p> <p>Revenue of Trade Generic Business for FY 2023-2024 is approx Rs. 1,783.8 crores (18.3% of Rs. 9,747.7 crore being revenue from operations of the Company on a stand-alone basis)</p> <p>Net-worth of Trade Generic Business of the Company as on March 31, 2024, was about Rs.519 Crore (4.9% of net worth of Company on a stand-alone basis).</p>
<p>2) Date on which the agreement for sale has been entered into</p>	<p>Business Transfer Agreement (‘BTA’) between the Company and AWL is likely to be entered into in Q4 FY25.</p>
<p>3) The expected date of completion of sale</p>	<p>The slump sale of the Trade Generic Business of the Company on a going concern basis shall be subject to customary satisfactory completion of conditions precedent (including securing requisite approvals) and in accordance with the provisions of the BTA.</p> <p>Completion of sale is estimated by end of business hours of March 31, 2025 or such other date as may be agreed upon by the Company and AWL.</p>
<p>4) Consideration received from such sale/ disposal</p>	<p>The consideration would not be less than the fair market value of the Trade Generic Business determined as per Rule 11UAE of the Income Tax Rules, 1962 which will be discharged in accordance with the terms of BTA.</p> <p>Consideration expected to be up to Rs. 750 Crores, subject to any movement in working capital and other items in the intervening period up to completion.</p>

<p>5) Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/ group companies. If yes, details thereof;</p>	<p>AWL, the buyer, is a wholly owned subsidiary of the Company which was incorporated on September 16, 2024.</p> <p>AWL does not belong to the promoter/ promoter group/group companies.</p>
<p>6) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”</p>	<p>AWL is a related party as per Section 2(76) of the Companies Act, 2013 (‘Act’) and Regulation 2(zb) of the Listing Regulations.</p> <p>As the transaction is between holding company and its wholly owned subsidiary, there is no impact on a consolidated basis.</p> <p>As per the provisions of Section 188 of the Act and Regulation 23(5)(b) of the Listing Regulations, provisions relating to related party transactions are not applicable in respect of transactions between holding company and its wholly owned subsidiary whose accounts are consolidated with the holding company and placed before the shareholders at the general meeting for approval.</p>
<p>7) Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of Listing Regulations</p>	<p>The proposed transaction does not form part of any Scheme of Arrangement. The slump sale is being proposed to be undertaken through a Business Transfer Agreement between the Company and its wholly owned subsidiary.</p> <p>Further, as the Trade Generic Business proposed to be transferred does not meet the threshold limits of “Undertaking” in terms of Section 180(1)(a) of the Companies Act,2013 and accordingly the provisions of section 37A of Listing Regulations are not applicable in the present case.</p>
<p>8) name of the entity(ies) forming part of the slump sale, details in brief such as size, turnover etc.;</p>	<p>Please see information disclosed in serial nos. 1-5 above</p>
<p>9) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;</p>	<p>Please see information disclosed in serial no 6 above.</p>



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<p>10) area of business of the entity(ies);</p>	<p>The Company is engaged in research and development, manufacturing, distribution, marketing and sales of pharmaceuticals and other healthcare products.</p> <p>AWL shall be engaged, inter-alia in trade generics business in India.</p>
<p>11) rationale for slump sale;</p>	<p>The rationale for slump sale are:-</p> <ol style="list-style-type: none"> 1) To achieve agility, better focus and growth of trade generics business. 2) To increase business by penetrating underserved markets. 3) To increase focus on the trade generic business since the trade generics are poised for higher growth given the need for accessibility, availability and affordability of medicines.
<p>12) in case of cash consideration – amount or otherwise share exchange ratio;</p>	<p>Cash consideration as specified in point (4).</p>
<p>13) brief details of change in shareholding pattern (if any) of listed entity</p>	<p>There will not be any change in the shareholding pattern of the Company pursuant to the slump sale.</p>