

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ALKEM LABORATORIES LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended 31 March 2026 and (b) reviewed the Consolidated Financial Results for the quarter ended 31 March 2026 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended 31 March 2026 of **ALKEM LABORATORIES LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), and its share of the net loss after tax and other comprehensive income of its associate for the quarter and year ended 31 March 2026, which includes the branch of the Group located at Nepal (the "Statement"), being submitted by the Parent pursuant to the requirements of (Regulation 33) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "LODR Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiaries and associate referred to in Other Matters section below, the Consolidated Financial Results for the year ended 31 March 2026:

- (i) includes the financial results of the entities mentioned in Appendix 1:
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group for the year ended 31 March 2026.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended 31 March 2026

With respect to the Consolidated Financial Results for the quarter ended 31 March 2026, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended 31 March 2026, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended 31 March 2026

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended 31 March 2026 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Board of Directors' Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended 31 March 2026, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended 31 March 2026 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the LODR Regulations.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.



Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended 31 March 2026

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended 31 March 2026 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 this Consolidated Financial Results.

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 Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the LODR Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associate 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 Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the LODR Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group and its associate to express an opinion on the Annual Consolidated Financial Results. We are responsible for the

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direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results 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 Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

(b) Review of the Consolidated Financial Results for the quarter ended 31 March 2026

We conducted our review of the Consolidated Financial Results for the quarter ended 31 March 2026 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

- The Statement includes the results for the quarter ended 31 March 2026 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of 25 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 31,466.9 million as at 31 March 2026 and total revenues of Rs. 7,613.5 million and Rs. 28,346.1 million for the quarter and year ended 31 March 2026 respectively, total net profit after tax



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of Rs. 154.6 million and Rs. 892.7 million for the quarter and year ended 31 March 2026 respectively and other comprehensive income of Rs. 193.6 million and Rs. 456.2 million for the quarter and year ended 31 March 2026 respectively and net cash outflows of Rs. 164.3 million for the year ended 31 March 2026, as considered in the Statement. The consolidated financial results also includes the Group's share of total net loss after tax of Rs. 5.7 million and Rs. 19.7 million for the quarter and year ended 31 March 2026 respectively and other comprehensive income of Rs. Nil and Rs. Nil for the quarter and year ended 31 March 2026 respectively, as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited, as applicable, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- The consolidated financial results includes the unaudited financial information of 2 subsidiaries, whose financial information reflect total assets of Rs. Nil as at 31 March 2026 and total revenues of Rs. Nil and Rs. Nil for the quarter and year ended 31 March 2026 respectively, total net profit after tax of Rs. Nil and Rs. Nil for the quarter and year ended 31 March 2026 respectively and other comprehensive income of Rs. Nil and Rs. Nil for the quarter and year ended 31 March 2026 respectively and net cash flows of Rs. Nil for the year ended 31 March 2026 as considered in the Statement. This financial information is unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of the Directors.

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For **Deloitte Haskins & Sells LLP**
Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Rupen K. Bhatt
(Partner)

(Membership No. 046930)

UDIN: **26046930SRGA1U2874**

Place: Mumbai
Date: 28 May 2026

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REVIEW REPORT

S.N.	Name of the component	Relationship
1	Alkem Laboratories Limited	Parent
2	S&B Holdings S.a.r.l	Wholly Owned Subsidiary
3	The Pharma Network LLC, USA (TPN)	Wholly Owned Subsidiary
4	Ascend Laboratories LLC, USA	Wholly Owned Subsidiary of TPN
5	S & B Pharma LLC	Wholly Owned Subsidiary of TPN
6	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary
7	Pharmacor SPA, Chile	Wholly Owned Subsidiary of Pharmacor Pty Limited, Australia
8	Enzene Biosciences Ltd, India	Subsidiary
9	Ascend Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary
10	Cachet Pharmaceuticals Private Limited, India	Subsidiary
11	Indchemie Health Specialties Private Limited, India	Subsidiary
12	Alkem Laboratories Corporation, Philippines	Wholly Owned Subsidiary
13	Ascend GmbH, Germany	Wholly Owned Subsidiary
14	Ascend Laboratories SDN BHD., Malaysia	Wholly Owned Subsidiary
15	Ascend Laboratories SpA Chile (Ascend Chile)	Wholly Owned Subsidiary
16	Pharma Network SpA, Chile	Wholly Owned Subsidiary of Ascend Chile
17	Ascend Laboratories S.A. DE C.V., Mexico	Wholly Owned Subsidiary of Ascend Chile
18	Alkem Laboratories Korea Inc, Korea	Wholly Owned Subsidiary
19	Pharmacor Ltd, Kenya	Wholly Owned Subsidiary
20	The Pharma Network LLP, Kazakhstan	Wholly Owned Subsidiary
21	Ascend Laboratories (UK) Ltd, UK	Wholly Owned Subsidiary
22	Ascend Laboratories Ltd, Canada	Wholly Owned Subsidiary
23	Alkem Foundation, India	Wholly Owned Subsidiary
24	Connect 2 Clinic Private Limited, India	Wholly Owned Subsidiary
25	Ascend Laboratories SAS, Colombia	Wholly Owned Subsidiary
26	Pharmacor Limited, New Zealand	Wholly Owned Subsidiary
27	Enzene Inc., USA	Wholly Owned Subsidiary of Enzene Biosciences Ltd, India
28	Alkem Medtech Private Limited, India	Wholly Owned Subsidiary
29	Alkem Medtech Ortho Private Limited (w.e.f 16 April 2025)	Wholly Owned Subsidiary of ALkem Medtech Private Limited
30	Alixer Nexgen Therapeutics Limited	Wholly Owned Subsidiary
31	Alkem Wellness Limited, India	Wholly Owned Subsidiary
32	Adroit Biomed Limited, India (w.e.f 23 April 2025)	Wholly Owned Subsidiary
33	Alkem Pharmaceuticals Scientific Office FZ LLC, Dubai (incorporated on 4 February 2026)	Wholly Owned Subsidiary
34	Alkem Pharma Trading FZCO (incorporated on 27 March 2026)	Wholly Owned Subsidiary
35	Haystack Analytics Private Limited	Associate

Dr.

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Statement of Consolidated Financial Results for the Quarter and Year ended 31 March 2026

(₹ in Million except per share data)

	Particulars	Quarter ended			Year ended	
		31.03.2026 Unaudited (Refer Note 2)	31.12.2025 Unaudited	31.03.2025 Unaudited (Refer Note 2)	31.03.2026 Audited	31.03.2025 Audited
1	Income					
	(a) Revenue from Operations	36,033.2	37,368.2	31,437.5	147,122.7	129,645.2
	(b) Other Income	2,000.7	1,431.0	1,459.6	5,833.5	4,937.4
	Total Income	38,033.9	38,799.2	32,897.1	152,956.2	134,582.6
2	Expenses					
	(a) Cost of materials consumed	8,949.4	9,377.7	7,770.3	35,653.9	34,403.7
	(b) Purchases of stock-in-trade	4,977.7	3,279.6	3,799.6	16,945.0	15,140.2
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,448.4)	69.8	1,222.9	(1,671.2)	(1,901.3)
	(d) Employee benefits expense	7,121.0	7,215.1	6,163.5	28,371.1	24,539.2
	(e) Finance costs	538.8	421.0	284.2	1,607.8	1,217.0
	(f) Depreciation and amortisation expense	1,057.6	950.1	1,124.9	3,820.6	3,571.6
	(g) Other expenses	11,259.6	9,146.0	8,568.3	37,771.8	32,341.9
	Total Expenses	32,455.7	30,459.3	28,933.7	122,499.0	109,312.3
3	Profit before exceptional items and tax (1) - (2)	5,578.2	8,339.9	3,963.4	30,457.2	25,270.3
4	Exceptional items (refer note 3)	(1,349.7)	(527.9)	-	(1,748.3)	-
5	Profit before tax (3) + (4)	4,228.5	7,812.0	3,963.4	28,708.9	25,270.3
6	Tax expense / (credit)					
	(a) Current tax	1,216.3	1,769.7	842.5	6,196.6	5,236.0
	(b) Deferred tax (Refer note 4)	495.4	(493.0)	(109.2)	(1,019.0)	(2,125.7)
	Total Tax Expense (a + b)	1,711.7	1,276.7	733.3	5,177.6	3,110.3
7	Share in loss after tax of associate	(5.7)	(5.0)	(6.2)	(19.7)	(6.2)
8	Profit for the period (5) - (6) + (7)	2,511.1	6,530.3	3,223.9	23,511.6	22,153.8
9	Other Comprehensive Income/(Loss) (net of tax)					
	(a) (i) Items that will not be reclassified to profit or loss	354.6	(141.2)	(64.3)	120.9	(218.1)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(118.4)	50.8	21.7	(38.1)	72.1
	(b) (i) Items that will be reclassified to profit or loss	916.5	326.1	16.7	1,755.1	343.2
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income/(Loss) (net of tax)	1,152.7	235.7	(25.9)	1,837.9	197.2
10	Total Comprehensive Income for the period (8) + (9)	3,663.8	6,766.0	3,198.0	25,349.5	22,351.0
11	Profit attributable to					
	a) Owners of the Company	2,364.6	6,360.2	3,058.6	23,018.0	21,654.8
	b) Non-Controlling Interest	146.5	170.1	165.3	493.6	499.0
12	Other Comprehensive Income/(Loss) attributable to					
	a) Owners of the Company	1,133.1	235.2	(25.8)	1,823.8	207.5
	b) Non-Controlling Interest	19.6	0.5	(0.1)	14.1	(10.3)
13	Total Comprehensive Income attributable to					
	a) Owners of the Company	3,497.7	6,595.4	3,032.8	24,841.8	21,862.3
	b) Non-Controlling Interest	166.1	170.6	165.2	507.7	488.7
14	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1
15	Other Equity				137,961.9	119,609.6
16	Earnings Per Share (not annualised for the periods) (face value of ₹ 2/- each)					
	(a) Basic (₹)	19.77	53.19	25.57	192.51	181.11
	(b) Diluted (₹)	19.77	53.19	25.57	192.51	181.11

Statement of Consolidated Assets and Liabilities as at 31 March 2026

Particulars	As at 31 March 2026 (Audited)	As at 31 March 2025 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	26,949.7	20,639.3
(b) Right of use assets	3,956.6	3,222.2
(c) Capital work-in-progress	1,379.1	4,765.5
(d) Goodwill	5,236.4	4,231.1
(e) Other intangible assets	2,567.6	430.5
(f) Intangible assets under development	1,438.8	715.2
(g) Financial Assets		
(i) Investment in associate	348.1	323.8
(ii) Other investments	10,966.9	9,108.6
(iii) Other financial assets	12,157.4	4,753.6
(h) Deferred tax assets (net)	18,193.5	17,382.5
(i) Current tax assets (net)	799.6	647.1
(j) Other non-current assets	2,630.8	1,233.4
Total Non-current assets	86,624.5	67,452.8
2 Current assets	33,332.2	29,224.1
(a) Inventories		
(b) Financial Assets		
(i) Investments	7,373.1	9,022.6
(ii) Trade receivables	29,791.1	24,662.5
(iii) Cash and cash equivalents	2,479.1	3,041.4
(iv) Bank balances other than (iii) above	14,849.9	12,589.4
(v) Loans	66.3	90.4
(vi) Other financial assets	25,225.2	21,154.8
(c) Other current assets	8,988.3	8,326.7
Total Current assets	122,105.2	108,111.9
3 Assets held for sale	-	1,346.3
TOTAL ASSETS	208,729.7	176,911.0
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	137,961.9	119,609.6
Equity attributable to owners of the Company	138,201.0	119,848.7
(c) Non-controlling interest	5,288.3	4,487.6
Total Equity	143,489.3	124,336.3
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,924.5	3,109.1
(ii) Lease liabilities	3,767.8	2,674.2
(iii) Other financial liabilities	4,077.0	3,520.1
(b) Provisions	4,312.1	3,382.2
(c) Deferred tax liabilities (net)	151.2	-
(d) Other non-current liabilities	180.8	219.5
Total Non-current liabilities	17,413.4	12,905.1
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	11,310.5	7,518.8
(ii) Lease liabilities	468.8	506.9
(iii) Trade payables		
Dues of micro and small enterprises	1,971.4	879.8
Dues of Creditors other than micro and small enterprises	20,470.4	18,493.7
(iv) Other financial liabilities	7,742.3	6,948.4
(b) Other current liabilities	3,191.7	3,057.0
(c) Provisions	2,006.5	1,591.1
(d) Current tax Liabilities (Net)	665.4	611.0
Total Current liabilities	47,827.0	39,606.7
4 Liabilities classified as held for sale	-	62.9
Total Liabilities	65,240.4	52,574.7
TOTAL EQUITY AND LIABILITIES	208,729.7	176,911.0

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Statement of Consolidated Cash flow for the year ended 31 March 2026

(₹ in million)

Particulars		For the year ended 31 March 2026 (Audited)	For the year ended 31 March 2025 (Audited)
A	Cash Flow from Operating Activities:		
	Profit before tax and after exceptional items	28,708.9	25,270.3
	Adjustments for:		
	Depreciation and amortisation expense	3,820.6	3,571.6
	Liabilities/provisions no longer required written back	(244.8)	(155.1)
	Profit on sale of investments (net)	(646.9)	(110.2)
	Unrealised loss/ (gain) on fair valuation of investments (net)	109.1	(418.7)
	(Profit)/Loss on sale / write off of property plant and equipment (net)	(127.8)	(46.0)
	Employee stock compensation expenses	48.7	166.1
	Unrealised foreign currency (gain)/loss on revaluation (net)	(160.3)	111.6
	Dividend income	(0.8)	(1.7)
	Interest income	(3,916.4)	(3,587.8)
	Impairment loss on capital work-in-progress and intangible assets under development	-	137.3
	Interest expenses	1,607.8	1,217.0
	Provision for doubtful advances	136.4	20.2
	Expected credit loss on receivables	737.7	133.7
	Subtotal of adjustments	1,363.3	1,038.0
	Operating profit before working capital changes	30,072.2	26,308.3
	Adjustments for changes in working capital:		
	Increase in trade receivables	(3,288.7)	(2,185.5)
	(Increase) / decrease in loans, other financial assets and other assets	(875.4)	249.9
	Increase in inventories	(2,473.1)	(2,612.3)
	Increase in trade payable, other financial liabilities and other liabilities	1,214.2	2,166.5
	Increase in provisions	1,271.3	241.7
	Subtotal of adjustments	(4,151.7)	(2,139.7)
	Cash generated from operations	25,920.5	24,168.6
	Less: Income taxes paid (net of refund)	(6,290.2)	(5,040.2)
	Net cash generated from operating activities	19,630.3	19,128.4
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 net off capital advances and capital creditors)	(6,172.6)	(6,756.2)
	Proceeds from disposal of property, plant and equipment	1,303.1	408.4
	Investments made in fixed deposits	(47,355.8)	(37,558.4)
	Redemption of fixed deposits	33,823.9	40,534.2
	Other investments made	(25,056.8)	(19,380.8)
	Redemption of other investments	25,607.4	6,616.4
	Purchase consideration for acquisition of business	(2,054.4)	-
	Investment in associate	(44.0)	(330.0)
	Dividend received	0.8	1.7
	Interest received	3,276.3	3,477.1
	Net cash used in investing activities	(16,672.1)	(12,987.6)
C	Cash Flow from Financing Activities:		
	Proceeds from non-current borrowings	1,794.8	2,879.0
	Repayment of non-current borrowings	(654.0)	-
	Proceeds/ (repayment) of current borrowings (net)	1,345.3	(4,820.1)
	Dividend paid	(6,137.0)	(5,046.2)
	Proceeds from minority interest	262.1	-
	Principal repayment of lease liabilities	(410.4)	(316.5)
	Interest paid	(1,234.8)	(806.1)
	Net cash used in financing activities	(5,034.0)	(8,109.9)
D	Net decrease in Cash and Cash Equivalents (A+B+C)	(2,075.8)	(1,969.1)
E	Cash & Cash Equivalents as at the beginning of the year (net of loans repayable on demand from banks)	(1,200.9)	663.1
	Add: Effect of exchange difference on foreign currency cash and cash equivalents	(144.6)	105.1
F	Cash & Cash Equivalents as at the end of the year (net of loans repayable on demand from banks) (D+E)	(3,421.3)	(1,200.9)

Notes:

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

Cash and cash equivalents	2,479.1	3,041.4
Loans repayable on demand from banks	(5,900.4)	(4,242.3)
Total cash and cash equivalents	(3,421.3)	(1,200.9)

- 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".

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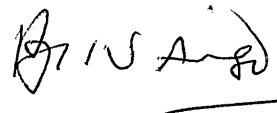
B

Notes to the Consolidated Financial results:

- 1 The above consolidated financial results are prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and are in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The Consolidated Financial results are prepared in accordance with Ind AS 110 'Consolidated Financial Statements'.
- 2 The above consolidated financial results of the Group were reviewed and recommended by the Audit Committee on 27 May 2026 and subsequently approved by the Board of Directors at its meeting held on 28 May 2026. The auditors have issued an unmodified opinion on the financial results for the year ended 31 March 2026.

The figures for the quarter ended 31 March 2026 and 31 March 2025 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published figures upto nine months of the relevant financial year.
- 3 Exceptional items includes:
 - 1) During the quarter and year ended 31 March 2026 year, the Parent Company reviewed its investments in real estate; where recoverability is subject to uncertainties. Accordingly, management has reassessed the carrying value of such investments and recognised a provision for impairment amounting to ₹ 747 million, which has been disclosed as an exceptional item for the quarter and year ended March 31, 2026.
 - 2) During the year, pursuant to the notification and subsequent finalisation of the Central Rules under the Labour Codes by the Government of India, the Parent Company and its Indian subsidiaries 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 Parent Company and its Indian subsidiaries have recognised an estimated liability towards gratuity and leave encashment for past service cost aggregating to ₹ 527.9 million in the quarter ended 31 December 2025 and an incremental impact of ₹ 602.7 million in the quarter ended 31 March 2026 resulting in a total impact of ₹ 1,130.6 million for the year ended 31 March 2026. The total impact has been disclosed as an exceptional item in the financial results. The Parent Company and its Indian subsidiaries 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) The Group as part of its ongoing initiative of networking, strategy and optimisation of manufacturing facilities had identified divestment of its Indore facility and had impaired the same during financial year 2024. The said facility has been sold in the quarter ended 30 June 2025 in accordance with the business transfer agreement entered with the buyer. The resulting gain (arising out of reversal of impairment loss) amounting to ₹142.9 million had been classified and disclosed as an exceptional item in the results for the year ended 31 March 2026.
- 4 Pursuant to the amendments introduced under the Finance Act, 2026, interalia allowing set off of available MAT credit under new tax regime (Section 115BAA of the Income-tax Act, 1961), the Parent Company and one of its Indian subsidiary; have decided to opt for the new tax regime from financial year 2026 – 27. Consequently, deferred tax has been recognised at the substantially enacted rate as at 31 March 2026.
- 5 The Board of Directors at its meeting held on 28 May 2026 have declared a final dividend of ₹ 10 (Rupees Ten only) per equity share (face value of ₹ 2 each) in addition to the interim dividend ₹ 43 (Rupees Forty Three only) per equity share (face value of ₹ 2 each) declared on 13 February 2026. The final dividend is subject to approval at the ensuing annual general meeting of the Company.
- 6 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment information has been made.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 28 May 2026

