Deloitte Haskins & Sells LLP

Chartered Accountants
One International Center,
Tower 3, 31st Floor,
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 6000
Fax: +91 22 6185 4101

INDEPENDENT AUDITOR'S REPORT

To The Members of Alkem Wellness Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Alkem Wellness Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial controls 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.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial controls 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.

Other Matter

Reporting on comparatives in case the previous year was audited by the predecessor auditor

The financial statements of the Company for the year ended 31 March 2025, were audited by another auditor who expressed an unmodified opinion on those statements on 26 May 2025. These previously issued financial statements have been adjusted to comply with Ind AS 103 "Business Combination" and included in this Statement as corresponding financial statements. The adjustments made to the previously issued financial statement to comply with Ind AS have been audited by us, as applicable.

Our opinion on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid 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 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, 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.

(b) The Management has represented, that, to the best of its knowledge and belief, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(c) 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 (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31 March, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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Sampada S Narvankar
(Partner)
(Membership No. 102911)
(UDIN: 26102911ISSRTH1415)

Place: Mumbai
Date: 27 May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Alkem Wellness Limited (the "Company") as at 31 March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 was 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 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.

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Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control with reference to financial statements includes 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 control 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us on internal financial controls with reference to financial statements, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to financial statements 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sampada S. Narvankar
(Partner)
(Membership No. 102911)
(UDIN: 26102911ISSRTH1415)

SS

Place: Mumbai
Date: 27 May 2026

Deloitte
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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of Alkem Wellness Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use-assets.

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

(b) The Company has a program of verification of property, plant and equipment and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

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(iii) The Company has made investments in, provided guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies or any other parties during the year, in respect of which:

(a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

	Loans (INR in millions)
A. Aggregate amount granted / provided during the year:	
- Others	0.5
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others	7.9

The Company has not made investments and provided any guarantee or security to any other entity during the year.

(b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, 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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2026.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 March 2026.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 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. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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.

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(xx) (a) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SS

Sampada S Narvankar
(Partner)
(Membership No. 102911)
(UDIN: 26102911ISSRTH1415)

Place: Mumbai
Date: 27 May 2026

Alkem Wellness Limited
Balance Sheet as at 31 March 2026

(₹ in million)

Particulars	Note no.	As at 31 March 2026	As at 31 March 2025
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	29.6	22.4
(b) Right of use assets	3.1	398.7	0.7
(c) Other Intangible assets	3.1	0.1	0.2
(i) Other financial assets	3.4A	1,251.7	9.1
(e) Deferred tax assets (net)	3.7C	140.9	-
Total non-current assets		**1,821.0**	**32.4**
2 Current assets			
(a) Inventories	3.5	4,581.3	3,470.6
(b) Financial Assets			
(i) Investments	3.2	412.5	-
(ii) Trade receivables	3.6	4,572.8	4,342.4
(iii) Cash and cash equivalents	3.8	53.2	9.9
(iv) Bank balances other than cash and cash equivalents	3.9	503.8	40.5
(v) Loans	3.3	7.9	15.3
(vi) Other financial assets	3.4B	1,808.8	4.3
(c) Other current assets	3.10	764.2	410.1
Total current assets		**12,704.5**	**8,293.1**
TOTAL ASSETS		**14,525.5**	**8,325.5**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3.11A	6,550.0	50.0
(b) Other equity	3.11B	1,219.8	(240.6)
Total Equity		**7,769.8**	**(190.6)**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	3.27	342.6	0.6
(b) Provisions	3.13	132.7	108.8
Total non-current liabilities		**475.3**	**109.4**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.12	400.5	-
(ii) Lease liabilities	3.27	84.7	0.1
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.14	990.9	106.4
Total outstanding dues of creditors other than micro and small enterprises	3.14	3,970.8	2,269.0
(iv) Other financial liabilities	3.15	691.2	6,005.9
(b) Other current liabilities	3.16	28.5	-
(c) Provisions	3.13	61.1	25.2
(d) Current tax liabilities (net)	3.7D	52.7	0.1
Total current liabilities		**6,280.4**	**8,406.7**
Total liabilities		**6,755.7**	**8,516.1**
TOTAL EQUITY AND LIABILITIES		**14,525.5**	**8,325.5**

Material accounting policies and Key accounting estimates and judgements	2A - 2B
Notes to the Financial Statements	3.1 - 3.39

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sampada S Narvankar
Partner
Membership No. 102911
Mumbai, India
27/5/2026

For and on behalf of the Board of Directors of Alkem Wellness Limited
CIN: U21002MH2024PLC432206

Mukesh Tiwari
Whole-time Director
DIN.:10777347
Mumbai, India
25 May 2026

K. N. Shahi
Non Executive Director
DIN.:10777346
Mumbai, India
25 May 2026

Alkem Wellness Limited

Statement of Profit and Loss for the year ended 31 March 2026

(₹ in Million except per share data)

	Particulars	Note no.	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
1	Income			
	(a) Revenue from operations	3.17	19,781.7	10,924.0
	(b) Other income	3.18	126.0	0.6
	Total income		**19,907.7**	**10,924.6**
2	Expenses			
	(a) Cost of materials consumed	3.19	5,541.7	3,466.5
	(b) Purchases of stock-in-trade		8,301.3	4,238.4
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.20	(913.1)	(260.2)
	(d) Employee benefits expense	3.21	969.2	507.5
	(e) Finance costs	3.22	45.0	2.3
	(f) Depreciation and amortisation expenses	3.1	57.9	3.1
	(g) Other expenses	3.23	2,710.1	1,349.4
	Total expenses		**16,712.1**	**9,307.0**
3	**Profit before exceptional items and tax (1) - (2)**		**3,195.6**	**1,617.6**
4	**Exceptional items**	3.37	(34.8)	-
5	**Profit before tax (3) + (4)**		**3,160.8**	**1,617.6**
6	**Tax expense**	3.7A		
	(a) Current tax		563.0	0.2
	(b) Deferred tax credit		(141.2)	-
	Total Tax Expenses (a + b)		**421.8**	**0.2**
7	**Profit for the year (5) - (6)**		**2,739.0**	**1,617.4**
8	**Other comprehensive income**			
	(a) (i) Items that will not be reclassified to profit or loss	3.26	4.7	3.6
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.7A	(0.3)	-
	Total of other comprehensive income / (loss) for the year, net of tax		**4.4**	**3.6**
9	**Total comprehensive income for the year (7) + (8)**		**2,743.4**	**1,621.0**
10	**Earnings per share (in ₹): Face value of ₹ 10 each**	3.28		
	Basic and diluted earnings per share		**8.1**	**323.5**

Material accounting policies and Key accounting estimates and judgements	2A - 2B
Notes to the Financial Statements	3.1 - 3.39

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sampada S Narvankar
Partner
Membership No. 102911
Mumbai, India
SS 27/05/2026

For and on behalf of the Board of Directors of Alkem Wellness Limited
CIN: U21002MH2024PLC432206

Mukesh Tiwari
Whole-time Director
DIN.:10777347
Mumbai, India
25 May 2026

K. N. Shahi
Non Executive Director
DIN.:10777346
Mumbai, India
25 May 2026

Alkem Wellness Limited
Statement of Changes in Equity for the year ended 31 March 2026

(a) Equity share capital *(₹ in million)*

Balance as at 1 April 2025	Change in equity share capital during the year	Balance as at 31 March 2026
50.0	6,500.0	6,550.0

(₹ in million)

Balance as at 16 September 2024	Change in equity share capital during the period	Balance as at 31 March 2025
-	50.0	50.0

(b) Other Equity *(₹ in million)*

Particulars	Reserves and Surplus			
	Retained earnings	Remeasurement of defined benefit plans	Capital reserve	Total other equity
Balance as at 16 September 2024	-	-	-	-
Adjustment for the period under common control transaction (Refer note 3.33)			(1,732.9)	(1,732.9)
Adjusted Balance as at 16 September 2024	-	-	**(1,732.9)**	**(1,732.9)**
Total comprehensive income for the period ended 31 March 2025				
Add: Cash balance not taken over (including used in operations for the period from 16 September 2024 to 31 March 2025)	-	-	(128.7)	(128.7)
Profit for the period	1,617.4	-	-	1,617.4
Other comprehensive income for the period (net of tax)		3.6		3.6
Total comprehensive income for the year	**1,617.4**	**3.6**	**(128.7)**	**1,492.3**
Balance as at 31 March 2025	**1,617.4**	**3.6**	**(1,861.6)**	**(240.6)**
Total comprehensive income for the year ended 31 March 2026				
Add: Cash balance not taken over (including used in operations for the period from 1 April 2025 to 30 September 2025)	-	-	(1,283.0)	(1,283.0)
Profit for the year	2,739.0	-		2,739.0
Other comprehensive income for the year (net of tax)	-	4.4	-	4.4
Total comprehensive income for the year	**2,739.0**	**4.4**	**(1,283.0)**	**1,460.4**
Balance as at 31 March 2026	**4,356.4**	**8.0**	**(3,144.6)**	**1,219.8**

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.

Capital reserve : The reserve is the outcome of business transfer (Business Combination) from Alkem Laboratories Limited (Holding Company) to the Company

Material accounting policies and Key accounting estimates and judgements	2A - 2B
Notes to the Financial Statements	3.1 - 3.39

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

SS

Sampada S Narvankar
Partner
Membership No. 102911
Mumbai, India
27/05/2026

For and on behalf of the Board of Directors of Alkem Wellness Limited
CIN: U21002MH2024PLC432206

Mukesh Tiwari
Whole-time Director
DIN.:10777347
Mumbai, India
25 May 2026

K. N. Shahi
Non Executive Director
DIN.:10777346
Mumbai, India
25 May 2026

Alkem Wellness Limited
Statement of Cash Flow for the year ended 31 March 2026

Cash Flow Workings

(₹ in million)

	Particulars	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
A.	**Cash Flow from Operating Activities:**		
	Profit before tax	**3,160.8**	**1,617.6**
	Less: Profit for the period 16 September 2024 to 31 March 2025	**-**	**(1,647.5)**
	Less: Profit for the period 1 April 2025 to 30 September 2025	**(1,489.9)**	**-**
	Net Profit / (Loss) before tax	**1,670.9**	**(29.9)**
	Adjustments for:		
	Depreciation and amortisation expense	57.9	0.0
	Unrealised gain on fair valuation of investments (net)	(2.5)	-
	Profit on sale of investments (net)	(71.8)	-
	Interest income	(51.6)	(0.6)
	Interest expenses	44.4	0.0
	Expected credit loss on receivables	146.8	-
	Subtotal of Adjustments	**123.2**	**(0.6)**
	Operating profit before working capital changes	**1,794.1**	**(30.5)**
	Adjustments for changes in working capital:		
	Increase in trade receivables	(567.6)	-
	Increase in loans, other financial assets and other assets	(215.2)	(0.0)
	Increase in inventories	(702.1)	-
	Increase in trade payable, other financial liabilities and other liabilities	2,464.7	30.3
	Increase in provisions	35.9	-
	Subtotal of Adjustments	**1,015.8**	**30.3**
	Cash generated from / (used in) operations	**2,809.9**	**(0.2)**
	Less: Income taxes paid (net of refund)	(510.2)	(0.1)
	Net cash generated from / (used in) operating activities	**2,299.7**	**(0.3)**
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)	-	(0.0)
	Payment for Purchase of Trade Generics Business	(5,325.1)	
	Investments made in fixed deposits	(3,500.0)	(120.0)
	Redemption of fixed deposits	40.0	80.0
	Investments in other than bank deposits	(8,820.0)	-
	Redemption of investments other than bank deposits	8,484.3	-
	Interest received	51.6	0.2
	Net cash used in investing activities	**(9,069.2)**	**(39.8)**
C	**Cash Flow from Financing Activities:**		
	Proceeds from current borrowings (net)	400.5	-
	Proceeds from issue of share capital	6,500.0	50.0
	Principal repayment of lease liabilities	(45.4)	(0.0)
	Interest paid	(42.3)	-
	Net cash used in financing activities	**6,812.8**	**50.0**
D	**Net increase in cash and cash equivalents (A+B+C)**	**43.3**	**9.9**
E	**Cash and cash equivalents as at beginning of the year**	**9.9**	**-**
F	**Cash and cash equivalents as at end of the year (D+E)**	**53.2**	**9.9**

Notes:

1	**Components of cash and cash equivalents for the purpose of Cash flow as per IND AS 7:**		
	Cash and cash equivalents	53.2	9.9
	Total cash and cash equivalents	**53.2**	**9.9**

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

Material accounting policies and Key accounting estimates and judgements	2A - 2B
Notes to the Financial Statements	3.1 - 3.39

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sampada S Narvankar
Partner
Membership No. 102911
Mumbai, India
SS 27/05/2026

For and on behalf of the Board of Directors of Alkem Wellness Limited
CIN: U21002MH2024PLC432206

Mukesh Tiwari
Whole-time Director
DIN.:10777347
Place: Mumbai
25 May 2026

K. N. Shahi
Non Executive Director
DIN.:10777346
Mumbai, India
25 May 2026

Alkem Wellness Limited
Notes to financial statements for the year ended 31 March 2026

1 General Information

Alkem Wellness Limited ('the Company') was incorporated in India as a Company Limited by Shares under the Companies Act, 2013 (18 of 2013) on September 16, 2024. The registered office of the Company is located at Alkem House, 2nd Floor, Senapati Bapat Marg, Delisle Road, Mumbai - 400013.The Company is a wholly owned subsidiary of Alkem Laboratories Limited.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 2026 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. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 25 May 2026.

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 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.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

• Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liabilities, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

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.

e) Going Concern

The directors have, at the time of approving the standalone financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has applied the going concern basis of accounting in preparing the standalone financial statements.

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ALKEM WELLNESS LIMITED * MUMBAI *

2A Material accounting policies (Continued):

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) PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

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 asset is ready to use / disposed off.

The estimated useful lives of Tangible assets are as follows

PPE	Useful Life
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

Other intangible assets	Other intangible assets, such as computer software 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.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it 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. All other expenditure, 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

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ALKEM WELLNESS LIMITED * MUMBAI *

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. 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. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made. 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.

Lease payments associated with following leases are recognised as expense on straight-line basis:
(i) Low value leases; and
(ii) Leases which are short-term.

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.

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2A Material accounting policies (Continued):

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;
- 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. On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

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.

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ALKEM WELLNESS LIMITED
MUMBAI

2A Material accounting policies (Continued):

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. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

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.

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. 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.

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2A Material accounting policies (Continued):

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.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

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 not recognised but only disclosed where an inflow of economic benefits is probable. 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 Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

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2A Material accounting policies (Continued):

2.15 Statement of Cash Flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) changes during the period in inventories and operating receivables and payables;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

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.

2.16 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.

2.17 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.

2.18 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".

2.19 Business Combinations Under Common Control:

Business combinations involving entities or businesses under common control are accounted for using the Pooling of Interests method in accordance with Appendix C to Ind AS 103 Business Combinations. Under this method, the assets and liabilities of the combining entities are recorded at their existing carrying values as appearing in the books of the transferor, without any fair value adjustments or recognition of new intangible assets or goodwill other than those previously recognized by the transferor. The difference, if any, between the consideration and the share capital and reserves of the transferor is recognized as a capital reserve, with no gain or loss recorded in the Statement of Profit and Loss. The financial statements, including comparatives where applicable, are presented as if the business combination had occurred from the beginning of the reporting period in which the transaction took place, and intercompany balances, transactions, income, and expenses are eliminated in full to ensure uniform accounting policies across the combining entities.

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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) 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.

c) 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.

d) 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.

e) 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.

f) Discount rate for Leases:

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

g) Expected credit loss:

In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers. For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In respect of other financial assets (e.g.: debt securities, deposits, bank balances etc), the Company generally invests in instruments with high credit rating and consequently low credit risk. In the unlikely event that the credit risk increases significantly from inception of investment, lifetime ECL is used for recognising impairment loss on such assets.

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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	
	Plant and equipment	Furniture and fixtures	Office equipments	Total	Computer software	Total	Buildings	Total
As at 16 September 2024	29.4	5.3	29.2	63.9	0.3	0.3	-	-
Additions	0.0	-	0.2	0.2	-	-	0.7	0.7
Deletions	-	-	-	-	-	-	-	-
As at 31 March 2025	**29.4**	**5.3**	**29.4**	**64.1**	**0.3**	**0.3**	**0.7**	**0.7**
Additions/Adjustments of right of use assets	3.9	4.3	5.1	13.2	-	-	450.4	450.4
Deletions	-	-	-	-	-	-	(0.7)	(0.7)
As at 31 March 2026	**33.3**	**9.6**	**34.5**	**77.3**	**0.3**	**0.3**	**450.4**	**450.4**
Depreciation and Amortisation								
As at 16 September 2024	18.4	1.8	18.3	38.5	0.0	0.0	-	-
Depreciation/amortisation for the year	1.1	0.2	1.8	3.1	0.0	0.0	0.0	0.0
Deductions	-	-	-	-	-	-	-	-
As at 31 March 2025	**19.5**	**2.0**	**20.1**	**41.6**	**0.1**	**0.1**	**0.0**	**0.0**
Depreciation/amortisation for the year	1.8	0.6	3.7	6.1	0.1	0.1	51.7	51.7
Deductions	-	-	-	-	-	-	-	-
As at 31 March 2026	**21.3**	**2.6**	**23.7**	**47.7**	**0.1**	**0.1**	**51.7**	**51.7**
Net Book Value								
As at 31 March 2025	9.9	3.3	9.3	22.5	0.2	0.2	0.7	0.7
As at 31 March 2026	**12.0**	**6.8**	**10.7**	**29.6**	**0.1**	**0.1**	**398.7**	**398.7**

Notes:

1. The Company has not revalued its property, plant and equipment during the financial year ended March 31, 2026 and March 31, 2025.

2. Capital work-in-progress

Capital work in progress comprises expenditure in respect of various warehouses in the course of expansion. Total amount of Capital work in progress is NIL as at 31 March 2026 (31 March 2025: NIL).

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance	-	-
Add: Adjustment for the year under common control transaction	**12.1**	-
Add: Additions during the year	-	-
Less: Capitalised during the year	**(11.4)**	-
Less: Expensed off during the year	**(0.6)**	-
Closing balance	-	-

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Alkem Wellness Limited

Notes to financial statements for the year ended 31 March 2026

Capital work-in-progress ageing schedule for the year ended 31 March 2026 and 31 March 2025 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	- (-)	- (-)	- (-)	- (-)	- (-)
Projects temporarily suspended	- (-)	- (-)	- (-)	- (-)	- (-)

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

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 2026 and 31 March 2025:

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

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

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Alkem Wellness Limited
Notes to financial statements for the year ended 31 March 2026

(₹ in million)

3.2 Other Current Investments

Particulars	As at 31 March 2026	As at 31 March 2025
	₹ in million	₹ in million
1) Investment In Mutual Funds Quoted (Non-Trade) [at fair value through profit and loss]	412.5	-
Total	**412.5**	**-**

Notes:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Book Value	Market Value	Book Value	Market Value
Aggregate value of Quoted Investments	412.5	412.5	-	-

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Notes to financial statements for the year ended 31 March 2026 (₹ in million)

3.3 Loans

Current loans	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good unless otherwise stated)		
Loans to employees	1.2	2.0
Loan to related parties (Refer Note 3.30)	6.7	13.3
TOTAL	**7.9**	**15.3**

Break-up of loans		
Particulars		
Loans considered good - Unsecured	7.9	15.3
Total	**7.9**	**15.3**
Less: Loss allowance	-	-
Total loans	**7.9**	**15.3**

Note:

i) In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

ii) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
a) repayable on demand; or
b) without specifying any terms or period of repayment

iii) There are no loans which have significant increase in credit risk and which are credit impaired.

3.4 Other financial assets

	As at 31 March 2026	As at 31 March 2025
A. Other non current financial assets		
(Unsecured, considered good unless otherwise stated)		
Deposits with non-banking financial companies	1,238.4	-
Security deposits	13.3	9.1
TOTAL	**1,251.7**	**9.1**

B. Other current financial assets	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good unless otherwise stated)		
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months	1,508.1	-
Deposits with non-banking financial companies	298.5	-
Other receivables	2.2	4.3
TOTAL	**1,808.8**	**4.3**

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3.5 Inventories

	As at 31 March 2026	As at 31 March 2025
Raw and packing materials	677.8	481.0
Goods-in-transit	0.8	-
	678.6	481.0
Work-in-progress	36.6	2.6
Finished goods	1,647.2	1,312.7
Goods-in-transit	36.4	-
	1,683.6	1,312.7
Stock-in-trade	2,165.8	1,674.3
Goods-in-transit	16.7	-
	2,182.5	1,674.3
TOTAL	**4,581.3**	3,470.6

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 2026 is ₹ 36.86 Million (31 March 2025: ₹ 11.67 Million)
2. The cost of inventories recognised as an expense during the year was ₹ 12,929.9 Million (31 March 2025: ₹ 7,444.6 Million).

3.6 Trade receivables

	As at 31 March 2026	As at 31 March 2025
(Unsecured)		
Considered good	5,003.5	4,534.6
Credit impaired	-	-
Less: Loss allowance	(430.7)	(192.2)
TOTAL	**4,572.8**	**4,342.4**

Note :

1. Above trade receivables include amount due from related parties ₹ 50.3 Million (31 March 2025: NIL) - Refer Note 3.30
2. Refer note 3.31 for information about credit risk and market risk of trade receivables.

Trade receivables ageing schedule for the year ended 31 March 2026 and 31 March 2025

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	2,751.2 (2,212.5)	1,958.8 (2,069.0)	114.5 (67.0)	50.7 (114.6)	34.4 (7.7)	2.6 (14.0)	**4,912.1** (4,484.8)
ii) Undisputed Trade receivables - which have significant increase in credit risk	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-
iii) Undisputed Trade receivables - credit impaired	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-
iv) Disputed Trade receivables - considered good	- (-)	- (-)	- (15.6)	9.4 (18.7)	42.6 (4.7)	39.5 (10.8)	**91.4** (49.8)
v) Disputed Trade receivables - which have significant increase in credit risk	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-
vi) Disputed Trade receivables - credit impaired	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-
Less: Loss Allowance							**430.7** (192.2)
Total	**2,751.2**	**1,958.8**	**114.5**	**60.1**	**77.0**	**42.0**	**4,572.8** **(4,342.4)**

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.

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3.7 Income tax *(₹ in million)*

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

Particulars	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Current tax		
Current year tax	563.0	0.2
	563.0	**0.2**
Deferred tax credit (net)		
Origination and reversal of temporary differences	(141.2)	-
	(141.2)	-
Total tax expense	**421.8**	**0.2**

(ii) Tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2026			For the period 16 September 2024 to 31 March 2025		
	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	4.7	(0.3)	4.4	3.6	-	3.6
	4.7	(0.3)	4.4	3.6	-	3.6

(B) Reconciliation of effective tax rate	(%)	For the year ended 31 March 2026	(%)	For the period 16 September 2024 to 31 March 2025
Profit before tax		3,160.8		1,617.6
Less: Adjustment for the year under common control transaction (Refer note 3.33)		(1,489.9)		(1,647.5)
Profit before tax from operations		**1,670.8**		**(29.9)**
Tax using the Company's applicable tax rate	**25.2%**	420.5	**0%***	-
Tax effect of:				
Permanent disallowance - current year		9.2		-
Others		(7.9)		0.2
	25.2%	**421.8**	-0.5%	**0.2**

* The applicable tax rate for prior period has been considered as 0%, as the entity incurred losses.

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3.7 Income tax (Continued)

(₹ in million)

(C) Movement in deferred tax assets and liabilities

Particulars	Net balance 1 April 2025	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2026
Deferred Tax Liabilities:				
Investments	-	(0.6)	-	(0.6)
Total Deferred Tax Liabilities	**-**	**(0.6)**		**(0.6)**
Deferred Tax Assets:				
Property, plant and equipment and Intangible assets	-	1.8	-	1.8
Employee benefits	-	12.4	(0.3)	12.1
Trade receivables	-	36.9	-	36.9
Trade Payables - MSME		39.4	-	39.4
Other items	-	51.2	-	51.2
Net Deferred Tax Assets	**-**	**141.2**	**(0.3)**	**140.9**

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

(D) Tax assets and liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Current tax liabilities (net)	52.7	0.1

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3.8 Cash and cash equivalents

		As at 31 March 2026	As at 31 March 2025
Cheques and drafts on hand		1.6	-
Balance with banks:			
In current accounts		51.6	9.9
	TOTAL	**53.2**	9.9

3.9 Bank balances other than cash and cash equivalents

		As at 31 March 2026	As at 31 March 2025
Restricted for use:			
Benevolent fund account		0.6	-
Bank deposits with original maturity more than 3 months but less than 12 months		503.2	40.5
	TOTAL	**503.8**	**40.5**

Details of Deposits (including accrued interest)		
Bank deposits with original and remaining maturity greater than 12 months (Refer Note 3.4 A)	-	-
Bank deposits with original maturity greater than 12 months but remaining maturity less than 12 months (Refer Note 3.4 B)	1,508.1	-
Bank deposits with original maturity more than 3 months but less than 12 months (Refer Note 3.9)	503.2	40.5
Deposits with non-banking financial companies (Refer Note 3.4 A & B)	1,536.9	-
TOTAL	**3,548.2**	**40.5**

3.10 Other current assets

		As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good unless otherwise stated)			
Balances with government authorities		741.5	410.1
Advance to suppliers and employees:			
Considered good		19.8	-
Considered doubtful		-	-
		19.8	-
Less: Provision for doubtful advance		-	-
		19.8	-
Prepaid expenses		2.9	0.0
	TOTAL	**764.2**	410.1

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3.11A Equity share capital

Authorised:
1,000,000,000 equity shares of ₹ 10 each amounting to ₹ 10,000 million (31 March 2025: 1,000,000 equity shares of ₹ 10 each amounting to ₹ 10,000 million)

Issued, subscribed and paid up:
655,000,000 equity shares of ₹ 10 each fully paid up amounting to ₹ 6550 million (31 March 2025: 5,000,000 equity shares of ₹ 10 each amounting to ₹ 50 million)

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	(Rs. in Million)	Number of shares	(Rs. in Million)
At the commencement of the year	5,000,000	50.0	-	0.0
Issued during the year	650,000,000	6500.0	5,000,000	50.0
At the end of the year	**655,000,000**	**6550.0**	**5,000,000**	**50.0**

(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 Rs. 10 per share. Each shareholder is eligible for one vote per share held. The Company declares dividend in Indian Rupees.

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:

Name of the shareholders:	As at 31 March 2026		As at 31 March 2025	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Alkem Laboratories Limited - Holding Company (Including nominee shareholder)	655,000,000	100.00%	5,000,000	100.00%

(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.

3.11A Equity share capital

(e) Promoters shareholding

Promoter name	No. of shares as at 31 March 2026	No. of shares as at 31 March 2025	% of total shares as of Mar 26	% of total shares as of Mar 25	% change during the current year	% change during the previous year
M/s. Alkem Laboratories Limited	654,999,994	4,999,994	99.99%	99.99%	13000%	0.0%
Mr. Sandeep Singh	1	1	0.0%	0.0%	0%	0.0%
Mr. Aniruddha Singh	1	1	0.0%	0.0%	0%	0.0%
Mr. Nitin Agrawal	1	1	0.0%	0.0%	0%	0.0%
Mr. Manish Narang	1	1	0.0%	0.0%	0%	0.0%
Mr. Rajesh Doshi	1	1	0.0%	0.0%	0%	0.0%
Ms. Divya Mewani	1	1	0.0%	0.0%	0%	0.0%

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(₹ in million)

3.11B	Other equity	As at 31 March 2026	As at 31 March 2025
	Retained earnings	4,356.4	1,617.4
	At the commencement of the year	1,617.4	-
	Add: Profit for the year / period	2,739.0	1,617.4
	At the end of the year / period	**4,356.4**	**1,617.4**
	Other comprehensive income	8.0	3.6
	At the commencement of the year	3.6	-
	Add: Other comprehensive income for the year / period	4.4	3.6
	At the end of the year	**8.0**	**3.6**
	Capital Reserve	(3,144.7)	(1,861.6)
	At the commencement of the year / period	(1,861.6)	-
	Acquired under common control transaction		(1,732.9)
	Add: Cash balance not taken over (including used in operations for the period from 16 September 2024 to 31 March 2025)	-	(128.7)
	Add: Cash balance not taken over (including used in operations for the period from 1 April 2025 to 30 September 2025)	(1,283.1)	-
	At the end of the year / period	**(3,144.7)**	**(1,861.6)**
	TOTAL	**1,219.7**	**(240.6)**

3.12	Borrowings	As at 31 March 2026	As at 31 March 2025
	Current borrowings		
	Secured		
	Working capital loan from banks	400.5	-
	TOTAL	**400.5**	**-**

Notes:
Working capital loan from banks of ₹ 400.5 Million (31 March 2025: NIL) carries interest rate in the range of 6.65% to 7.0% and are secured against current assets of the Company.

3.13	Provisions	As at 31 March 2026	As at 31 March 2025
	A. Non-current provisions		
	Provisions for employee benefits		
	- Gratuity (Refer note 3.26)	91.7	75.5
	- Compensated absences	41.0	33.3
	TOTAL	**132.7**	**108.8**

	B. Current provisions	As at 31 March 2026	As at 31 March 2025
	Provision for employee benefits:		
	- Gratuity (Refer note 3.26)	48.0	10.4
	- Compensated absences	13.1	14.8
	TOTAL	**61.1**	**25.2**

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3.14 Trade payables

	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (Refer note 3.25)	990.9	106.4
Total outstanding dues of creditors other than micro and small enterprises	3,970.8	2,269.0
TOTAL	**4,961.7**	**2,375.4**

Notes:

Due to related parties ₹ 1696.7 Million (31 March 2025: ₹ 5514.2 Million) (Refer note 3.30)

Trade payables ageing schedule for the year ended 31 March 2026 and 31 March 2025

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	110.09	653.2	226.5	1.2	-	-	990.9
	(-)	(20.7)	(85.7)	(-)	(-)	(-)	(106.4)
ii) Others	764.9	1,529.3	1,645.8	30.7	-	-	3,970.8
	(331.2)	(213.7)	(1,724.0)	(-)	(-)	(-)	(2,269.0)
iii) Disputed dues - MSME	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed dues - Others	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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.

3.15 Other current financial liabilities

	As at 31 March 2026	As at 31 March 2025
Employee payables	243.6	284.5
Consideration payable towards Business Transfer Agreement (Refer Note 3.33)	-	5,325.1
Security deposits received	447.6	396.3
TOTAL	**691.2**	**6,005.9**

3.16 Other current liabilities

	As at 31 March 2026	As at 31 March 2025
Due to statutory authorities	22.5	-
Advances from customers	6.0	-
TOTAL	**28.5**	**-**

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(₹ in million)

3.17 Revenue from operations

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Revenue from contract with customers		
Sale of products	19,781.7	10,924.0
Sale of products - (A)	**19,781.7**	**10,924.0**
Other operating revenues:		
Miscellaneous income	-	-
Total other operating revenue - (B)	-	-
TOTAL (A) + (B)	**19,781.7**	**10,924.0**

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

Particulars	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Revenue from contract with customers as per contracted price	29,395.7	13,587.4
Adjustments made to contract price on account of:		
Less: Discounts	9,614.0	2,663.4
Revenue from contract with customers	**19,781.7**	**10,924.0**
Other operating revenue	-	-
Revenue from operations	**19,781.7**	**10,924.0**

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

Particulars	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Revenue from Operations:		
Country of Domicile - India	19,781.7	10,924.0
	19,781.7	**10,924.0**

3.18 Other income

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Interest income under the effective interest method		
-Bank deposits at amortised cost	50.9	0.6
-Bonds, debentures and loans at amortised cost	0.7	-
Profit on sale of investments at FVTPL (net)	71.8	-
Gain on fair value of investments through profit and loss	2.5	-
Miscellaneous income	0.1	-
Total other income	**126.0**	**0.6**

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Notes to financial statements for the year ended 31 March 2026 (₹ in million)

3.19 Cost of materials consumed

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Raw material consumed	4,226.4	2,643.8
Packing material consumed	1,315.3	822.8
Total cost of material consumed	**5,541.7**	**3,466.5**

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

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Opening stock:		
Finished goods	1,312.7	1,201.7
Stock-in-trade	1,674.3	1,468.0
Work-in-progress	2.6	59.7
	2,989.6	**2,729.4**
Less: Closing stock:		
Finished goods	1,683.6	1,312.7
Stock-in-trade	2,182.5	1,674.3
Work-in-progress	36.6	2.6
	3,902.7	**2,989.6**
Total Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(913.1)**	**(260.2)**

3.21 Employee benefits expense

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Salaries, wages and bonus	929.9	483.2
Contribution to provident and other funds (Refer note 3.26)	37.6	22.7
Employees' welfare expenses	1.7	1.6
Total employee benefit expenses	**969.2**	**507.5**

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(₹ in million)

3.22 Finance costs

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Interest expenses on		
-Bank overdraft and others at amortised cost	18.6	-
-Defined benefit liabilities (Refer note 3.26)	5.2	-
-On lease liabilities (Refer note 3.27 (iii))	17.3	0.0
Other borrowing cost	3.9	2.3
Total finance costs	**45.0**	**2.3**

3.23 Other expenses

	For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Consumption of stores and spare parts	5.0	4.4
Power and fuel	4.2	1.5
Processing charges	538.2	267.1
Contract labour charges	65.1	20.2
Rent (Refer note 3.27(iii))	53.0	40.7
Rates and taxes	7.3	14.0
Insurance	12.2	0.0
Marketing, advertisement and promotions	71.3	136.8
Selling and distribution expenses	544.6	290.7
Legal and professional Fees	27.7	5.5
Sales commission	698.0	352.8
Travelling and conveyance	187.4	95.4
Repairs:		
- Buildings	0.6	-
- Plant and machineries	5.1	1.2
- Others	1.0	2.3
Loss on sale / write off of property, plant and equipments (net)	-	0.7
Royalty	26.5	-
Business Support services	177.7	5.6
Communication and printing expenses	1.0	0.6
Vehicle expenses	9.3	4.1
Clinical and analytical charges	0.9	0.0
Expected credit loss on receivables	238.5	13.1
License, registration & technology fees	10.1	0.3
Preliminary Expenses	-	30.0
Miscellaneous expenses*	25.5	62.3
Total other expenses	**2,710.1**	**1,349.4**

*Refer Note 3.34 for breakup for Payment to auditors

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Alkem Wellness Limited
Notes to financial statements for the year ended 31 March 2026

3.24 (a) Contingent Liabilities *(₹ in million)*

The Company has reviewed all pending litigations and proceedings, including direct and indirect tax matters. Based on management's assessment and legal advice, there are no contingent liabilities as at the reporting date that require disclosure in the financial statements.

3.24 (b) Commitments

Sr. No.	Particulars	As at 31 March 2026	As at 31 March 2025
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advance paid NIL (31 March 2025: NIL)	0.7	-

3.25 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.

Sr. No.	Particulars	As at 31 March 2026	As at 31 March 2025
a)	Principal amount remaining unpaid to any supplier as at the year end	**987.2**	106.0
	Interest due thereon	**3.7**	0.4
b)	The amount of interest paid by the buyer under (MSMED Act, 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year / period	-	-
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 / period	**3.7**	0.4
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.	**4.1**	0.4

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.

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

i) Defined contribution plans:

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

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
- Contribution to Provident Fund	**37.5**	22.5
- Contribution to Employee state insurance corporation	**0.1**	0.2
Total	**37.6**	22.7

ii) Defined benefit plan:

The Company earmarks liability towards unfunded Gratuity and Compensated absenses 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 2026 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 (unfunded) and the amounts recognised in the Company's financial statements as at 31 March 2026:

Sr. No.	Particulars	As at 31 March 2026	As at 31 March 2025
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation :**		
	Current Service Cost	9.0	8.6
	Past Service Cost	34.1	-
	Interest Cost	3.6	4.3
	Actuarial (gain) / loss	(1.2)	6.5
	Benefits paid	(1.7)	(2.4)
	Acquisition	10.0	-
	PVO at the beginning of the year / period	**85.9**	**69.0**
	PVO at end of the year / period	**139.7**	**85.9**
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year / period	139.7	85.9
	Fair Value of planned assets at end of year / period	-	-
	Funded status	139.7	85.9
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	139.7	85.9
III)	**Net cost for the year / period**		
	Current Service cost	9.0	8.6
	Past Service Cost	34.1	-
	Interest cost	3.6	4.3
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	(1.2)	6.5
	Sub total	**45.5**	**19.4**
	Acquisition	10.0	-
	Net cost	**55.5**	**19.4**
IV)	**Assumption used in accounting for the gratuity plan:**		
	Discount rate (%)	6.89%	6.61%
	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 (%)	Basic- Next year 10%, thereafter 8% Wages - 0% for 3 years, thereafter 8%	Next year 10%, thereafter 8%

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3.26 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under (Continued):

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.

Attrition rate (PS 0-40, 10% rate for non marketing employees and 20% rate for marketing employees) considered is the management's estimate based on the past long-term trend of employee turnover in the Company. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of post-employment benefit obligation

Maturity profile of defined benefit obligation

Projected benefits payable in future years from the date of reporting	As at 31 March 2026	As at 31 March 2025
1st following year	48.0	31.1
2nd following year	24.3	11.3
3rd following year	15.3	12.9
4th following year	15.7	8.5
5th following year	12.9	8.1
Sum of years 6th to 10th	54.2	32.6
Sum of years 11th and above	30.3	17.9

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

Particulars	31 March 2026		31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(134.9)	145.0	(83.0)	89.2
Future salary growth (1% movement)	142.8	(136.9)	89.5	(82.6)

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.93 years (March 31, 2025: 4.87 years)

iii) Other long term benefit plan:

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Company policy with corresponding income recognised to the statement of profit and loss amounting to ₹ 0.77 Million [March 31, 2025: charge of ₹ 11.2 Million] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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3.27 Leases *(₹ in million)*

Leases as lessee

i. Right of use assets

Right of use assets related to leased properties.

Particulars	As at 31 March 2026	As at 31 March 2025
	Buildings	Buildings
Opening balance	0.7	
Additions / Adjustments of right of use assets (net)	450.4	0.7
Depreciation for the year	(51.7)	0.0
Deletions	(0.7)	-
Closing Balance	398.7	0.7

ii. Lease liability

Particulars	As at 31 March 2026	As at 31 March 2025
	Buildings	Buildings
Maturity analysis of lease liability - undiscounted contractual cash flows		
Less than one year	114.2	0.1
One to three years	116.1	0.3
More than three years	335.7	0.7
Total undiscounted cash flows	566.0	1.1
Current (Discounted)	84.7	0.1
Non-current (Discounted)	342.6	0.6

iii. Amount recognised in statement of profit and loss

Particulars	For the Year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
	Buildings	Buildings
General and administrative expenses		
Short-term lease rent expense	53.0	40.7
Depreciation and impairment losses		
Depreciation of right of use asset	51.7	0.0
Finance cost		
Interest expense on lease liability	17.3	0.0
	122.0	40.7

iv. Amount recognised in statement of cash flows

Particulars	For the Year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
	Buildings	Buildings
Cash outflow for short-term leases	53.0	40.7
Principal component of cash outflow for long-term leases	45.4	0.0
Interest component of cash outflow for long-term leases	17.3	0.0
Total cash outflow for leases	115.7	40.7

v. Movement of lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance of lease liability	0.7	-
Adjustment for the year under common control transaction	324.3	-
Additions/adjustments to lease liability	148.4	0.7
Interest on lease liability	17.3	0.0
Repayment of lease liability	(62.7)	(0.0)
Deletions	(0.7)	-
Closing lease liability	427.3	0.7

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(₹ in million)

3.28 Earnings per share (EPS)

Particulars			For the year ended 31 March 2026	For the period 16 September 2024 to 31 March 2025
Profit / (Loss) after tax attributable to equity shareholders	(₹ in million)	A	**2,739.0**	1,617.4
Weighted average number of equity shares outstanding during the year	Nos.	D	**338,013,699**	5,000,000
Basic and diluted earnings per equity share (₹) - Face value of ₹ 10 per share	In ₹	(A / D)	**8.1**	323.5

3.29 Segment Reporting

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

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3.30 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 holidng company, fellow subsidiaries and fellow associate (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.

A)

Holding Company	Principal Place of Business
Alkem Laboratories Limited	India

B)

Fellow Subsidiaries	Principal Place of Business
Ascend Laboratories (Pty) Ltd	South Africa
Ascend GmbH	Germany
Alkem Laboratories Corporation	Philippines
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
Pharmacor Pty Limited	Australia
ThePharmaNetwork, LLC (Subsidiary of S&B Holdings S.a.r.l.)	United States of America
Ascend Laboratories SDN BHD.	Malaysia
Ascend Laboratories SpA	Chile
Enzene Biosciences Limited	India
Alkem Laboratories Korea Inc.	South Korea
Pharmacor Limited	Kenya
The Pharmanetwork, LLP	Kazakhstan
Ascend Laboratories, LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America
Ascend Laboratories SAS	Colombia
Ascend Laboratories (UK) Limited	United Kingdom
Cachet Pharmaceuticals Private Limited	India
Indchemie Health Specialities Private Limited	India
Ascend Laboratories Limited	Canada
Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Chile
Alkem Foundation	India
Connect 2 Clinic Private Limited	India
Ascend Laboratories S.A. DE. CV (Wholly owned subsidiary of Ascend Laboratories SpA)	Mexico
Enzene Inc (Wholly owned subsidiary of Enzene Biosciences Limited)	United States of America
Pharmacor Limited (Wholly owned subsidiary of Pharmacor Pty Limited)	New Zealand
S & B Pharma LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America
Alkem Medtech Private Limited	India
Alkem Medtech Ortho Private Limited (formerly known as Bombay Ortho Industries Private Limited acquired on 16 April 2025)	India
Adroit Biomed Limited (acquired on 23 April 2025)	India
Alixer Nexgen Therapeutics Limited (incorporated on 12 July 2024)	India
Alkem Pharmaceuticals Scientific Office FZ LLC (w.e.f 04 February 2026)	United Arab Emirates
Alkem Pharma Trading FZCO (w.e.f 27 March 2026)	United Arab Emirates
Pharmacor SpA ((Wholly owned by Pharmacor Pty Limited) (w.e.f 22 November 2024)	Chile

C)

Fellow Associate	Principal Place of Business
HaystackAnalytics Private Limited	India

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

D) Key Managerial Personnel ("KMP")

Mr. Mukesh Tiwari (wef 16 September 2024)	Whole Time Director
Mr. K N Shahi (wef 16 September 2024))	Non Executive-Director
Ms. Sudha Ravi (wef 16 September 2024)	Independent Director
Mr. Narendra Kumar Aneja (wef 16 September 2024)	Independent Director

E) Close Members of Key Managerial Personnel ("KMP")

Mrs. Renu Kumari	Wife of Mr. K N Shahi
Mr. Avijit Kumar	Son of Mr. K N Shahi
Mr. Adig	Son of Mr. K N Shahi
Nilam Singh	Sister of Mr. K N Shahi
Poonam Kumari	Sister of Mr. K N Shahi
Kumari Ragini	Sister of Mr. K N Shahi
Mrs. Anita Tiwary	Wife of Mr. Mukesh Tiwari
Mr. Munindra Tiwary	Father of Mr. Mukesh Tiwari
Ms. Anoushka Tiwary	Daughter of Mr. Mukesh Tiwari
Ms. Ananya Tiwary	Daughter of Mr. Mukesh Tiwari
Mr. Manoj Tiwary	Brother of Mr. Mukesh Tiwari
Mrs. Meena Singh	Sister of Mr. Mukesh Tiwari
Mrs. Meera Singh	Sister of Mr. Mukesh Tiwari
Mrs. Manju Tewary	Sister of Mr. Mukesh Tiwari
Mrs. Kanchan Aneja	Wife of Mr. Narendra Kumar Aneja
Ms. Aanchal Aneja	Daughter of Mr. Narendra Kumar Aneja
Ms. Amritta Aneja	Daughter of Mr. Narendra Kumar Aneja
Mr. Aditya Murli	Daughter's Husband of Mr. Narendra Kumar Aneja
Mr. Rajendra Kumar Aneja	Brother of Mr. Narendra Kumar Aneja
Mr. K R Ravi	Husband of Ms. Sudha Ravi
Mr. M S Murali	Brother of Ms. Sudha Ravi
Mrs. Sabitha Chari	Sister of Ms. Sudha Ravi
Mrs. Sujatha Venkatesan	Sister of Ms. Sudha Ravi

F) Others (Entities in which the KMP, Independent Directors and relatives of KMP have control or Significant influence)

Aneja Management Consultants Private Limited
Aneja Assurance Private Limited
Aneja Advisory Private Limited
Alkem Laboratories Limited
ANSA and Associates LLP
Enzene Biosciences Limited
India Resurgance ARC Private Limited
Brickwork Ratings India Private Limited
Kukui Advisors (OPC) Private Limited

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

Details of Transactions with Related Parties

Sr. No.	Particulars	For the year ended March 31, 2026	For the period 16 September 2024 to 31 March 2025
1	**Sale of raw and packing materials**		
	Alkem Laboratories Limited	1.4	-
	Total	**1.4**	-
2	**Purchase of stock in trade**		
	Alkem Laboratories Limited	804.8	-
	Cachet Pharmaceuticals Private Limited	1,329.4	900.2
	Total	**2,134.2**	**900.2**
3	**Purchase of raw and packing materials**		
	Alkem Laboratories Limited	210.3	-
	Total	**210.3**	-
4	**Services received**		
	Indchemie Health Specialities Private Limited	345.5	212.5
	Alkem Laboratories Limited	49.4	-
	Cachet Pharmaceuticals Private Limited	68.7	31.2
	Total	**463.6**	243.8
5	**Business Support Services**		
	Alkem Laboratories Limited	154.7	-
	Total	**154.7**	-
6	**Rent Expenses**		
	Alkem Laboratories Limited	12.0	-
	Total	**12.0**	-
7	**Equity Infusion**		
	Alkem Laboratories Limited	6,500.0	50.0
	Total	**6,500.0**	**50.0**
8	**Royalty expenses**		
	Alkem Laboratories Limited	26.5	-
	Total	**26.5**	-
9	**Security Deposits Given**		
	Alkem Laboratories Limited	5.0	-
	Total	**5.0**	-
10	**Reimbursement of expenses to**		
	Alkem Laboratories Limited	**238.5**	-
	Cachet Pharmaceuticals Private Limited	**1.1**	-
	Total	**239.5**	-
11	**Reimbursement of expenses from**		
	Alkem Laboratories Limited	74.6	-
	Total	**74.6**	
12	**Collection on behalf of Alkem Wellness Limited by**		
	Alkem Laboratories Limited	5,664.5	-
	Total	**5,664.5**	
13	**Payment on behalf of Alkem Wellness Limited by**		
	Alkem Laboratories Limited	2,219.6	-
	Total	**2,219.6**	
14	**Purchase of trade generics business via Business Transfer Agreement**		
	Alkem Laboratories Limited	5,325.1	-
	Total	**5,325.1**	
15	**Key managerial personnel**		
	Key managerial personnel remuneration		
	Short term employee benefits	13.4	-
	Post-employment benefits	9.9	-
	Other long-term benefits	(0.2)	-
	Total	**23.1**	-
	Consultancy fees paid	2.4	-
	Total	**2.4**	-

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

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

Balance due from / to the related Parties

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	**Outstanding receivables**		
	Alkem Laboratories Limited	50.3	-
	Total	**50.3**	**-**
2	**Outstanding payables**		
	Indchemie Health Specialities Private Limited	31.2	-
	Alkem Laboratories Limited	1,379.0	5,355.3
	Cachet Pharmaceuticals Private Limited	286.5	158.9
	Total	**1,696.7**	**5,514.2**
3	**Security deposits receivable**		
	Alkem Laboratories Limited	5.0	-
	Total	**5.0**	**-**
4	**Loans outstanding**		
	Key Managerial Personnel	6.7	13.3
		6.7	**13.3**

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ALKEM WELLNESS LIMITED * MUMBAI *

(₹ in million)

3.31 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 lia
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

Particulars	As at 31 March 2026							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	53.2	53.2	-	-	-	-
Other Bank Balances	-	-	503.8	503.8	-	-	-	-
Current investments	412.5	-	-	412.5	412.5	-	-	412.5
Current loans	-	-	7.9	7.9	-	-	-	-
Trade receivables	-	-	4,572.8	4,572.8	-	-	-	-
Other Non-current financial assets	-	-	1,251.7	1,251.7	-	-	-	-
Other Current financial assets	-	-	1,808.8	1,808.8	-	-	-	-
Total	**412.5**	**-**	**8,198.3**	**8,610.8**	**412.5**	**-**	**-**	**412.5**
Financial liabilities								
Current borrowings	-	-	400.5	400.5	-	-	-	-
Trade payables	-	-	4,961.7	4,961.7	-	-	-	-
Lease liabilities	-	-	427.3	427.3	-	-	-	-
Other Current financial liabilities	-	-	691.2	691.2	-	-	-	-
Total	**-**	**-**	**6,480.7**	**6,480.7**	**-**	**-**	**-**	**-**

Particulars	As at 31 March 2025							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	9.9	9.9	-	-	-	-
Other Bank Balances	-	-	40.5	40.5	-	-	-	-
Current loans	-	-	15.3	15.3	-	-	-	-
Trade receivables	-	-	4,342.4	4,342.4	-	-	-	-
Other Non-current financial assets	-	-	9.1	9.1	-	-	-	-
Other Current financial assets	-	-	4.3	4.3	-	-	-	-
Total	**-**	**-**	**4,421.5**	**4,421.5**	**-**	**-**	**-**	**-**
Financial liabilities								
Trade payables	-	-	2,375.4	2,375.4	-	-	-	-
Lease liabilities	-	-	0.7	0.7	-	-	-	-
Other Current financial liabilities	-	-	6,005.9	6,005.9	-	-	-	-
Total	**-**	**-**	**8,381.9**	**8,381.9**	**-**	**-**	**-**	**-**

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

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Board of Directors has the overall responsibility for oversight of risk management, including monitoring of key operational, financial, regulatory and compliance risks. The Board periodically reviews the emerging risks and mitigation actions through deliberations in Board meetings and management discussions.

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(₹ in million)

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

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 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 consists 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 2026, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	31 March 2026	31 March 2025
India	4,572.8	4,342.4
	4,572.8	**4,342.4**

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

Particulars	31 March 2025	31 March 2024
Stockists/distributors	4,522.5	4,342.4
Holding company	50.3	-
	4,572.8	**4,342.4**

Impairment

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

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

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

Particulars	31 March 2026	31 March 2025
Balance as at the beginning of the year	192.2	179.1
Impairment loss recognised	238.5	13.1
Balance as at the end of the year	**430.7**	192.2

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 mutual funds. These mutual funds and counterparties have low credit risk.

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Notes to financial statements for the year ended 31 March 2026 (₹ in million)

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

ii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting its financial obligations when they become due. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and by regularly monitoring its cash flows to ensure that it has adequate funds to meet its liabilities on time. This helps the Company to meet its obligations during the normal course of business as well as during periods of financial pressure, while protecting its financial position and reputation.

Exposure to liquidity risk

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

31 March 2026	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	400.5	400.5	400.5	-	-	-	-
Trade payables	4,961.7	4,961.7	4,961.7	-	-	-	-
Other Current financial liabilities	691.2	691.2	691.2	-	-	-	-
Total	**6,053.4**	**6,053.4**	**6,053.4**	-	-	-	-

31 March 2025	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	-	-	-	-	-	-	-
Trade payables	2,375.4	2,375.4	2,375.4	-	-	-	-
Other Current financial liabilities	6,005.9	6,005.9	6,005.9	-	-	-	-
Total	**8,381.2**	**8,381.2**	**8,381.2**	-	-	-	-

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

iii. Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes may result in foreign currency exchange rates, interest rates, price and other market changes. The Company's exposure to market risk is mainly due to interest rate and price risk.

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 31 March 2026, the investments in mutual funds amounts to ₹ 412.5 Million (31 March 2025: NIL). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the profit or loss by the amounts shown below.

Particulars	31 March 2026 Profit or loss		31 March 2025 Profit or loss	
	Increase	Decrease	Increase	Decrease
Price change by 1%	4.12	(4.12)	-	-

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Notes to financial statements for the year ended 31 March 2026 (₹ in million)

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

Interest rate risk

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

Exposure to interest rate risk

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

Particulars	31 March 2026	31 March 2025
Fixed-rate instruments		
Financial assets	3,960.6	-
Financial liabilities	400.5	-
Total	**3,560.1**	**-**

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.

3.32 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, less cash and cash equivalents. Adjusted equity comprises all components of equity.

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

Particulars	As at 31 March 2026	As at 31 March 2025
Total Borrowings	400.5	-
Less : Cash and cash equivalents	53.2	9.9
Net debt	**347.3**	**(9.9)**
Total equity	7,769.7	(190.6)
Net debt to equity ratio	**0.0**	**0.1**

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(₹ in million)

3.33 Acquisition of Business Undertaking

The Board of Directors of the Company at its meeting held on 10 December 2024, approved the purchase and transfer of generic business undertaking from the Holding Company as a going concern on a slump sale basis through a Business Transfer Agreement ("BTA"). Pursuant to the BTA, the business transfer was successfully completed on 1 October 2025 (Closing Date) for a net consideration of ₹5,325.1 million, which was discharged in cash as follows:
₹5,000.0 million paid on 16 October 2025 (within 60 days from the Closing Date), and
₹325.1 million paid on 30 December 2025 (within 90 days from the Closing Date).

The transaction represents a business combination under common control and has accordingly been accounted for in accordance with Appendix C to Ind AS 103 – Business Combinations. In compliance with the prescribed accounting treatment, the acquisition has been accounted for using the pooling of interests method, and comparative information has been restated with effect from 16 September 2024 (i.e. the date of incorporation), being the date from which common control was established.

All the assets and liabilities of the generic business undertaking have been recorded in the books of the Company at their respective carrying values as appearing in the books of the Holding Company as at 16 September 2024.

Further, the summary of assets and liabilities and the summary of income and expenses of the generic business undertaking, as included in the audited financial statements for the year ended 31 March 2025, as well as the income and expenses for the period from 16 September 2024 to 31 March 2025, which were legally, beneficially and contractually undertaken by the Holding Company, have been included in the financial information of the Company solely for the purpose of compliance with Appendix C of Ind AS 103.

Such amounts have been disclosed separately as "Transactions undertaken by Holding Company", while the transactions attributable to the Company prior to the common control transaction have been presented as "Amount for the year ended March 2025 (before common control transaction)", excluding the amounts reported under the column "Transactions undertaken by Holding Company".

1. Statement of Profit and Loss

	Particulars	For the year ended 31 March 2026 (A)	Transactions undertaken by Holding Company (April 01 2025 to September 30 2025) (B)	Restated amounts for the year ended 31 March 2026 (C)	For the year ended 31 March 2025 (A)	Transactions undertaken by Holding Company (September 16 2024 to March 31 2025) (B)	Restated amounts for the year ended 31 March 2025 (C)
1	Income						
	(a) Revenue from operations	10,600.7	9,181.0	19,781.7	-	10,924.0	10,924.0
	(b) Other income	126.0	-	126.0	0.6	0.0	0.6
	Total income	10,726.7	9,181.0	19,907.7	0.6	10,924.0	10,924.6
2	Expenses						
	(a) Cost of materials consumed	2,545.9	2,995.8	5,541.7	-	3,466.5	3,466.5
	(b) Purchases of stock-in-trade	4,701.0	3,600.3	8,301.3	-	4,238.4	4,238.4
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(334.0)	(579.1)	(913.1)	-	(260.2)	(260.2)
	(d) Employee benefits expense	457.4	511.9	969.2	-	507.5	507.5
	(e) Finance costs	44.4	0.6	45.0	0.0	2.3	2.3
	(f) Depreciation and amortisation expenses	55.1	2.8	57.9	0.0	3.1	3.1
	(g) Other expenses	1,551.3	1,158.8	2,710.1	30.5	1,318.9	1,349.4
	Total expenses	9,021.1	7,691.1	16,712.1	30.5	9,276.5	9,307.0
3	Profit before exceptional items and tax (1) - (2)	1,705.6	1,489.9	3,195.6	(29.9)	1,647.5	1,617.6
4	Exceptional items	(34.8)	-	(34.8)	-	-	-
5	Profit before tax (3) + (4)	1,670.8	1,489.9	3,160.8	(29.9)	1,647.5	1,617.6
6	Tax expense						
	(a) Current tax	563.0	-	563.0	0.2	-	0.2
	(d) Deferred tax charge	(141.2)	-	(141.2)	-	-	-
	Total Income Tax Expenses (a + b)	421.8	-	421.8	0.2	-	0.2
7	Profit for the year after tax	1,249.0	1,489.9	2,739.1	(30.1)	1,647.5	1,617.4
8	Other comprehensive income						
	(a) Items that will not be reclassified to profit or loss	1.2	3.5	4.7	-	3.6	3.6
	Income tax relating to items that will not be reclassified to profit or loss	(0.3)	-	(0.3)	-	-	-
	Total of other comprehensive income / (loss) for the year, net of tax	0.9	3.5	4.4	-	3.6	3.6
9	Total comprehensive income for the year (7) + (8)	1,249.9	1,493.4	2,743.4	(30.1)	1,651.1	1,621.0

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Alkem Wellness Limited
Notes to financial statements for the year ended 31 March 2026

3.33 Acquisition of Business Undertaking (continued)

2. Balance Sheet

Particulars	Year ended 31 March 2025		
	As at 31 March 2025 (A)	Transactions undertaken by Holding Company (B)	Restated balances as at 31 March 2025 (C)
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	0.0	22.4	22.4
(b) Right of use assets	0.7	-	0.7
(d) Other Intangible assets	-	0.2	0.2
(e) Financial Assets			-
(i) Other financial assets	0.0	9.1	9.1
(f) Deferred tax assets (net)	-	-	-
Total non-current assets	**0.7**	**31.7**	**32.4**
2 Current assets			
(a) Inventories	-	3,470.6	3,470.6
(b) Financial Assets			-
(i) Investments	-	-	-
(ii) Trade receivables	-	4,342.4	4,342.4
(iii) Cash and cash equivalents	9.9	-	9.9
(iv) Bank balances other than cash and cash equivalents	40.5	-	40.5
(v) Loans	-	15.3	15.3
(vi) Other financial assets	-	4.3	4.3
(c) Other current assets	0.0	410.1	410.1
Total current assets	**50.4**	**8,242.7**	**8,293.1**
TOTAL ASSETS	**51.1**	**8,274.4**	**8,325.5**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	50.0	-	50.0
(b) Other equity	(30.1)	(210.5)	(240.6)
Total Equity	**19.9**	**(210.5)**	**(190.6)**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	0.6	-	0.6
(b) Provisions	-	108.8	108.8
Total non-current liabilities	**0.6**	**108.8**	**109.4**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	-	-	-
(ii) Lease liabilities	0.1	-	0.1
(iii) Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises	-	106.4	106.4
Total outstanding dues of creditors other than micro and small enterprises	30.4	2,238.6	2,269.0
(iv) Other financial liabilities	-	6,005.9	6,005.9
(b) Other current liabilities	-	-	-
(c) Provisions	-	25.2	25.2
(d) Current tax liabilities (net)	0.1	-	0.1
Total current liabilities	**30.6**	**8,376.1**	**8,406.7**
Total liabilities	**31.2**	**8,484.9**	**8,516.1**
TOTAL EQUITY AND LIABILITIES	**51.1**	**8,274.4**	**8,325.5**

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Notes to financial statements for the year ended 31 March 2026 (₹ in million)

3.34 Payment to auditors (excluding GST)

Particulars	For the year ended 31 March 2026	For the year ended
As Auditor		
Audit fees	3.6	0.1
Total	**3.6**	**0.1**

3.35 Corporate Social Responsibility

The Company does not meet any of the criteria's specified under Section 135 of the Companies Act, 2013 during the immediately preceding financial year.
Accordingly, the provisions relating to Corporate Social Responsibility are not applicable to the Company for the year, and no CSR expenditure has been incurred during the year

3.36 Additional disclosure with respect to Schedule III

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

ii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961)

iii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

iv) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

v) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

vi) 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.

vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013

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ALKEM WELLNESS LIMITED * MUMBAI *

(₹ in million)

3.37 Exceptional items

During the year, pursuant to the notification and subsequent finalisation of the Central Rules under the Labour Codes by the Government of India, the Company assessed the financial impact of the revised regulatory framework, including the Code on Social Security, 2020, based on detailed evaluation of the notified provisions, professional advice, and actuarial valuation.

Based on this assessment, the Company recognised an estimated liability towards gratuity and leave encashment for past service cost aggregating to ₹ 21.3 million in the quarter ended 31 December 2025 and an incremental impact of ₹ 13.5 million in the quarter ended 31 March 2026 resulting in a total impact of ₹ 34.8 million for the year ended 31 March 2026. The total impact has been disclosed as an exceptional item in the financial results. The Company will continue to evaluate any further clarifications or implementation guidance issued in relation to the Labour Codes and account for the financial impact, if any, as appropriate.

3.38 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.

3.39 Ratios

Sr. No	Ratios	Numerator	Denominator	31 March 2026	31 March 2025
a)	Current Ratio*	Current Assets	Current liabilities	**2.0**	1.0
b)	Debt-equity Ratio**	Total Debt	Shareholder's equity	**0.1**	(0.0)
c)	Debt service coverage Ratio#	Earnings available for debt service	Debt service	**3.8**	2,270.7
d)	Return on equity Ratio#	Net profit after taxes	Average shareholder's equity	**72.3%**	-1697.7%
e)	Inventory turnover Ratio#	Cost of goods sold or sales	Average inventory	**3.2**	4.3
f)	Trade receivables turnover Ratio#	Net credit sales	Average accounts receivable	**4.4**	5.0
g)	Trade payables turnover Ratio#	Net credit purchases	Average trade payables	**3.5**	6.3
h)	Net capital turnover Ratio#	Net sales	Working capital	**3.1**	(86.1)
i)	Net profit Ratio#	Net profit after taxes	Net sales	**13.8%**	14.8%
j)	Return on capital employed#	Earnings before interest and taxes	Capital employed	**37.7%**	-849.8%
k)	Return on investment#				
	- Quoted			**6.7%**	NA
	- Unquoted			**7.2%**	5.4%

Reasons for Variance

***Current Ratio:** On account of funds infused in the Company during the year parked in Fixed Deposits with Banks and NBFCs.

****Debt Equity Ratio:** On account of equity infusion, profits earned and increase in total debt during the year as the operations of the Company commenced in the current year post business transfer from Holding Company.

#For other ratios:

Ratios for the period from 16 September 2024 to 31 March 2025 have been calculated based on closing balances and relevant amounts pertaining to the said period carved out from the Holding Company for Generic Business and hence the ratio are not strictly comparable.

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(₹ in million)

3.39 Ratios (continued)

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

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For and on behalf of the Board of Directors of Alkem Wellness Limited
CIN: U21002MH2024PLC432206

Mukesh Tiwari	**K. N. Shahi**
Whole-time Director	Non Executive Director
DIN.:10777347	DIN.:10777346
Mumbai, India	Mumbai, India
25 May 2026	25 May 2026