ALKEM
Inspiring Healthier Lives

ALKEM LABORATORIES LTD.
Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.
• Phone: +91-22-3982 9999 • Fax: 022-2495 2955
• Email: contact@alkem.com • Website: www.alkemlabs.com
• CIN: L00305MH1973PLC174201

21st July, 2025

To,

The Corporate Relationship Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. ***Scrip Code: 539523***	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. ***Scrip Symbol: ALKEM***

Sub: Notice of the 51st Annual General Meeting (AGM) and Annual Report for financial year 2024-2025.

Dear Sir/Madam,

Please find enclosed herewith the Notice of the 51st Annual General Meeting of the Company scheduled to be held on Monday, 25th August, 2025 at 11.00 a.m. through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) alongwith the Annual Report for financial year 2024-2025.

The same is also available on the website of the Company at www.alkemlabs.com

Kindly take the same on record.

Thanking you

Sincerely,
For **Alkem Laboratories Limited**

DIVYA HARILAL MEWANI

Digitally signed by DIVYA HARILAL MEWANI
Date: 2025.07.21 15:07:39 +05'30'

Divya Mewani
Vice President – Legal and Deputy Company Secretary

Encl: a/a

ALKEM
Inspiring Healthier Lives

Sharpen the Now,
Shape the Future

Alkem Laboratories Limited
Annual Report 2024-25

Concept Note

The family inside the capsule symbolises Alkem's core mission: extending lifecare beyond boundaries. It communicates that each capsule or treatment is more than just a product -it safeguards futures and nurtures families. The hand holding the capsule shows active intervention "Sharpen the Now" – a metaphor for Alkem's current efforts in improving access, quality, and affordability.

A child with his mother, inside the capsule, represents continuity and long-term wellbeing, reinforcing Alkem's future-focused R&D, biosimilars, and MedTech investments. It visually implies that the medicines created today will impact generations to come, "Shaping the Future" through innovation and strategic foresight.

What's Inside

Sharpen the Now, Shape the Future.

At Alkem, we have always believed that progress in healthcare begins with a willingness to question what is possible and a commitment to act on it. We do not just react to shifts in the world around us; we look ahead, anticipate change, and take steps to lead it.

Over five decades, we have built brands, people trust, and relationships that have endured with patients, doctors, and partners. But we have never been content with where we are.

Ours has been a journey of portfolio expansion—from generics to high-potential areas such as biosimilars and MedTech, reflecting our commitment to evolving healthcare needs, from a domestic-first outlook to a global mindset, from traditional operations to technology-enabled ecosystems. Every shift has brought with it a learning curve, as well as a deeper sense of purpose.

As we stand today, we are sharpening our focus, building resilience in our supply chains, investing in quality and compliance, and embedding digital thinking throughout our organisation. This is how we stay prepared for what is next.

At the same time, we are shaping a future that demands more of us. We are exploring frontier areas like MedTech and biosimilars, not just to grow, but to make care more equitable. We are expanding globally, not just for scale, but because we believe our work should reach those who need it, wherever they are.

> The future is not a distant possibility; it is a responsibility we choose to take on today.

This dual commitment, to strengthen the present and build for tomorrow, drives everything we do. It is not always easy. The challenges are real, and the expectations are high. But we move forward with clarity, conviction, and a belief that our role in this ecosystem is not just to grow, but to contribute meaningfully, and to leave it stronger than we found it.

This is the future we are shaping, and the present we are sharpening, every day.

FY2025 Key Highlights

In the Now, With an Eye on the Future

Financial Highlights

₹1,29,645 Mn

Revenue from Operations (Increased by ▲ 2.3% y-o-y)

₹21,655 Mn

PAT (Increased by ▲ 20.6% y-o-y)

₹25,122 Mn

EBITDA (Increased by ▲ 11.9% y-o-y)

₹46.2 Bn

Net Cash

Operational Highlights

6.5% Y-o-Y

Domestic sales growth led by strong performance in key therapeutic areas like Anti-Diabetics, Gastro, Gynaec, Neuro/CNS, Respiratory & VM&N.

8.7%

Non-US business growth is driven by markets like **Australia** and **key European markets.**

230 bps Y-o-Y

Gross Margin improvement YoY due to better mix and favourable API prices.

156 ANDAs,02 NDAs

USFDA approvals till FY2025, including **13** tentative.

₹5,620 Mn

R&D spend on our commitment to innovation and pipeline strength.

ESG Highlights*

21% RE

in total energy mix

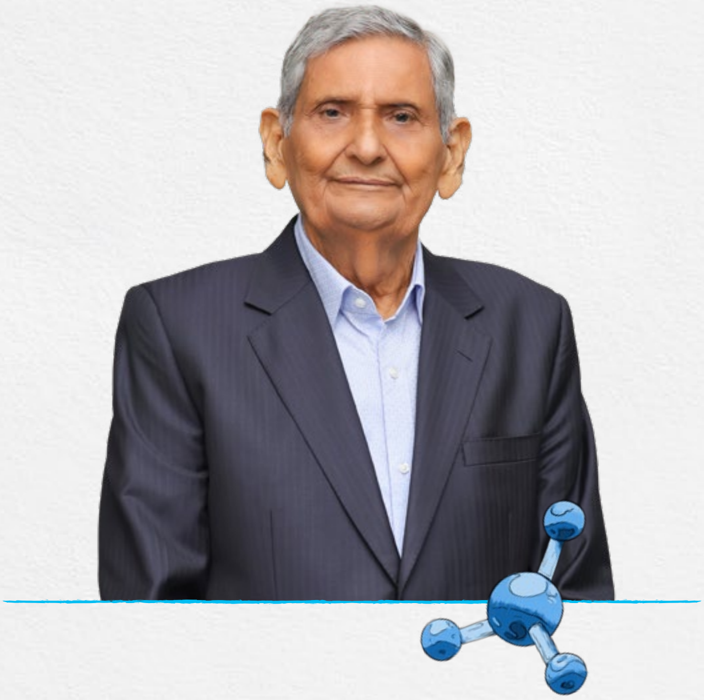
100% Operational Manufacturing units.

ISO 14001 and ISO 45001 certified

* On Standalone Basis

Chairman's Letter

Resilience with Purpose. Growth with Responsibility.



FY2025 reminded us that it is not always speed, but clarity of direction that builds resilience. In a world where policy, pricing, and priorities are all constantly evolving, we found our strength in staying measured, staying true, and staying ahead, without losing sight of the values that define Alkem.

Dear Shareholders,

It gives me great satisfaction to present this year's annual reflections, not just as a summary of numbers, but as a reaffirmation of what we stand for and where we are headed. This message is both a report and a moment of pause, to look back, recognise our progress, and share our vision for the road ahead.

Over the past five decades, we have weathered multiple cycles, some predictable, many disruptive, but each has strengthened our belief that long-term value comes from long-term thinking. This year was no different.

In the last two years, Alkem has also undergone a quiet yet purposeful evolution. What began as a family-led enterprise is today a professionally governed, performance-driven organisation. This transition has brought with it sharper focus, deeper accountability, and a stronger alignment with global standards of excellence.

We are proud to see a more agile, accountable, and forward-looking Alkem emerge, one that balances its legacy with the evolving demands of a dynamic healthcare landscape.

Navigating a Shifting Global Landscape

The external environment in FY2025 was marked by macroeconomic complexity. Persistent inflation, heightened regulatory scrutiny, and supply chain recalibrations kept the global pharmaceutical industry on alert. The U.S. market, in particular, witnessed margin compression, predominantly due to price erosion in our existing product portfolio. Even in India, while overall demand for healthcare remained strong, price controls and competitive intensity continued to pressure traditional growth models.

And yet, healthcare proved itself once again to be a sector of essentiality. Demand for safe, reliable, and affordable medicines rose, with governments, companies, and communities aligning in their shared pursuit of access and quality. We at Alkem stayed ahead, not by chasing momentum but by preparing for it.

Transforming through Strategy

FY2025 was also a year where we sharpened our focus on the kind of company we want to become over the next decade. While generics remain our core strength, we continued investing in verticals that will define the future of medicine and health delivery.

During the year, we deepened our commitment to ESG by enhancing Board oversight, strengthening disclosures, and embedding sustainability across operations. Quality continued to be a non-negotiable priority, with sustained investments in systems, digital tools, and global compliance. Our expansion efforts in Rest of the World (RoW) markets gathered momentum, reinforcing our global growth ambitions.

We evaluated strategic M&A opportunities aligned with our focus on high-growth therapies and differentiated capabilities. Our acquisition of Adroit Biomed in derma cosmetology and Bombay Ortho in orthopaedics marks our entry into adjacent high-growth areas. The latter, in particular, aligns with the vision of our MedTech vertical, Alkem MedTech which is poised to become a fully integrated orthopaedic implants player.

Our biosimilars platform, Enzene Biosciences, made significant progress, both on product development and capacity expansion. Construction of our biologics facility in New Jersey is advancing well and will act as a springboard for Enzene's ambitions in regulated markets.

CSR and Governance

At Alkem, we remain deeply committed to responsible growth through robust governance and meaningful CSR. In FY2025, our initiatives focused on enhancing healthcare access, education, and environmental sustainability across underserved communities.

Strengthening our corporate governance framework, we continued to uphold transparency, accountability, and ethical practices. These values are integral to our operations and stakeholder trust. We believe that sustainable progress is achieved not just through innovation, but by positively impacting lives and leading with integrity.

Scaling with Precision

The road ahead is dynamic, marked by innovation, digital transformation, and patient-centricity. We are calibrating our playbook to lead in this evolving context.

In India, our focus will remain on deepening penetration in chronic therapies and enhancing agility through digital tools and data-driven marketing. In the U.S., we aim to improve profitability by focusing on differentiated launches and optimising cost structures.

We will continue to build on future-ready platforms, MedTech, biologics, APIs (through Alkem Activa), and our CDMO vertical, ensuring that we are well-positioned to be more than a generics player. Across all verticals, capital allocation will be guided by return potential, risk thresholds, and strategic fit.

Every milestone we cross is a reflection of the many who walk this journey with us, those who believe in what we do, challenge us to be better, and trust us to deliver. To each of you, my sincere gratitude.

Our story has never been one of shortcuts or spectacle. It has been about steady progress, quiet conviction, and purposeful ambition. As we enter FY2026, our direction is clear. We are not just building a larger company, we are shaping a more agile, future-fit healthcare enterprise that remains anchored in ethics, driven by science, and inspired by the lives we touch.

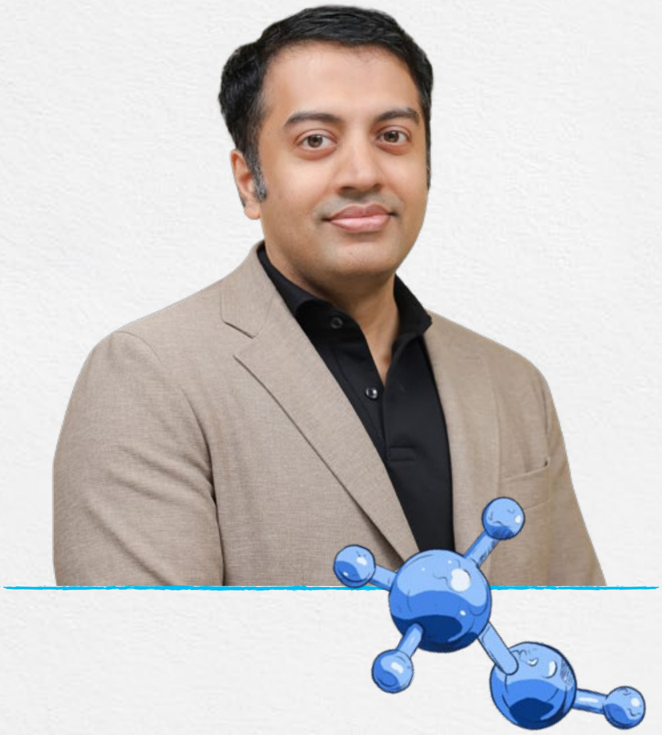
Thank you for being part of this journey and for staying with us as we script our next chapter.

Warm regards,

Basudeo N Singh
Executive Chairman

MD's Perspective

The Power of Staying Prepared



> FY2025 reaffirmed a simple truth: staying prepared, open to change, and invested in the right priorities makes all the difference when the world shifts around us. It is our conviction, and not the urgency, that has guided our decisions, shaped our direction, and strengthened our foundation for the future.

Dear Shareholders,

It is my privilege to connect with you once again as we close FY2025, a year that tested the strength of global supply chains and reaffirmed the value of long-term partnerships, resilience, and trust.

The pharmaceutical industry has been navigating through a whirlwind of changes, shifting regulations, evolving geopolitics, and new dynamics in global trade and manufacturing. And yet, through all this change, we have remained committed to what matters the most, making the right investments, backing our people and platforms, and building for the future with clarity and purpose.

Recalibrating Our Global Approach

One of the more notable developments this year was the continuous ongoing tariff discussions on pharmaceutical imports into the United States. While our presence in the U.S. market remains relatively limited and primarily focused on a portfolio of mature generics, we are not immune to the cost and margin pressures that proposed changes may result into. That said, the commercial impact remained contained due to relatively lower exposure to large-scale high-value launches. These trends continue to reinforce our belief in the importance of gradually de-risking our U.S. generics business through a more diversified and innovation-driven approach. We see this moment not as a disruption but as a strategic inflexion point, one that sharpens our focus on the kind of business we want to build. We continue to sharpen our focus on the Rest of the World (RoW) markets, recognising their growing contribution to our overall portfolio. These regions offer meaningful opportunities for sustainable growth, supported by favourable demographics, evolving healthcare ecosystems, and an increasing demand for quality generics. Our efforts remain aligned towards deepening our presence through targeted product launches and strategic partnerships.

Scaling the Enzene Opportunity

In this direction, we are particularly encouraged by the progress made by Enzene Biosciences, our subsidiary that is rapidly scaling in the fast-evolving biosimilars and biologics space. With its upcoming biologics CDMO facility in New Jersey, Enzene is poised to play a much larger global role. This facility is more than just geographic expansion; it positions us closer to our key customers in the U.S. and allows us to tap into the "China+1" strategy, where biotech innovators are actively seeking alternative partners rooted in compliance, quality, and cost efficiency.

By combining a North America-based delivery engine with an India-led R&D and cost leadership, Enzene is building a differentiated model that offers global biotech firms the best of both worlds. We remain deeply committed to scaling Enzene into a truly global innovation and manufacturing platform, one that advances affordable access to high-quality biologics worldwide.

Expanding into New Healthcare Frontiers

Looking forward, we are equally focused on nurturing our newer verticals, each of which is built on a long-term view of the healthcare industry. FY2025 marked our formal entry into the medical devices segment through Alkem MedTech. We have acquired a modern manufacturing facility for orthopaedic implants for the value segment, and also completed a technology transfer from a US partner for premium segment implants. Regulatory processes are underway, and we expect to commence commercial operations in FY2026. We believe this vertical will add valuable diversification to our portfolio and aligns with our larger vision of playing a deeper role in precision-engineered healthcare.

Staying Disciplined, Thinking Long-Term

As we navigate this fast-changing environment, what gives us confidence is the consistency of our strategy. We are clear on where we want to lead, and we are focused on making the right bets across the right verticals. Our emphasis remains on building long-term competitive moats, whether through differentiated capabilities, deeper partnerships, or global diversification. The past year has also shown the importance of capital discipline, execution agility, and risk-managed growth. We will remain prudent in our expansion and open to inorganic opportunities, where they are synergistic and accretive.

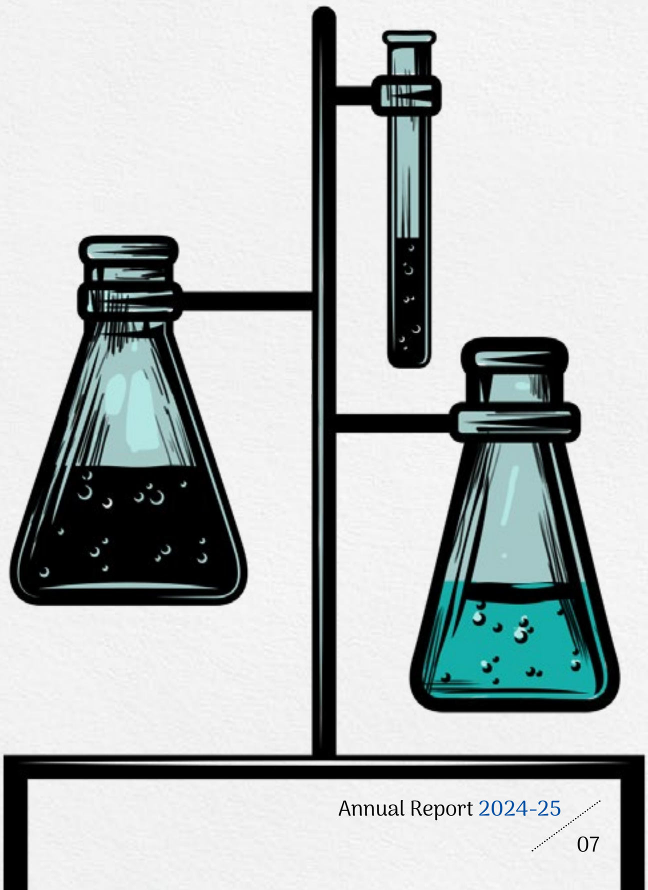
Looking Ahead with Confidence

Looking ahead to FY2026, we expect the operating environment to remain dynamic. Macro headwinds, regulatory shifts, and pricing pressures are likely to continue in some form. However, the foundations we have built, the verticals we are developing, and the ecosystem we are shaping give us reason to be optimistic. Our teams are aligned, our platforms are scaling, and our belief in the power of long-term thinking has only grown stronger.

I want to take this opportunity to thank you, our shareholders, for your continued trust and belief in us. I am equally grateful to our teams across the world, our partners, and our customers, whose commitment and passion drive us forward every day. It is your energy and effort that keep us moving, evolving, and pushing boundaries in everything we do.

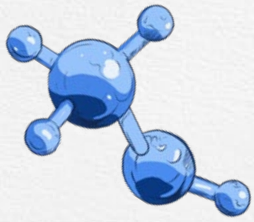
Warm regards,

Sandeep Singh
Managing Director



CEO's Message

Measured Moves in a Shifting Landscape



We believe that bold outcomes are built on precise execution. Every move we make today is intentional, sharpened by data, driven by purpose, and aligned with long-term impact. As we navigate an evolving global landscape, our focus remains clear: to lead with conviction, innovate with agility, and shape a bolder, more resilient tomorrow.

Dear Shareholders,

As we close yet another transformative year at Alkem, I am pleased to share reflections on our journey through FY2025, a year marked by disciplined execution, strategic foresight, and a deepening commitment to differentiation. In an environment shaped by volatility, we stayed true to our fundamentals: we sharpened priorities, scaled differentiation platforms, and strengthened our presence across core and emerging markets.

FY2025 was not without its complexities. Global inflationary pressures, pricing dynamics in regulated markets, and evolving regulatory expectations required constant recalibration. And yet, it was precisely in this complexity that our clarity emerged. With a focused execution strategy and a resilient operating model, we were able to navigate disruption and deliver with purpose.

Navigating Complexity with Clarity

This year demanded not just adaptability, but sharp decision-making. We secured our core operations while unlocking new avenues for growth.

Our diverse therapeutic portfolio, strong field force, and agile supply chains allowed us to stay competitive in fast-evolving markets. We remained disciplined in cost management and selective in capital allocation, prioritising high-impact platforms and long-cycle investments. Across markets and segments, our goal remained consistent: to stay ahead of the curve by acting deliberately and building intelligently.

Financial Strength and Margin Expansion

We closed FY2025 on a good note. Consolidated revenue stood at ₹1,29,645 million, marking a YoY growth of 2.3%, while EBITDA increased by 11.9% to reach ₹25,122 million. Importantly, EBITDA margins expanded from 17.7% to 19.4%, reflecting the strength of our operating leverage, product mix optimisation, and rigorous cost control.

As we reflect on the past year, I am proud to report that our company remains in a strong financial position. Our balance sheet is robust with net cash at ₹46.2 Bn, a position of strength that not only reflects our disciplined financial management but also empowers us to look ahead with confidence.

This financial flexibility allows us to invest boldly in the capabilities that will shape our future. From advancing our biologics pipeline to enhancing our digital infrastructure and scaling next-generation manufacturing platforms, we are building for long-term growth and innovation.

Homegrown Excellence

India continued to be the bedrock of our business, contributing ~70% of total sales in FY2025, with domestic sales rising by 6.5% YoY to ₹89,837 million. We sustained our leadership in acute therapies while recording promising growth in chronic segments such as anti-diabetics, neurology, and vitamins/minerals/nutrients in the acute segment.

According to IQVIA (SSA) data, Alkem registered a 2.1% volume growth, compared to IPM's 1.2%, outperforming the market by 90 basis points. Our acute segment delivered 6.9% growth, 30 basis points above the IPM average.

Importantly, we outpaced the Indian Pharmaceutical Market (IPM) in several key therapy areas, including Gynaecology (2.1x), Respiratory (1.5x), Gastrointestinal (1.2x), and VMN (1.6x), underscoring the strength of our brand equity and field-force execution. We also improved our ranking in two of the IPM's top five therapy areas, anti-diabetics and respiratory, reflecting the rising momentum in our chronic care franchise.

These results reflect our balanced portfolio, strengthening relationships, and our ability to adapt swiftly to shifts in patient and prescriber demand.

Fuelling Market Momentum

We also made notable progress in sharpening our sales and marketing engine. Our efforts focused on enhancing digital doctor engagement, deepening data-led performance tracking, and improving field force effectiveness through streamlined tools and smarter training. These initiatives collectively strengthened our execution on the ground and supported our strong domestic performance.

Global Expansion with Focus

Beyond India, our international business delivered a steady performance. While the U.S. market saw decline in sales due to pricing erosion and structural shifts, our Rest of World (RoW) operations delivered good growth.

The international strategy remains clear: defend our core generics play in the U.S. through operational discipline and high-value launches, while expanding differentiated offerings and partnerships in high-potential RoW markets.

Innovation Platforms Gaining Strategic Ground

Our agenda is now increasingly aligned with global regulatory expectations, patient-centric outcomes, and sustainable affordability. By combining scientific depth with operational execution, we are laying the foundation for the next phase of value creation, one that is driven by purposeful innovation and scalable impact. We also raised the bar on quality and digital integration. Our manufacturing sites successfully cleared major global inspections.

We continued to invest in digital transformation across quality systems. Real-time batch visibility, and traceability enhancements are increasingly becoming standard across our major sites.

Our quality is non-negotiable. During FY2025, we successfully closed the USFDA inspection at Baddi and Taloja R&D Centre. These reaffirm our capabilities to meet global standards and maintain an uncompromising commitment to compliance.

Our People, Our Purpose

Behind every success are our people. With over 21,000+ employees, including 12,500+ medical representatives, Alkem's culture remains rooted in empowerment, agility, and shared purpose.

We retained our Great Place to Work® certification during the year, an endorsement of our people-first approach, our inclusive practices, and the belief that high performance is driven by high engagement.

As we scale, we continue to invest in talent development, leadership programs, and digitised training ecosystems that prepare our people for a more dynamic healthcare landscape.

Looking Ahead

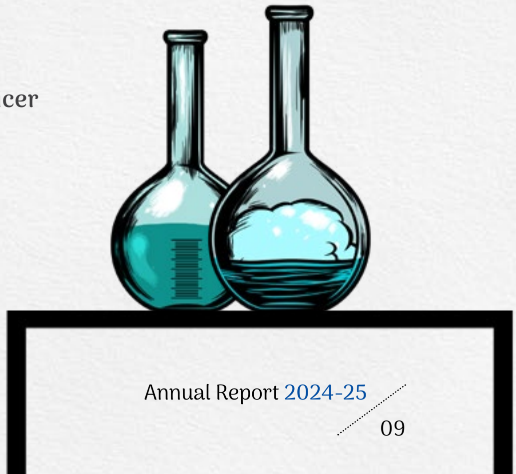
As we step into FY2026, we do so with renewed energy, sharpened priorities, and the confidence of having built a strong foundation. Our focus will be on scaling our high-impact verticals, including biologics, MedTech, and digitally enabled operations, while deepening our global relevance through targeted expansion. At the same time, we remain committed to delivering consistent operational performance across our core businesses, maintaining cost discipline, and staying agile in the face of market shifts.

What sets us apart is not just what we do, but how we do it. Precision, discipline, and long-term conviction have always defined us. And they will continue to do so.

Thank you for your continued trust, belief, and partnership.

Warm regards,

Dr. Vikas Gupta
Chief Executive Officer



Alkem in a snapshot

Sharpening Healthcare Through Strategic Leadership

For over five decades, Alkem Laboratories has stood at the forefront of India's pharmaceutical landscape, committed to delivering quality, accessibility, and trust in healthcare. From a single manufacturing unit, we have evolved into a diversified pharmaceutical leader with a presence in over 40 countries.

Our growth is rooted in scientific excellence, a deeply patient-centric approach, and operational scale that enables us to respond swiftly to global healthcare needs. We operate across the pharmaceutical value chain, with a focus on branded generics, complex generics, biosimilars, and nutraceuticals.

> We rank among India's top five pharmaceutical companies and lead in multiple therapeutic areas, with top brands such as Clavam, Pan, Pan-D, Taxim-O which feature among India's top 50 brands.

Our Therapeutic Presence

- Anti-infectives
- Gastrointestinal
- Pain Management
- Vitamins & Nutrients
- Anti-Diabetics
- Neurology/CNS
- Dermatology
- Respiratory
- Gynaecology
- Urology
- Pediatrics
- Orthopedics
- Cardiology
- Oncology
- Ophthalmology

Strengths we endure as a pharmaceutical powerhouse

What our numbers say

800+
Brands

1,500+
SKUs

21,000+
Employees Globally

12,500+
Medical Reps

8,800+
Stockists

77
Depots and CFAs

18
Manufacturing Facilities

3
R&D Centres

40+
Countries Global Presence

What our rankings say (IQVIA MAT, March 2025)

#1
in Anti-Infective

#2
in VMN

#3
in Gastrointestinal and Pain segments

1.14x
the market growth in Anti-Diabetics

For more details, please visit
www.alkemlabs.com

Values that Shape us

Safety
of the highest grade in product manufacturing and the workplace environment

Quality
in our products and services, by striving to provide defect-free products and services to our customers

Honesty
in communicating within the Company and with our suppliers, customers, and all stakeholders, while at the same time protecting the Company's confidential information and trade secrets

Responsibility
for our words, actions and their consequences

Compassion
in our relationships with our fellow employees and the communities affected by our business

Fairness

to fellow employees, shareholders, customers and suppliers through adherence to all applicable laws, regulations, and policies, transparency, and a high standard of behaviour

Respect

for fellow employees, shareholders, customers and suppliers while showing willingness to elicit, listen to, and consider their opinions and value their feedback

Adaptability

of thinking and behaviour to meet the ever-changing conditions, taking care to act in harmony with nature to ensure progress and success in all endeavours

Gratitude

for all the benefits received, confident that this attitude will be a source of unbounded joy and vitality, enabling us to overcome any obstacles we may encounter

Every Step Sharpened Our Edge

From one plant in Mumbai to 800+ brands across 40 countries, every milestone sharpened our purpose and expanded our impact.

1970s–1990s

Foundations of Purpose

1973 – Alkem Laboratories is founded with a vision to deliver accessible, high-quality medicines.

1978 – Our first manufacturing facility begins operations at Taloja, near Mumbai.

1992 – A second facility is set up in Mandva, later converted into a key API unit.

2000s

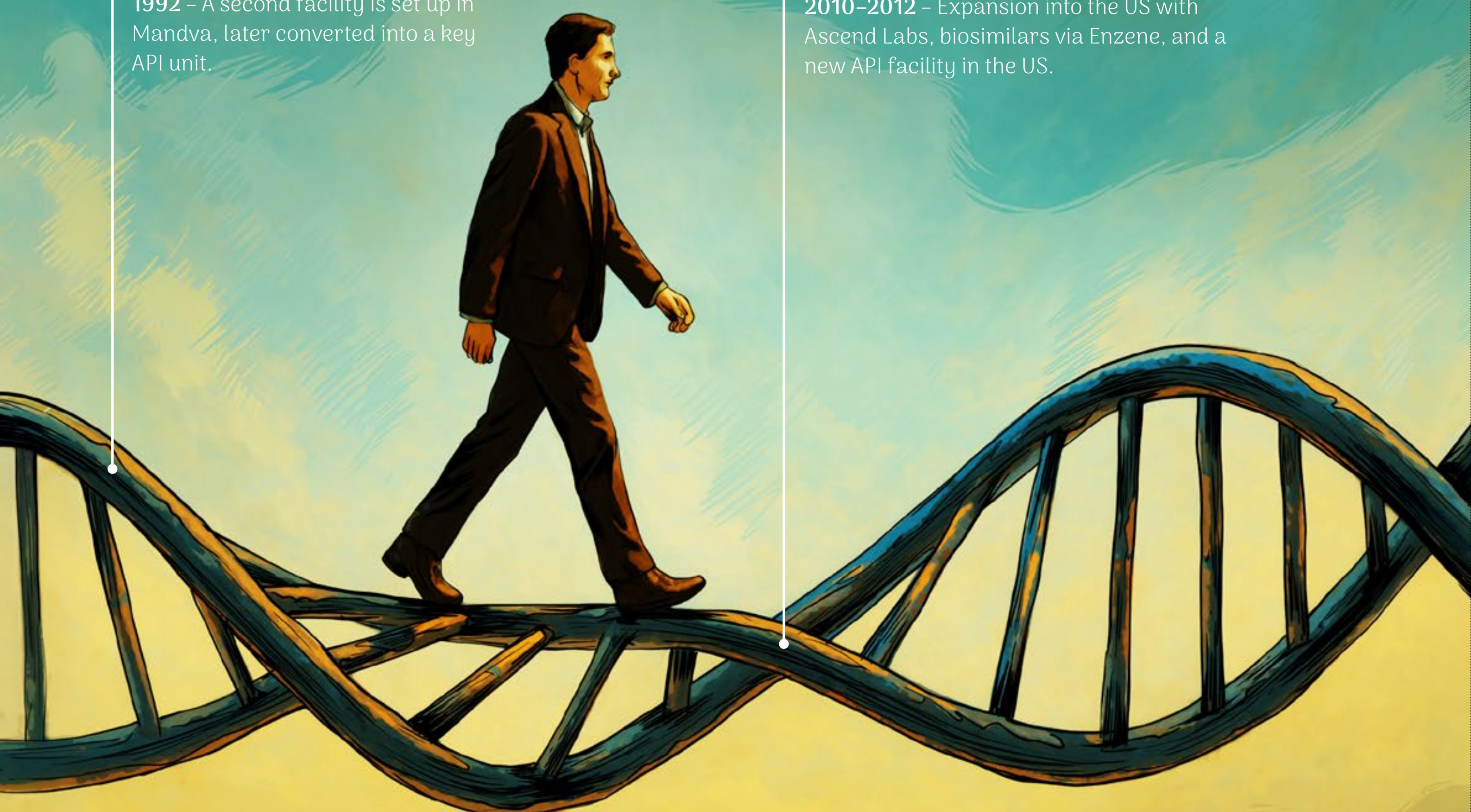
Research. Reach. Recognition.

2003 – We establish our first dedicated R&D centre in Taloja, marking our entry into advanced drug development.

2006 – Taxim becomes the first anti-infective in India to cross ₹1 billion in annual sales.

2009 – Our first ANDA approval is received in the US; we also acquire Pharmacor in Australia.

2010–2012 – Expansion into the US with Ascend Labs, biosimilars via Enzene, and a new API facility in the US.



2013–2018

Expanding Horizons

2014 – Clavam surpasses ₹2 billion in domestic sales; we acquire the Clindac (an Indian brand).

2015 – Alkem completes its IPO, further strengthening its institutional credibility.

2018 – US revenues cross the $200 million milestone, cementing our global strategy.

2019–2024

Sharpening Scale and Strategy

2019 – Global revenue crosses $1 billion.

2020 – New manufacturing facilities launched Pune (biologics/biosimilars).

2021 – First biosimilar launched from Enzene in India; Pulmocare division debuts in respiratory therapy.

2022 – Alkem named “Pharma Company of the Year” at ET Pharma World Awards; Clavam crosses ₹6 billion in sales.

2023–24 – 50 years of Alkem; Launched Eyecare, ophthalmology division

2024 -25 – Strategic acceleration:

Inclusion in the MSCI India Index

Adroit acquisition

Entry into Medtech segment via licensing agreement with Exactech and acquistion of Bombay Ortho.

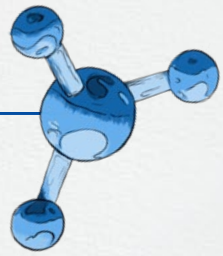
Wide Geographic Presence

Scaling Impact with Purpose and Precision

Our global presence spans over 40 countries, supported by 18 manufacturing facilities and 3 cutting-edge R&D centres. We operate across India, the US, Australia, Latin America, and Europe, meeting complex healthcare needs with speed, scale, and scientific rigour.

Indian Operations

India remains our strategic anchor, driving performance and long-term growth. We are the fifth-largest player in the domestic pharmaceutical market, with sustained leadership in acute therapies, including Anti-infectives, Gastrointestinal, Pain Management, and VMN. Flagship brands like Clavam, Pan, Pan-D, and Taxim-O rank among India's top 50. We have led the anti-infective space for 15+ years and hold a strong position in the trade generics segment. At the same time, we are steadily scaling in chronic therapies including Neuro CNS, Anti-diabetes, Dermatology, Respiratory, and Urology.



Our Market Mix

Sales Split (Rs Mn)

89,837 Mn
India

24,818 Mn
US

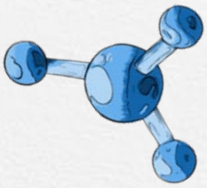
13,392 Mn
Other international regions

Geography-wise (%)

70.2%
India

19.4%
US

10.4%
Other international regions



International Operations

We also have a strong presence in the international territories where we operate through subsidiaries and the parent company. The contribution of our international sales to total sales stood at 29.8% in FY2025. The United States, although our second-largest market in terms of size, plays a more measured role in our overall strategy. Looking ahead, we are actively expanding into high-potential regions across RoW markets, where evolving healthcare needs and growing demand present significant opportunities for long-term, sustainable growth.

10.4%
in FY2025
Sales de-growth in US business

8.7%
in FY2025
Sales growth in non-US business

Earning Distinction through Discipline

Business Excellence

WOW Workplace Award 2025

Recognised in the Pharmaceutical & Healthcare category for fostering a vibrant, inclusive workplace, based entirely on employee feedback.

India's Best Workplaces 2024

Featured by Great Place to Work® in Pharma, Healthcare & Biotech.

Indian Family Business Awards 2023

Winner in the Most Innovative, Disruptive & Transformational category (GIGA Jury Select).

Impact Leader of the Year

Mr. B.N. Singh honoured by Barclays-Hurun India under India's Most Respected Family Business Leader.

Gartner Eye on Innovation 2024

Recognised at the 16th Express Logistics & Supply Chain Leadership Conclave.

Best-in-Class Supply Chain Innovation

Recognised at the 16th Express Logistics & Supply Chain Leadership Conclave

IMAGEXX Silver 2024

For the "50 Years of Excellence" corporate branding campaign by Adgully.

IPRCCA Award

For the Most Innovative Use of Social Media by Exchange4Media

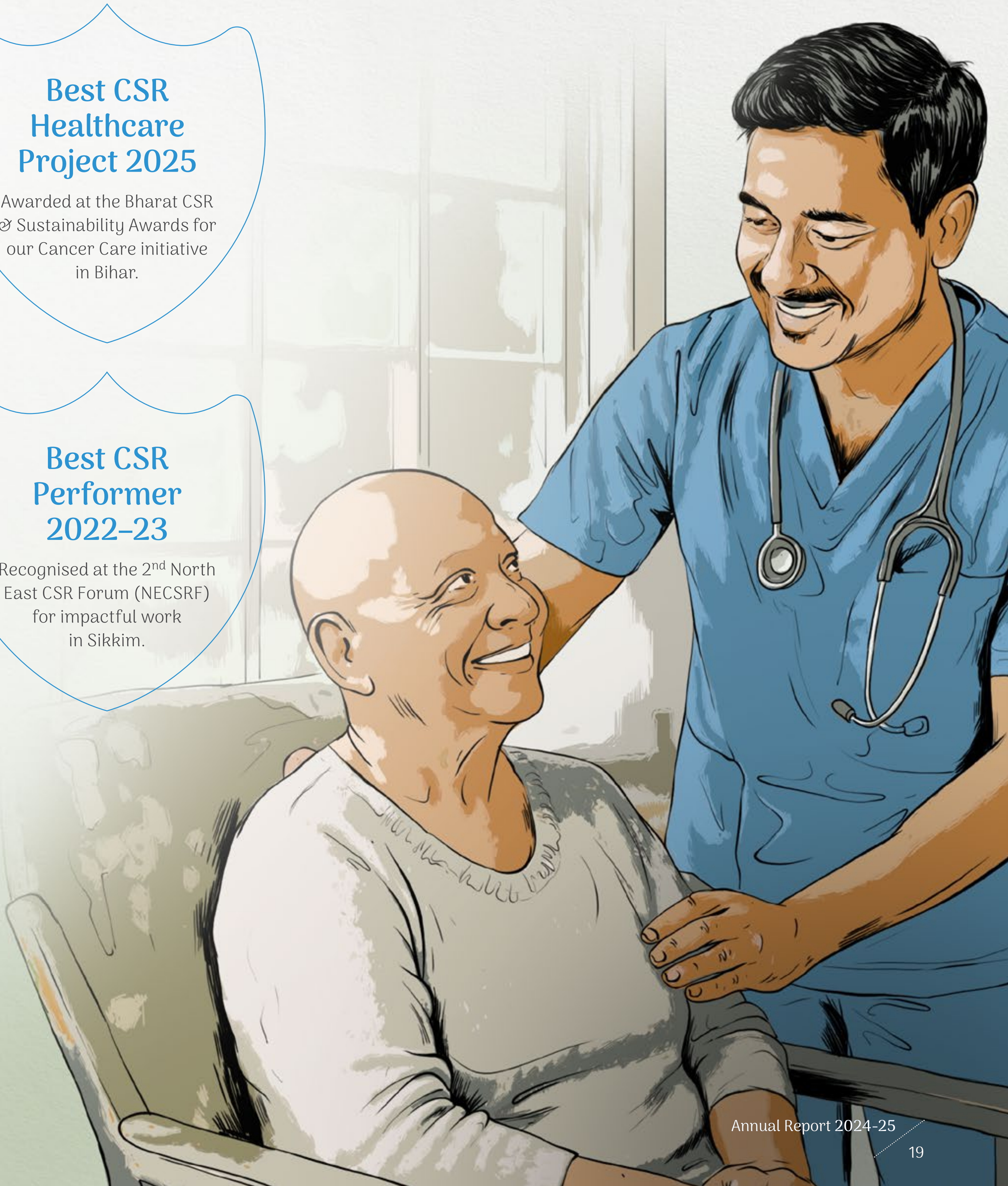
Social Impact

Best CSR Healthcare Project 2025

Awarded at the Bharat CSR & Sustainability Awards for our Cancer Care initiative in Bihar.

Best CSR Performer 2022–23

Recognised at the 2nd North East CSR Forum (NECSRF) for impactful work in Sikkim.



Financial Performance

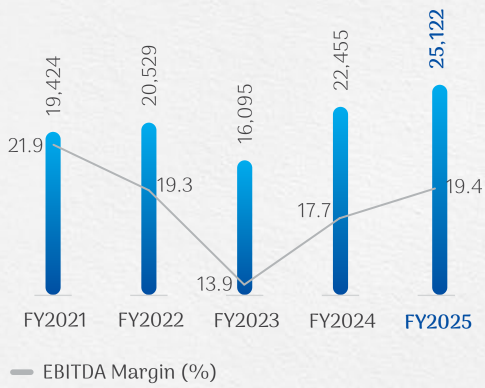
Metrics that Move us Forward

Revenue From Operations

(₹ in Mn)

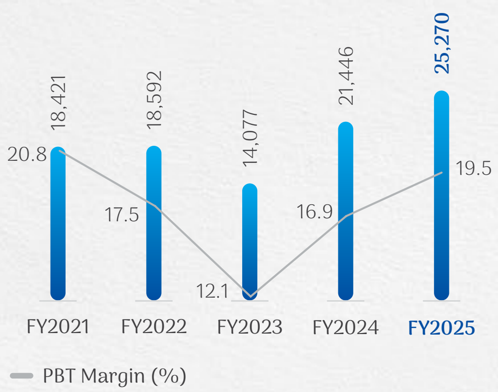
EBITDA

(₹ in Mn)



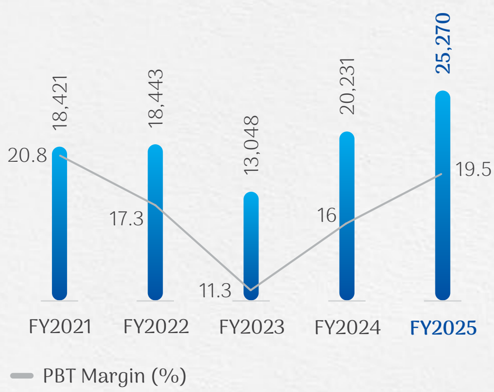
Profit Before Tax

(₹ in Mn)



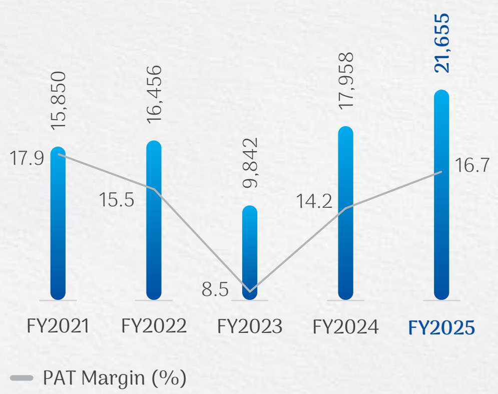
Profit Before Tax and after exceptional item

(₹ in Mn)



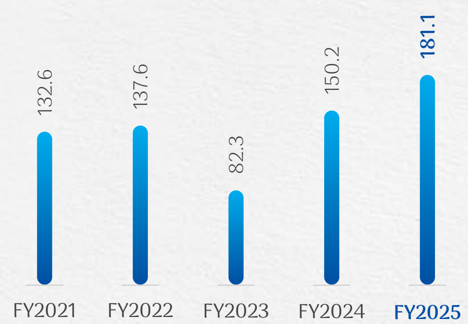
Profit After Tax

(₹ in Mn)



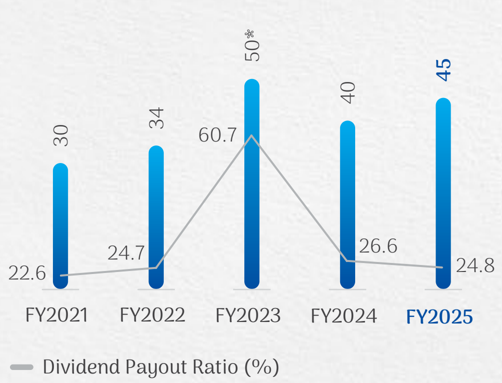
Earnings Per Share (EPS)

(₹)



DPS and Dividend Payout

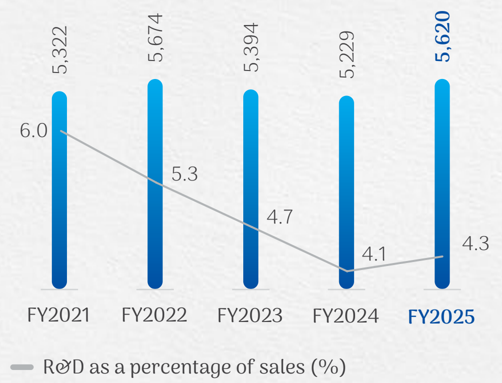
(₹)



* includes one-time special dividend of ₹25 per share

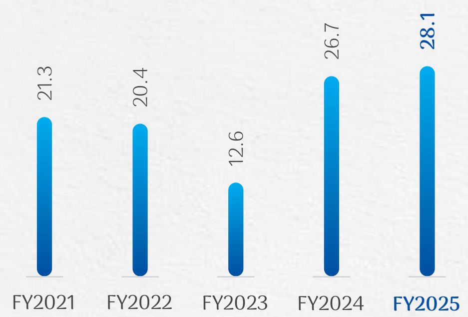
R&D Spend

(₹ in Mn)



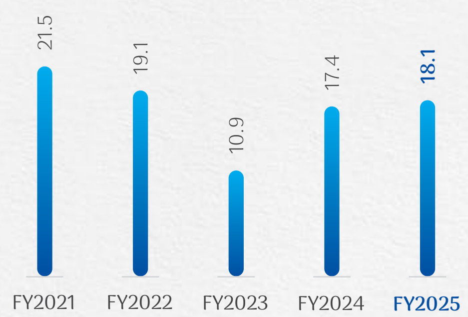
Return on Capital Employed (RoCE - Pre tax)

(%)



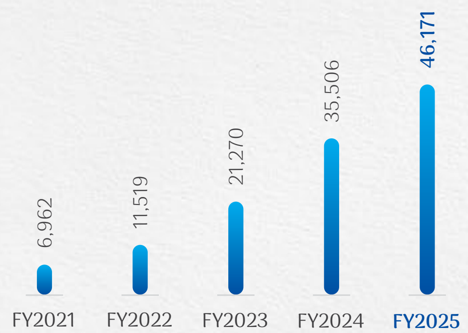
Return On Net Worth (RoNW - Post tax)

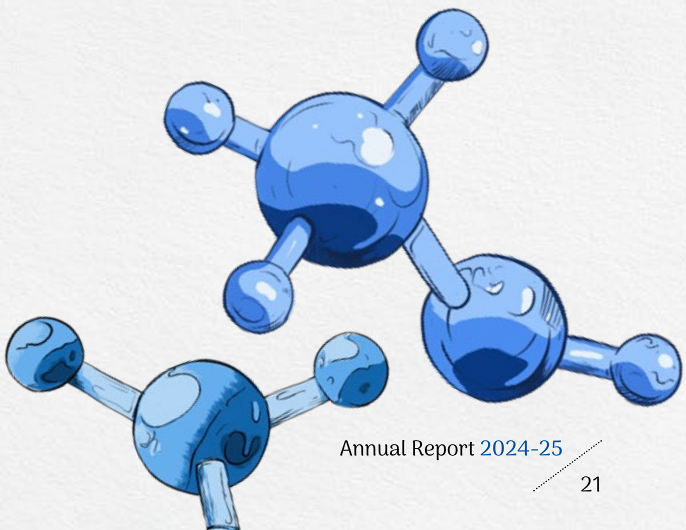
(%)



Net Cash

(₹ in Mn)





Value Creation Model

A System that Sharpens Returns

Inputs That Power Our Progress

₹239.1 Mn
Equity

₹1,19,849 Mn
Net Worth

₹5,620 Mn
R&D spend

3
R&D centres

665+
scientists

18
manufacturing facilities

5
US FDA-approved facilities

21,000+
employees

12,500+
medical representatives

Robust digital infra: CRM, cloud data warehouse, live dashboards

ESG commitment: Climate Action, Zero Harm Commitment

CSR investments across healthcare, education, environment, and sports

Business Value Drivers (This mirrors the central column style, explaining the business pillars)

Strengthening Profitability
Balanced portfolio with deep penetration in acute therapies and rising chronic footprint.

Enabling Social Value
Driving Social Value through Strategic CSR under the Alkem Foundation's Thematic Interventions

Enhancing Quality & Compliance
Integrated systems, automation, QbD approach, and advanced regulatory readiness.

Embedding Sustainability
Safety-first culture, Zero Harm approach, 3R framework, and inclusive practices.

Driving Innovation
Strong R&D engine focused on biosimilars, MedTech, and digital tools.

Accelerating Digitisation
CRM upgrades, cloud analytics, performance dashboards, and enterprise-scale platforms.

Outputs	Outcomes	SDGs
₹1,29,645 Mn Revenue from Operations; ₹25,122 Mn EBITDA; ₹21,655 Mn Net Profit; 18.1 % RoNW	Long-term business sustainability and healthy cash flows	8 DECENT WORK AND ECONOMIC GROWTH
14 new products approved; 09 ANDAs filed	Improved regulatory track record and global market access	3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Increased presence in ophthalmology, biosimilars, and MedTech	Faster time-to-market through tech-enabled R&D	3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
3.3% reduction in attrition/ turnover rate **1.2x** internal promotions vs. external hires Sales productivity - **4.65 lakh** average sales per person	Gender diversity benchmarks: all-women unit in Sikkim	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
GCC was established for centralised enterprise operations	Digitisation-led agility across supply, sales and compliance	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
21 % RE in total energy mix **0** Fatalities	Reduced GHG emission, energy and water consumption intensities per production	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
8,72,377 beneficiaries (total beneficiaries across all thematic projects of CSR)	Recognition for best CSR healthcare project (2025)	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES

Stories for the Year

Carving Newer Domains in Patient-Centric Care

Our legacy in acute therapies, spanning anti-infectives, gastrointestinal care, pain management, and VMN, has long positioned us as a trusted healthcare partner across India. However, as the healthcare landscape evolves, so must we. Today, our chronic therapies represent one of the most promising frontiers in the Indian Pharmaceutical Market (IPM), and towards which we are taking bold, decisive strides.

A Market on the Move

Chronic therapies today account for approximately ₹92,000 crore, or 39% of the IPM. They are expanding at a significantly faster pace than acute segments, with a YoY growth of 9.5% versus 6.8%, and a 3-year CAGR of 10.4% versus 7.2%. Cardiology is the largest chronic therapy (₹30,000 Cr), followed by Anti-diabetes (₹21,000 Cr) and Neuro/CNS (₹4,200 Cr).

Several underlying factors are propelling this surge:

- Rising incidence of lifestyle-related diseases
- Greater awareness, access, and affordability of treatment
- Increased comorbidities over time, requiring sustained therapy
- Patent expiries of blockbuster molecules, opening the floodgates for high-volume generics

New launches in oral anti-diabetes therapies post-patent expiry now account for nearly 20-25% of all new introductions in the IPM, a trend we have strategically adopted.

Source : IQVIA SSA data, March 2025

Sharpening Our Edge in Chronic Care

While acute care remains a foundational strength, we have significantly scaled our chronic care business, growing it to ~₹1,372 crore at a 13.3% CAGR over the last three years, well above the market averages.

Multiple focused initiatives have driven our momentum in chronic therapies:

- Expanding into white spaces such as inhalation therapies for chronic respiratory diseases (asthma, COPD)
- Timely launches of generics post patent expiry, including "day one" or "first to launch" entries in oral anti-diabetes drugs like sitagliptin, linagliptin, dapagliflozin, empagliflozin, and their combinations
- Differentiated offerings in dermatology, across both clinical and cosmetic categories, led by brands like Clindac, Kojiglo, Sunheal, and Olesoft, with a focus on proprietary global ingredients, backed with strong clinical evidence. For example, Olesoft Lite is the second-ranked new launch in Dermatology across IPM, in the last two financial years
- Deeper specialist engagement, with multiple dedicated sales divisions for cardio-diabetes and neuro/CNS segments, reaching cardiologists, diabetologists, endocrinologists, psychiatrists, neurologists, and neurosurgeons across India

Milestones in Execution

Flawless execution across these strategic pillars has helped us add ~₹430 Cr in chronic therapy sales over just three years. We have maintained our therapeutic ranking #7 in Neuro/CNS and improved ranking to #12 in Oral Anti-diabetes (excluding Insulin).

Our brand families speak for themselves:

- Dapanorm (plain, Duo, Trio), a ~₹137 Cr portfolio built around dapagliflozin and its combinations, with Dapanorm Trio leading the market
- Empagliflozin and combinations, where we have emerged as a market leader across key SKUs post patent expiry in March 2025

We have further elevated these launches through thoughtful innovations, including patient-friendly packaging, smaller tablet sizes, educational material for better adherence, and science-led promotional strategies.

Source : IQVIA SSA data, March 2025

Looking Ahead

The chronic care journey is just beginning. We are actively preparing for the next wave of opportunities, including:

- Timely participation in future patent expiries, particularly in high-value segments like peptides for diabetes and obesity.
- Launching first-in-India, in-licensed products to address unmet needs or to introduce new mechanisms of action or new drug classes in the key chronic therapeutic areas.
- Investing in clinical development where opportunities are time-sensitive, and where innovation and differentiation are needed most.

Stories for the Year

Scaling Beyond Borders

We have built a strong foundation in India, which continues to contribute around 70% of our business. But our growth story does not stop at home. We are steadily expanding our global footprint, strengthening our presence in established markets while boldly stepping into new geographies.

Today, we serve nearly 40 international markets beyond the US, ranging from Latin America and Europe to Southeast Asia, Africa, Australia and other emarging markets. These diverse markets represent not only revenue streams but also powerful platforms for Alkem to deliver trusted, high-quality healthcare across borders.

A Strategic Global Push

In FY2025, revenues from our other international markets segment grew by 8.7% YoY to ₹13,392 million, led by robust momentum in key geographies such as Australia and some key European markets.

As we explore growth beyond the US, our strategy remains clear to deepen existing market reach while entering high-potential, underpenetrated regions.

We are tailoring our approach with locally relevant products, calibrated investments in R&D, and calibrated commercial strategies suited to each market's regulatory and healthcare dynamics.

As part of a comprehensive review of our Non-U.S. market strategy, we focused on three core priorities:

Unlocking opportunities within existing markets

Conducted a detailed analysis to identify underpenetrated segments and growth levers in current geographies.

Evaluating entry into high-potential new geographies

Assessed market attractiveness, regulatory environments, and competitive landscapes to prioritize new regions for expansion.

Strengthening internal capabilities

Benchmarked current operations and initiated steps to build future-ready capabilities aligned with international market demands.

Breaking New Ground in MedTech

At Alkem, we have always looked beyond boundaries: geographic, therapeutic, and technological. In FY2025, we took a transformative step by entering the high-potential Medical Devices segment. Through the establishment of Alkem MedTech Pvt. Ltd., a wholly owned subsidiary, we laid the foundation for a scalable, innovation-led business focused on orthopaedic joint solutions, designed to meet the evolving healthcare needs of both Indian and global patients.

Why MedTech, Why Now?

With a global market poised to grow from USD 700 billion (2023) to over USD 850 billion by 2027, and the Indian MedTech sector expected to reach USD 40-50 billion by 2032, this is an opportune time to foray into this space. Several macro factors reinforce this outlook:

Expanding insurance coverage through PM-JAY and private players

- Rising per capita income and urbanisation
- Strong policy push through Make in India and regulatory clarity under the Medical Devices Rules, 2017

At the intersection of need and opportunity, our MedTech initiative aligns naturally with Alkem's vision of delivering accessible, world-class healthcare solutions.

Source: IBEF Industry report, LEK report on Indian MedTech market and Internal Market Intelligence

Our Focused Entry into Orthopaedic Joint Replacement

Our immediate focus lies in the Orthopaedic market, a ₹4,000 crore opportunity in India, expected to grow in double digits. Within Orthopaedic, we are going to focus on the Joint replacement, particularly knee and hip implants, contributing around 61% of the total Orthopedic market. Several Tailwinds are supporting the growth of the Orthopaedic Joints market.

- An aging population and increasing life expectancy.
- A growing middle class with better access to advanced healthcare.
- A high incidence of osteoarthritis, rheumatoid arthritis, and lifestyle-related orthopedic conditions.
- NPPA introduced price caps in knee replacements has opened up newer patient base, which could not afford earlier.

Despite this growth, majority of the Indian market for orthopedic implants is still import-dependent, highlighting an urgent need for indigenous, cost-effective, and high-quality alternatives. We are addressing the key challenges through:

- Clinically validated, precision-engineered implants
- Cost-effective, locally manufactured solutions
- Indigenous instrumentation systems that reduce import dependency
- Surgeon-friendly designs rooted in clinical insight

Our approach is anchored in designing patient-centric, surgeon-friendly products while ensuring alignment with global regulatory standards such as ISO 13485, MDR 2017.

FY2025 Achievements

Infrastructure

- Acquired a modern state-of-the-art manufacturing facility in Rajkot
- Expansion plans underway to triple capacity in the next 12 months

Organisational Build-Out

- Formed a strong cross-functional leadership team across regulatory, quality, commercial, and manufacturing domains

Regulatory & Quality

- Achieved ISO 13485:2016 Stage I audit clearance
- Secured MD-17 test license for import and market access
- Built a robust in-house regulatory team for CDSCO and CE documentation

Digital & Manufacturing Excellence

- Initiated SAP rollout for operational integration and decision intelligence
- Investing in advanced automation, robotics, and lean manufacturing to ensure speed, quality, and compliance

Strategic Partnerships

- Technology transfer from a US-based player, including the trademark rights of their flagship Knee and Hip brands, to be manufactured and marketed in India
- Acquisition of a MedTech asset with a comprehensive Knee and Hip portfolio along with their manufacturing capabilities
- Collaborations with leading hospitals for real-world evidence (RWE) and post-market studies (PMS)

Evolving into a Market Leader

From regulatory frameworks and partnerships to clinical focus and manufacturing strength, Alkem MedTech is now poised for its next leap, from developmental stage to a fully operational commercial enterprise.

Our near-term priorities:

- Launching Knee and Hip solutions with strong surgeon engagement
- Expanding into adjacent verticals like Shoulder Implants and Sports Medicine
- Scaling indigenous development under the Atmanirbhar Bharat vision

In the years ahead, we aspire to become a globally credible Indian-origin manufacturer, improving patient outcomes while supporting India's rise as a MedTech innovation hub. The journey ahead is both promising and pivotal as we strive to enhance quality of life for patients, empower healthcare professionals, and contribute meaningfully to the 'Atmanirbhar Bharat' vision in medical technology.

Shaping the Future of Biologics: The Enzene Edge

Enzene Biosciences, a subsidiary of Alkem Laboratories, is shaping the future of global healthcare through a powerful blend of scientific innovation, integrated manufacturing, and strategic partnerships. With deep capabilities across the biosimilar and biologics spectrum, Enzene is focused on making next-generation therapies more accessible, affordable, and scalable, from India to the world.

Enzene operates at the intersection of two dynamic industry shifts: the rise of biosimilars as cost-effective alternatives to biologics and the transformation of CDMO services into strategic innovation platforms. In both areas, Enzene is delivering impact, with seven biosimilars commercialised in India, a robust pipeline of candidates under development, and integrated "clone-to-vial" capabilities that meet global regulatory standards.

Biosimilars

Biologics are redefining treatment for chronic and life-threatening diseases. Yet, their complexity and cost often limit access. This is where biosimilars, scientifically equivalent to reference biologics, are playing a transformative role.

- Enzene has emerged as a prominent player in biosimilar development, combining advanced bioprocessing, quality systems, and clinical rigour to deliver safe, effective, and affordable therapies
- Seven biosimilars commercialised in India and few more in pipeline under development, addressing high-burden diseases across oncology, immunology, and chronic care
- Pertuzumab, for HER2-positive metastatic breast cancer, has completed clinical trials; launch planned in FY2026

As India strengthens its biopharmaceutical ecosystem, with growing prevalence of chronic diseases, cost-efficient R&D, and policy support, Enzene is ideally positioned to lead the next wave of biosimilar innovation.

CDMO Reimagined

The CDMO industry is evolving beyond high-volume manufacturing to become a strategic pillar of biotech innovation. Enzene is at the forefront of this shift, offering end-to-end biologics development and manufacturing services, from clone generation to GMP manufacturing.

Enzene can offer both industry standard platforms and its proprietary EnzeneX™ platform that is highly cost efficient. Through this portfolio the Company delivers integrated services that span:

- Cell line and clone development
- Upstream and downstream processing
- Advanced analytical and bioanalytical characterisation
- Drug product development and fill-finish services

This "clone-to-vial" model positions Enzene as a one-stop partner for biologics innovators, enabling faster scale-up, cost efficiency, and regulatory compliance.

What sets Enzene apart is not just technical strength, but also its growing global client base across human health and animal health, including pharma partners in the US, Europe, and India.

A Dual-Continent Manufacturing Footprint

To meet the growing global demand, Enzene is establishing a robust, compliant, and scalable manufacturing backbone across India and the United States.

India:

The Chakan (Pune) facility is a world-class biologics site with:

- Bioreactor capacity ranging from 20 to 2,000 litres
- Single-use technology for drug substance manufacturing
- Fill-finish lines for drug product
- EMA regulatory pathways initiated; sites have already been audited by global clients and regulators
- Recent capacity expansion completed to meet growing pipeline and CDMO and global product supply needs

United States:

The New Jersey facility, operated by Enzene Inc., expands the Company's CDMO presence in North America:

- Clinical manufacturing began in March 2025
- Full-scale commercial operations targeted by mid-FY2026
- Will cater to clients seeking localised, compliant biologics production

Scaling to Meet Global Opportunity

With the global CDMO market projected to grow from USD 120 billion in 2023 to over USD 176 billion by 2028 and the biosimilars market expanding from USD 22 billion to USD 56 billion by 2030, Enzene is operating in a space of rapid, high-quality demand.

Backed by a growing pipeline, robust biomanufacturing, and expanding global partnerships, Enzene is poised for the next phase of scale. The Company is actively negotiating a strong pipeline of CDMO contracts, diversifying across therapeutic areas and client geographies. Additionally, Enzene is building out its global biosimilars business by out-licensing biosimilar assets for select international markets, expanding the Company's reach and revenue visibility.

Strategy

Priorities for a Resilient, Future-Ready Alkem

Our strategy reflects not just where we are, but where we choose to go. In FY2025, we continued to sharpen our core by making decisions in discipline and shaping the future by investing in growth drivers that align with healthcare's evolving demands.

Each strategic enabler is a deliberate step toward operational resilience, scientific relevance, and global agility.

Strategy 1

Maintaining Financial Discipline

We continued to focus on optimising costs and maximising capital efficiency through leaner operations and portfolio rationalisation.

FY2025 Highlights:

170 bps
Improvement in EBITDA margin

₹46.2 Bn
Cash reserves, strengthening internal funding capability

Way Forward:

- Maintain a net cash-positive position
- Explore ROCE-enhancing levers across India and global markets

Strategy 2

Strengthening Commercial Excellence

With over 800+ brands, our performance in IPM remains strong, with 15+ brands in the Top 300.

FY2025 Highlights:

Day 1 Launch
of Empa post patent expiry

Ranked among Top 3 in Anti-infective, VMN, GI, and Pain.

Way Forward:

- Expand chronic-focused sales force
- Invest in differentiated launches across Dermatology & Anti-diabetes

Strategy 3

Growing the India Business

India remains our largest market, contributing 70.2% to revenues.

FY2025 Highlights:

6.5% Growth
in domestic revenue YoY

18.0% Share
of Chronic segment

Top 50 brands
include Clavam, Pan-D, A to Z NS, Uprise D3, Taxim-O, once again

Way Forward:

- Increase contribution from Chronic to 20%.
- Strengthen presence in tier-2/3 markets through digitally enabled MRs.

Strategy 4

Expanding in RoW Markets

We entered new geographies, strengthened regulatory filings, and created region-specific commercial playbooks.

FY2025 Highlights:

8.7% Increase
in RoW revenue YoY, led by Australian and key European markets

700+ Dossiers
filed across the EU and Latin American markets

Way Forward:

- Deeper play in key European markets through focused portfolio and partnerships
- Targeting 30+ new product launches across RoW in FY26

Strategy 5

Accelerating the CDMO Momentum

Our subsidiary Enzene will scale its CDMO footprint in the US.

FY2025 Highlights:

7 biosimilars
commercialised in India

Our Pune facility secured EMA readiness; US site began clinical production

Way Forward:

- Ramp up CDMO pipeline to serve global clients
- New Jersey facility is on track to start full scale commercial operations

Strategy 6

Scaling Digital Transformation

FY25 marked a turning point in our digital maturity — GCC enabled more centralized enterprise operations and support for group companies

FY2025 Highlights:

Piloted AI-assisted
regulatory document automation in R&D

Rolled out live dashboards for
12,500+ field reps

Way Forward:

- Institutionalise AI in PV, quality control, and compliance workflows

Navigating Uncertainty with Purpose and Preparedness

In a world defined by volatility and rapid transformation, risks are not just challenges; but are catalysts for resilience and innovation. We recognise that every business opportunity carries inherent risk. Our responsibility lies in anticipating, managing, and mitigating these risks to protect long-term value for all stakeholders.

To that end, we have implemented a robust Enterprise Risk Management (ERM) framework, grounded in regulatory compliance and global best practices, that strengthens our ability to proactively manage uncertainty across all facets of our operations.

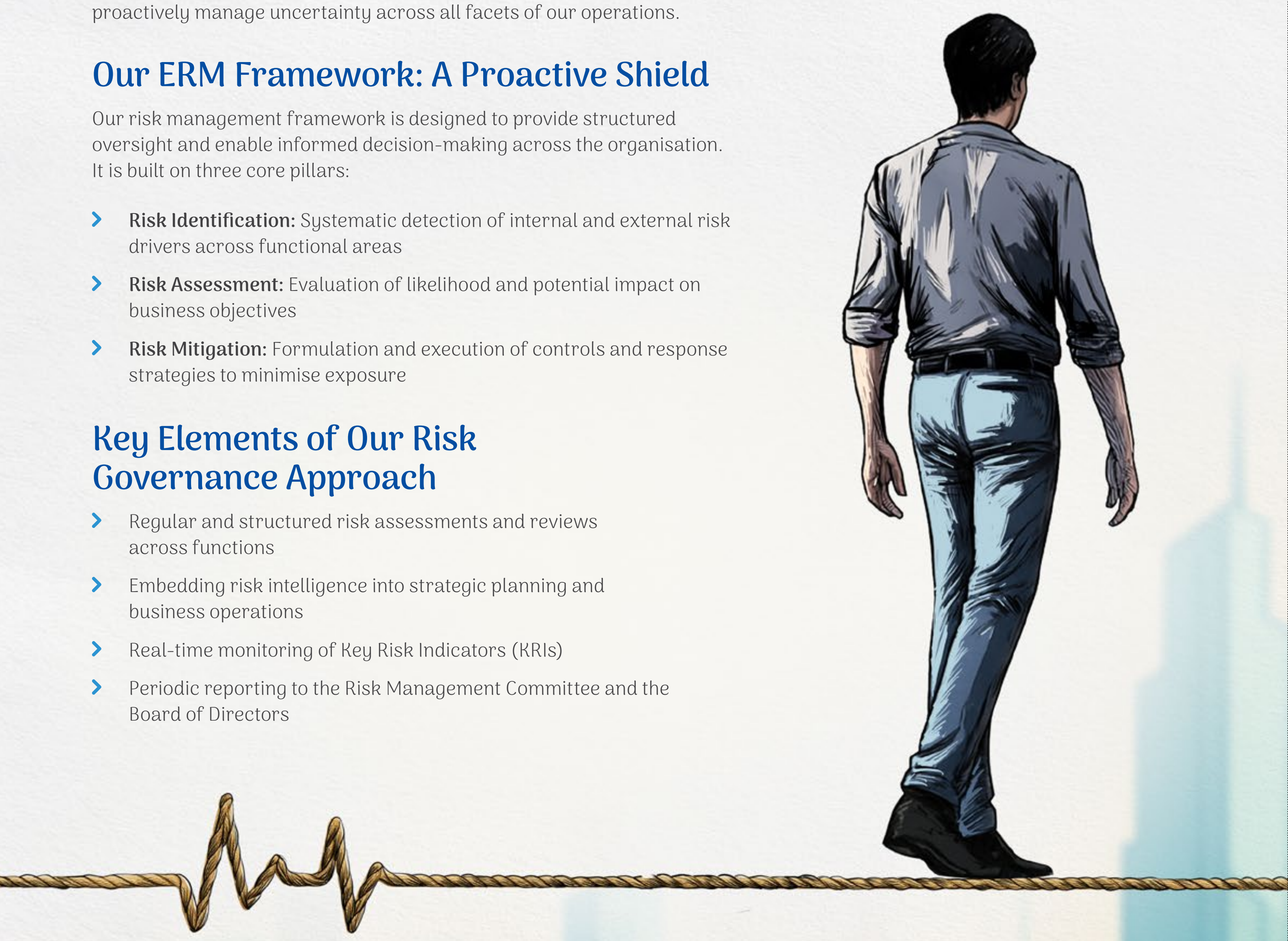
Our ERM Framework: A Proactive Shield

Our risk management framework is designed to provide structured oversight and enable informed decision-making across the organisation. It is built on three core pillars:

- **Risk Identification:** Systematic detection of internal and external risk drivers across functional areas
- **Risk Assessment:** Evaluation of likelihood and potential impact on business objectives
- **Risk Mitigation:** Formulation and execution of controls and response strategies to minimise exposure

Key Elements of Our Risk Governance Approach

- Regular and structured risk assessments and reviews across functions
- Embedding risk intelligence into strategic planning and business operations
- Real-time monitoring of Key Risk Indicators (KRIs)
- Periodic reporting to the Risk Management Committee and the Board of Directors



Key Risk Categories We Monitor

These categories reflect both traditional business risks and evolving ESG-linked exposures, showcasing our commitment to sustainable and responsible growth.

(For detailed insights on each risk category and the corresponding mitigation strategies, please refer to the Management Discussion and Analysis (MDA) section on page 62.)

From Molecule to Medicine: Driving Discovery with Purpose

At Alkem, innovation does not reside in sterile labs or behind protocol-heavy corridors; it lives where science meets need. FY2025 was a year where our research ecosystem not only pushed the frontiers of discovery but also laid the groundwork for life-changing therapies. With global regulatory validations and cross-continental collaborations, we have advanced one step closer to delivering precision healthcare at scale.

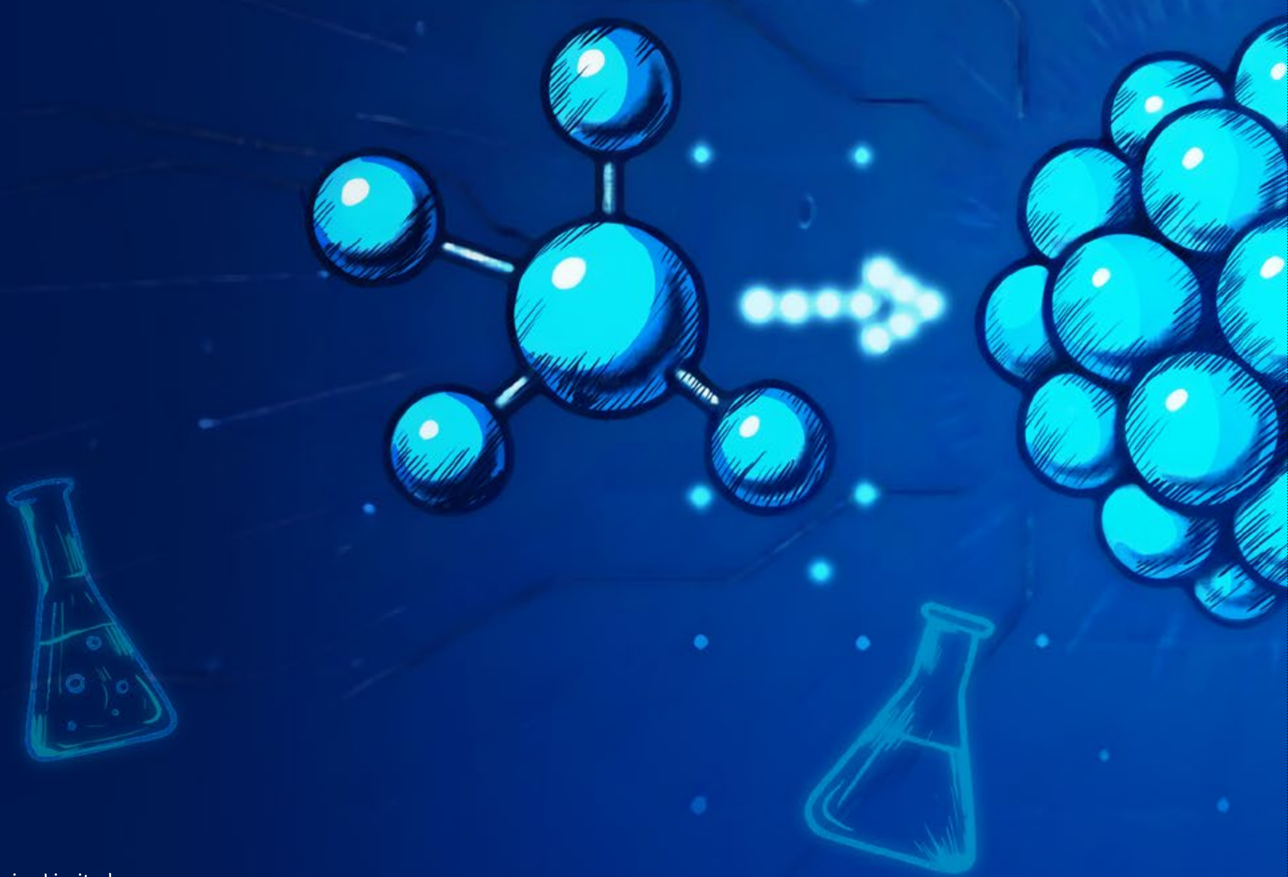
A Research Engine That Runs on Integrity

Behind every test we introduce or molecule we analyse lies a robust research setup licensed to conduct everything from bioequivalence studies to first-in-human trials. This year, our facility cleared the stringent USFDA BIMO inspection with zero observations, a rare industry feat that speaks volumes about our data fidelity and process excellence.

Clinical Research with a Mission

From infectious diseases to oncology and neurology, our clinical trials span 12+ therapeutic areas and all phases (I to IV). Whether it is small molecule studies or cell-based products, our aim remains constant, generate high-integrity data that helps bring safe, effective therapies faster to patients.

And we do not just follow international standards, we internalise them. Every protocol is aligned to ICH-GCP, ensuring global acceptance.



Collaborating to Accelerate

Our innovation story is not written alone. We have forged powerful collaborations with Harvard, Johns Hopkins, NIH, IITs and Tata Memorial, each bringing world-class minds together to solve India's and the world's most pressing healthcare challenges. These partnerships are focused on advanced biotech, 505(b)(2) products and complex generics, many of which are already in Phase I/II stages with promising IPs.

Safety Never Sleeps

Our research is not just fast-paced; it is vigilant. A strong pharmacovigilance framework ensures that patient safety remains paramount, from trials to post-marketing. Every drug we help develop goes through ongoing risk-benefit checks, not just data points, because behind every result is a real human life.

Building a Digital-First Alkem

From the app to enterprise-wide ERP, from real -time sales dashboards to AI-driven regulatory filings, we have evolved into a tech-powered healthcare ecosystem. This is not a transformation. It is digital DNA.

Tech That Touches Every Journey

The year under review saw the launch of our "Hire to Retire" HR stack, upgraded CRM, and SAP HANA 2023 rollout. But these were not just system upgrades; they were experience upgrades.

Global Capability Centre: The Brain of Our Backbone

The new GCC launched in FY2025 is more than a support hub; it is our central command for digital innovation. Be it process automation, centralised support, or smart manufacturing rollouts, the GCC is enabling one global Alkem, agile and ready for scale.

Insights Over Instinct: The Rise of Live Dashboards

Our Data Warehousing platform, hosted on the cloud, turned once-fragmented datasets into a unified truth source. Real-time dashboards now empower our teams with sharp insights on field performance, operational KPIs, and business health, enabling faster, bolder decisions.

AI in R&D: The Next Frontier

What used to take weeks in regulatory document prep is now piloted through AI tools, a promising beginning in automating routine-heavy scientific workflows. Meanwhile, we continue to strengthen our cybersecurity mesh, because with great data comes great responsibility.

Sales & Marketing

Reimagining the Science of Selling

FY2025 was the year we redefined how we sell, learn, and engage. Armed with powerful platforms like Garnet 360 and MediSamvad, our sales force became smarter, more data-led, and deeply aligned with doctors' evolving expectations.

MediSamvad: Conversations that Cure

Our proprietary knowledge-sharing platform, MediSamvad, emerged as a trusted digital companion for HCPs, delivering curated content, clinical updates, webinars, and guidelines. It is not just a platform; it is a space where knowledge flows, not just information.

Garnet 360

With a modern UI, real-time data access, and e-detailing tools, Garnet 360 empowered our field force to be consultative, not just transactional. It simplified workflows, boosted security, and freed up time to build deeper clinician connect.

Project Aspire

We rolled out Aspire, a performance intelligence tool that transformed data into clarity. From effort tracking to intuitive dashboards, Aspire helped the team focus not just on targets but on strategy. It is now the gold standard of sales analytics at Alkem.

Learning in the Flow of Work

From automated digital solutions, for field teams to gamified, function-specific LMS content, training became smarter and more enjoyable. It is how we ensure that our teams do not just know the product, they own the conversation.

Healing Beyond Medicine: Our Responsibility to the World

At Alkem, our commitment to sustainability principles is central to how we operate. As a pharmaceutical company, we recognize our responsibility to advance health while minimizing our environmental impact, fostering an inclusive and safe workplace, and upholding the highest standards of ethics and transparency.

Our vision and strategy

We envision a future where quality healthcare is delivered with deep responsibility to people and the planet. Through ethical governance, environmental consciousness, and a culture rooted in fairness and transparency, we strive to be a leader in sustainable impact and resilient innovation in the pharmaceutical industry.

Our sustainability strategy, founded on our core values, rests on three pillars:

- Trustworthy Stewardship, showing us the path to establish robust governance ;
- Environmental Stewardship, actions and strategies to reduce our environmental footprint;
- Care for All, inspiring us for an all-inclusive care strategy, including but not limited to, our patients, our workforce and our communities.

In FY2025, we deepened integration of sustainability across business functions, aligning our growth with global sustainability goals and stakeholder expectations. We have established robust sustainability governance by incorporating sustainability performance in the Terms of Reference of the board-level CSR and Sustainability Committee.

To decarbonise our operations, we have recently invested ₹1.95 crores in equity for solar power through open access at our Taloja and Enzene sites which will substitute 61% and 55% of grid electricity at Taloja and Enzene, respectively. In addition, we are promoting the utilization of bio-briquettes at our manufacturing sites to reduce dependence on fossil fuels.

At present, 100% of our domestic operational manufacturing sites have ISO 14001 and ISO 45001 certifications for the environment and safety management systems, respectively. We have also obtained ISO 50001 certification for energy management at our Sikkim units.

This year, we have also launched the “Sustainable Supply Chain” program aimed at de-risking our supply chain for long-term sustainability. We have mandated an assessment of all new suppliers on ESG criteria as part of the vendor onboarding process. Capacity-building sessions are being conducted for key suppliers to enable them to embark on their sustainability journey.

Another focus area for Alkem is anti-microbial resistance (AMR). Alkem recognizes the vital role pharmaceutical manufactures play in mitigating AMR by implementing effective controls to minimize antibiotic emissions in waste streams. We have conducted a detailed gap assessment with BSI for one of our anti-infective manufacturing units focussing on responsible antimicrobial usage, waste management, and supply chain practices. Assessment was done in alignment with national and global AMR norms. Action plan to implement the corrective actions is underway.

This year, we have also successfully completed the SEDEX Members Ethical Trade Audit (SMETA) at our Baddi manufacturing site. The audit covered key areas, including labor standards, health and safety, environment, and business ethics. The audit outcome reaffirms our commitment to transparency, sustainability, business ethics, labour, and human rights.

At Alkem, we believe that every business has a responsibility to contribute to a safe and sustainable future. We integrate Environment, Health, Safety & Sustainability (EHSS) into our operations to ensure risk management and regulatory compliance are governed at the highest levels of the organisation.

Data in this section is representative of Alkem-Standalone only

We are committed to the sustainable management of EHSS aspects, in full alignment with applicable statutory norms, regulations, and standards. Our approach is grounded in the Environment, Health, Safety, and Sustainability (EHSS) management system, designed to deliver responsible solutions while safeguarding the health and well-being of our employees, communities, and the environment.

EHSS Framework

EHSS at Alkem is guided by our vision of "Zero Harm". We have adopted an integrated management system to ensure comprehensive oversight across operations. Our EHS policy is aligned with applicable statutory and industry standards.

The corporate EHSS team provides strategic guidance, while site-level EHSS functions, staffed by qualified professionals, manage day-to-day implementation across facilities.

Our EHS procedures cover:

- Hazard identification
- Operational risk management
- Incident reporting and management
- EHSS performance monitoring
- Employee training and competency building
- Stakeholder's engagement on EHSS

Roles, responsibilities, and performance indicators are clearly defined for each element. We conduct regular internal and external audits to ensure compliance.

EHSS Risk Management

Formal risk management systems covering risks and opportunities are in place at all R&D and manufacturing locations. We employ proactive practices to identify hazards and manage associated risks, including:

- Systematic risk assessments
- Regular self-inspections and audits
- Proactive hazard control and mitigation
- Empowering employees to report hazards, near-misses, and incidents

An established incident reporting and investigation system ensures that learnings are disseminated across the organisation. Employees are supported by designated EHS representatives within their teams.

We also track and ensure EHSS statutory compliance and proactively monitor upcoming regulatory requirements.

EHSS committees, comprising local management and employee representatives, are formed where required to address key EHSS issues. EHSS objectives are linked with the site and function's function-specific KPIs.

Key EHS Metrics (FY2025)

0
Total fatalities

1
Total reportable incidents

0 Nos.
EHSS-related adverse notices

Data in this section is representative of Alkem-Standalone only

EHS Culture, Training & Employee Participation

We foster a culture of safety built on discipline, awareness, and accountability. Employee participation is a cornerstone of our EHSS strategy, with bottom-up engagement encouraged across facilities.

Training initiatives during FY2025 focused on four key areas: R&D, manufacturing, marketing, distribution, and logistics. EHS training is integrated into employee onboarding and tailored to specific roles through in-depth, modular programs delivered via in-house, external, and digital platforms.

Key Training Areas

- Operations: Hazard and Risk Assessment, Environmental Impact Assessment, Process Safety, Incident Management
- People: Health & Hygiene, Behavioural Safety, Contractor Safety
- General: Emergency Preparedness, Road Safety
- High Risk Areas: Electrical Safety, Hazardous Chemical Management, Electrostatic Hazard Control

We also conduct off-the-job safety training in the communities where we operate, enhancing overall EHSS awareness. Awareness campaigns held during the year included observances of National Safety Day, World Environment Day, Earth Day, Energy Conservation Day, and others.

Training & Engagement Metrics (FY2025)

6,227
EHSS trainings conducted

30,783
EHSS training man-hours

3,513
EHSS training man-days

48.
EHS committee meetings

30.
Mock-drills conducted

Data in this section is representative of Alkem-Standalone only

Control of Exposure to Hazardous Chemicals and Operations

Our product portfolio includes hazardous substances used in synthesis and formulation. We have a strong framework to manage associated risks, including:

- Engineering controls
- Personal Protective Equipment (PPE)
- Standard operating procedures

Process Safety

Process safety is prioritised through systematic hazard identification, robust engineering design, and implementation of safety protocols. Our program covers all stages, from design to operation, especially for processes involving toxic chemicals, flammable solvents, and combustible powders. Where substitution is not feasible, risk mitigation measures are strictly applied.

Health, Safety & Well-being

We foster a culture of safety and well-being built on discipline, awareness, and accountability. Employee participation is central to our EHSS approach, with bottom-up engagement actively encouraged across facilities.

FY2025 EHSS Training Initiatives:

- Covered R&D, manufacturing, marketing, distribution, and logistics
- Integrated into onboarding and role-specific learning programs
- Delivered via in-house, external, and digital platforms

Key Focus Areas:

- **Operations:** Hazard/Risk Assessment, Process Safety, Incident Management
- **People:** Health and Hygiene, Behavioural and Contractor Safety
- **General:** Emergency Preparedness, Road Safety
- **High-Risk:** Electrical Safety, Hazardous Chemicals, Static Hazards

We also extended safety awareness into communities through off-the-job training and participation in observance days such as National Safety Day, Earth Day, and Energy Conservation Day.

Audits, Inspections & Reviews

Regular audits and inspections are integral to our EHSS management system. These exercises help identify potential risks, system gaps and enable continuous improvement.

Audit & CAPA Metrics (FY2025)

1,422 Nos.

EHSS audits, inspections & reviews

6,375 Nos.

EHS-related CAPAs raised

5,998 Nos.

EHS-related CAPAs closed

(*Long-term and short-term actions are tracked to ensure timely closure of all CAPAs.)

Our R&D and manufacturing facilities at Ankleshwar, Baddi, Daman, Mandva, and Sikkim are certified to ISO 14001 and ISO 45001. Additionally, our manufacturing sites in Sikkim are certified to ISO 50001, validating our adherence to environmental and occupational health and safety norms. Our Badddi operations are certified as per SEDEX norms.

Data in this section is representative of Alkem-Standalone only

Environmental Stewardship

As environmental stewards, we address climate risks, minimise waste, and conserve natural resources. All facilities have the necessary environmental clearances, consents, and authorisations.

We monitor and report key indicators related to.

- Emissions
- Effluent discharge
- Water recycling

Waste Management

We follow the 3Rs principle – Reduce, Reuse, Recycle— to minimise environmental impact. Waste streams are regularly reviewed for reduction and value generation opportunities. Non-recyclable waste is disposed of responsibly through authorised agencies.

We also have tie-ups with approved agencies for plastic waste recycling and co-processing, ensuring this waste does not enter landfills or water channels.

Data in this section is representative of Alkem-Standalone only

Energy Management

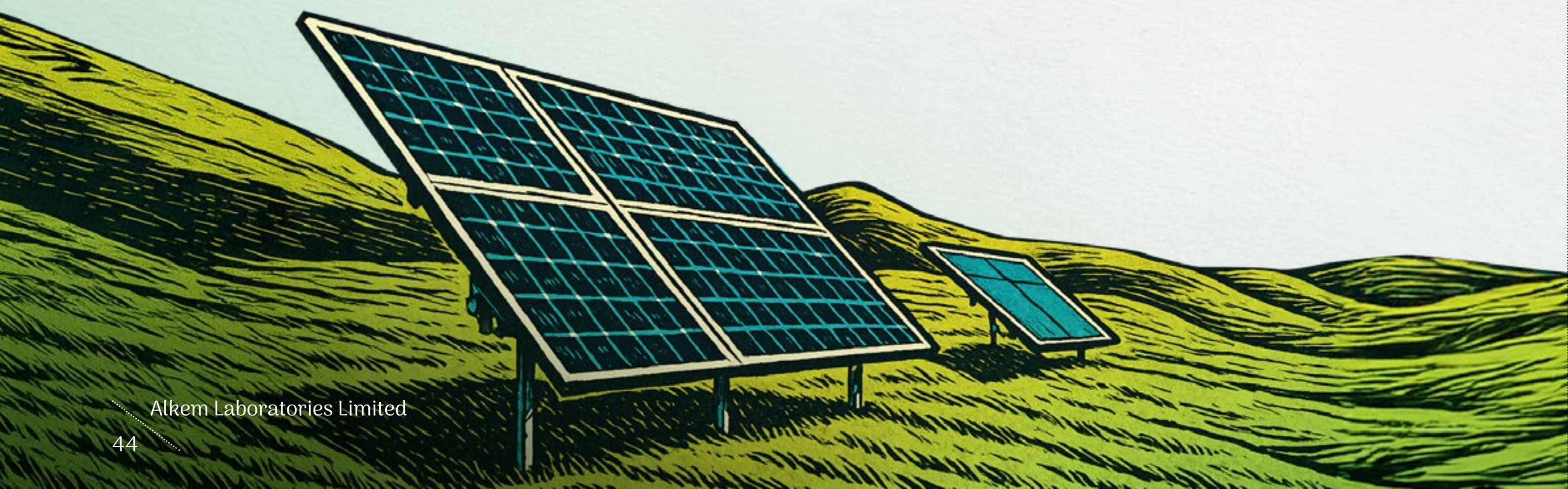
To reduce greenhouse gas emissions, we continue to optimise energy use through:

- High-efficiency HVAC systems
- LED lighting upgrades
- Automation and process optimisation
- Use of renewable and alternative energy sources

Energy Management

7,63,017 GJ
Non renewable energy

2,08,345 GJ
Renewable energy used



Emissions Management

We employ advanced emission control systems to manage pollutants such as SPM, SOx, and NOx. Emission parameters are tracked rigorously to ensure compliance using:

- Scrubbers
- Dust collectors
- Filters

Emissions Management

89 MT
SPM

35 MT
SOx

40 MT
NOx

Water Management

Water conservation is a key operational focus. Our water management initiatives include:

- Real-time water consumption monitoring
- Employee awareness programs
- Water audits (raw, treated, effluent)
- Rainwater harvesting at selected sites
- Effluent treatment and recycling
- Watershed Projects for communities

Water Metrics (FY2025)

6,56,441 kl
Fresh water intake

For details on EHSS initiatives, refer to the Company's Sustainability Reports.

Data in this section is representative of Alkem-Standalone only

People Who Power Progress

At Alkem, growth is not just about markets or molecules; it is also about people. FY2025 was a defining year where HR became a key enabler of business outcomes, from talent mobilisation in new therapy divisions to digitalising how we hire, onboard, and engage our teams. With the launch of our Global Capability Centre (GCC), grassroots leadership development initiatives, we are investing in both the systems and the people that will shape Alkem's future.

Talent That Builds Business

This year, HR played a strategic role in powering Alkem's expanding commercial footprint. From hiring specialist teams for high-potential therapy areas like gastroenterology and cardiology, to forming the core team for our new Medtech vertical, HR was aligned to business needs from day one.

We also supported:

- Expansion of the injectables division to meet growing demand
- Strengthening of the acute portfolio in untapped regions
- Realignment of the vitamins and minerals segment, optimising field deployment across Rx, OTC, and OTX formats
- Scale-up of the institutional and tender business, matching talent with new public health opportunities

Making HR Digital, Scalable, and Seamless

As operations grew more complex, digital transformation in HR became mission-critical. Working closely with IT, we revamped key HR processes using modern platforms:

- TurboHire simplified and automated recruitment process
- SAP SuccessFactors brought lifecycle management into one integrated system

Modules for hiring, onboarding, and performance management went live this year, reducing manual processes and improving speed and accuracy. Future phases will deepen global integration, allowing for a unified HR backbone across the organisation.

Unlocking Capability Through the GCC

A major leap in future readiness was the launch of our Global Capability Centre (GCC) in Airoli, Navi Mumbai. Inaugurated by Executive Chairman Mr. B.N. Singh, the centre is now set to become a strategic hub for enterprise support, analytics, and innovation.

By centralising operations and tapping into cross-functional talent, the GCC is helping us drive:

- Standardisation across processes
- Faster business decisions backed by real-time data
- Scalable support across global teams

Culture, Connection & Continuous Learning

Strong engagement was a constant focus across the year. Townhalls, leadership interactions, and functional connects helped align teams with the Company's mission, updates, and build a culture of openness.

At the capability level, we launched targeted learning interventions across business units, backed by experiential programs:

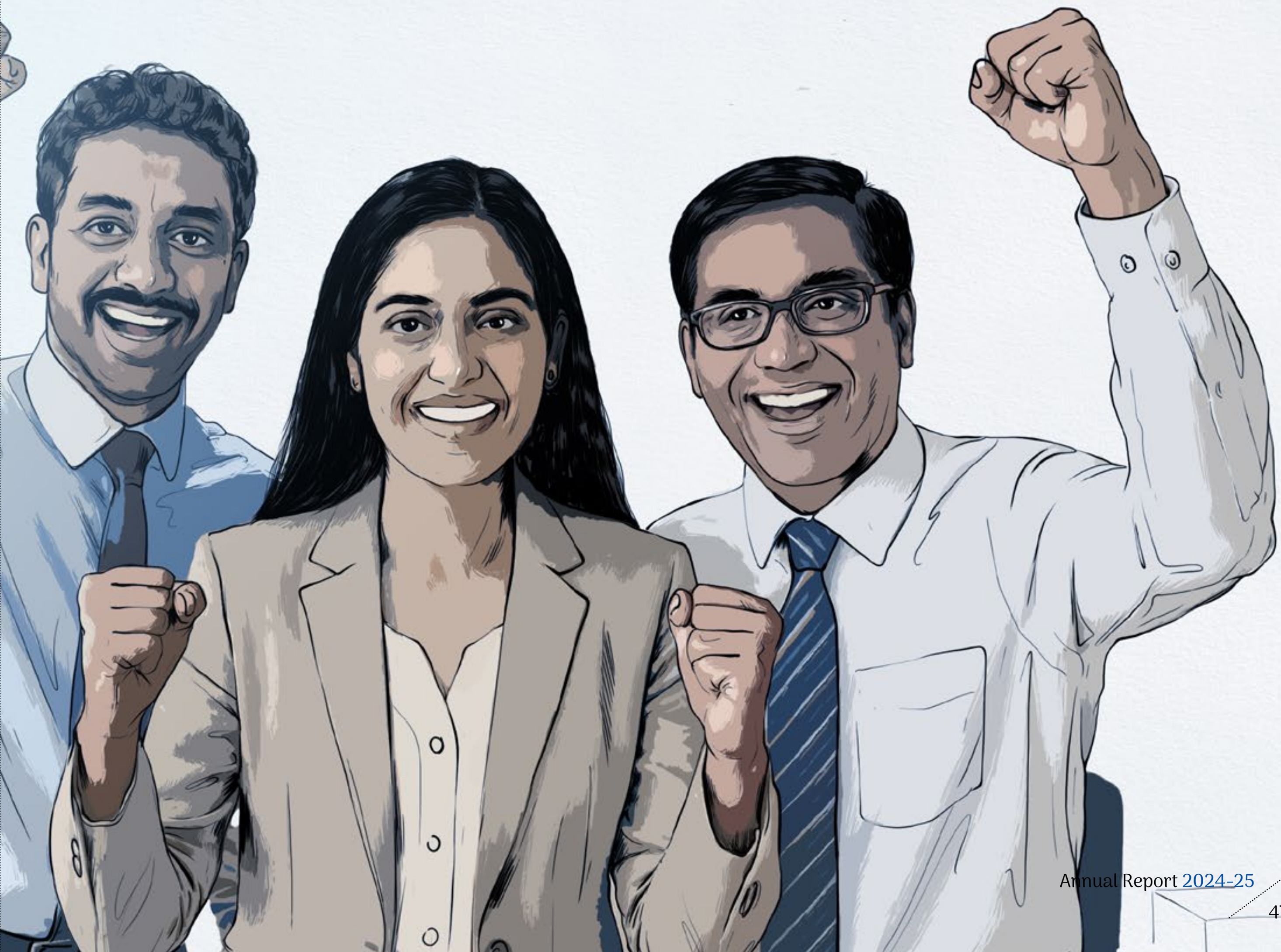
- Outbound leadership workshops and cross-level team-building sessions
- Corporate Chanakya Business Simulation: A hands-on, two-day CXO challenge with 80+ employees taking on the roles of CEO, CFO, and business heads learning how to run a company from the top down
- Continued support of SHinE: Our flagship programme for developing high-impact women leaders

Inclusion in Action: A Workforce That Breaks Norms

FY2025 also saw one of our strongest moves towards workplace diversity. At Unit V in Sikkim, we deployed an all-women workforce on the liquid manufacturing line — a first for Alkem.

This was not symbolic. The results spoke for themselves:

- Improved output and quality
- Reduced rejections
- More discipline and efficiency on the shopfloor



Caring Beyond Cures

Social responsibility extends beyond compliance for us. It is a conscious choice to uplift communities, ensure well-being, and create access to opportunities where they are needed most. Our social strategy is rooted in empathy, equity, and engagement, guided by long-term impact, not short-term gestures

Samprada Singh Memorial Radiotherapy Centre

Access to Healthcare

Cancer Care

We nurture an empathetic approach towards our people and the communities we serve. On 11 December 2024, the Samprada Singh Memorial Radiotherapy Centre in Muzaffarpur, Bihar, became operational, marking a milestone in our CSR journey. This state-of-the-art facility, launched in partnership with the Tata Memorial Centre, Mumbai, offers advanced radiotherapy services to underserved populations in Bihar and neighbouring states.

Spotlight: Cancer Screening & Outreach (FY2025 Impact)

Our commitment to preventive healthcare was further reinforced through early detection campaigns across three underserved regions in Bihar.

Screening Drives in Buxar, Bhagalpur, and Jehanabad:

	Individuals screened	Clinical breast examinations	Total procedures (OVE + CBE + VIA)	Health workers trained	Awareness sessions held	Screening camps organised
Buxar	11,949	4,645	16,735	115	12	10
Bhagalpur	14,793	1,795	22,282	369	14	26
Jehanabad	17,450	9,417	27,537	480	36	40

Project AAMA – Alkem Anaemia Mukti Abhiyan

In alignment with national efforts to combat anaemia, the Alkem Foundation continued its flagship initiative across six states: Maharashtra, Gujarat, Rajasthan, West Bengal, Bihar, and Uttar Pradesh. By partnering with local self-governance institutions and grassroot NGOs, the project aims to transform villages into Anaemia Mukt Panchayats through community awareness, preventive care, and timely intervention.

1,09,911
AAMA beneficiaries reached (Women: 70,726, Children: 17,396, Pregnant women: 6,235, Men: 15,554)

14,522
Anaemia cases identified

6,421 individuals
Positive behaviour change observed

940
Nutrition gardens created

268
Soap banks established

444
IFA Poshan Sakhis trained

584
ABHA & MCP cards updated

Mission Ayushman

Through a six-month collaboration with a grassroot NGO, Alkem Foundation facilitated universal access to Ayushman Cards in Besarbati Panchayat, Kishanganj district. The initiative successfully ensured that 100% of eligible individuals received their cards, enabling up to ₹5 lakh of free healthcare coverage per beneficiary at empanelled hospitals.

10,526
Total Ayushman cards distributed

Education and Empowerment

Our education efforts focus on breaking cycles of inequality and enabling lifelong learning, especially for those with limited access.

Project AAGAZ+

In collaboration with the Sikkim Education Department, we conducted WASH (Water, Sanitation, and Hygiene) training at PM Shri Government Girls' Senior Secondary School, Deorali. 25+ teachers were trained through participatory methods to implement sustainable hygiene practices in schools.

Swabhiman Kaksh

In Soreng (an aspirational district), we inaugurated a dedicated changing room for adolescent girls, ensuring access to sanitary products, clean water, and hygienic disposal. This initiative supported 2,997 girls, improving school attendance and menstrual health management.

Shri Sampradа Singh Scholarship Programme

Supporting 45 children, this programme ensures uninterrupted education for lower-middle-class students who faced hardships post-pandemic, covering them from primary school to college.

Holistic Learning Initiatives

We offer preschool programmes to foster early learning. We also support inclusive education at The Bombay Institution for Deaf & Mutes, and fund integrated education for visually impaired children. Our remedial centres in urban slums use innovative methods to uplift 205 students.

Alkem Foundation provides quality preschool programmes fostering lifelong learning and holistic development. Additionally, the foundation supports inclusive education for the visually impaired children, ensuring academic empowerment. Furthermore, backed by the Foundation, remedial centres in slums employ innovative teaching methods to improve learning outcomes.

205
Beneficiaries

Livelihood & Rural Development

We are committed to strengthening self-reliance and vocational capacity through localised projects that generate sustainable income.

Alkem Aatma Nirbhar Gram Project

In partnership with Namchi Gram Panchayat, two new units for mushroom cultivation and noodle production were set up in Sikkim, empowering 150+ underprivileged women. The Alkem Cooperative Society ensures sustainability through guaranteed procurement.

Project Swavlamban – Skills to Success

This Daman-based initiative trained 123 underserved youth in tailoring, fashion design, nursing assistance, and multiskilling. 83% of the participants secured livelihoods post-completion.

Project Saarthi

This project provides professional driving skills training to underprivileged female youth in Daman, enhancing financial independence and mobility

Inclusion, Accessibility & Volunteering

Our people-led initiatives focus on dignity, visibility, and volunteerism to ensure that inclusion extends beyond policy.

This year, a total of 10,144 employees were engaged in SMILE initiatives.

- Narrating Hopes Campaign: Recording of an Audio Book for visually impaired students at the National Association for the Blind, Mumbai
- Rakhi Exhibition: Handcrafted rakhis by visually impaired women were exhibited and sold to promote their livelihood
- Blood Donation Drive: Held in memory of our Founder and Chairman Emeritus, Late Shri Samprada Singh, this pan-India campaign saw 1,025 volunteers registered and donated 745 units of blood.

Blood Donation Drive

Awarathon – Alzheimer's Awareness Walks

On World Alzheimer's Day (Sept 21), Alkem Foundation, in partnership with HelpAge India, hosted its 4th Awarathon across five major cities: Mumbai, Delhi, Kolkata, Chennai, and Bengaluru.

Over 850 senior citizens, medical professionals, and Alkemites joined to raise awareness on early diagnosis, treatment, and the emotional toll of Alzheimer's. Esteemed dignitaries, including Alkem's leadership and CSR Committee members, marked their presence and reaffirmed their commitment to elderly care.

Awarathon - Alzheimer's Awareness Walks

World AIDS Day

Alkemites came together in solidarity on World AIDS Day:

4,571 participants
engaged in a digital awareness drive

1,140 employees
joined the signature campaign

Pamphlets on
Understanding AIDS
were distributed to vulnerable groups, especially truck drivers, promoting informed healthcare choices.

Enabling Sports Excellence

We are proud to support India's sporting talent, from grassroots to podium.

National-Level Impact

Through our partnership with Olympic Gold Quest (OGQ), Alkem supported 4 medal winners at the 2024 Paris Olympics and 25 medallists at the Paralympics, celebrating their strength and dedication.

Local Talent Promotion

By providing sports kits via the Sikkim Football Association, we helped eligible athletes gain access to national and state-level competitions, fostering early-stage talent and participation.

Building Trust Through Strong Foundations

At the core of our sustainability journey lies a steadfast commitment to strong corporate governance. We believe that robust governance not only ensures regulatory compliance and risk mitigation but also builds long-term value for our stakeholders by fostering accountability, transparency, and ethical conduct.

Board Oversight and Strategic Governance

Ethical Business Conduct

Risk Management and ESG Integration

Compliance and Regulatory Alignment

Stakeholder Engagement and ESG Accountability

Key Governance Metrics (FY2025)

50%
Independent Directors

3 of 12
Women on Board

Under rollout
ESG-linked KPIs in performance

100% closed in FY2025
Whistleblower Complaints Resolved

BRSR, GRI aligned
ESG Disclosures

Governance Policies

- Code of Business Conduct and Archival Policy
- Code of Business Conduct of Board of Directors and Senior Management Personnel
- Code of Ethics for Suppliers, Vendors and Other Stakeholders
- Code of Practices and Procedures for Fair Disclosures
- Criteria for Making Payments to Non-Executive Directors
- CSR Policy
- Dividend Distribution Policy
- ESG Policy
- Identification of Material Outstanding dues
- Nomination and Remuneration Policy
- Policy for Determining Material Subsidiaries
- Policy on Determination of Materiality of Events/ Information
- Preservation of Documents Policy
- Related Party Transactions Policy
- Terms & Conditions of appointment of Independent Directors
- Whistle Blower Policy
- Anti Bribery and Anti Corruption (ABAC) Policy

Please read more about our policies at: https://www.alkemlabs.com/investors/policies

Board of Directors

Seating Left to Right:

Ms. Sangeeta Singh
Independent Director

Mr. Arun Kumar Purwar
Independent Director

Mr. Basudeo N Singh
Executive Chairman

Standing Left to Right:

Ms. Neela Bhattacherjee
Independent Director

Mr. Sarvesh Singh
Executive Director

Mr. Narendra Kumar Aneja
Independent Director

Mrs. Madhurima Singh
Executive Director

Seating Left to Right:

Mr. Mritunjay Kumar Singh
Executive Director

Mr. Sandeep Singh
Managing Director

Ms. Sudha Ravi
Independent Director

Standing Left to Right:

Mr. Sujjain Talwar
Independent Director

Mr. Srinivas Singh
Executive Director

Mr. Ranjal Laxmana Shenoy
Independent Director

Mr. Diwakar Gupta
Independent Director

Mr. Rajeev Kher
Independent Director

Board Profile

M

Mr. Basudeo N Singh
Executive Chairman

Mr. Basudeo N Singh, the co-founder of the Company, holds a B.A. (Honours) and an M.A. in political science from Patna University. He has an extensive experience of five decades in understanding the world of Indian pharmaceuticals and then transforming it for good. His leadership skills paved the way for him to become the President of the Indian Drug Manufacturers' Association. Mr. Singh's entrepreneurial skills took the Company to new heights and he was, therefore, awarded the "Business Leader of the Year 2014" at the 7th Annual Pharmaceutical Leadership Summit and the Pharma Leaders Business Leadership Awards 2014. His vision and unparalleled resilience enabled the organization to climb the ladder of accelerated growth. He was also named the "EY Entrepreneur of the Year in Life Sciences" in 2016. A member of the Executive Council of the Indian Pharmaceutical Alliance, he was named the "Chief Mentor of the Year" in 2018 by the Indian Drug Manufacturers' Association. In 2024, he was felicitated with the "Hurun India Lifetime Achievement Award" for his unwavering commitment and achievements throughout his entrepreneurial journey.

M M M

Mr. Sandeep Singh
Managing Director

Mr. Sandeep Singh joined the Board in 2013 and is currently serving the organization as its Managing Director. Mr. Singh has over 20 years of experience in the pharmaceutical industry. He spearheads the domestic as well as the international operations of the Company. In 2016, he was presented with the "Emerging Pharma Leader of 2016 Award" by the Pharma Leaders in association with the Ministry of Health & Family Welfare, Government of India. In 2021, he was featured by "ET AND SPENCER STUART 40 under 40".

M M C

Mr. Mritunjay Kumar Singh
Executive Director

Mr. Mritunjay Kumar Singh has been on the Board of the Company since 1988 and has been associated with the management of the Company for over 35 years. Additionally, he is also the Managing Director of M/s Indchemie Health Specialities Private Limited, a subsidiary of the Company in India. Mr. Mritunjay Kumar Singh's expertise in Strategy & Business Development and Procurement functions along with development, implementation and evaluation of a brand strategy for the Company has led to the growth and expansion of the Company's domestic business. He plays an instrumental role in driving the Company's domestic business growth through his innovative initiatives contributing to the long term vision of the Company. He is skilled in leading cross functional teams of various divisions of the Company's domestic business namely Aura Magna, Aura Suprema, Nexa, Nexgen, Ascenda, Altron, Alpha Max, Diabetology, Metabolics, Metanext, Imperia, Hospicare, Eyecare and GI Task Force, thereby enabling a competitive advantage for the Company.

Audit Committee | Nomination and Remuneration Committee | Stakeholders' Relationship Committee | C Chairperson | M Member

Note: Composition of Committees upto 12 July, 2025

M C

Mrs. Madhurima Singh

Executive Director

Mrs. Madhurima Singh is an Executive Director on the Board. She holds an MSc degree in Botany (Distinction) from Ranchi University and a Diploma in entrepreneurship from SVKM's, Mumbai. Mrs. Madhurima has an extensive experience in the fields of Legal and Compliance, Financial Management, Human Resources, Supply Chain Management and Marketing. She has been actively involved in overseeing and driving the semi-chronic therapy SBU's of the Company's domestic business, indirect procurement, distribution and supply chain, HR, CSR and corporate communication functions in the Company. She is additionally responsible for strengthening the Active Pharmaceutical Ingredients (API) business of the Company.

Mr. Sarvesh Singh

Executive Director

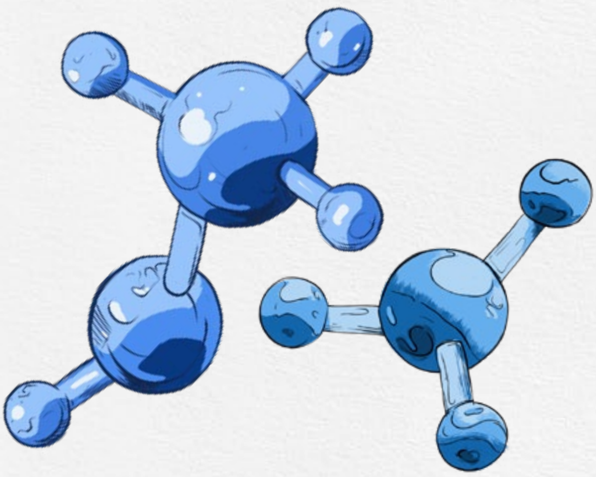
Mr. Sarvesh Singh has been associated with the Company since 2004 and joined the Board in 2019. He has over 18 years of experience in sales and marketing in the pharmaceutical industry and heads the Pentacare and Prizma divisions of the Company's domestic business.

M M M

Mr. Srinivas Singh

Executive Director

Mr. Srinivas Singh has been associated with the Company since 2012 and joined the Board in 2022. He holds a Bachelor's Degree in Science and has over 12 years of experience in the pharmaceutical industry. His key accountabilities include managing R&D projects, generics portfolio, cost optimization and saving, new product launches in Global Markets & Alternate Vendor Development, digitisation of sales team and also ensuring risk assessment of to be launched products.



Risk Management Committee

Corporate Social Responsibility and Sustainability Committee

C Chairperson

M Member

Note: Composition of Committees upto 12 July, 2025

C C

Mr. Arun Kumar Purwar
Independent Director
(upto 12 July, 2025)

Mr. Arun Kumar Purwar joined the Board of the Company in 2015. He is the Chairperson & Non-Executive Director of IIFL Finance Limited and also serves as Chairman & Independent Director of Jindal Panther Cement, Jindal Global Capability Centre Ltd, Alkem Medtech Pvt. Ltd. as well as Eroute Technologies Pvt. Ltd. He is as an Independent Director in companies across diverse sectors like Finance, Pharma, Media, Engineering consultancy, Investment Banking, Fintech sectors. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India (SBI) from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and was also associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare-focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards, including the CEO of the Year Award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year' Award from the Indian Banks" Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006.

M M

Ms. Sangeeta Singh
Independent Director
(upto 12 July, 2025)

Ms. Sangeeta Singh has been a member on the Board of the Company since 2015. She serves as an Independent Director on the boards of several renowned companies. She has over 35 years of experience in Human Resources, Communications and Operations. She was previously a Partner and Head of Human Resources in KPMG India. She holds a Master Degree in Behavioural Psychology and certification in Strategic Human Resource Management from Harvard Business School.

M M M M

Ms. Sudha Ravi
Independent Director
(upto 12 July, 2025)

Ms. Sudha Ravi, who joined the Board in 2015 is a management consultant with over 40 years of banking and non- banking experience in India and the USA. In three decades in State Bank of India (SBI), she has held several important positions including key positions as General Manager, Enterprise Risk Management and as Chief Representative, Washington DC, USA. Working in varied functional areas, including International, Corporate, Retail and Rural banking and at the top echelons of the Bank, has given Ms. Ravi a wide-ranging perspective on business strategy and financial and non-financial sectors of the economy. Later joining the Ajay Piramal Group, Ms. Ravi set up the NBFC- Piramal Finance Ltd and was with the Group's Financial Services business in various capacities including as CEO/ED/ CCO. She was in-charge of India Venture Advisors Pvt. Ltd., a healthcare and life sciences focused private equity fund sponsored by the Piramal Group. Ms. Ravi has been a member of the CII National Committee on NBFCs and Co-Chairperson, National Council on NBFCs of ASSOCHAM (The Associated Chambers of Commerce and Industry of India). Ms. Ravi has held position as an Independent Director in diverse sectors of the economy – Financial, Pharma, Automobile, Healthcare, Real Estate and continues to do so in many of the same.

Audit Committee
Nomination and Remuneration Committee
Stakeholders' Relationship Committee
C Chairperson
M Member

Note: Composition of Committees upto 12 July, 2025

M M M

Mr. Narendra Kumar Aneja
Independent Director

Mr. Narendra Kumar Aneja joined the Board in 2020. He is the Chief Executive of Aneja Associates, Chartered Accountants, India. He is a Fellow Chartered Accountant, Certified Internal Auditor, Certification in Risk Management Assurance (CRMA) and holds an MBA from the Wharton Business School. He is a Gold Medalist (ICWA), a Tata Scholar and was ranked on the Director's List at Wharton School (1978). He has over 30 years of experience in GRC (Governance, Risk and Compliance) Assignments and management consultancy.

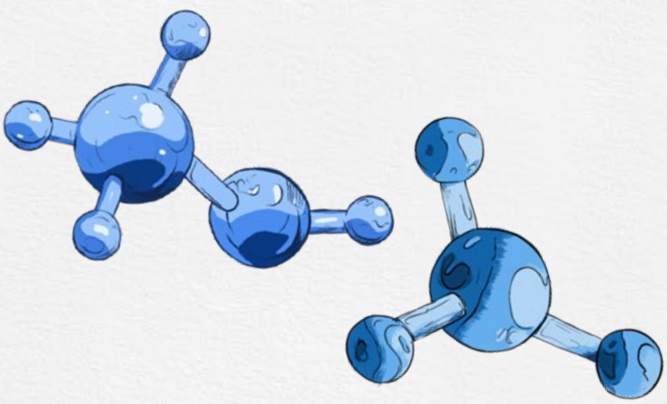
C M

Mr. Sujjain Talwar
Independent Director

Mr. Sujjain Talwar joined the Board in 2022. He is a co-founding Partner of Economic Laws Practice (ELP) a leading Tier 1 full-service law firm in India with over 250 professionals in 7 cities. With over 30 years of experience, Mr. Talwar is a qualified Solicitor in India as well as England and Wales. His expertise covers M&A transactions, Project Finance and infrastructure law. Amongst others, Mr. Talwar also serves on boards of companies in the Murugappa Group and Dubai Ports World.

Mr. Rajeev Kher
Independent Director
(w.e.f. 09 August, 2024)

Mr. Rajeev Kher has been recently inducted on the Board of the Company in 2024. He brings with him a rich and varied experience of 44 years of which 37 were spent in the Indian Administrative Service. His field of experience includes International Trade and Commerce, Industrial Development and Investment Policy, Competition Law and Policy, Sustainable Development Policy and Planning, Environmental Management and Global Governance. He has spent twenty years in senior positions in the Ministry of Environment and the Department of Commerce in the Government of India culminating in the position of Commerce Secretary, and The Energy and Resources Institute (TERI). On superannuation, he held the position of Member in the Competition Appellate Tribunal. He is an Independent Director on the boards of a multi-national tire company, a fast growing payments bank, a leading health insurance company, the advisory board of a well-known Private Equity and a fast-growing private medical college with global ambitions. As an Independent Director, he chairs the board of a leading non-profit company in the insolvency resolution sector. He is credited with hand holding the Indian pharmaceutical sector in its pursuit to become a global leader in the generics medicine sector and in contributing to building the brand "India Pharma" and its logo "Pharmacy of the World".



Risk Management Committee

Corporate Social Responsibility and Sustainability Committee

C Chairperson
M Member

Note: Composition of Committees upto 12 July, 2025

Mr. Ranjal Laxmana Shenoy
Independent Director
(w.e.f. 13 July, 2025)

Mr. Ranjal Laxmana Shenoy has around five decades of experience in companies belonging to different industrial segments. He has a wide experience in handling diverse fields such as Finance, Taxation, Legal, Commercial, Secretarial, Auditing, Procurement, Distribution, Regulatory Affairs etc. and is also closely involved in the restructuring of companies, i.e. IPOs, Rights Issues, Bonus Issues, Buyback, and acquisition of brands and companies.

Ms. Neela Bhattacherjee
Independent Director
(w.e.f. 13 July, 2025)

Ms. Neela Bhattacherjee is an accomplished professional with extensive experience in business strategy, M&A, sales and marketing, product development in the global information technology and services industry. She has over 32 years of post-qualification experience. She is an active member of the Indian Angel Network (IAN) and Talent Nomics through which she works with, and mentors women in the corporate world.

Mr. Diwakar Gupta
Independent Director
(w.e.f. 13 July, 2025)

Mr. Diwakar Gupta is a career banker with over 50 years of experience in banking and financial services. He is currently serving as a Non-Executive Chairman of National Asset Reconstruction Company Limited and a Senior Advisor with True North, a leading India-focused PE fund. He is also serving as an Independent Director on the Boards of CRISIL Ratings Ltd, CRISIL ESG Ratings & Analytics Ltd., Mahindra Holidays & Resorts India Ltd. and its Finland-based subsidiary, Holiday Club Resorts Oy, Mahindra Susten, Mahindra & Mahindra Financial Services Ltd., and SMFG India Credit Company (erstwhile FICC). He has been closely associated with the RBI and various other governmental agencies throughout his career.

Composition of Committees w.e.f. 13 July, 2025

C Chairperson M Member

Audit Committee

C Mr. Narendra Kumar Aneja M Mr. Sandeep Singh M Mr. Mritunjay Kumar Singh M Mr. R L Shenoy M Mr. Rajeev Kher M Mr. Diwakar Gupta

Nomination and Remuneration Committee

C Mr. R. L. Shenoy M Mr. Basudeo N Singh M Mr. Sujjain Talwar M Ms. Neela Bhattacherjee

Stakeholders' Relationship Committee

C Mr. Sujjain Talwar M Mr. Mritunjay Kumar Singh M Mrs. Madhurima Singh M Mr. Srinivas Singh

Risk Management Committee

C Mr. Mritunjay Kumar Singh M Mr. Sandeep Singh M Mr. Srinivas Singh M Ms. Neela Bhattacherjee M Mr. Diwakar Gupta M Mr. R.L. Shenoy

Corporate Social Responsibility and Sustainability Committee

C Mrs. Madhurima Singh M Mr. Srinivas Singh M Mr. Sarvesh Singh M Mr. Narendra Kumar Aneja M Mr. Rajeev Kher

Corporate Information

Board of Directors

Mr. Basudeo N Singh
Executive Chairman

Mr. Sandeep Singh
Managing Director

Mr. Mritunjay Kumar Singh
Executive Director

Mrs. Madhurima Singh
Executive Director

Mr. Sarvesh Singh
Executive Director

Mr. Srinivas Singh
Executive Director

Mr. Arun Kumar Purwar
Independent Director
(upto 12 July, 2025)

Ms. Sangeeta Singh
Independent Director
(upto 12 July, 2025)

Ms. Sudha Ravi
Independent Director
(upto 12 July, 2025)

Mr. Narendra Kumar Aneja
Independent Director

Dr. Dheeraj Sharma
Independent Director
(upto 14 June, 2024)

Mr. Sujjain Talwar
Independent Director

Mr. Rajeev Kher
Independent Director
(w.e.f. 09 August, 2024)

Mr. Ranjal Laxmana Shenoy
Independent Director
(w.e.f. 13 July, 2025)

Ms. Neela Bhattacherjee
Independent Director
(w.e.f. 13 July, 2025)

Mr. Diwakar Gupta
Independent Director
(w.e.f. 13 July, 2025)

Key Managerial Personnel

Dr. Vikas Gupta
Chief Executive Officer

Mr. Nitin Agrawal
President – Finance and Chief Financial Officer

Mr. Manish Narang
President – Legal, Company Secretary and Compliance Officer

Statutory Auditors

M/s Deloitte Haskins & Sells LLP
Chartered Accountants, (w.e.f. 31 August, 2024)

M/s B S R & Co. LLP
Chartered Accountants, (upto 30 August, 2024)

Registered Office

Alkem House, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013, Maharashtra, India
CIN: L00305MH1973PLC174201
Telephone: +91 22 3982 9999
Fax: +91 22 2495 2955
Website: www.alkemlabs.com
Email: investors@alkem.com

Registrar & Share Transfer Agent

M/s MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)
Unit: Alkem Laboratories Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083
Telephone: +91 22 4918 6000 | Fax: +91 22 4918 6060
E-mail: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

Plant Locations

- Daman, India
- Mandva, Gujarat, India
- Ankleshwar, Gujarat, India
- Unit I, Baddi, Himachal Pradesh, India
- Kumrek, East Sikkim, India
- Alkem Health Science (Unit of the Company) Units I, II, III & V Samardung, South Sikkim, India
- S.E.Z., Indore, Madhya Pradesh, India*
- S&B Pharma LLC, California, U.S.A.
- Indchemie Health Specialities Private Limited, Somnath, Daman, India
- Indchemie Health Specialities Private Limited, Amaliya, Daman, India
- Indchemie Health Specialities Private Limited, Baddi, Himachal Pradesh, India
- Units I & II, Indchemie Health Specialities Private Limited, Kumrek, East Sikkim, India
- Cachet Pharmaceuticals Private Limited, Baddi, Himachal Pradesh, India
- Enzene Biosciences Limited, Chakan, Pune, Maharashtra, India
- Enzene Biosciences Limited, Pimpri-Chinchwad, Pune, Maharashtra, India

* The Company has vide Business Transfer Agreement dated 06 January, 2025 sold and transferred its undertaking, being the manufacturing facility of the Company situated at Plot No. A-17, Phase II, Special Economic Zone, Pithampur, Dhar, Madhya Pradesh, 454775, India ("Facility") alongwith all rights, title and interest in the leasehold land, factory building, assets and liabilities etc. with respect to the said Facility to M/s. Rubicon Research Limited (formerly known as Rubicon Research Private Limited) ("Rubicon") on a slump sale basis. The same was expected to be completed by 05 June, 2025, however, the Company and Rubicon had agreed to extend the said timeline to 15 July, 2025. Accordingly, the said sale and transfer of the Company's Facility was completed on 23 June, 2025, in accordance with the conditions prescribed in the Business Transfer Agreement dated 06 January, 2025.

Major Research Centres

R&D Centre, MIDC,
Taloja, Maharashtra, India

R&D Centre,
Mandva, Gujarat, India

Enzene Biosciences Limited,
Chakan, Pune, Maharashtra, India

Management, Discussion & Analysis Report

GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical industry is undergoing rapid expansion, driven by advancements in drug discovery, a rising burden of chronic diseases, and the strengthening of healthcare infrastructure across regions. Persistent conditions such as cardiovascular diseases, diabetes, and cancer remain the leading causes of death globally, accounting for nearly 71% of annual mortalities and significantly fueling demand for pharmaceuticals.

Breakthroughs in biotechnology, including gene therapy and RNA-based treatments, are reshaping therapeutic approaches and creating new growth opportunities. The industry also benefits from strong governmental and institutional support. For instance, the U.S. National Institutes of Health (NIH) allocated over US$ 45 billion in 2023 to medical research, accelerating innovation in drugs and vaccines.

Source:
https://www.globenewswire.com/news-release/2025/02/07/3022874/0/en/Pharmaceutical-Market-Size-Expected-to-Reach-USD-3-033-21-Bnby-2034.html

The global pharmaceutical market, valued at approximately US$ 1,772.65 billion in 2025, is projected to reach US$ 3,033.21 billion by 2034, registering a CAGR of 6.15%. Key growth drivers include the rising incidence of chronic diseases, innovation in drug development, an ageing global population, increasing access to healthcare in emerging markets, the growing adoption of generic medicines, and patent expirations of branded drugs.

Regionally, North America continues to lead the global pharmaceutical landscape, underpinned by advanced research capabilities, significant R&D investments, and a concentration of top pharmaceutical companies. The U.S., in particular, remains a hub for cutting-edge healthcare innovations and is seeing growing demand due to its ageing population.

Asia-Pacific is emerging as the fastest-growing region, propelled by increased healthcare spending, favourable policy initiatives, and growing public awareness of health and wellness. Government-led programs, such as Japan's Healthcare Vision 2030, China's Healthy China 2030 and India's National Health Mission, are expanding access to medical services. Enhanced investment in R&D and personalised medicine is further stimulating growth across the region.

Following a temporary decline in 2022, driven by inflationary pressures and rising interest rates that dampened over-the-counter (OTC) product demand, the global pharmaceutical market experienced a recovery in 2023 as economic conditions began to stabilise. Expanded public health budgets and wider reimbursement coverage have continued to underpin industry growth (global patient use of medicines rose roughly 14% over the past five years. Offsetting these tailwinds are intensified cost-containment policies: recent reforms to drug pricing in major markets (the US, EU and UK) are expected to constrain revenue growth and squeeze industry margins.

Looking ahead, IQVIA projects that overall medicine usage has essentially plateaued and will grow only modestly through the late 2020s. Volume increases will be heavily concentrated in emerging markets. For example, China's medicine volumes are forecast to rise about 8% by 2029, while many developed regions see minimal per-capita growth. Innovation remains a principal growth driver: oncology and immunology are the fastest-expanding segments, fueled by new biologic and precision therapies. In particular, next-generation modalities (including advanced biologics, gene- and RNA-based treatments) are rapidly scaling up, enhancing outcomes in complex disease areas such as cancer, autoimmune disorders and rare genetic conditions.

Expedited regulatory approvals, a shift toward patient-centric care models, and advances in drug delivery systems are further bolstering the industry. Strategic R&D investments and collaborations are accelerating product innovation, ensuring competitiveness. The rising adoption of modern therapeutics and innovative healthcare solutions remains a cornerstone of long-term market expansion.

Source:
IQVIA Institute – Global Use of Medicines, June 2025

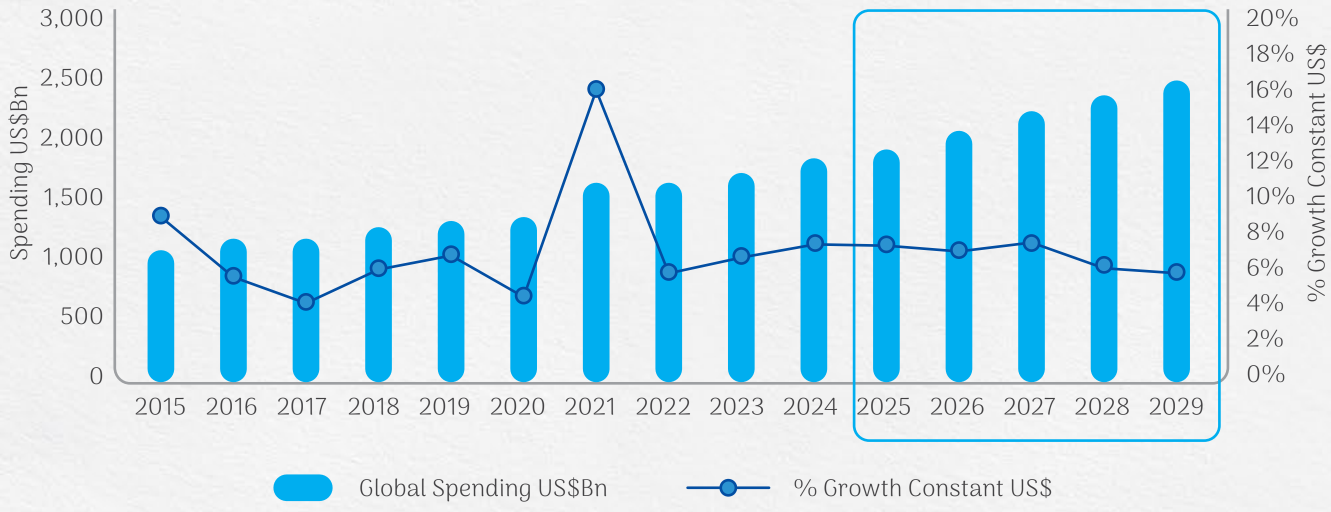
Global medicine spending and growth by product type

		ORIGINAL BRANDS	NON-ORIGINAL BRANDS	UNBRANDED GENERICS	OTHER	TOTAL
Spending 2023 US$ Bn	**Global**	1,184.3	235.3	166.5	163.7	1,749.8
	Developed	1,091.6	120.6	124.6	84.7	1,421.5
	10 Developed	964.0	70.3	107.0	52.6	1,194.5
	Other Developed	127.0	50.3	17.6	32.1	227.0
	Pharmerging	88.4	106.3	41.1	76.5	312.2
	Lower-income countries	4.4	4.4	0.8	2.5	16.1
Constant dollar CAGR 2019–2023	**Global**	3.9%	4.3%	4.8%	5.4%	4.6%
	Developed	9.4%	5.0%	3.9%	5.0%	8.2%
	10 Developed	9.6%	3.7%	3.8%	3.6%	8.2%
	Other developed	8.1%	7.7%	3.3%	8.3%	7.8%
	Pharmerging	8.4%	9.1%	6.8%	6.0%	6.0%
	Lower-income countries	-0.8%	1.5%	3.3%	2.1%	1.0%
Spending 2028 US$ Bn	**Global**	$1,685–$1,715	$270–$300	$170–$200	$180–$210	$2,355–$2,385
	Developed	$1,555–$1,585	$135–$155	$120–$150	$95–$115	$1,945–$1,975
	10 Developed	$1,370–$1,400	$75–$95	$105–$125	$58–$62	$1,635–$1,665
	Other developed	$185–$195	$60–$70	$15–$25	$35–$45	$310–$325
	Pharmerging	$115–$135	$120–$140	$40–$60	$80–$100	$375–$405
	Lower-income countries	$3–$7	$8–$12	$0.7–$1.1	$2.5–$3.5	$18–$22
Constant dollar CAGR 2024–2028	**Global**	6–9%	3.5–6.5%	4–5.5%	2–5%	5.5–8%
	Developed	6–9%	3–5%	3.5–5.5%	2–5%	5.5–8%
	10 Developed	6–9%	1.5–4.5%	3.5–5.5%	0.5–3.5%	5.5–8%
	Other developed	5–8%	4.5–7.5%	2.5–5.5%	4.5–7.5%	5.5–8%
	Pharmerging	7–10%	2.5–5.5%	5.5–6.5%	2.5–5.5%	3.5–6.5%
	Lower-income countries	4–7%	1–4%	0–3%	1.5–4.5%	2–5%

Source:
IQVIA Institute – Global Use of Medicines, June 2025

The global medicine market, using invoice price levels, is expected to grow at 5-8% CAGR through 2029 to about $2.4Tn

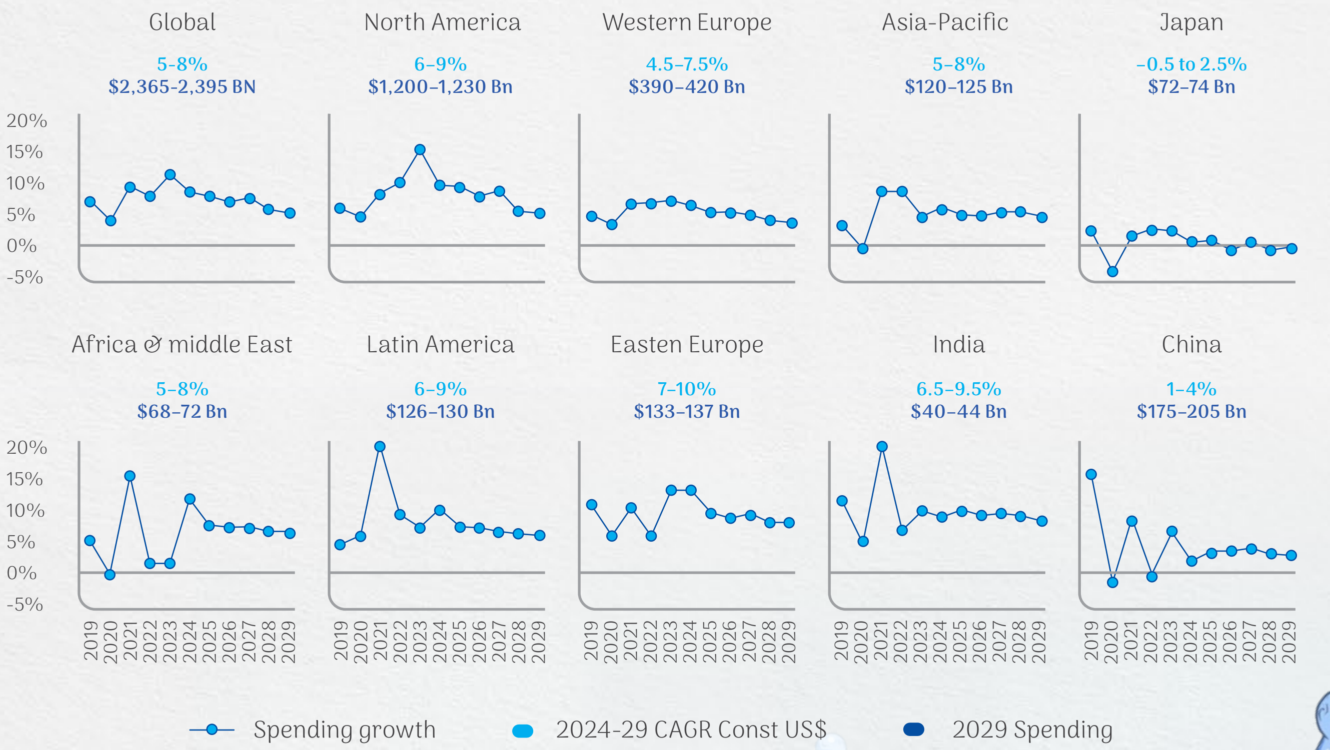
Exhibit 22: Global medicine market size and growth 2015-2019 including estimated COVID vaccine and therapeutic spending



Source:
IQVIA Institute – Global Use of Medicines, June 2025

Spending growth globally and in 9 regions, total market, constant US$ 2019-2029

Exhibit 26: Spending growth globally and in 9 regions, total market excluding COVID-19 vaccines and therapeutic, const US$ 2019-2029



Source:
IQVIA Institute – Global Use of Medicines, June 2025

DEVELOPED AND PHARMERGING MARKETS

The global outlook for spending growth across healthcare and pharmaceuticals from 2019 to 2029 paints a complex yet revealing picture. While the global CAGR stands at a steady 5-8%, reaching a total market size of approximately $2365-2395 billion in constant US dollars by 2029, regional disparities reflect diverse economic, demographic, and policy-driven dynamics shaping the next wave of market evolution.

North America, representing the largest market share, is expected to grow steadily between 6–9%, reaching $1,200–1,230 billion. The trend suggests maturity, with marginal year-on-year shifts. Drivers include consistent innovation, biologics adoption, and policy reforms aimed at reducing out-of-pocket costs. However, pricing pressures and payer driven constraints could moderate long-term growth.

Western Europe follows a similar trajectory with expected growth of 4.5–7.5% and spending between $390–420 billion. The region continues to balance innovation with strong health technology assessments (HTAs), centralized pricing controls, and aging populations, contributing to cautious yet stable spending increases.

Asia-Pacific, excluding China and Japan, shows promising growth of 5–8%, driven by increasing healthcare access, urbanization, insurance expansion, and greater generic and biosimilar adoption. Expected to reach $120–125 billion, the region holds significant long-term potential despite short term regulatory uncertainties.

Japan, however, presents a concerning picture with negative to marginal growth (-0.5% to 2.5%) and spending capping at $72-74 billion. This flat trajectory is shaped by population decline, ongoing deflationary pricing policies, and government efforts to curtail healthcare costs amid an aging society.

Africa and the Middle East project a modest yet optimistic 5–8% growth, reaching $68–72 billion. The region's improving healthcare infrastructure, foreign investments, and population growth present long-term opportunities, albeit with existing challenges of affordability and access.

Among emerging markets, Latin America is expected to witness strong growth of 6-9%, totaling $126–130 billion. Despite economic volatility, the region benefits from improved access to care, digital transformation, and public private healthcare collaborations.

Eastern Europe mirrors this trend with 7–10% CAGR and market potential of $133-137 billion, indicating recovery from geopolitical disruptions and increasing pharmaceutical investments.

India also emerges as a high-growth market with 6.5–9.5% CAGR, though from a smaller base of $40–44 billion. The country's focus on expanding universal health coverage, digital health infrastructure, and public schemes such as Ayushman Bharat is expected to fuel this rise. India also continues to be a global generics powerhouse, driving exports alongside domestic access.

China, despite its dominant global footprint, is forecast to grow at a more tempered 1-4%, reaching $175-205 billion. The deceleration is largely due to government-led price controls, volume-based procurement, and local production policies aiming to control costs and boost self-reliance.

Overall Outlook: The decade ahead is defined by a dual-speed reality—mature markets experiencing stabilization, and emerging economies propelling growth through infrastructure development and healthcare democratization. While global growth remains positive, the nuances lie in policy, access, innovation, and economic resilience. Strategically, stakeholders will need to navigate this evolving landscape by investing in local partnerships, digital health, and value-based care models. The balance between innovation and affordability will be the central theme driving the future of global healthcare spending.

KEY MARKETS

UNITED STATES PHARMACEUTICAL MARKET

The United States remains the largest pharmaceutical market globally, with net medicine spending reaching US$ 487 billion in 2024, marking an 11.4% increase from US$ 437 billion in 2023. 31 high-impact products primarily drove this surge, each contributing over US$ 500 million in annual growth. Notably, increased utilisation of clinically significant therapies is driving overall spending, despite net pricing remaining essentially flat.

High-growth products

US$ 14 billion

Offsetting losses from patent expiries

US$ 19 billion

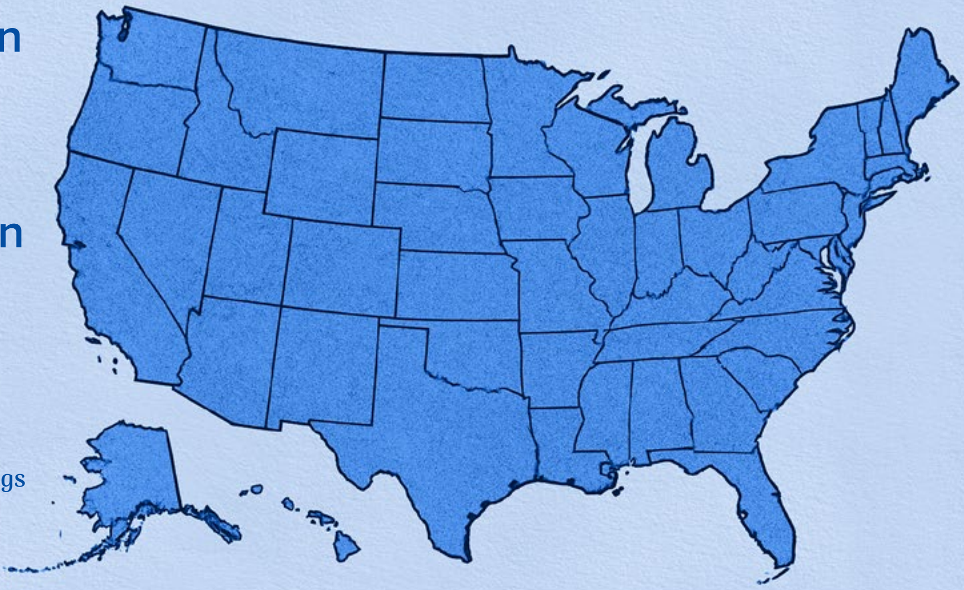
New brand launches

US$ 7 billion

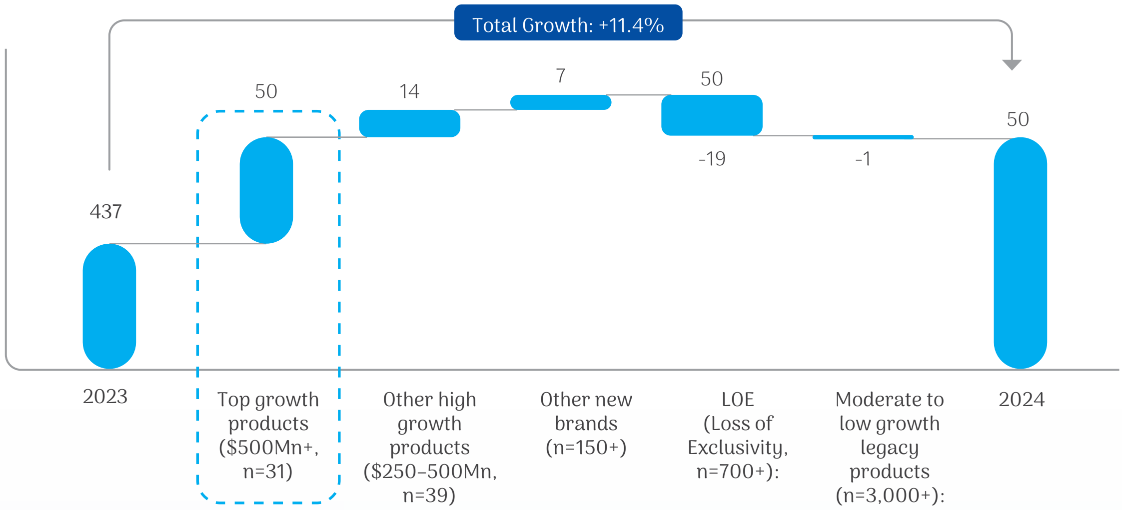
Decline in older/generic drugs

US$ 1 billion

Collective decrease.



U.S. net sales growth in 2024 was driven by a subset of products



Source:
IQVIA Institute, Apr 2025.

Notes:

The IQVIA Institute has analyzed company reported net revenues for a sample of companies and products and projected a total market estimate (see Methodology section). Individual product net sales have been analyzed to segment growth products with remaining growth based on the total market estimates. Measures total value of spending on medicines, including generics, branded products, biologics, small-molecules, and retail and non-retail channels.

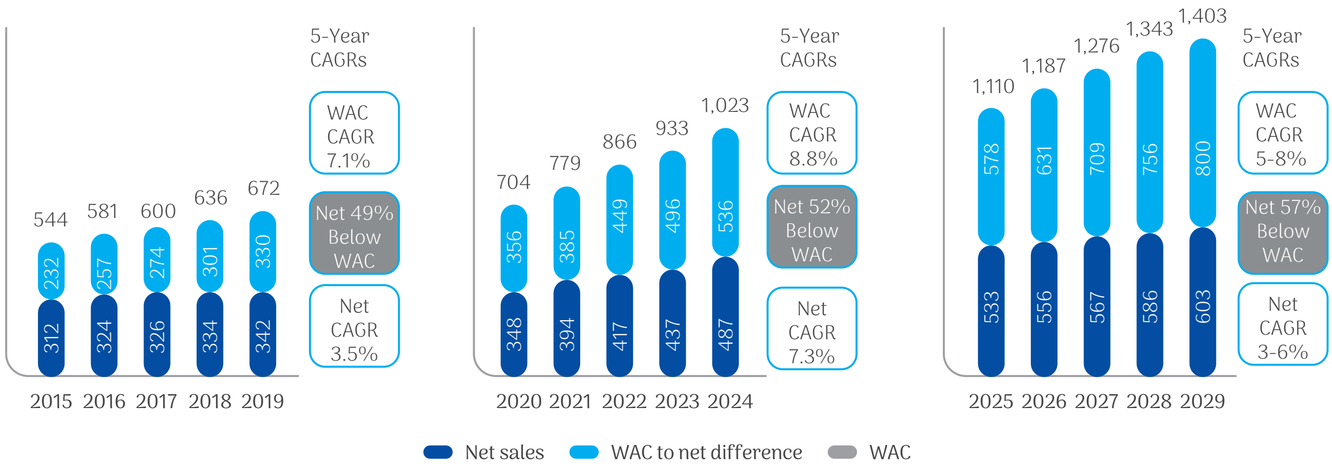
Net spending reflects company recognized revenue after off-invoice discounts, rebates and price concessions are applied. Estimates of COVID-19 vaccine and therapeutic spending are based on company financials, including reversals due to returns.

Looking ahead, total net spending is expected to rise by US$ 116 billion between 2024 and 2029, fueled by expanded access, increased medicine usage, and adoption of innovations. However, this growth will be partially offset by pricing pressures, loss of exclusivity, and evolving legislative measures.

Over the next five years:

- Spending is projected to grow at a 5–8% CAGR on a list price basis, and
- 3–6% CAGR on a net basis, factoring in discounts and rebates.

The Use of Medicines in the U.S. 2025: Usage and Spending Trends, and Outlook to 2029



Source:
IQVIA Institute, Global Use of Medicines outlook through 2029

Notes: Spending is based on IQVIA reported values from wholesale transactions measured at list (WAC) prices and excludes discounts and rebates that reduce net revenue received by manufacturers. Net spending reflects company-recognised revenue after both invoice and off-invoice discounts, rebates and price concessions are applied. Includes all medicines in both pharmacy and institutional settings. Includes COVID-19 vaccines and therapeutics from company-reported values.

Report: The Use of Medicines in the U.S. 2025; Usage and Spending Trends and Outlook to 2029, April 2025.

Innovation will remain a central driver of growth, with an estimated 50–55 new product launches annually, particularly in oncology, speciality care, orphan drugs, and chronic conditions such as diabetes, obesity, and neurological disorders.

India continues to play a pivotal role in supplying affordable medicines, meeting approximately 40% of the U.S. generic drug demand, thereby creating significant opportunities for Indian pharmaceutical companies to expand their footprint through innovation and capitalising on patent expirations. From October 2023 to September 2024, the U.S. FDA approved 694 Abbreviated New Drug Applications (ANDAs) and granted tentative approval to 162 additional applications, underscoring continued momentum in the generics segment.

The U.S. pharmaceutical market remains one of the most competitive and tightly regulated among developed economies. It features complex pricing dynamics and reimbursement mechanisms, alongside stringent regulatory oversight by bodies such as the U.S. FDA. Despite these challenges, Indian pharmaceutical companies are well-positioned to strengthen their presence in the U.S. market. Their deep domain expertise, cost-efficient manufacturing capabilities, and extensive experience in navigating regulatory pathways have enabled them to compete successfully, particularly in the generics segment. As demand for affordable, high-quality medicines continues to grow in the U.S., Indian firms are expected to play an increasingly vital role in driving accessibility and innovation.

Source:
Understanding the Use of Medicines in the U.S. 2025 - IQVIA

INDIAN PHARMACEUTICAL MARKET

India is the world's third-largest pharmaceutical industry by volume and fourteenth by value. It stands as the largest global supplier of generic medicines and vaccines. In FY2025, the Indian pharmaceutical sector was valued at ₹2.25 lakh crore, registering a robust 8.4% year-on-year growth, primarily driven by price increases across key therapies. Notably, the market experienced disruption in March 2025 due to the patent expiry of the diabetes drug empagliflozin. Furthermore, post March 2026, when the launch of the anti-obesity drug semaglutide is due, the market is expected to witness a significant impact.

Source:
https://www.ibef.org/news/booster-shot-as-india-s-pharma-market-grew-8-4-in-fy25-pharmarack

India's Pharma Exports: Top 10 Markets

Rank	Country	FY2024 (US$ Mn)	YoY Growth	Share (%)
1	USA	8,728.6	15.7%	31.4%
2	UK	784.3	21.1%	2.8%
3	South Africa	718.5	9.4%	2.6%
4	Netherlands	699.2	17.6%	2.5%
5	France	667.5	17.1%	2.4%
6	Brazil	655.6	2.0%	2.4%
7	Belgium	574.4	-19.7%	2.1%
8	Germany	567.4	-8.5%	2.0%
9	Russia	518.5	-9.6%	1.9%
10	Nigeria	508.1	-1.5%	1.8%

Source:
Pharmexcil 20th Annual Report

The Indian pharmaceutical industry is broadly segmented into formulations and bulk drugs. Formulations are nearly evenly split between domestic and export markets. India's export portfolio is dominated by low-value generics, accounting for approximately 3.5% of global drug exports. These exports span more than 200 countries and territories, including stringent regulatory markets such as the United States, the United Kingdom, the European Union, and Canada. With the second-highest number of US FDA-compliant manufacturing facilities outside the US, India has emerged as a reliable global manufacturing hub, backed by world-class infrastructure, skilled talent, and a strong academic and research ecosystem.

Indian Pharma Market (IPM) - Key Therapy Areas (FY2025)

Therapy Area	Sales (₹ Cr)	Contribution (in %)	YoY Growth (in %)
Cardiac	26,603	13.5	11.9
Gastrointestinal	22,161	11.3	9.6
Anti-infectives	20,638	10.5	4.8
Anti-diabetic	18,719	9.5	8.5
VMN*	15,795	8.0	7.8
Respiratory	16,426	8.4	3.2
Pain/Analgesics	15,642	8.0	7.0
Neuro/CNS	12,217	6.2	8.6
Dermatology	14,120	7.2	9.3
Gynecology	8,895	4.5	3.3

Source:
IQVIA March 2025 SSA Data
**Vitamins/Minerals/Nutrients*

Despite its strength, the Indian pharmaceutical sector continues to rely heavily on imports for key inputs such as active pharmaceutical ingredients (APIs) and key starting materials (KSMs). However, the Production-Linked Incentive (PLI) scheme and domestic capacity expansion are enabling backwards integration, improving supply chain resilience, softening of some of the KSM's/API's, and reducing external dependency.

India's competitive manufacturing cost structure has allowed its pharmaceutical companies to achieve global parity in margins, even as they move up the value chain. Increasingly, Indian firms are gaining regulatory approvals for complex generics, biosimilars, and injectables (high-margin segments that enhance global positioning).

Regulatory compliance continues to improve. In 2023, the US FDA conducted 225 inspections at Indian manufacturing sites, resulting in 18 Official Action Indicated (OAI) and 117 Voluntary Action Indicated (VAI) outcomes. In 2024, despite increased scrutiny, inspections declined to 206, with OAIs falling to 14 and VAIs to 115. This trend underscores India's growing alignment with international quality standards.

Source:
Indian pharma improves compliance with USFDA; fewer OAI cases in 2024 | Health News - Business Standard

India manufactures around 60,000 generic brands across 60 therapeutic categories, contributing nearly 20% to the global supply. Trade generics, an essential component of domestic access, were valued at approximately ₹24,000 crore in 2023. With improved distribution networks and affordability, this segment is expected to grow at a 15–18% CAGR and reach ~₹68,000 crore by 2030.

Source:
Changing Dynamics of Indian Pharma Supply Chain 2024 by Pharmarak

A notable shift is also underway from a generics-driven model to one focused on innovation and value-added products. Investments in R&D, especially in biologics and precision medicine, are rising. Indian firms are also engaging in strategic collaborations with global biotech companies and expanding contract research operations, further strengthening their innovation capabilities.

Policy Support and Growth Drivers

The Union Budget 2025-26 highlighted several reforms to boost the sector:

- Establishment of 200 district-level day-care cancer centres
- Concessional duties and exemptions on essential medicines
- Expansion of medical education and research fellowships
- Broadband connectivity for all Primary Health Centres (PHCs) to promote telemedicine
- Focus on medical tourism and "Heal in India" campaigns
- Increased FDI limits in health insurance and nutritional support programs

The Indian pharmaceutical sector stands at an inflection point. Its future growth will be driven by the rising burden of non-communicable diseases, an ageing population, increasing health awareness, and the growing consumerisation of healthcare. However, to maintain global leadership, India must accelerate R&D investments, modernise its regulatory framework, and embrace innovation. Technologies such as artificial intelligence, machine learning, and precision medicine are expected to transform drug discovery, development, and delivery.

Biosimilars and Biologics

Biologics represent one of the fastest-growing segments in global pharmaceuticals, driven by their targeted therapeutic benefits in oncology, autoimmune disorders, and chronic diseases. Biosimilars, highly similar, cost-effective alternatives to approved biologic drugs, are gaining rapid traction as patents on blockbuster biologics expire.

Globally, the biosimilars market is projected to reach US$ 75 billion by 2030, from US$ 21 billion in 2024, growing at a CAGR of ~20%. Much of this growth is expected to come from oncology and autoimmune segments, where biologics dominate and payers are actively encouraging biosimilar substitution to reduce healthcare costs. Biosimilars are anticipated to generate cumulative global savings of ~US$ 285 billion by 2030.

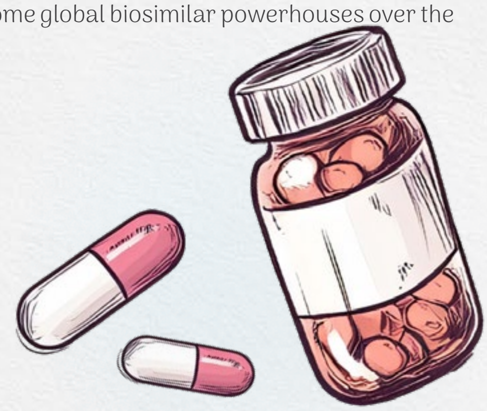
India has emerged as a significant player in the global biosimilars space, leveraging its scientific talent pool, strong manufacturing base, and cost competitiveness. The domestic biosimilars market, currently valued at approximately ₹5,300 crore, is growing at a compounded annual growth rate (CAGR) of 25-28%. This momentum is fueled by increasing diagnosis and treatment rates, the adoption of biosimilars in hospitals, and heightened affordability through price parity efforts.

Indian pharmaceutical companies are actively expanding their biosimilars portfolios, targeting high-value molecules such as adalimumab, trastuzumab, bevacizumab, pegfilgrastim, and insulin analogues. As regulatory clarity improves and commercial pathways become more defined in developed markets, Indian firms are securing approvals in highly regulated regions, including the US, EU, and Japan.

The Indian government has taken strategic steps to promote domestic biologics manufacturing through schemes such as the Biopharmaceutical Mission under BIRAC and support for the establishment of biotechnology parks and incubation centres. The Department of Biotechnology and CDSCO have also issued detailed regulatory guidelines for the development, testing, and approval of biosimilars, improving the confidence of both industry and healthcare providers.

Key challenges remain, including the complexity of biologics manufacturing, long development cycles, and the need for extensive pharmacovigilance data. However, leading Indian companies are investing in high-end R&D infrastructure, global clinical trials, and strategic alliances with multinational firms to overcome these barriers.

The transition from volume-driven generics to science-driven biologics represents a transformative opportunity. Indian firms that can scale up biologics manufacturing while ensuring regulatory compliance and cost efficiency are well-positioned to become global biosimilar powerhouses over the next decade.



Medical Devices

The global MedTech industry has entered a phase of accelerated evolution, driven by rapid technological innovation, demographic changes, and growing healthcare awareness. As of 2023, the global medical devices market is valued at approximately US$ 700 billion and is projected to exceed US$ 850 billion by 2027, growing at a CAGR of 6%. Among the key categories, orthopaedic implants form one of the most established and high-value segments, currently estimated at around US$ 46 billion globally. A rising prevalence of osteoarthritis, sports-related injuries, and age-associated musculoskeletal disorders is propelling the growth in this segment.

India's MedTech sector is gaining strong momentum, catalysed by supportive policy frameworks, evolving healthcare demand, and increasing investment in domestic manufacturing. Valued at US$ 11 billion in 2022, the Indian MedTech market is expected to grow to US$ 40–50 billion by 2032, at a CAGR of over 14%. This growth is being powered by:

- **Expanding insurance coverage:** The overall health insurance penetration in India has doubled from 25% to 51%, led by public initiatives such as the Pradhan Mantri Jan Arogya Yojana (PM-JAY) and other state-led schemes. The recent expansion of AB PM-JAY, which now includes universal coverage for senior citizens aged 70 and above, further strengthens healthcare access. Private health insurance is also witnessing a robust 23% CAGR over the past decade.
- **Rising healthcare expenditure:** Per capita healthcare spending has grown significantly, supported by increased public and private sector investment in healthcare infrastructure.
- **Improved affordability and access:** India's growing middle class, rising per capita disposable income (US$ 2,900 in FY2024, up 8% YoY), and demographic advantage (median age of 29.8 years in 2024) are creating sustained demand for quality and affordable medical devices. Accelerating urbanisation and digital health integration are further enabling market penetration.

Focus on Orthopaedics

Within the broader MedTech domain, orthopaedics is emerging as a high-potential segment in India. Estimated at approximately ₹4,000 crore, the Indian orthopaedic market is poised for sustained double-digit growth. Key growth drivers include an ageing population, increasing life expectancy, higher diagnosis rates of musculoskeletal conditions, and expanding access to tertiary care.

Joint replacement, particularly knee, hip, and shoulder implants, constitutes the largest category, accounting for nearly 65% of the overall orthopaedic market. Price caps introduced by the National Pharmaceutical Pricing Authority (NPPA) for knee implants have significantly widened affordability, unlocking access for a more price-sensitive patient population. In parallel, the government's focus on import substitution and 'Make in India' is creating a favourable ecosystem for domestic manufacturers.

Despite these positive developments, a large portion of India's orthopaedic implant market remains import-dependent, underscoring the need for indigenous, high-quality, and cost-effective alternatives. Alkem MedTech Pvt. Ltd.'s entry into this space is strategically positioned to address this need by offering world-class orthopaedic solutions designed for Indian clinical needs and price sensitivities. Through advanced R&D, clinician partnerships, and robust manufacturing capabilities, the Company aims to strengthen India's self-reliance in critical MedTech categories.

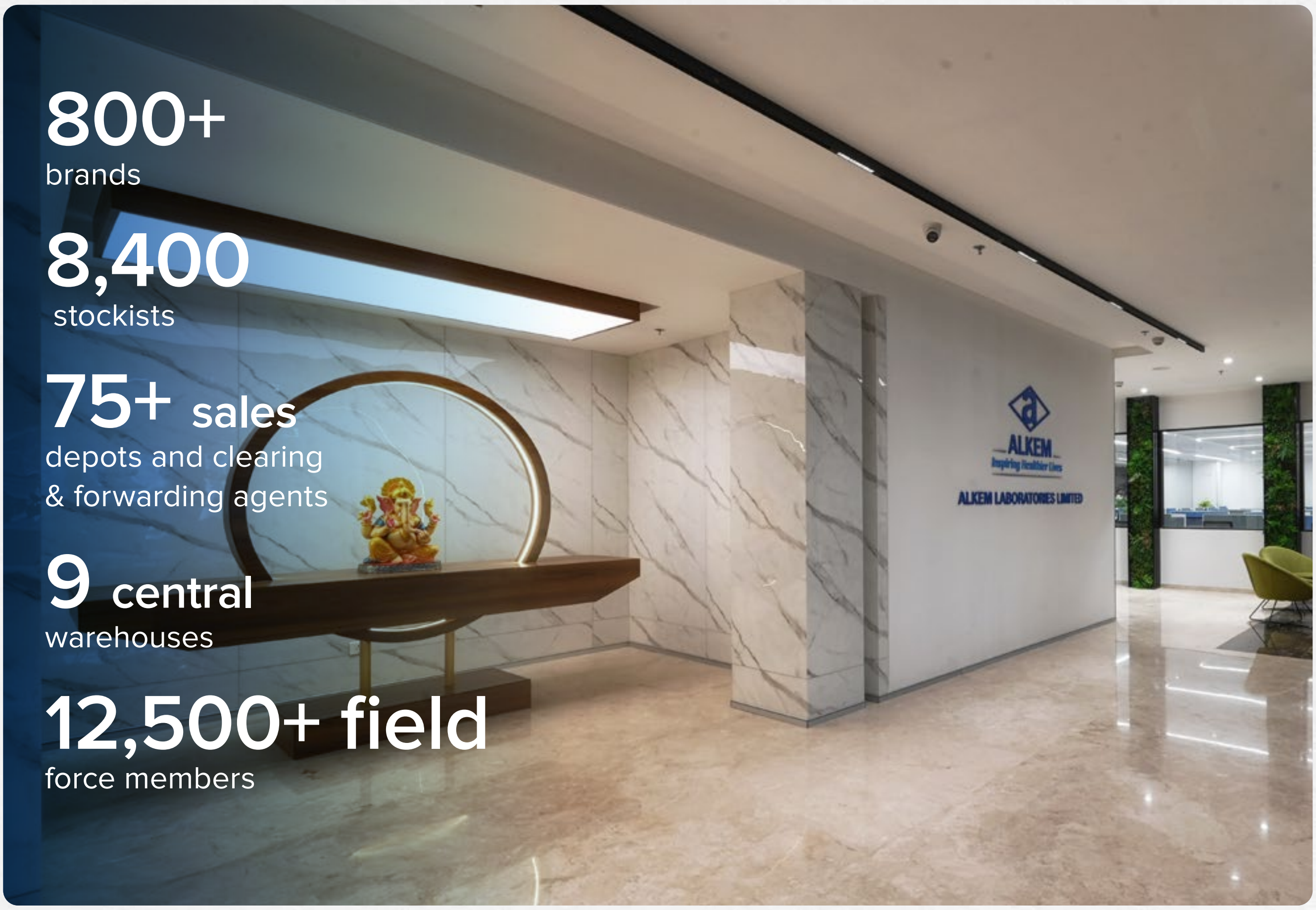
Source:
IBEF Industry report, LEK report on Indian MedTech market and Internal Market Intelligence

Company Overview

With over five decades of experience, Alkem Laboratories Limited ("Alkem" or "the Company") stands as a prominent Indian-origin global pharmaceutical company with expertise spanning across generics, speciality, pharmaceuticals, biosimilars, and the medical devices sector. For more than 20 years, Alkem has consistently ranked among the top 10 pharmaceutical companies in India, cementing its position as a trusted healthcare provider across acute and chronic therapies.

Innovation remains central to Alkem's growth philosophy. The Company has pioneered several technologically advanced and cost-effective pharmaceutical solutions across its integrated value chain, from product development to manufacturing and distribution. Alkem operates in over 40 countries, with the United States being its largest export market. Its expansive commercial infrastructure includes:

Alkem's strong brand equity is underpinned by a seasoned management team, robust manufacturing capabilities, a deep commitment to quality, and a culture rooted in integrity and resilience. The Company is actively investing in over 10 high-growth platforms, such as injectables and biosimilars, and three emerging technology platforms: mRNA, viral vectors, and antibody-drug conjugates (ADCs).



Strategic Acquisitions

In FY2025, Alkem undertook two strategic acquisitions to strengthen its presence in high-growth segments:

- **Adroit Biomed:** A derma-cosmetological healthcare company with a focus on dermatology, acquired for an enterprise value of ₹140 crore.
- **Bombay Ortho:** A domestic manufacturer and supplier of orthopaedic implants (hip and knee), acquired for an enterprise value of ₹147 crore.

These acquisitions are aligned with Alkem's strategy to diversify into fast-growing, innovation-led segments while enhancing its product portfolio.

Global Manufacturing and R&D Capabilities

Alkem operates 18 world-class manufacturing facilities, 17 in India and 1 in the United States, all regularly audited and approved by global regulatory bodies including the US FDA, WHO, MHRA (UK), TGA (Australia), ANVISA (Brazil), and SAHPRA (South Africa).

The Company has:

- Filed 185 ANDAs and 2 NDAs with the US FDA
- Received approvals for 156 ANDAs (including 13 tentative approvals) and 2 NDAs
- Registered 1,100+ products across various international markets

The Company's innovation engine is powered by three advanced R&D centres staffed by 500+ scientists focused on differentiated, first-to-market products. Enzene Biosciences, its biotechnology subsidiary, continues to experience robust growth, with seven biosimilars launched in the domestic market and a strong pipeline under development.

Domestic Market Leadership

In India, Alkem holds leadership positions in several acute therapy areas, including:

- Anti-infectives
- Gastrointestinal
- Pain management
- Vitamins, Minerals and Nutrients (VMN)

Several of Alkem's flagship brands—Clavam, Pan, Pan-D, and Taxim-O—rank among the top 50 pharmaceutical brands in India, demonstrating long-standing brand equity and physician trust. The Company has retained its leadership in the anti-infective segment for over 15 years and is also a major player in the trade generics space.

In line with its growth vision, Alkem is actively expanding into chronic therapy areas such as Neuro/CNS, Neurology, Diabetes, and Dermatology, which increasingly contribute to the revenue mix.

Revenue by Key Markets (FY2025)

Business Segment	Revenue (₹ million)	Contribution to Total Revenue (%)	YoY Growth (%)
Domestic Business	₹89,837	70.2%	6.5%
US Business	₹24,818	19.4%	-10.4%
Other International Markets	₹13,392	10.5%	8.7%

The Indian domestic business remains Alkem's significant revenue contributor, reflecting the Company's strong fundamentals and leadership position in the Indian Pharmaceutical Market (IPM). This performance underlines Alkem's resilience and its sustained growth outlook across key therapeutic categories.

Financial Overview

Alkem Laboratories delivered a strong financial performance in FY2025, marked by good revenue growth, improved margins, and enhanced profitability. Despite a challenging macro environment and pricing pressures in key geographies, the Company leveraged operational efficiencies, a favourable product mix, and strategic market expansion to drive value.

Particulars	FY2025	FY2024	YoY Change	Comments
Revenue from Operations	₹1,29,645	₹1,26,676	2.3%	Domestic business grew 6.5%. US business de-grew 10.4%. Other international markets grew 8.7%.
Gross Profit	₹82,003	₹77,300	6.1%	Margin improvement is driven by favourable product mix and declining API prices.
Gross Profit Margin	63.3%	61.0%	–	
EBITDA	₹25,122	₹22,455	11.9%	Boosted by gross margin gains and optimisation of other expenses.
EBITDA Margin	19.4%	17.7%	–	
PBT (Before Exceptional Item)	₹25,270	₹21,446	17.8%	Primarily driven by higher EBITDA and high other income due to increased cash generation.
Exceptional Item	-	₹1,215	–	
PBT (After Exceptional Item)	₹25,270	₹20,231	24.9%	
PBT Margin	19.5%	16.0%	–	
PAT (After Minority Interest)	₹21,655	₹17,958	20.6%	
PAT Margin	16.7%	14.2%	–	

Domestic Business

Alkem continued to reinforce its position as a leading pharmaceutical player in the Indian Pharmaceutical Market (IPM) in FY2025, delivering resilient secondary sales of ₹8,058 crore (IQVIA MAT SSA March 2025), registering a YoY growth of 6.8%. While this growth was marginally below the overall IPM growth rate of 7.7%, it must be viewed in the context of Alkem's leadership in therapeutic segments that witnessed relatively modest market expansion, particularly anti-infectives, which grew at 2.5% during the year.

According to IQVIA (SSA) data, for FY2025, the Company registered a volume growth of 2.1% vs. IPM's volume growth of 1.2%, outperforming IPM by 90 bps.

Key Highlights:

₹8,984 crore
revenue from domestic business

6.5%
YoY growth

17 brands*
in the IPM Top 300

70.2 %
contribution to total revenue

Ranked 05 overall*
in the Indian Pharmaceutical Market

#1
in anti-infectives in India for over 15 consecutive years

Despite slower growth in a few core categories, Alkem retained its strong position among the top five companies in the IPM, with a market share of 4.1%. In segments where the Company has historically been dominant, it continued to rank among the top three players:

- #1 in Anti-infectives (leader for over 15 years)
- #2 in Vitamins/Minerals/Nutrients (VMN)
- #3 in Gastrointestinal therapies
- #3 in Pain and Analgesics

Alkem is also the third most prescribed pharmaceutical company in India across all therapy areas and medical specialities, underscoring the breadth and trust of its brand portfolio.

Power Brands Driving Growth

The Company's long-standing strategy of building market-leading brands across therapy areas continues to yield dividends. In FY2025:

- 18 brands crossed ₹100 crore in annual sales
- These brands contributed 52% of total domestic revenue
- Collectively, they grew at 9.16% YoY, outpacing the IPM average

Notable brand performances include:

PAN: Entered the top five brands in the IPM, growing 14.5% YoY

PAN-D: Rose from rank 12 to rank 09, with 17.1% YoY growth

Clavam: Maintained rank 11, growing 4%, despite headwinds in the anti-infectives segment

These successes highlight the deep confidence prescribers places in Alkem's products, built on a legacy of scientific credibility, consistent quality, and patient-focused outcomes. The performance is also a testament to Alkem's field force of over 12,500+ marketing professionals, who drive engagement through evidence-based promotion and enduring physician relationships.

PERFORMANCE OF NEW PRODUCT LAUNCHES

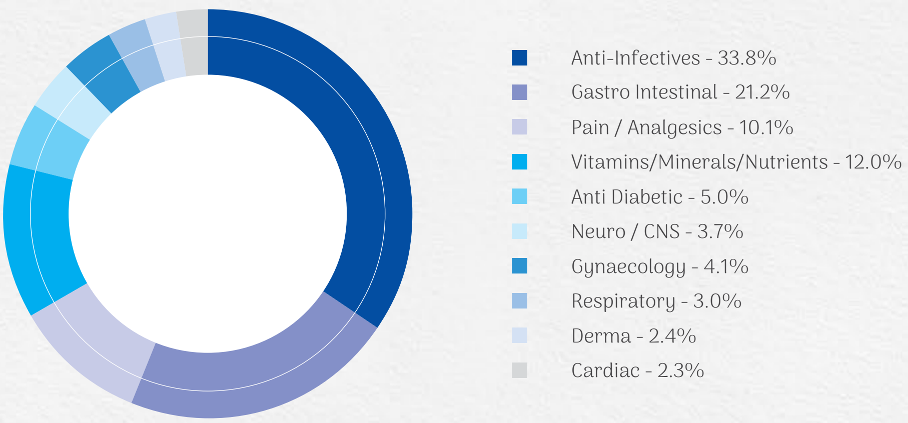
BRAND	MOLECULE	RANK MAT MARCH 2025
ALNESOL OD	NEPAFENAC	6(+4)
ALSITA-E	EMPAGLIFLOZIN+SITAGLIPTIN	4
BUPROJOY	BUPROPION+DEXTROMETHORPHAN	5
EMPANORM	EMPAGLIFLOZIN	7(+2)
EMPANORM L	EMPAGLIFLOZIN+LINAGLIPTIN	10(+1)
ENDOGOLIX	ELAGOLIX	7
GLYCOQUIC F	FORMOTEROL+GLYCOPYRRONIUM	7(+1)
HEMFER-MAX	CYANOCOBALAMIN+ERGOCALCIFEROL+FOLIC ACID+IRON FERRIC+MORINGA OLEIFERA	3
IPRASURE LS	IPRATROPIUM BROMIDE+LEVOSALBUTAMOL	6
KOJIGLO	ARBUTIN+KOJIC ACID+OCTINOXATE+PINUS PINASTER	10
MASTMAX	OLOPATADINE	4
POLMAKEM-P	PARACETAMOL+POLMACOXIB	2
PULMOSMART G	BUDESONIDE+FORMOTEROL+GLYCOPYRRONIUM	8
XONE ES	CEFTRIAXONE+EDETIC ACID+SULBACTAM	3

Source:
IQVIA March 2025 SSA Data

Alkem's performance in key therapeutic segments

Therapy Area	Market Rank	Market share (%)	Company growth (% YoY)	Industry growth (% YoY)
Anti-Infectives	1	13.2	2.5	4.8
Gastro Intestinal	3	7.7	11.4	9.6
Pain / Analgesics	3	5.2	5.0	7.0
Vitamins / Minerals / Nutrients	2	6.1	12.7	7.8
Anti Diabetic	14	2.2	9.7	8.5
Neuro / CNS	7	2.4	11.4	8.6
Gynaecology	8	3.7	6.8	3.3
Respiratory	16	1.5	4.9	3.2
Derma	20	1.4	8.8	9.3
Cardiac	27	0.7	1.0	11.9

% Contirbution of key thearaputic segments



Source:
IQVIA March 2025 SSA Data

Performance of Alkem's Top 10 Brands

Brand	Molecule	Rank in molecule category	Brand sales ₹ crore in FY2025	Market share (in %)
PAN	Pantaprazole	1	639.9	39.3
PAN-D	Domperidone+Pantoprazole	1	581.5	36.8
CLAVAM	Amoxicillin+Clavulanic Acid	2	578.0	16.3
TAXIM-O	Cefixime	2	317.1	24.9
A TO Z NS	Ascorbic Acid+Copper+Manganese+Nicotinamide+Pantothenic Acid+Pyridoxine+Retinol+Riboflavin+Vitamin E+Zinc	2	296.2	14.4
XONE	Ceftriaxone	2	233.3	16.1
UPRISE-D3	Colecalciferol	1	219.4	22.1
PIPZO	Piperacillin+Tazobactam	1	194.9	29.4
TAXIM	Cefotaxime	1	167.6	82.0
GEMCAL	Calcitriol+Calcium & Combination	1	164.0	19.9

Source:
IQVIA March 2025 SSA Data

In addition to its leadership in acute therapies, the Company has strategically expanded its presence in chronic therapy areas such as anti-diabetes, neurology/CNS, dermatology, and inhaled chronic respiratory therapies. In few of these therapies, Alkem has not only outpaced market growth but has also gained notable market share.

The Company continues to be consistently ranked among the top five in terms of sales contribution from new product launches, underlining its strong capabilities in lifecycle management and timely market entry. Notably, Alkem has achieved market leadership in at least two blockbuster diabetes drugs following their patent expiries, reaffirming its agility and scientific acumen in capitalising on high-value opportunities.

Backed by an unwavering commitment to R&D, operational excellence, a strategically optimised supply chain, and a deeply experienced management team, Alkem is well-positioned to harness emerging opportunities and sustain its growth trajectory in the Indian Pharmaceutical Market.

Outlook for Domestic Business

The Indian pharmaceutical market (IPM) has continued on a steady growth trajectory, although volume growth has moderated to around 1-2%. Price-led growth and new product introductions remain the primary levers for outperforming the broader market. Chronic therapies continue to outpace acute segments, highlighting a structural shift in disease burden and healthcare priorities.

Looking ahead, several key industry trends are expected to shape Alkem's domestic strategy:

1. Patent Expiry Opportunities

The IPM is on the cusp of major high-value patent expiries. Of particular strategic relevance are:

- **Semaglutide,** expected to lose patent protection in March 2026. Alkem is well-positioned for first wave of launch upon patent expiry.
- **Nivolumab,** the first immune-oncology biologic, has a patent expiry in May 2026. The Company is preparing for a timely biosimilar launch.

Alkem is actively evaluating launch strategies across multiple therapeutic areas, balancing speed to market, cost of development, and expected market dynamics.

2. CDMO-Led 'Day One' Launches and Market Crowding

There is a growing trend of CDMOs leading post-patent launches, including conducting bioequivalence and clinical studies. These products are then offered semi-exclusively or non-exclusively to marketing companies. While this model enhances cost-efficiency, it is also driving intense competition, with multiple players entering markets with similar products under various branding strategies. Alkem remains cautious and strategic in its participation, evaluating competitive intensity, pricing pressure, manufacturing cost, and quality considerations before deciding to partner or develop in-house.

3. Inorganic Growth and Licensing Activity

While co-marketing innovative, patented blockbusters with leading multinational corporations has been a well-established strategy in the Indian Pharmaceutical Market (IPM) for over 15 years, there is now a clear shift toward inorganic growth through licensing arrangements. Indian pharmaceutical companies are increasingly pursuing licensing opportunities to accelerate their pipeline expansion, particularly in complex generics, speciality molecules, and biologics.

This trend is gaining momentum across both small molecules and biopharmaceuticals, as companies seek to gain early-mover advantages in high-value therapeutic areas. Beyond traditional partnerships with global MNCs, Indian players are also engaging with emerging biologic innovators in markets such as China, tapping into novel product development and differentiated assets.

In alignment with this industry shift, the company keeps evaluating licensing opportunities with several partners with several potential partners to bring differentiated products to the Indian market.

4. Trade Generic Market Dynamics

The trade generic segment, now exceeding ₹25,000 Cr and growing at 14–15% CAGR, continues to be a key focus area. Alkem, already a market leader in this space, is strengthening its chronic portfolio to drive future growth. However, the segment is becoming increasingly competitive, with new entrants and aggressive expansions by large companies. The Company remains committed to reinforcing its leadership through quality, affordability, and reach.

5. Compliance, Regulation, and Quality

Regulatory rigour has increased, with the Uniform Code of Pharmaceutical Marketing Practices (UCPMP) now in force and the revised Schedule M raising GMP standards. Alkem has implemented robust internal controls and training to ensure full compliance. The Company's exposure to state-licensed Fixed Dose Combinations (FDCs) under scrutiny is minimal. While price control under DPCO continues to expand, much of Alkem's portfolio is already included, limiting incremental impact. To further strengthen product integrity and patient trust, the Company is introducing anti-counterfeit packaging technologies such as holograms and security strips, especially on high-volume brands.

6. Diversification through MedTech

As Indian pharmaceutical companies increasingly diversify beyond formulations, Alkem has taken strategic steps by forming a wholly-owned subsidiary, Alkem MedTech Pvt. Ltd., focused on orthopaedic implants and musculoskeletal medical devices. This includes:

- A technology transfer partnership with US-based Exactech for joint replacement implants.
- Acquiring Bombay Ortho, a domestic orthopaedic implant manufacturer, enabling backward integration and manufacturing self-reliance under the Make-in-India initiative.

Strategic Vision Forward

Alkem remains focused on:

- **Filling portfolio gaps** through new launches, in-licensing, and acquisitions.
- **Enhancing field force productivity** and deepening prescriber engagement.
- **Optimising operations across manufacturing, distribution, and IT systems.**
- **Safeguarding and extending leadership** in core and emerging therapies.

Despite heightened regulatory expectations and increasing competition, Alkem sees tremendous opportunity in the domestic market. With its legacy brands, expansive reach, high-performing teams, and resilient supply chain, the Company is confident of maintaining its competitive edge and outpacing market growth over the medium to long term.

US Business

The US business continues to be a strategic growth pillar for the Company, contributing significantly to overall revenues. In FY2025, the Company generated ₹24,818 million in revenue from the US market, marking a 10.4% year-on-year decrease. This de-growth was primarily driven by pricing pressure in existing portfolio and absence of meaningful launches.

Key Highlights:

₹24,818 million
revenue from the US business

19.4%
share of total Company revenue

10.4%
YoY de-growth

185 cumulative
ANDAs filed

156 cumulative
ANDAs approved, including tentative approvals

- Of these:

143 final
ANDA approvals

13
tentative approvals

2 NDAs filed,
both approved

The Company continued to expand its US product portfolio through robust regulatory activity. As of 31 March, 2025, a total of 185 Abbreviated New Drug Applications (ANDAs) had been filed, reflecting consistent pipeline progression. The Company also filed 2 New Drug Applications (NDAs), both of which received approval.

These approvals provide a strong base for future launches and help enhance the Company's presence in key therapeutic segments within the US generics market. The business remains focused on optimising its cost structures, strengthening supply reliability, and enhancing product mix to navigate the pricing pressures that continue to characterise the US generics space.

Alkem's ANDA filings and approval (chart)

Year	Total filed (cumulative) *	Total approved (cumulative)*#
2013-14	49	15
2014-15	63	19
2015-16	77	31
2016-17	91	39
2017-18	108	50
2018-19	127	70
2019-20	144	89
2020-21	152	110
2021-22	163	123
2022-23	175	134
2023-24	178	147
2024-25	187	158

*includes NDA #includes tentative approvals

Update on USFDA Inspections

In FY2025, the Company underwent the following USFDA inspections across its manufacturing facilities:

- **March 2025 – Taloja R&D:** The USFDA conducted a Bioresearch Monitoring (BIMO) inspection at the Company's Bioequivalence Center. The inspection was concluded with no issuance of Form 483.
- **June 2024 – Baddi Facility:** The USFDA completed the inspection at the manufacturing facility in Baddi by issuing an Establishment Inspection Report (EIR) and classifying it as Voluntary Action Indicated (VAI). The establishment was examined by the USFDA on 27 March, 2024.

Quality remains a top priority for Alkem, and the Company adheres strictly to all applicable regulatory standards, including current Good Manufacturing Practices (cGMP). Alkem continues to invest in its people, processes, and technology to meet the evolving regulatory requirements, ensuring compliance and positioning itself for continued growth and operational excellence.

Facility	Capability	Inspection Date	Regulatory Status
Baddi (India)	Formulations	Mar-24	EIR Received in June 2024
Daman (India)	Formulations	Aug-19	EIR Received in Oct 2019
Taloja R&D (India)	Bioequivalence Centre	Mar-25	No observation
Ankleshwar (India)	API	Apr-23	EIR Received in July 2023
Mandva (India)	API	Dec-23	EIR Received in Mar 2024
California (USA)	API	Aug-18	EIR Received in Oct 2018

Note: USFDA conducted a virtual inspection at our manufacturing facilities in Daman from 5 to 7 October, 2020.

Outlook for the US Business

The US pharmaceutical market is one of the key revenue contributors for Alkem, owing to its significant size and purchasing power. However, there is a paradigm shift across US healthcare industry in recent times impacting mainstay US healthcare program, FDA layoffs, Inflation Reduction Act, Reciprocal tariffs shaping trade alliances, Drug pricing tied to MFN across foreign countries, conflicts and rising tensions in Ukraine, Middle East & India. Additionally, the generic drug sector is experiencing heightened competition due to the entry of new players, pricing pressures, and margin reductions in retail generic segments. Advent of Blockbuster GLP-1 drug classes to shape the industry and underlying investment in future. Gen-AI driving holistic impact across the pharma value chain.

Despite these challenges, opportunities remain in niche areas such as complex generics. Alkem is actively exploring avenues beyond traditional oral therapies, focusing on expanding into complex orals and injectables, particularly Complex Gx injectables, peptides via Organic pathway which are considered to be niche areas.

Alkem is also exploring ways to untap potential via in-organic pathways like strategic partnerships via in-licensing, co-development, CDMO models capitalizing on near term launches opportunities for blockbuster potential at the same time diversifying risk exposures for high cost development drugs.

Alkem's technologically advanced R&D facilities, including an in-house CRO unit, alongside formulation R&D at Taloja and API R&D at Mandva, are key to addressing the global market's evolving needs. The Company remains committed to continuous innovation, product development, and maintaining high standards of quality to ensure it stays ahead of the curve in the international pharmaceutical landscape.

In the U.S., Alkem has built a solid reputation, securing the #1 position in 8 of its top 20 molecules and ranking within the top 5 for the rest. Its strong presence is driven by a focused portfolio across key therapeutic areas like diabetes, heart health, iron deficiency, central nervous system (CNS) disorders, and pain management, reflecting its commitment to improving patient care across a wide range of health needs.

Source :
IQVIA MAT April 2025

Outlook for Other International Market Business

The Company continues to strive to expand reach in the existing 40 international markets, apart from India and the US. Its key markets include LatAm, Australia, Europe (UK, Germany) and RoW markets (Philippines, Kazakhstan, South Africa, East Africa, etc.).

In FY2025, the Company's revenues from the Other International Markets business grew by 8.7% YoY to ₹13,392 million, with healthy growth in key markets such as Australia and Europe.

The Company is actively expanding its footprint in newer international markets, recognizing them as vital drivers of long-term growth. Simultaneously, it is strengthening its presence in existing geographies by deepening market penetration and enhancing customer access.

As part of a comprehensive strategic refresh for our Non-US markets, we undertook a structured exercise to assess both internal capabilities and external opportunities. The objective was to recalibrate our growth strategy in alignment with evolving market dynamics and future business needs.

Strategic Focus Areas

1. **Market Opportunity Assessment**

   Identification of untapped potential in our existing geographies Exploration of new market entry opportunities with strategic relevance

2. **Capability Baseline & Development**

   Assessment of current capabilities across commercial, regulatory, and operational dimensions Initiatives launched to build future-ready capabilities that support scale and adaptability

Key Strategic Initiatives Underway

Dossier Extensions - Tailored to specific regulatory and market demands in respective geographies to maximize portfolio reach

Therapy Area Expansion - Targeted entry into new therapeutic segments in select high-opportunity markets to enhance market depth.

Profitability-Driven Cost Initiatives - Implementation of cost optimization measures to improve margin performance and operating leverage

In-Licensing & Strategic Partnerships - Ongoing evaluation of in-licensing opportunities and collaborative partnerships to unlock incremental growth and innovation access.

Enzene Biosciences

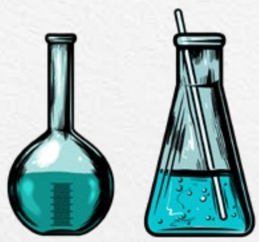
Enzene Biosciences Limited, a subsidiary of Alkem Laboratories, operates across the entire biosimilars value chain, encompassing research, development, and manufacturing. Enzene leverages its technological expertise and commitment to innovation to provide accessible and affordable biopharmaceutical solutions. Its comprehensive capabilities span R&D, analytics, and Good Manufacturing Practice (GMP) manufacturing, empowering the Company to deliver high-quality solutions that address the ever-evolving challenges in the biotech industry.

Enzene specialises in the development and production of biosimilars, novel biologics, synthetic peptides, and phytopharmaceuticals. The Company offers a wide range of Contract Development and Manufacturing Organisation (CDMO) services, catering to both domestic and international markets. With its fully integrated capabilities, Enzene provides a "clone to vial" solution, covering the entire process from cell line development to upstream and downstream processes, advanced analytical and bioanalytical characterisation, and drug product development.

Enzene has successfully built its biologics CDMO business, using both traditional manufacturing processes and its novel **EnzeneX™ platform.** This innovative platform enables Enzene to offer integrated services and disruptive technologies that have attracted significant interest across global markets. The Company's diverse portfolio serves clients in both human health and animal health, strengthening its market position and expanding its reach.

To support the growing demand for CDMO services and the expanding product pipeline, Enzene has enhanced its manufacturing capabilities, including the expansion of its bioreactor capacity at the Chakan plant. Enzene has also become one of the first movers globally to develop a patented end-to-end continuous manufacturing platform for biologics. This continuous manufacturing process allows raw materials (media and feed) to be fed into the system continuously, with products being harvested and continuously extracted, resulting in a steady-state process that operates 24/7. This technology offers several benefits, including:

- **Lower capital expenditure (Capex)** due to smaller plant outlays
- **Higher output ratios,** leading to reduced costs
- **Environmental sustainability,** contributing to a smaller carbon footprint



The comparison between EnzeneX™ and traditional fed-batch manufacturing is outlined below:

Feature	Continuous Manufacturing (EnzeneX™)	Fed-Batch Manufacturing (Traditional Process)
Input/output	Continuous input/output	Intermittent feed, batch output
Output Ratio	High	Moderate
Capex Investment	Low	High
Carbon Footprint	Low	High
Complexity	More complex setup and control, limited replication ability	Simpler and easier to replicate

Enzene's state-of-the-art manufacturing facility in India is equipped with advanced technology for monoclonal antibodies (mAb) and therapeutic protein manufacturing, as well as single-use technology for drug substance manufacturing and a fill and finish line for drug product manufacturing. This facility is capable of higher production at a lower cost compared to traditional biologics manufacturing facilities, facilitating rapid movement of pre-clinical assets to later-stage development or commercialisation. The facility has undergone audits by multiple customers and regulatory bodies, confirming its adherence to global standards.

In addition, Enzene's clinical manufacturing facility in New Jersey, USA, began its first clinical batch production in March 2025, marking a significant milestone in its expansion strategy. The facility is set to commence full-scale commercial operations by mid-FY2026, further strengthening Enzene's ability to serve US-based clients with localised needs.

Key Highlights of FY2025

- Robust growth across both India-based products and CDMO services.
- In the last three years, Enzene launched seven biosimilar products in India, expanding its commercial footprint. Efforts to add additional domestic customers contributed to revenue growth.
- Cost leadership strategies have improved access to life-saving medications for patients in India.
- Pertuzumab completed clinical trials for HER2-positive metastatic breast cancer, with a launch planned for FY2026, enhancing Enzene's oncology-focused biosimilars portfolio.
- Ongoing focus on the development of early-stage products to expand the existing portfolio and drive future growth.
- The regulatory dossier for Denosumab has been submitted for EMA approval.
- Enzene's manufacturing facilities in India received European Medicines Agency (EMA) certification, further validating the Company's commitment to international quality standards.
- The clinical manufacturing facility in New Jersey partially commenced its first clinical batch production, with full-scale commercial operations slated for FY2026.
- Enzene has entered into partnerships for commercial rights to global markets for its pipeline products. These licensing agreements provide development-based milestone payments and align with Enzene's strategy of maximising product value through global partnerships.
- As of 31 March, 2025, Enzene's total R&D headcount stood at 191.

MedTech

In line with Alkem's strategic vision to diversify into high-growth, future-oriented sectors, Alkem MedTech Pvt. Ltd. (Alkem MedTech) was established during the year as a wholly owned subsidiary to mark the Company's entry into the dynamic and rapidly evolving medical devices industry. Within its inaugural year, MedTech has successfully laid the groundwork for a scalable, innovation-driven business, with a strong emphasis on clinically validated, precision-engineered orthopaedic joint solutions, tailored to serve both the Indian market and RoW markets.

MedTech's philosophy is centred on patient-centricity and surgeon-friendly design, with a sharp focus on meeting global regulatory standards such as ISO 13485 and EU MDR. In a significant step toward strengthening its operational capabilities, Alkem MedTech acquired a manufacturing facility in Rajkot, Gujarat. This state-of-the-art facility, purpose-built for knee and hip joint implants, offers immediate manufacturing capabilities and forms the backbone of MedTech's long-term strategy around quality, scalability, and cost efficiency. Designed with modular scalability in mind, the facility currently can meet projected demand for the next 2–3 years, with plans underway to triple production capacity over the next 12 months to respond to market expansion and customer needs.

MedTech also entered into a technology transfer and licensing agreement with a US-based orthopaedic company, gaining commercial and manufacturing rights for their knee and hip implant portfolio in India, along with trademark rights for the Indian market. This partnership gives MedTech access to clinically proven, globally recognised products, accelerating its go-to-market strategy.

Further, MedTech has embarked on a digital transformation journey with a focus on evolving its manufacturing operations through SAP integration across core functions. This initiative will enable real-time data insights, predictive maintenance, and data-driven decision-making. Investments in advanced automation, robotic systems, precision CNC machinery, and lean manufacturing principles underscore MedTech's commitment to quality, efficiency, and regulatory compliance.

Looking beyond operations, MedTech is building a robust clinical collaboration roadmap, partnering with leading multi-speciality hospitals in India to conduct Real-World Evidence (RWE) and Post-Market Surveillance (PMS) studies. These initiatives will support evidence generation and clinical validation of MedTech's products. Simultaneously, the company is actively evaluating inorganic growth opportunities to broaden its capabilities in adjacent med-tech segments.

Medtech - Key Milestones Achieved in FY2025

Infrastructure Development

- Completed a technology transfer agreement with a leading US-based orthopaedic company, securing rights to manufacture and market their knee and hip implant portfolio in India.
- Acquired a world-class manufacturing facility in Rajkot equipped with cleanrooms, CNC machines, robotic grinding and polishing units, laying the foundation for domestic manufacturing excellence.
- Gained access to a robust product pipeline for global rollout of both knee and hip implants.

Regulatory Compliance and Certification

- Obtained MD-17 test license for the import of knee and hip implants.
- Completed ISO 13485 Stage I audit, reinforcing alignment with international quality systems and regulatory benchmarks.

Talent Acquisition and Organisation Building

- Built a cross-functional leadership team with deep expertise across regulatory affairs, quality assurance, business development, strategy, commercial operations, and manufacturing.

Indigenous Innovation and Development

- Initiated development of indigenous instrumentation for knee and hip implants.
- This strategic step supports the 'Make in India' initiative, aiming to reduce import dependency and strengthen domestic capabilities.

With foundational blocks now firmly in place across infrastructure, regulatory readiness, talent, and product development, MedTech is well-positioned to transition from a development-phase entity to a full-scale market participant in the current fiscal year. The Company's mission is to emerge as a globally credible Indian-origin manufacturer of orthopaedic solutions, delivering high-quality, accessible care to patients and empowering healthcare professionals. MedTech is committed to contributing meaningfully to the vision of 'Atmanirbhar Bharat' in the field of medical technology.

Research and Development (R&D)

Alkem's R&D capabilities form the cornerstone of its strategy to deliver high-quality, differentiated, and globally competitive healthcare solutions. The Company's investments in advanced R&D infrastructure, scientific talent, and strategic collaborations continue to strengthen its innovation pipeline and regulatory readiness for global markets.

Clinical Research and Global Regulatory Compliance

Alkem's state-of-the-art clinical research facility is licensed to conduct not only bioequivalence (BE) and bioavailability (BA) studies, but also first-in-human and early-phase (Phase I) clinical trials. This advanced facility has been successfully inspected by leading global regulatory authorities, including the USFDA, UK MHRA, EMA, ANVISA, NPRA (Malaysia), and CDSCO (India). In March 2025, the facility cleared a USFDA Bioresearch Monitoring (BIMO) inspection without any Form 483 observations, affirming Alkem's commitment to data integrity, patient safety, and global regulatory compliance.

The Company has a strong track record of conducting scientifically robust clinical trials across all phases (Phase I to Phase IV) and a wide range of therapeutic areas—including infectious diseases, oncology, endocrinology, neurology, cardiology, haematology, rheumatology, ophthalmology, and gastroenterology. The clinical research team brings deep expertise in executing trials involving both small molecules and large molecules, including stem cell-based therapies, supporting regulatory submissions across India, the US, the EU, and other global markets.

All clinical development is conducted in adherence to ICH-GCP and other internationally accepted ethical and regulatory frameworks. Alkem maintains a clear focus on addressing unmet medical needs and generating high-quality, evidence-based data for the development of safe, effective, and accessible therapies.

Innovation Through Strategic Collaborations

Alkem actively fosters innovation through strategic R&D partnerships with premier national and international academic and research institutions. Globally, the Company collaborates with esteemed organisations such as:

- Harvard University
- Johns Hopkins University
- National Institutes of Health (NIH), USA
- Biosergen, Sweden

In India, Alkem partners with top-tier institutes, including:

- IIT Bombay
- IIT Kanpur
- Tata Memorial Hospital

These collaborations are designed to leverage complementary scientific and technical expertise, accelerate the development of complex generics, biotechnology products, and novel therapeutics, and advance Alkem's regulatory filings in emerging and regulated markets.

Focus on Novel Drug Development and IP Strength

Beyond external collaborations, Alkem continues to drive internal innovation, particularly through the development of 505(b)(2) products across various therapeutic domains. Several of these programs have successfully entered Phase I and Phase II clinical development, reflecting the Company's capability to create differentiated product profiles with enhanced patient outcomes.

Alkem's innovation efforts are further strengthened by a robust and expanding intellectual property (IP) portfolio, which protects its proprietary technologies and ensures long-term value creation from novel R&D assets.

Pharmacovigilance and Patient Safety

Alkem operates a well-integrated pharmacovigilance (PV) system, ensuring ongoing safety monitoring of its products throughout clinical development and post-marketing phases. The PV system is aligned with international best practices and continuously evaluates the benefit-risk profiles of marketed drugs. Alkem remains committed to transparency and regulatory responsibility in communicating safety information with healthcare professionals, regulators, and patients.

Product filings in key international markets (as on 31 March, 2025)

Markets	Filled	Approved
US (ANDA)	185	156#
US (NDA)	2	2
Australia	83	77
Europe	54	37
UK	44	34
Chile*	227	224
China**	10	2
South Africa*	196	144
Kazakhstan*	33	33
Philippines*	28	28
Brazil	2	2
Mexico	48	16

*Includes a dossier for each strength

** filing is SKU-wise

#Includes 13 tentative approvals.

Quality Assurance

Alkem's unwavering commitment to quality is anchored in a robust, technology-enabled Quality Management System (QMS) designed to comply with and exceed global regulatory standards. The QMS is continuously updated to align with the latest regulatory guidance from agencies across the US, EU, India, Australia, UK, and other key international markets, ensuring consistent product quality, safety, and efficacy.

Quality by Design (QbD) and Culture of Excellence

The principles of Quality by Design (QbD) are deeply embedded across Alkem's research, development, manufacturing, and quality control operations. This proactive approach ensures high-quality, consistent products by integrating quality into every stage of the product lifecycle. Teams across the organisation work in unison to uphold a culture of excellence, constantly aiming to meet and surpass global standards.

Alkem also fosters a quality-conscious and inclusive organisational culture, driving continuous improvement and operational sustainability. Through regular process evaluations, the Company works to streamline, simplify, and future-proof its product supply chains.

Digitalisation of Quality Systems

Alkem is advancing its quality assurance framework through the digital transformation of data systems across its manufacturing facilities. The implementation of advanced data management tools ensures:

- Enhanced traceability
- Improved accuracy and real-time monitoring
- Reduced human error
- Greater audit readiness
- Higher operational efficiency

These digital initiatives support compliance with high regulatory expectations while laying the foundation for predictive quality control and intelligent decision-making.

Regulatory Compliance and Global Standards

Alkem's manufacturing facilities comply with a broad spectrum of international Good Manufacturing Practices (GMP), including but not limited to:

- Schedule M (India)
- 21 CFR (United States)
- Eudralex Volumes (European Union)
- WHO-GMP (World Health Organisation)
- Orange Book (UK MHRA)
- TGA GMP guidance (Australia)

The QMS framework ensures that all developed, manufactured, and distributed products adhere to the legal and quality requirements of target markets, strengthening Alkem's position as a trusted global supplier.

Ethics, Integrity, and Supply Chain Assurance

Alkem enforces a stringent Code of Conduct applicable to all stakeholders—employees, vendors, and partners. This code ensures that all activities are carried out with the highest levels of integrity, transparency, and ethical responsibility, further reinforcing product and process quality.

The Company also maintains a mature and resilient supply chain, supported by trained professionals and quality systems that enable end-to-end compliance, traceability, and efficiency. Continuous training, both internal and external, ensures that employees remain aligned with global quality benchmarks.

Information Technology

In FY2025, Alkem's Information Technology (IT) function played a pivotal role in enabling enterprise-wide transformation, advancing both operational efficiency and digital innovation. IT has evolved from a support role to a core strategic enabler, accelerating the Company's journey toward enhanced agility, data-driven decisions, and future-ready operations.

Enterprise Systems Modernisation

- **HR Digital Transformation:** Alkem successfully implemented a fully integrated 'Hire to Retire' digital HR ecosystem, combining SAP SuccessFactors and TurboHire. This initiative streamlined talent acquisition, employee lifecycle management, and performance tracking, enhancing workforce experience and organisational productivity.
- **Expense & Travel Management:** The deployment of RxTravelEase simplified travel and reimbursement processes for the field force, improving turnaround times and operational visibility.
- **ERP Upgrade:** A significant milestone was the upgrade of SAP ERP to HANA 2023, modernising Alkem's core digital infrastructure and preparing the groundwork for a global rollout across international subsidiaries.

Data & Collaboration Platforms

- **Cloud-Based Data Warehousing:** A robust data warehousing platform was launched on the cloud, enabling unified, real-time dashboards and analytics for field operations. Plans are underway to extend this to manufacturing, supply chain, and other functions, creating a connected, insight-driven enterprise.
- **Workplace Productivity:** The rollout of Microsoft O365 tools—including Teams, Outlook, and SharePoint, fostered seamless collaboration across functions and geographies. Additionally, the introduction of FreshService IT Helpdesk enhanced user support and reduced resolution times.
- **CRM Enhancement:** An upgraded CRM system provided a more intuitive and responsive interface, empowering the field force with faster access to customer insights and engagement tools.

Strategic Enablers

- **Global Capability Centre (GCC):** Alkem established a Global Capability Centre to centralise enterprise operations and provide shared service support to group companies, improving scalability and process standardisation.

- **Smart Manufacturing:** Digital initiatives in manufacturing focused on automation, compliance, and efficiency, leveraging innovative systems to enhance plant performance and reduce variability.
- **AI in R&D:** Alkem initiated pilots using AI-assisted technologies to streamline R&D documentation and accelerate regulatory submissions, setting the stage for next-generation research capabilities.

Cybersecurity & Risk Management

Throughout the year, cybersecurity remained a top priority. Alkem invested in strengthening threat detection, endpoint protection, and risk mitigation frameworks, ensuring robust information security and regulatory compliance in an increasingly digital landscape.

Risk Management

Alkem has established a robust Enterprise Risk Management (ERM) framework to proactively identify, assess, and mitigate risks associated with its diversified operations across geographies. This framework enables informed decision-making and helps preserve long-term value for stakeholders.

A dedicated Risk Management Committee, constituted by the Board of Directors, provides strategic oversight and governance of risk management activities. This Committee ensures that key business, financial, operational, strategic, regulatory, and cyber-related risks are systematically identified and mitigated through structured response plans.

The ERM function collaborates closely with business and functional leaders to embed a risk-aware culture across the organisation. Internal and external developments are continuously monitored to detect emerging threats, ensuring that Alkem remains resilient and responsive in a dynamic business environment.

Key elements of Alkem's risk management approach include:

- Regular risk assessments and reviews
- Integration of risk considerations into strategic planning and operations
- Real-time monitoring of key risk indicators (KRIs)
- Periodic reporting to the Risk Management Committee and the Board

The table below summarises key risk categories along with corresponding mitigation strategies:

	Competition Risk	Quality Risk	Pricing Risk	R&D Risk
Potential Impact	Stiff competition from multiple competitors poses a threat to revenue from that particular product and impacts the Company's competitive advantage position.	Inadequate control on internal processes, people and systems may impact product quality and adversely impact the Company's brand equity and attract undesired liabilities, fines or penalties.	The Company's revenue stream and earnings could suffer negative repercussions in the event of adverse pricing regulations affecting essential products.	Rising costs and evolving regulatory landscape may affect new product development timelines and returns.
Mitigation Strategy	The Company's robust emphasis on R&D empowers it to innovate and create products with unique characteristics that are difficult for competitors to replicate.	Strong adherence to CGMP guidelines enforced by leading regulatory agencies for manufacturing processes leads to quality assurance. Timely and regular quality control checks across manufacturing facilities for all machinery and equipment reduce quality risk significantly.	Operating leverage is achieved through a diversified portfolio and a focus on high-volume growth. Robust cost control measures are in place to ensure high operational efficiency, thereby mitigating any adverse impact on earnings.	Strategic and well-prioritised R&D investments with a clear commercial focus. Cost-effective innovation through internal optimisation and external collaborations.

Manufacturing Facility Risk

Potential Impact

High dependence on a single facility (e.g., Sikkim) may affect business continuity in the case of operational disruptions.

Mitigation Strategy

Evaluation of alternative in-house capacities and expansion of contract manufacturing partnerships to diversify production risk.

Regulatory Risk

Potential Impact

Non-compliance with evolving international regulations could lead to fines, sanctions, or loss of market access.

Mitigation Strategy

Robust compliance culture backed by well-established internal controls.

Ongoing regulatory training and proactive engagement with authorities across jurisdictions.

Information Technology Risk

Potential Impact

Outdated systems, cyberattacks, or a lack of employee awareness could result in data breaches or operational disruptions.

Mitigation Strategy

Regular vulnerability assessments and IT audits.

Deployment of firewalls, endpoint controls, and Microsoft Active Directory.

Cybersecurity training and awareness campaigns.

People Risk

Potential Impact

Inability to attract or retain skilled talent may disrupt business continuity and innovation.

Mitigation Strategy

Focused employee engagement, competitive compensation, and upskilling programs.

Academic partnerships to attract emerging talent in core pharmaceutical areas.

Climate Change Risk

Potential Impact

The Company's assets are vulnerable to climate-related physical and transition risks, which are expected to grow in frequency and intensity over time. Severe weather events can disrupt business operations.

Mitigation Strategy

Implementation of Business Continuity Plan. Implementation of science-based decarbonization roadmap for long-term emissions management.

Environmental Impact Risk

Potential Impact

Inefficient water use or waste mismanagement may affect environmental compliance and pose a reputational risk to the Company.

Mitigation Strategy

Defined targets for water conservation and waste reduction.

Initiatives focused on recycling, reuse, and improved water recovery systems.

Internal Control System

Alkem has established a robust global internal control framework tailored to the scale and complexity of its operations. This framework encompasses financial, operational, and regulatory controls, fostering a culture grounded in ethics, integrity, and accountability. Its primary objectives include safeguarding assets, ensuring operational efficiency, preventing fraud, minimising errors, and maintaining compliance with all applicable regulatory requirements.

To uphold and continuously strengthen these controls, the Company has engaged a leading Big Four audit firm. In parallel, an independent Global Internal Audit function, reporting directly to the Audit Committee, conducts risk-based audits to assess the adequacy and effectiveness of the control environment across business functions. The Audit Committee reviews the annual audit plan, monitors key audit findings, and evaluates the performance of the internal audit team to ensure continuous improvement.

In recognition of the evolving regulatory landscape and the growing importance of data protection, Alkem has significantly invested in advanced information systems to mitigate cybersecurity risks. The Company also conducts regular training and awareness programs to ensure strict adherence to laws, regulations, and industry standards. Feedback from both internal and external audits, along with industry benchmarks, is used to refine and strengthen the internal control environment on an ongoing basis.

Human Resources

At Alkem, people are at the heart of long-term value creation. The Company firmly believes that empowered employees, a resilient organisational culture, and a strong social conscience are critical enablers of sustainable success. During FY2025, Alkem reinforced these pillars through targeted initiatives focused on business expansion, digital transformation, and inclusive employee engagement.

Efforts were directed towards aligning individual and team objectives with the Company's strategic vision, fostering a high-performance culture built on transparency, trust, and innovation. Alkem also continued to invest in skill development, leadership training, and diversity programs to enhance employee capabilities and strengthen its talent pipeline.

These initiatives have collectively contributed to higher employee satisfaction, improved collaboration, and greater alignment between people and purpose, laying a strong foundation for future growth and organisational resilience.

Strategic HR Contributions to Growth

Alkem's Human Resources function continues to play a pivotal role in enabling business growth by aligning talent strategies with evolving strategic priorities. In FY2025, HR actively supported commercial expansion by facilitating critical hiring across high-potential therapy areas such as gastroenterology and cardiology. These efforts enhanced the Company's market reach and deepened customer engagement in priority segments.

To further strengthen its market position, HR collaborated with business leaders to:

- Expand the acute portfolio into previously untapped territories.
- Establish a dedicated division to grow the injectable portfolio.
- Reinforce institutional and government tender businesses in response to changing healthcare dynamics.

Additionally, HR was instrumental in the realignment of the vitamins and minerals portfolio by optimising field resources and enhancing market penetration across the prescription, OTX, and OTC segments. The team also played a foundational role in setting up the core team of Alkem's newly launched MedTech business.

Digital Transformation in Human Resources

As Alkem's operations scale globally, digital transformation has become a key enabler of operational agility and employee experience. In partnership with the IT function, HR introduced technology-driven platforms to streamline core processes. This included the deployment of TurboHire for recruitment automation and SAP SuccessFactors for managing the full employee lifecycle.

These platforms simplify workflows, reduce manual interventions, and offer a more seamless and engaging experience for employees. Multiple modules have already been successfully rolled out, with ongoing efforts to integrate them across global operations, thereby laying the foundation for a digital-first HR ecosystem.

Building Future-Ready Capabilities: Global Capability Centre (GCC)

The launch of Alkem's Global Capability Centre (GCC) marks a strategic step towards future-ready operations. Designed to be a central hub for enterprise-wide efficiency, innovation, and scalability, the GCC will:

- Drive analytics-based decision-making,
- Foster operational agility, and
- Support global business expansion.

Together with the ongoing digital transformation in HR, the GCC is expected to elevate Alkem's competitiveness in a rapidly evolving healthcare environment.

Enhancing Employee Engagement, Capability, and Inclusion

Alkem remains deeply committed to fostering a culture of transparency, capability-building, and inclusivity. Open communication is facilitated through regular CEO-led town halls and cross-level leadership interactions, fostering alignment with the Company's long-term vision and strategy.

In FY2025, several initiatives were undertaken to strengthen employee engagement:

- Capability-building programs and outbound team-building activities were conducted across teams and functions.
- The **SHinE program** continued to support the professional development of women executives.
- The **Corporate Chanakya Business Simulation Challenge**, a dynamic two-day workshop, enabled 80 employees to assume CXO roles and gain hands-on experience in strategic decision-making, sharpening leadership, problem-solving, and teamwork skills.

A standout diversity initiative was launched at the Sikkim manufacturing facility (Unit V), where an all-female team now manages end-to-end operations of the liquid manufacturing line. This effort not only advanced gender inclusion but also led to improved production output, reduced rejection rates, and enhanced process discipline, reinforcing the value of diverse, empowered teams.

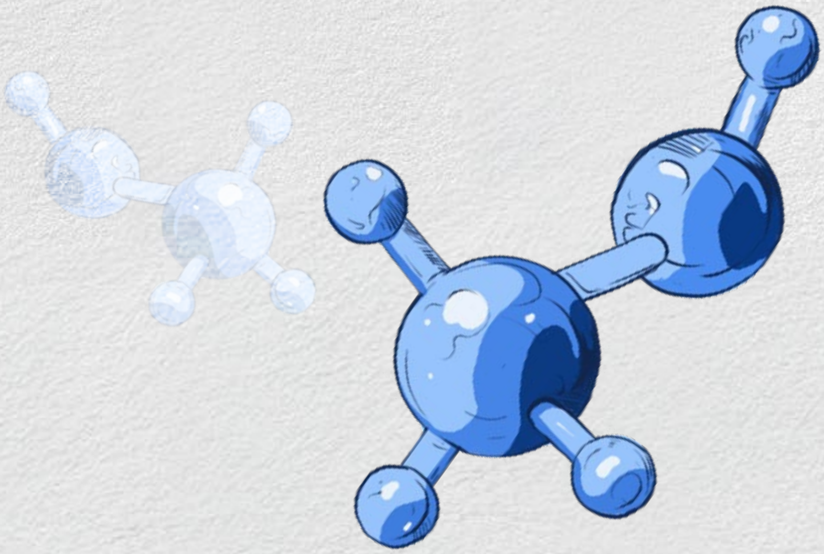
Cautionary Statement

This document contains certain statements that are or may be deemed to be "forward-looking statements" within the meaning of applicable securities laws and regulations. These statements include, but are not limited to, projections, estimates, expectations, plans, objectives, and assumptions regarding the Company's future performance, business strategies, operational initiatives, and industry conditions.

Such forward-looking statements are based on current assumptions, anticipated developments, and other factors that are subject to known and unknown risks, uncertainties, and other factors beyond the Company's control. These may cause actual results, performance, or achievements to differ materially from those expressed or implied in the statements.

Key factors that could affect performance include, but are not limited to: global and domestic macroeconomic conditions, regulatory changes, evolving competitive landscapes, technological advancements, successful execution of business strategies and growth plans, R&D outcomes, changes in customer and supplier dynamics, and developments in the pharmaceutical and MedTech industries.

The Company undertakes no obligation to update, revise, or amend any forward-looking statements to reflect events or circumstances arising after the date of this report, except as required under applicable law.



Directors' Report

Dear Members,
Alkem Laboratories Limited

Your Directors are pleased to present their 51st Annual Report on the business and operations together with the Audited Financial Statements of the Company for financial year ended 31 March, 2025. Consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

FINANCIAL PERFORMANCE

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2025	Year ended 31 March, 2024	Year ended 31 March, 2025	Year ended 31 March, 2024
Revenue from continuing operations	88,134.4	79,638.5	129,645.2	126,675.8
Other Income	5,070.6	3,059.9	4,937.4	3,108.4
Total Income from continuing operations	**93,205.0**	**82,698.4**	**134,582.6**	**129,784.2**
Profit before Interest, Depreciation and Tax	26,632.6	19,133.4	30,058.9	24,348.4
Less: Interest	761.1	800.7	1,217.0	1,124.1
Less: Depreciation	2,836.1	2,391.4	3,571.6	2,993.0
Profit before Tax from continuing operations	23,035.4	15,941.3	25,270.3	20,231.3
Less: Provision for Taxation (net) from continuing operations	2,138.2	336.2	3,110.3	2,116.7
Share in loss after tax of associates (net)	-	-	(6.2)	-
Profit after Tax and before Non-controlling Interest from continuing operations	20,897.2	15,605.1	22,153.8	18,114.6
Less: Non-controlling Interest	-	-	499.0	156.9
Profit for the year from continuing operations	**20,897.2**	**15,605.1**	**21,654.8**	**17,957.7**
Profit before Tax from discontinued operations	2,938.5	2,869.0	-	-
Tax expense of discontinued operations	1,026.8	1,002.6	-	-
Profit from discontinued operations (after Tax)	**1,911.7**	**1,866.4**	**-**	**-**
Profit for the year	**22,808.9**	**17,471.5**	**21,654.8**	**17,957.7**
Other Comprehensive Income	(115.0)	(43.5)	207.5	206.5
Other Comprehensive Income attributable to Non-controlling Interest	-	-	(10.3)	(6.1)
Total Comprehensive Income attributable to owners of the Company	22,693.9	17,428.0	21,862.3	18,164.2
Balance of other equity as of 01.04.2024	105,307.0	93,259.4	102,881.5	90,213.8
Dividend on Equity Shares	(5,021.7)	(5,380.4)	(5,021.7)	(5,380.4)
Recognition of put option liability during the year	-	-	(278.6)	(305.5)
Employee compensation expense for the year	-	-	166.1	189.4
Balance of other equity as of 31.03.2025	**122,979.2**	**105,307.0**	**119,609.6**	**102,881.5**

OVERVIEW OF FINANCIAL PERFORMANCE

During financial year ended 31 March, 2025, the Company's total revenue including other income was ₹93,205.0 Million on Standalone basis as against ₹82,698.4 Million achieved in the previous year, registering a growth of 12.7%.

The export turnover of the Company during financial year 2024-25 was ₹24,908.3 Million as against ₹19,301.8 Million achieved in the previous year, registering a growth of 29.0%.

During financial year ended 31 March, 2025, the Company and its subsidiaries achieved a total revenue including other income of ₹1,34,582.6 Million on Consolidated basis, as against a turnover of ₹1,29,784.2 Million achieved in the previous year, registering a growth of 3.7 %.

During financial year ended 31 March, 2025, Standalone Profit before interest, depreciation and tax from continuing operations increased by 39.2% at ₹26,632.6 Million as against ₹19,133.4 Million in the previous year, whereas Consolidated Profit before interest, depreciation and tax increased by 23.5% at ₹30,058.9 Million as against ₹24,348.4 Million in the previous year. As a result, Standalone Profit before tax from continuing operations increased by 44.5% over the previous year to ₹23,035.4 Million and Consolidated Profit before tax was ₹25,270.3 Million, which grew by 24.9% over the previous year.

The Standalone Net Profit after tax from continuing operations for financial year ended 31 March, 2025 increased by 33.9% to ₹20,897.2 Million over the previous year while the Consolidated Net Profit after tax increased by 20.6% over the previous year to ₹21,654.8 Million.

DIVIDEND

During financial year 2024-25, the Board of Directors on 07 February, 2025, declared and paid an interim dividend of ₹37/- / (Rupees Thirty Seven only) per equity share of ₹2/- (Rupees Two only) each, being 1850% of paid up share capital of the Company. In addition, your Directors are pleased to recommend payment of ₹8 /- (Rupees Eight only) per equity share of ₹2/- (Rupees Two only) each as final dividend for financial year 2024-25, for the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company. If approved, the total dividend (interim and final) for financial year 2024-25 will be ₹45 /- (Rupees Forty Five only) per equity share of ₹2/- (Rupees Two only) each as against the total dividend of ₹40/- (Rupees Forty only) per equity share of ₹2/- (Rupees Two only) each paid for the previous financial year.

In compliance with the requirement of Regulation 43A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations"), the Company has formulated its Dividend Distribution Policy, which is available on the Company's website at https://admin.alkemlabs.com/uploads/977928327_Dividend_distribution_policy_6b026313dc.pdf

The said Policy is also annexed to this Report as Annexure A.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for financial year 2024-25.

SHARE CAPITAL

The paid up equity share capital of the Company as on 31 March, 2025 was ₹239.1 Million. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares to the Employees or Directors of the Company, under any scheme (including sweat equity shares).

DEPOSITS

The Company has not accepted any deposits from the public/members during the year under review and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31 March, 2025.

SUBSIDIARIES

As on 31 March, 2025, the Company has a total of 29 subsidiaries and 2 associate companies within the meaning of Sections 2(87) and 2(6) of the Companies Act, 2013 (hereinafter referred to as "the Act") respectively. The Company does not have any joint venture company(ies).

During the year under review:

- M/s. Alixer Nexgen Therapeutics Limited was incorporated as a wholly owned subsidiary of the Company in India, on 12 July, 2024;
- M/s. Alkem Wellness Limited was incorporated as a wholly owned subsidiary of the Company in India, on 16 September, 2024;
- M/s. Pharmacor SpA was incorporated as a step-down subsidiary of the Company in Chile, on 22 November, 2024;
- M/s. HaystackAnalytics Private Limited was classified as an associate of the Company w.e.f. 10 January, 2025; and
- M/s. Sunsure Solarpark Twenty-Two Private Limited was classified as an associate of the Company w.e.f. 29 January, 2025.

and none of the companies ceased to be a subsidiary of the Company.

In addition to the above, the Company has also:

- Acquired 100% stake of M/s. Bombay Ortho Industries Private Limited through M/s. Alkem Medtech Private Limited, thereby making it a wholly owned step-down subsidiary of the Company w.e.f. 16 April, 2025; and
- Acquired 100% stake of M/s. Adroit Biomed Limited, thereby making it a wholly owned subsidiary of the Company w.e.f. 23 April, 2025.

Pursuant to the first proviso to Section 129(3) of the Act and Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial statements, performance and financial position of each subsidiary is given in Form AOC-1 as Annexure B to this Report.

The Audited Financial Statements of the subsidiaries are available on the Company's website at https://www.alkemlabs.com/investors/subsidiary-accounts pursuant to Section 136 of the Act.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided as a separate section forming part of this Report.

CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of the SEBI LODR Regulations, a Report on Corporate Governance for the year under review is provided as a separate section along with a certificate from the Statutory Auditors conforming the Company's compliance with the conditions of Corporate Governance, forming part of this Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34 of SEBI LODR Regulations, the Business Responsibility and Sustainability Report, describing the initiatives taken by the Company from an environmental, social and governance perspective, is provided as a separate section forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company undertakes CSR activities in accordance with the Company's CSR Policy. The CSR program aims to address the immediate and long term needs of the community and focus on where the major impact on marginalized sections of the society can be made. The Company's CSR strategy involves a multi-sectoral inclusive approach to focus on community needs. It strives to improve the well-being of communities by focusing on key thematic areas of healthcare, education, rural development, environment and sports. The Company implements these activities directly or through reliable partnerships with various NGOs. During financial year 2024-25, the Company has addressed the requirements of local communities in the vicinity of its head office, manufacturing facilities and R&D centers through focused projects in the said thematic areas.

Details about the Company's CSR Policy and initiatives/activities undertaken by the Company during financial year 2024-25 are outlined in the Report on CSR activities annexed to this Report as Annexure C.

The CSR Policy is posted on Company's website: https://admin.alkemlabs.com/uploads/csr_policy_e0e5ec8d61.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments:

The details of the appointment during the year under review is as follows:

Appointment of Mr. Rajeev Kher as an Independent Director of the Company.

Considering the experience, expertise, proficiency and high standards of integrity possessed by Mr. Rajeev Kher (DIN: 01192524), the Board of Directors of the Company based on recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Rajeev Kher (DIN: 01192524) as an Additional Director until such time that the approval of the Members of the Company has been obtained, to hold office for a term of 5 (five) consecutive years w.e.f. 09 August, 2024 upto 08 August, 2029. The Members of the Company through Postal Ballot on 03 October, 2024, approved the said appointment of Mr. Rajeev Kher as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. 09 August, 2024 upto 08 August, 2029.

The details of appointments, post closure of the year under review are as follows:

Appointment of Mr. Ranjal Laxmana Shenoy as an Additional Director designated as an Independent Director of the Company w.e.f. 13 July, 2025.

Considering the experience, expertise, proficiency and high standards of integrity possessed by Mr. Ranjal Laxmana Shenoy (DIN: 00074761), the Board of Directors of the Company based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Members of the Company, approved the appointment of Mr. Ranjal Laxmana Shenoy (DIN: 00074761) as an Additional Director designated as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years w.e.f. 13 July, 2025 upto 12 July, 2030, not liable to retire by rotation.

Appointment of Ms. Neela Bhattacherjee as an Additional Director designated as an Independent Director of the Company w.e.f. 13 July, 2025.

Considering the experience, expertise, proficiency and high standards of integrity possessed by Ms. Neela Bhattacherjee (DIN: 01912483), the Board of Directors of the Company based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Members of the Company, approved the appointment of Ms. Neela Bhattacherjee (DIN: 01912483) as an Additional Director designated as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years w.e.f. 13 July, 2025 upto 12 July, 2030, not liable to retire by rotation.

Resignation / Completion of tenure

Resignation

Dr. Dheeraj Sharma, Independent Director of the Company, resigned w.e.f. 14 June, 2024 due to pre-occupation. The Directors placed on record appreciation for the valuable contribution made by Dr. Dheeraj Sharma during his tenure as an Independent Director in the Company.

Completion of Tenure

Mr. Arun Kumar Purwar, Ms. Sudha Ravi and Ms. Sangeeta Singh, Independent Directors of the Company shall be completing their tenure of two consecutive terms of 5 years each, as Independent Directors on the Board of Directors of the Company on 12 July, 2025.

Directors liable to retire by rotation

Mr. Srinivas Singh (DIN: 06744441) and Mr. Mritunjay Kumar Singh (DIN: 00881412) are liable to retire by rotation at the ensuing AGM of the Company pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible they have offered themselves for re-appointment, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company.

Particulars in pursuance of Regulation 36 of the SEBI LODR Regulations read with Secretarial Standard – 2 on General Meetings relating to Mr. Srinivas Singh and Mr. Mritunjay Kumar Singh are included in the Notice of AGM.

Key Managerial Personnel

In accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company as on 31 March, 2025:

- Mr. Sandeep Singh - Managing Director;
- Dr. Vikas Gupta - Chief Executive Officer;
- Mr. Nitin Agrawal - President and Chief Financial Officer; and
- Mr. Manish Narang, President - Legal, Company Secretary and Compliance Officer

Independent Directors

The Independent Directors hold office for a term of 5 (five) years and are not liable to retire by rotation. The Independent Directors of the Company fulfill the conditions specified in the Act and SEBI LODR Regulations and are independent of the management.

Declaration of independence from Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the schedules and rules issued thereunder, as well as Regulation 16(1)(b) of the SEBI LODR Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of Regulation 25(8) of the SEBI LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The terms and conditions of appointment of the Independent Directors are posted on Company's website:

https://admin.alkemlabs.com/uploads/Terms_of_appointment_Independent_Directors_2a82f9dd72.pdf

Familiarization Program

In compliance with the requirements of SEBI LODR Regulations, the Company has put in place a framework for Directors' Familiarization Programme to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. The details of the Familiarization Programme conducted during financial year under review are provided in the Corporate Governance Report. The same is also available on the Company's website at https://www.alkemlabs.com/investors/details-familiarization-program.

Annual Evaluation of Board's Performance

The details of the annual evaluation of the Individual Directors, Board as a whole and all the Committees of the Board have been provided in the Corporate Governance Report, which forms part of this Report.

The Independent Directors, at a separate meeting held on 18 March, 2025 evaluated performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company.

The evaluation of the Independent Directors was carried out by the entire Board of Directors without the participation of the respective Independent Director.

The Company follows a policy for selection and appointment of Directors, Senior Management and their remuneration, which is available on the Company's website at https://admin.alkemlabs.com/uploads/1378936118_Nomination_and_Remuneration_Policy_modified_27052016_307d64b304.pdf. The said Policy is annexed to this Report as Annexure D.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure E.

Further, a statement showing the names and other particulars of top ten employees in terms of remuneration drawn and of employees drawing remuneration in excess of the limits required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Annual Financial Statements are being sent by email to the Members and others entitled thereto, excluding the aforesaid information. The said information shall be provided electronically to any Member on a written request to the Company Secretary to obtain a copy of the same.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 5 (five) times during financial year 2024-25. The details of the Board meetings and the attendance of Directors thereat are provided in the Corporate Governance Report, which forms part of this Report.

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee comprises of Mr. Arun Kumar Purwar as Chairperson and Mr. Sandeep Singh, Mr. Mritunjay Kumar Singh, Ms. Sangeeta Singh, Mr. Narendra Kumar Aneja and Ms. Sudha Ravi as Members.

The brief terms of reference of the Audit Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Arun Kumar Purwar as Chairperson and Mr. Basudeo N. Singh, Ms. Sudha Ravi and Mr. Narendra Kumar Aneja as Members.

The brief terms of reference of the Nomination and Remuneration Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Corporate Social Responsibility and Sustainability Committee

The Board of Directors at its meeting held on 07 February, 2025 had renamed the 'Corporate Social Responsibility Committee' as the 'Corporate Social Responsibility and Sustainability Committee'.

The Corporate Social Responsibility and Sustainability Committee comprises of Mrs. Madhurima Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sangeeta Singh and Ms. Sudha Ravi as Members.

The brief terms of reference of the Corporate Social Responsibility and Sustainability Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Sujjain Talwar as Chairperson and Mr. Mritunjay Kumar Singh, Mrs. Madhurima Singh and Mr. Srinivas Singh as Members.

The brief terms of reference of the Stakeholders' Relationship Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

Risk Management Committee

The Risk Management Committee comprises of Mr. Mritunjay Kumar Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sudha Ravi, Mr. Narendra Kumar Aneja and Mr. Sujjain Talwar as Members.

The brief terms of reference of the Risk Management Committee and the particulars of meeting held and attendance thereat are mentioned in the Corporate Governance Report which forms part of this Report.

RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a Board approved Risk Management Policy. The Board of Directors have constituted a Risk Management Committee which is delegated with the responsibility of overseeing various strategic, operational and financial risks that the organization faces, along with assessment of risks, their management and mitigation procedures. A detailed analysis of the business risks and opportunities is given under Management Discussion and Analysis Report forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, your Directors confirm that:

(a) in the preparation of the annual accounts for financial year ended 31 March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2025 and of the profit of the Company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual financial statements on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018), Chartered Accountants, the Statutory Auditors of the Company, were appointed pursuant to the resolution passed by the Members at the 50th AGM of the Company held on 30 August, 2024, for a term of 5 (five) consecutive years from the conclusion of 50th AGM of the Company until the conclusion of the 55th AGM to be held in year 2029. As per the provisions of Section 139 of the Act, the appointment of Statutory Auditors is required to be ratified by the Members at every AGM. However, in accordance with the Companies Amendment Act, 2017, enforced on 7 May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company for financial year 2025-2026.

The Auditors' Report for financial year ended 31 March, 2025, is an unmodified one. However, pursuant to CARO report, following are the adverse remarks stated in the Auditor's Report:

- Delay in depositing Provident Fund for certain employees during the year which was mainly due to their Aadhar number not being linked to the Universal Account Number (UAN). The Company is however in the process of resolving the said issue so that dues can be deposited.

- The Company has a valid share certificate of 510 to 513 Shah Nahar property in its name, however the title deeds of the said property were not traceable and the Company is in the process of procuring a copy of the same from the concerned statutory authority.

Cost Auditor

The Company is required to maintain cost records for certain products as specified by the Central Government under Section 148(1) of the Act and accordingly such accounts and records are made and maintained in the prescribed manner.

Pursuant to the provisions of Section 148 of the Act and the rules made thereunder read with notifications/ circulars issued by the Ministry of Corporate Affairs from time-to-time and as per the recommendation of the Audit Committee, the Board of Directors at its meeting held on 29 May, 2024, had re-appointed Mr. Suresh D. Shenoy, Cost Accountant (Membership No. 8318), as the Cost Auditor of the Company for financial year 2024-25 to conduct the audit of the cost records of the Company. A resolution for ratification of the fees payable to the Cost Auditor is included in the Notice of AGM for seeking approval of Members. The Cost Audit Report will be filed within the period stipulated under the Act.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Manish Ghia & Associates, Practicing Company Secretaries, (Membership No. F6252, COP No. 3531) to conduct Secretarial Audit of the Company for financial year 2024-25. Secretarial Audit Report is annexed to this Report as Annexure F. The said Report does not contain any qualification, reservation or adverse remark.

ANNUAL RETURN

The Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company at https://www.alkemlabs.com/investors/annual-returns

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into by the Company during financial year 2024-25, were at arm's length basis and in compliance with the applicable provisions of the Act and the SEBI LODR Regulations and are in conformity with the Company's Policy on Related Party Transactions.

The disclosure of material related party transactions entered into by the Company during financial year 2024-25, as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed to this Report as Annexure G. The Policy on Related Party Transactions as approved by the Board of Directors is posted on the Company's website at https://admin.alkemlabs.com/uploads/Final_Policy_on_Related_Party_Transactions_Feb_2025_fedbf7ca56.pdf

PARTICULARS OF LOANS/ GUARANTEES GIVEN/ INVESTMENTS MADE AND SECURITIES PROVIDED

The particulars of loans, guarantees, investments and securities provided covered under the provisions of Section 186 of the Act have been disclosed in the notes to the financial statements forming part of the Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, the Board of Directors of the Company have framed the Vigil Mechanism / Whistle Blower Policy for employees and/or volunteers of the Company. The said Policy encourages to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy of the Company including reporting of instances of leak or suspected leak of unpublished price sensitive information. The Policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The Whistle Blower Policy is posted on the website of the Company at https://admin.alkemlabs.com/uploads/Whistle_Blower_Policy_new_5d094b8491.pdf

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

Internal Complaints Committees have been constituted at Company's head office as well as at all the Company's plants, depots and R&D centers to redress complaints received on sexual harassment. During financial year 2024-25, the Company has not received any complaint of sexual harassment.

DISCLOSURES UNDER THE ACT

Change in Nature of Business, if any:

During financial year 2024-25, there has been no change in the nature of business of the Company.

Material Changes and Commitments affecting the financial position of the Company:

There are no material changes and commitments, which have occurred between the end of financial year and the date of the Report which have affected the financial position of the Company.

Significant and Material Orders:

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which may impact the going concern status and Company's operations in future.

Reporting of Frauds by Auditors:

During the year under review, there were no frauds reported by Auditors under Section 143(12) of the Act.

Details on Insolvency and Bankruptcy Code:

During the year under review, no application has been made by the Company under the Insolvency and Bankruptcy Code and accordingly the requirement of disclosing the following details are not applicable to the Company:

(i) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year; and

(ii) the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has designed and implemented a process driven framework for Internal Financial Controls (IFC) as mandated under the Act. The Company's policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the year under review, Internal Auditors of the Company with the external audit consultants have reviewed the effectiveness and efficiency of these systems and procedures. As per the said assessment, Board is of the view that the IFC were adequate and effective during the financial year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act and the Rules framed thereunder is annexed herewith as Annexure H to this Report.

ACKNOWLEDGEMENT

Your Directors would like to express sincere gratitude to all valuable stakeholders of the Company viz., the Central and State Government Departments, organizations, agencies, our customers, shareholders, dealers, vendors, banks, medical fraternity, patients and other business associates for their excellent support and co-operation extended by them during the financial year under review.

The Board of Directors also places on record its appreciation for the significant contribution made by the employees of the Company through their dedication, hard work and unstinted commitment.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2025

Addendum to Director's Report ("Addendum") adopted by the Board of Directors of Alkem Laboratories Limited at its meeting held on 29 May, 2025

This Addendum supplements the Director's report provided in the Annual Report 2024-25, for including the appointment of a Director under the following section and the same shall form an integral part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments:

The details of appointment under the above section of Directors Report be amended to include the below mentioned appointment of an Independent Director, post closure of the year under review:

Appointment of Mr. Diwakar Gupta as an Additional Director designated as an Independent Director of the Company w.e.f. 13 July, 2025.

Considering the experience, expertise, proficiency and high standards of integrity possessed by Mr. Diwakar Gupta (DIN: 01274552), the Board of Directors of the Company based on recommendation of the Nomination and Remuneration Committee and subject to approval of Members of the Company, approved the appointment of Mr. Diwakar Gupta (DIN: 01274552) as Additional Director designated as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years w.e.f. 13 July, 2025 upto 12 July, 2030, not liable to retire by rotation.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 18 June, 2025

Annexure A

DIVIDEND DISTRIBUTION POLICY OF ALKEM LABORATORIES LIMITED

PREAMBLE

As per Regulation 43A of SEBI (LODR) Regulations, 2015, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Alkem Laboratories being one of the top five hundred listed companies as per the market capitalization, frames this policy to comply with the SEBI (LODR) Regulations, 2015.

OBJECTIVE

The objective of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its stakeholders. The Company believes that driving growth creates maximum shareholder value and thus it would first like to deploy its profits to fund its working capital requirements, capital expenditure requirements, reducing debt, allocate reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

DEFINITIONS

- **'Company'** means Alkem Laboratories Ltd.
- **'Board' or 'Board of Directors'** means Board of Directors of the Company
- **'Dividend'** means Dividend as defined under Companies Act, 2013
- **'Policy or this Policy'** means the Dividend Distribution Policy
- **'SEBI (LODR) Regulations'** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force
- **'Subsidiary'** shall mean Subsidiary of the Company as defined under the Companies Act, 2013

PARAMETERS FOR DECLARATION OF DIVIDEND

Internal Factors / Financial Parameters

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- The Board of Directors of the Company shall declare dividend depending on the consolidated net profit after tax earned by it during the financial year
- The Board of Directors of the Company would consider its working capital requirements, R&D expenditure and capital expenditure requirements for future growth before declaring the dividend
- The Board of Directors of the Company shall take into account resources required to fund acquisitions and / or new businesses and additional investment required in its subsidiaries/associates of the Company
- The dividend declaration would also depend upon the liquidity position of the Company, Outstanding borrowings and the cash flow required to meet contingencies
- The Board of Directors of the Company shall also take into account past dividend trends of the Company

External Factors

- Dividend declared would be in compliance with prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws
- The Board of Directors of the Company would consider dividend pay-out ratios of companies in the same industry

Circumstances under which the shareholders may or may not expect Dividend

The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The shareholders of the Company may not expect Dividend under the following circumstances:

- In case the Company is undertaking significant expansion which would require higher allocation of resources
- If the Company requires significant amount of working capital to fund its future growth
- In case the Company proposes to utilise surplus cash for buy-back of securities

- In the event of inadequacy of profits or whenever the Company has incurred losses

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

Disclosure

The Company shall make appropriate disclosures as required under the SEBI Regulations.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Annexure B

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(₹ Million)

Sr. No.	Name of Subsidiary	Date of incorporation / acquisition of subsidiary	Reporting period of the subsidiary (if different from the holding company's reporting period)	Reporting Currency	Exchange Rate as on the last date of relevant financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	Proposed Dividend	Extent Of Shareholding (in %) ^
1	Pharmacor Pty Limited	30.06.2009	N.A.	AUD	53.8100	88.1	726.7	2,188.9	1,374.2	-	3,182.4	410.0	123.7	286.3	-	100.0%
2	Cachet Pharmaceuticals Private Limited	27.03.2015	N.A.	INR	N.A.	1.8	1,246.3	2,608.8	1,360.7	125.3	4,593.6	589.6	169.4	420.2	-	60.63%
3	Ascend Laboratories SpA	19.07.2011	N.A.	CLP	0.0899	281.0	749.4	3,388.0	2,357.6	37.1	3,879.6	399.5	102.7	296.8	-	100.0%
4	Enzene Biosciences Limited	04.11.2011	N.A.	INR	N.A.	513.1	5,689.3	13,374.4	7,172.0	2,104.0	3,507.3	(687.3)	(93.1)	(594.2)	-	99.76%
5	Ascend GmbH	10.11.2008	N.A.	EUR	92.0900	61.6	(75.6)	2,467.3	2,481.3	-	1,405.5	113.3	1.1	112.2	-	100.0%
6	Indchemie Health Specialities Private Limited	30.03.2015	N.A.	INR	N.A.	2.5	4,831.3	7,006.8	2,173.0	1,926.6	7,111.8	901.7	234.5	667.2	80.0	51.0%
7	The PharmaNetwork, LLP	14.08.2012	N.A.	KZT	0.1692	157.6	(14.8)	870.0	727.2	-	708.9	12.1	3.8	8.3	-	100.0%
8	Alkem Laboratories Korea Inc$	07.08.2012	N.A.	KRW	0.0581	0.1	(2.2)	0.2	2.3	-	-	(0.1)	-	(0.1)	-	100.0%
9	Ascend Laboratories SDN BHD$	13.12.2010	N.A.	MYR	19.2625	0.0	(1.1)	1.7	2.8	-	-	(0.0)	-	(0.0)	-	100.0%
10	S & B Holdings S.a.r.l**	17.06.2009	N.A.	EUR	92.0900	3,539.4	(1,448.8)	2,092.8	2.2	2,053.5	-	(7.0)	-	(7.0)	-	100.0%
11	Pharmacor Limited	15.05.2012	N.A.	KES	0.6613	0.1	57.5	162.2	104.6	-	247.9	14.6	4.9	9.7	-	100.0%
12	Alkem Laboratories Corporation	07.11.2008	N.A.	PHP	1.4894	717.4	(625.2)	310.4	218.2	-	373.6	(72.6)	(14.9)	(57.7)	-	100.0%
13	Ascend Laboratories (Pty) Limited	26.05.2008	N.A.	ZAR	4.7075	68.8	50.9	246.7	127.0	-	165.6	14.9	4.1	10.8	-	100.0%
14	ThePharmaNetwork LLC#	15.07.2010	N.A.	USD	85.4750	8,161.9	(4,702.4)	8,286.0	4,826.5	8,286.0	456.5	374.3	-	374.3	-	100.0%
15	Ascend Laboratories LLC#	15.07.2010	N.A.	USD	85.4750	703.1	10,244.1	21,805.1	10,857.9	517.3	23,662.4	597.1	-	597.1	-	100.0%
16	S&B Pharma LLC#	08.04.2020	N.A.	USD	85.4750	0.1	528.9	2,236.5	1,707.5	-	308.2	(662.4)	-	(662.4)	-	100.0%
17	Ascend Laboratories (UK) Limited	06.08.2014	N.A.	GBP	110.7025	9.9	95.9	680.4	574.6	-	758.8	22.8	5.6	17.1	-	100.0%

(₹ Million)

Sr. No.	Name of Subsidiary	Date of incorporation / acquisition of subsidiary	Reporting period of the subsidiary (if different from the holding company's reporting period)	Reporting Currency	Exchange Rate as on the last date of relevant financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	Proposed Dividend	Extent Of Shareholding (in %) ^
18	Alkem Foundation	14.12.2017	N.A.	INR	N.A.	0.1	(0.5)	0.2	0.6	-	353.1	(0.1)	-	(0.1)	-	100.0%
19	Ascend Laboratories Limited$	07.09.2017	N.A.	CAD	59.6675	1.1	(7.0)	0.8	6.7	-	-	(0.1)	-	(0.1)	-	100.0%
20	Pharma Network SpA#	27.03.2018	N.A.	CLP	0.0899	12.3	28.5	634.8	594.0	-	1,127.8	54.5	28.0	26.5	-	100.0%
21	Ascend Laboratories SAS	04.06.2019	N.A.	COP	0.0203	28.9	32.9	278.6	216.9	-	295.0	9.0	15.7	(6.6)	-	100.0%
22	Connect 2 Clinic Private Limited	12.06.2020	N.A.	INR	N.A.	15.0	18.9	50.6	16.7	-	100.9	5.0	1.3	3.7	-	100.0%
23	Ascend Laboratories S.A. DE C.V.#	02.09.2021	N.A.	MXN	4.1984	38.9	(3.3)	84.6	49.1	-	53.7	2.0	(2.1)	4.1	-	100.0%
24	Enzene Inc.#	26.05.2022	N.A.	USD	85.4750	0.0	1,644.2	6,485.2	4,841.0	-	132.4	(380.3)	-	(380.3)	-	100.0%
25	Pharmacor Limited$ #	01.06.2022	N.A.	NZD	48.8476	-	(3.7)	1.5	5.2	-	-	(0.3)	-	(0.3)	-	100.0%
26	Alkem Medtech Private Limited$	27.03.2024	N.A.	INR	N.A.	3,803.8	677.3	4,501.2	20.1	1,885.8	-	(1.8)	17.1	(18.9)	-	100.0%
27	Alixer Nexgen Therapeutics Limited$	12.07.2024	N.A.	INR	N.A.	2.0	(9.9)	2.0	9.9	-	-	(9.9)	-	(9.9)	-	100.0%
28	Alkem Wellness Limited$	16.09.2024	N.A.	INR	N.A.	50.0	(30.1)	51.1	31.2	-	-	(29.9)	0.2	(30.1)	-	100.0%
29	Pharmacor SpA, Chile$ #	22.11.2024	N.A.	CLP	0.0899	-	(2.0)	0.8	2.9	-	-	(2.1)	-	(2.1)	-	100.0%

^ Denotes equity shareholding

** 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

@ Subsidiary yet to commence operations

Ownership through various subsidiaries of the Company

Note: Amounts mentioned as 0.0 are less than Rupees one lakh

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associates or Joint Ventures	HAYSTACKANALYTICS PRIVATE LIMITED	SUNSURE SOLARPARK TWENTY TWO PRIVATE LIMITED
1. Latest Audited Balance Sheet date	31 March, 2025	Not applicable
2. Date on which the Associate Company was associated or acquired	10 January, 2025	29 January, 2025
3. Shares of Associate Companyheld by the Company on the year end		Refer note 1 below:
Number of shares	Equity shares : 1666 and Compulsorily Convertible Preference Shares: 16654	Equity shares : 7405
Amount of Investment in Associate Company	₹330.0 million	₹9.4 million
Extent of Holding (in percentage)	8.16%	21.46%
4. Description of how there is significant influence	Affirmative vote matter right on key issues.	Refer note 2 below
5. Reason why the Associate Company is not consolidated	Not applicable	Refer note 2 below
6. Net worth attributable to shareholding as per latest Audited Balance Sheet	₹42.8 million	Refer note 2 below
7. Profit or Loss for the year		
i. considered in consolidation	₹(6.2) million	Not applicable
ii. not considered in consolidation	Not applicable	Refer note 2 below

Notes:

1. M/s. Enzene Biosciences Limited, a subsidiary of the Company has also invested an amount of ₹10.1 million thereby holding 8022 equity shares (23.25%) in M/s. Sunsure Solarpark Twenty Two Private Limited.

2. In accordance with Ind AS 28, it has been determined that the Group does not have significant influence over M/s. Sunsure Solarpark Twenty Two Private Limited. Consequently, this entity has not been consolidated into the financial statements of the Company.

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

B.N. Singh
Executive Chairman
DIN 00760310

Sandeep Singh
Managing Director
DIN 01277984

M.K. Singh
Executive Director
DIN 00881412

Dr. Vikas Gupta
Chief Executive Officer

Nitin Agrawal
President - Finance & Chief Financial Officer

Manish Narang
President - Legal,
Company Secretary &
Compliance Officer

Mumbai, 29 May, 2025

ANNEXURE C

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

The Company is a deeply committed corporate citizen with its strategies, policies and actions aligned with wider social concerns, through initiatives in areas like education, health and other socially relevant areas. The Company believes in making a holistic impact on the communities in which it operates.

With an endeavor to achieve the above and to be a socially responsible corporate citizen, the Company has developed a CSR Policy wherein it has identified some areas which are in line with its overall social objectives and which are covered within the broad frame work of Schedule VII of the Companies Act, 2013 and also as per the regulatory guidelines given by the Government from time to time.

The CSR Policy of the Company outlines the framework guiding the Company's CSR activities. It sets out the CSR vision statement, guiding principles, implementation process, CSR governance structure and monitoring/ reporting mechanism.

2. Composition of Corporate Social Responsibility and Sustainability (CSRS) Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSRS Committee held during the year	Number of meetings of CSRS Committee attended during the year
1.	Mrs. Madhurima Singh	Chairperson	2	2
2.	Mr. Sandeep Singh	Member	2	0
3.	Mr. Srinivas Singh	Member	2	2
4.	Ms. Sangeeta Singh	Member	2	2
5.	Ms. Sudha Ravi	Member	2	2

3. Provide the web-link(s) where composition of Corporate Social Responsibility and Sustainability Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of the Committee: https://www.alkemlabs.com/investors/committees

CSR Policy: https://alkemlabs.com/ uploads/csr_policy_e0e5ec8d61.pdf

CSR Projects: https://www.alkemlabs.com/sustainability/csr#action-plan

4. Provide the executive summary along with web-link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable:

The Company shall undertake impact assessment for the completed CSR Projects having outlays of Rupees One Crore or more in accordance with the timelines set forth in Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. (a) **Average net profit of the Company as per Section 135(5):** ₹16,552.21 Million

(b) **Two percent of average net profit of the Company as per Section 135(5):** ₹331.04 Million

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(d) **Amount required to be set off for financial year, if any:** Nil

(e) **Total CSR obligation for financial year (b+c-d):** ₹331.04 Million

6. (a) **Amount spent on CSR Projects (both Ongoing and other than Ongoing Project):** ₹351.83 Million

(b) **Amount spent in Administrative Overheads:** ₹7.29 Million

(c) **Amount spent on Impact Assessment, if applicable:** NA

(d) Total amount spent for financial year (a+b+c): ₹359.12 Million

(e) CSR amount spent or unspent for financial year:

Total amount spent for financial year (₹ in Million)	Amount Unspent (₹ in Million)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)*		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
359.12	0.20	29/04/2025	NA	NIL	NA
	1.98	30/04/2025			

*The Company had transferred an amount of ₹2.18 Million to the "Unspent CSR Account" with respect to certain ongoing projects initiated by the Company during financial year 2024-25, in compliance with Section 135(6) of the Companies Act, 2013 and rules framed thereunder.

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (₹ in Million)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the Company as per Section 135(5)	331.04
(ii)	Total amount spent for financial year	359.12
(iii)	Excess amount spent for financial year [(ii)-(i)]	28.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	28.08

7. Details of Unspent CSR amount for the preceding three financial years:

(₹ in Million)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance amount in Unspent CSR Account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1.	2023-24	4.25	4.25	4.25	NA		Nil	NA
2.	2022-23	206.3	3.28	2.01	NA		1.27	NA
3.	2021-22	200.00	-	-	NA		Nil	NA

8. Whether any capital assets have been created or acquired through CSR amount spent in financial year: NA

Details relating to such asset(s) so created or acquired through CSR amount spent in financial year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
			-				

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA

Note: During FY 2020-21, the Company had initiated an ongoing project by partnering with M/s Tata Memorial Centre ("TMC") for construction of an independent radiotherapy block of the Company in the 'Homi Bhabha Cancer Hospital & Research Centre, Muzaffarpur (Unit of Tata Memorial Centre Mumbai), a Grant-In-Aid Institute, Department of Atomic Energy, Government of India', which intends to offer state of art cancer treatment to needy cancer patients of that region.

As part of the said CSR initiatives, the Company through M/s Alkem Foundation, a wholly owned subsidiary and CSR arm of the Company, had agreed to provide financial support of ₹700 Million to TMC in phase 1 and ₹300 Million in phase 2, spread over a period of 5 (five) years, towards capital expenditure (including civil work) and operational expenditure, with respect to the said ongoing project.

As on the financial year ended 31 March, 2025, the said ongoing project stands completed and the total amount earmarked for the said project with TMC has been duly spent by the Company.

Dr. Vikas Gupta
Chief Executive Officer

Mrs. Madhurima Singh
Chairperson of CSRS Committee

Mumbai, 29 May, 2025

ANNEXURE D

Policy For Nomination & Remuneration Committee of Alkem Laboratories Limited

Alkem Laboratories Limited ("Company") has constituted a Nomination and Remuneration Committee ("Committee") in its Board meeting held on 30 January, 2015 as per the terms and conditions provided in Section 178 of the Companies Act, 2013 and other applicable provisions. As per the provisions, the Company is required to frame a policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

1. OBJECTIVE OF THE POLICY

The policy is framed with the objective(s):

1. That based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the Industry, the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and talented managerial personnel of the quality required to run the Company successfully and to ensure long term sustainability and create competitive advantage.

2. That the remuneration to Directors, Key Managerial Personnel (KMP) and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. FUNCTIONS OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

1. Identify persons who are qualified to become Directors and employees who may be appointed in key managerial position, senior management in accordance with the criteria laid down, recommend to the Board their appointment, remuneration and removal, including succession planning.

2. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors, including Board diversity.

3. Devise framework to ensure that Directors are inducted through suitable familiarization process alongwith criteria for evaluation of Independent Directors and the Board and to provide for reward(s) linked directly to their effort, performance.

4. Decide / approve details of fixed components and performance linked incentives along with the performance criteria.

5. Such other functions as may be decided in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Chairman of the Nomination and Remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

3. APPLICABILITY

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent

2. Key Managerial Personnel ("KMP")

3. Senior Management Personnel

4. Other Employees of the Company

4. MATTERS RELATING TO THE REMUNERATION, PERQUISITES FOR THE WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR

1. The remuneration / compensation / profit-linked commission etc. to the Whole-time /Executive/ Managing Directors will be recommended by the Committee and approved by the Board. The remuneration / compensation / profit-linked commission etc. shall be in accordance with the percentage / slabs / conditions laid in the Companies Act, 2013 and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.

2. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the prior approval of the Central Government.

3. Increments to the Whole Time Director(s) should be within the slabs approved by the shareholders. Increments will be effective 1 April in respect of a Whole Time Director as well as in respect of other employees of the Company, unless otherwise decided.

5. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or one level below KMP subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

6. RETIREMENT

The Director, KMP and one level below the KMP shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. Employment of the services of the Director, KMP, Senior Management Personnel as consultants after their retirement would be at the sole discretion of the Board.

7. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

7.1. Sitting Fees

The Resident Non-Executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee is to be paid to Non-resident Non-Executive Directors. The quantum of sitting fees will be determined as per the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

7.2. Profit-linked Commission

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 2% of the net profits of the Company computed as per the applicable provisions of the Regulations.

7.3. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

8. REMUNERATION TO KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The Chief Executive Officer of the Company will make organisation-wide annual presentation(s) before the Committee which would have requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

If the remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors under any Regulations, then such approval will be accordingly sought.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Annexure E

STATEMENT OF PARTICULARS AS PER SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Sr. No.	Name of the Director and Designation	% of remuneration increase in financial year ended 31 March, 2025	Ratio of the remuneration of each Director to the median remuneration of the employees
Independent Directors			
1.	Mr. Arun Kumar Purwar, Independent Director	30.1	8.8
2.	Ms. Sudha Ravi, Independent Director	25.5	8.0
3.	Ms. Sangeeta Singh, Independent Director	22.6	7.7
4.	*Dr. Dheeraj Sharma, Independent Director	-67.6	2.0
5.	Mr. Narendra Kumar Aneja, Independent Director	21.5	8.0
6.	Mr. Sujjain Talwar, Independent Director	30.6	7.4
7.	#Mr. Rajeev Kher, Independent Director	NA	3.9
Executive Directors			
8.	Mr. Basudeo N. Singh, Executive Chairman	6.9	445.4
9.	%Mr. Sandeep Singh, Managing Director	9.9	368.4
10.	Mr. Mritunjay Kumar Singh, Executive Director	18.5	256.8
11.	Mrs. Madhurima Singh, Executive Director	6.5	230.2
12.	Mr. Sarvesh Singh, Executive Director	9.5	101.4
13.	Mr. Srinivas Singh, Executive Director	9.8	220.4

*Payments made for FY 2024-2025 was only for part period upto date of resignation i.e. 14 June, 2024

#Payments made for FY 2024-2025 was only for part period from the date of appointment i.e. 09 August, 2024

%Part remuneration paid from M/s. The PharmaNetwork, LLC, a subsidiary of the Company in USA

Sr. No.	Name of the Key Managerial Personnel and Designation	% of remuneration increase in financial year ended 31 March, 2025
1.	Dr. Vikas Gupta, Chief Executive Officer	29.8
2.	*Mr. Nitin Agrawal, Chief Financial Officer	187.6
3.	Mr. Manish Narang, Company Secretary	12.3

* Remuneration for FY 2023-24 was paid only for part period from the date of appointment i.e. 01 February, 2024.

i. During financial year ended 31 March, 2025, the median remuneration of employees increased by 6.5 %.

ii. As on 31 March, 2025, the Company had 18,642 permanent employees on its rolls.

iii. During financial year 2024-25, there was an average 6.20% increase in the salaries of employees (including KMP) other than the managerial personnel as against increase in managerial remuneration by 8.3%, such increase was in line with the industry pay levels.

iv. The remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2025

Annexure F

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Alkem Laboratories Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Alkem Laboratories Limited** (CIN: L00305MH1973PLC174201) and having its registered office at Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period);

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the audit period);

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Drugs & Cosmetics Act, 1940; Food Safety & Standards Act, 2006; Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954; The Narcotic Drugs and Psychotropic Substances Act, 1985; The Poisons Act, 1919; The Sales Promotion Employees (Condition of Service) Act, 1976; including the rules and regulations made under these Acts; Essential Commodities Act, 1955 and the Drugs (Prices Control) Order, 2013 issued thereunder; National Pharmaceutical Pricing Policy, 2012 being the laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the company based on their sector/ industry, in so far as requirement relating to licencing, submission of returns etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes. However, in the minutes of board meetings for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

We further report that during the audit period:

1. the members of the Company vide ordinary resolution passed through Postal ballot on 05 April, 2024 approved Reclassification of certain members of 'Promoter Group' to 'Public' Category; the company has applied for the approval of BSE and NSE and the same is awaited;

2. the company invested a total amount of ₹33,00,16,480 (Rupees Thirty Three Crores Sixteen Thousand Four Hundred and Eighty only) in the Compulsory Convertible Preference Shares of M/s. HaystackAnalytics Private Limited pursuant to approval of Board of Directors at its meeting held on 29 May, 2024;

3. Alixer Nexgen Therapeutics Limited was incorporated on 12 July, 2024, in India, as a wholly owned subsidiary of the company;

4. the company invested an amount of ₹93,59,920/- (Ninety-Three Lakhs Fifty-Nine Thousand Nine Hundred and Twenty Only) in the Equity Share Capital of M/s. Sunsure Solarpark Twenty-Two Private Limited pursuant to approval of Board of Directors at its meeting held on 09 August, 2024;

5. Alkem Wellness Limited, was incorporated on 16 September, 2024, in India, as a wholly owned subsidiary of the company; and the Board of Directors:

   i. at its meeting held on 10 December, 2024 approved for sale and transfer of Company's generics business to M/s. Alkem Wellness Limited; and

   ii. at its meeting held on 07 February, 2025 approved investment upto ₹7,50,00,00,000/- (Rupees Seven Hundred and Fifty Crores Only) in the equity share capital of M/s Alkem Wellness Limited pursuant to a rights issue;

6. the Board of Directors at its meeting held on 13 November, 2024 approved to sell the Company's manufacturing facility at SEZ Indore on a slump sale basis;

7. Pharmacor SpA., was incorporated on 22 November, 2024, in Santiago, Chile, as a step down subsidiary of the company;

8. the Board of Directors of the Company at its meeting held on 07 February, 2025:

   i. declared an interim dividend of ₹37.00/- (Rupees Thirty-Seven only) per equity share (face value ₹2/-) for financial year 2024-2025 aggregating to ₹4423.90 Million;

   ii. approved acquisition of 4,25,000 (Four Lakh Twenty-Five Thousand only) equity shares, constituting 100% equity stake of M/s. Adroit Biomed Limited ('Adroit'); Accordingly, Adroit became wholly owned subsidiary of the company, w.e.f. 23 April, 2025; and

   iii. approved investment of ₹250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) in the equity share capital of M/s Alkem Medtech Private Limited ("Alkem Medtech"), a wholly owned subsidiary of the Company with respect to: (i) an amount of approx. ₹147,00,00,000/- (Rupees One Hundred and Forty-Seven Crores only) with respect to the acquisition of M/s. Bombay Ortho Industries Private Limited ("Bombay Ortho") by Alkem Medtech; and (ii) an amount of ₹103,00,00,000/- (Rupees One Hundred and Three Crores only) towards working capital requirement of Alkem Medtech. Accordingly, Bombay Ortho become a step down subsidiary of the Company w.e.f. 16 April, 2025.

This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

For Manish Ghia & Associates
Company Secretaries

Place: Mumbai
Date: 29 May, 2025
UDIN:
F006252G000464193

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
Peer Review No.: - PR 822/2020
(FRN/Unique ID: P2006MH007100)

'Annexure A'

To,
The Members,
Alkem Laboratories Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

Place: Mumbai
Date: May 29, 2025
UDIN: F006252G000464193

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
Peer Review No.: - PR 822/2020
(FRN/Unique ID: P2006MH007100)

Annexure G

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil (All contracts or arrangements or transactions with related parties were at arm's length basis)
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   - (e) Justification for entering into such contracts or arrangements or transactions
   - (f) Date of approval by the Board
   - (g) Amount paid as advances, if any
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   - (a) Name of the related party and nature of relationship – M/s. Ascend Laboratories LLC, USA, a step-down subsidiary of the Company ("Ascend")
   - (b) Nature of contracts/arrangements/transactions – Sale of finished goods
   - (c) Duration of the contracts/arrangements/transactions – Ongoing
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Based on transfer pricing guidelines, value of transactions with Ascend amounted to ₹16,562.3 Million during financial year 2024-25
   - (e) Date of approval by the Board, if any – The transactions being with a step-down subsidiary of the Company did not require approval of the Board. The same were however approved by the Audit Committee of the Company
   - (f) Amount paid as advances, if any - Nil

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2025

Annexure H

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE DETAILS

[pursuant to the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY:

1. Energy Conservation Measures taken:

Energy Conservation continues to receive priority within the Company. The continuous monitoring of the energy consumptions across the Company's locations, has resulted in improvement in maintenance systems and reduction in distribution losses.

Steps taken for Energy Conservation during financial year 2024-25 are as follows:

(i) Installed Variable Frequency Drive (VFD) for power saving at Sikkim, Daman and Mandva plants.

(ii) Optimization and monitoring of chiller set point on daily basis to reduce the energy consumption at Mandva and Taloja plants.

(iii) Installed high efficiency and minimum purge loss air dryer at Mandva and Sikkim plants.

(iv) Installed motion sensor lights in different areas of Sikkim and Taloja plants to save electricity consumption.

(v) Installed secondary pumps at Baddi plant.

(vi) Harvesting of roof top rain water at Mandva plant.

(vii) Increased the relative humidity (RH) to save steam at Sikkim plant.

(viii) Installed new 20 KL reverse osmosis/ ultra filtration storage tank in place of 10 KL for water savings at Daman plant.

(ix) Installed chiller of 500 TR each to save energy by avoiding the running of 1000 TR chiller during low load requirements at Daman plant.

(x) Setting optimum frequency of DX Coil of Air Handling Unit's (AHU) at Mandva, Taloja and Daman plants.

(xi) Installed LED lights for power saving at Ankleshwar and Sikkim plants.

(xii) Installed Automated timer-based Streetlights & Air Curtains at Sikkim and Daman plants.

2. Steps taken by the Company for utilizing the alternate sources of energy:

During financial year 2024-25, Company has used Biomass fuel for steam generation in Sikkim plant, thus avoiding non-renewable fuels and continuing the utilization of already adopted alternate sources of energy.

3. The capital investment on Energy Conservation equipment:

(₹ in Million)

Sr. No.	Particulars	Amount
1.	Chiller	12.0
2.	Air dryer with minimum purge loss	2.0
3.	Variable Frequency Drive	2.0
4.	LED	1.7
5.	Pumps	1.2
6.	Storage Tank	0.6
7.	Hot Water System	0.6
8.	Others	0.7
	Total	20.8

(B) TECHNOLOGY ABSORPTION:

1. Efforts, in brief, made towards technology absorption:

Indigenously developing the following engineered products for the domestic market :

(i) RAFT technology, a drug delivery platform used for Gastrointestinal (GI) conditions. It involves the formation of raft-like gel matrix that floats on the stomach contents after oral administration of suspension. This floating gel acts as a physical barrier to prevent acid reflux and provides localized drug action.

(ii) Complex generics Pulmicaps technology used in conjunction with dry-powder Innohaler device having an efficient pulmonary drug delivery, especially for systemic and local treatment via the lungs. It is designed with a compatible either gelatin or HPMC based capsules filled with micronized dry powder formulations (DPI).

(iii) Gastro-retentive drug system (GRDS) technology is an advanced oral drug delivery platform designed to prolong the residence time of a dosage form in the stomach, thereby enhancing drug absorption and therapeutic efficacy. This is particularly beneficial for drugs that are absorbed primarily in the upper gastrointestinal (GI) tract, having a narrow absorption window and unstable in the intestinal environment.

(iv) Self-Nanoemulsifying drug delivery system (SNEDDS) technology used in a novel lipid based soft-gelatin formulation strategy used to improve the oral bioavailability of poorly absorbable drugs. This technology reduces the variability of absorption in patient by reducing the influence of lipid (fat) digestion.

(v) Fast acting effervescent technology applied in high dose molecule for geriatric patient having difficulty in swallowing. The technology rapidly converts the solid form to liquid form which shows faster absorption than conventional dosage form and reduced stomach irritation.

2. Benefits derived as a result of the above efforts:

The benefits derived from the above mentioned technologies are product improvement, cost reduction in product development and import substitution.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of financial year):

i) Liquid chromatography-mass spectrometry (LCMSMS) setup

(a) The details of technology imported:

The Company imported this instrument from USA. The setup contains high end HPLC (high performance liquid chromatography) coupled with highly sensitive triple quadrupole mass spectrometer (MSMS). This instrument is used for identification and estimation of trace level impurities such as Nitrosamines and helps in controlling its content in the drug product/ drug substance, thereby producing best quality products and patient safety through validated methods. The use of the said technology has helped in reduction of cost and timelines to meet the regulatory and quality requirements;

(b) The year of import: 2022-23;

(c) Whether the technology has been fully absorbed: Yes;

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

ii) Flash Chromatography

(a) the details of technology imported:

The Company imported the said instrument from Switzerland, a purification technique designed for rapid separation by using air pressure. Flash chromatography columns are typically prepacked plastic cartridges with silica gel particle sizes between 40-60 mm. Automated flash chromatography systems are composed of parts normally found on HPLC (high performance liquid chromatography) systems such as a gradient pump, injection ports, UV detector and a fraction collector to gather the eluent. The use of the said technology has been cost efficient and saves time for impurity synthesis, thereby resulting in faster product development.

(b) the year of import: 2023-24;

(c) whether the technology been fully absorbed: YES;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

iii) Hot melt extrusion (HME)

(a) the details of technology imported:

The Company has imported the said instrument from Germany which is a pharmaceutical technology that uses thermal and mechanical energy to melt and mix APIs with excipients. It involves melting a drug and a suitable polymer, then forcing the mixture through a die, which results in a solid, amorphous dispersion. During the process, the drug is transformed into its amorphous state, increasing its solubility and dissolution rate. HME has been demonstrated as a robust, novel technique to make solid dispersions in order to provide time controlled, modified, extended, and targeted drug delivery resulting in improved bioavailability as well as taste masking of bitter active pharmaceutical ingredients (APIs).

(b) the year of import: 2024-25;

(c) whether the technology been fully absorbed: Yes;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

iv) Ion Chromatograph (IC)

(a) the details of technology imported:

The Company has imported this instrument from Switzerland. The setup contains Metrohm Ion Chromatograph. The instrument is mainly used for identification and estimation of cations and anions in the raw materials and drug products and it helps to estimate the total sodium content, total sulfate content, total chloride content, magnesium content, potassium content, nitrate and nitrite content from the drug product, drug substances and excipients. This instrument is also used for analytical test methods like assay, dissolution, UOD, DPDM for certain drug products. The safety of the patients is ensured by using the validated methods of this technology. The acquisition of this technology is cost effective.

(b) the year of import: 2024-25;

(c) whether the technology been fully absorbed: Yes;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

4. Expenditure on R & D:

(₹ in Million)

Sr. No.	Particulars	2024-25	2023-24
(i)	Capital	630.2	1,312.8
(ii)	Recurring	4,505.6 (excluding depreciation of 227.4 Million)	4,398.0 (excluding depreciation of 239.7 Million)
Total		**5,135.8**	**5,710.8**
R & D expenditure as percentage to total turnover		5.83% (percentage to revenue from continuing operations)	5.86%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Million equivalent of various foreign currencies)

Particulars	2024-25	2023-24
Foreign Exchange earned	25,398.7	20,316.0
Foreign Exchange outgo	3,548.1	5,412.9

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2025

Corporate Governance Report

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and believes that it is essential for achieving long-term corporate goals and to enhance stakeholders' value. The Company respects the rights of its shareholders to obtain information on the performance of the Company. The Company believes that best board practices, transparent disclosures and shareholder empowerment are necessary to maximize the long-term value for the shareholders of the Company and to ensure that all stakeholders' interests are protected. The Company places great emphasis on principles such as empowerment and integrity of its employees, safety of the employees & communities surrounding its manufacturing facilities, transparency in decision making process, fair & ethical dealings with all stakeholders and the society in general. The Compliance Report on Corporate Governance herein signifies adherence by the Company to all the mandatory requirements of Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations").

(2) BOARD OF DIRECTORS

The Board of Directors of the Company ("Board") has a balanced mix of Executive Directors and Non- Executive Directors with 1 (one) woman Executive Director and 2 (two) women Independent Directors having rich experience and expertise.

As on the year ended 31 March, 2025, the strength of the Board was 12 (twelve) and the composition thereof was in conformity with Regulation 17 of SEBI LODR Regulations read with Section 149 of the Companies Act, 2013 ("Act").

Details with respect to the names and categories of the Board Members during financial year 2024-25 are as follows:

Category	Name of Directors	Inter-se relationship between Directors
Promoter Executive Directors	Mr. Basudeo N. Singh (Executive Chairman)	Father of Mr. Mritunjay Kumar Singh
	Mr. Sandeep Singh (Managing Director)	Brother of Mr. Sarvesh Singh
	Mr. Mritunjay Kumar Singh (Executive Director)	Son of Mr. Basudeo N. Singh
	Mrs. Madhurima Singh (Executive Director)	Daughter in Law of Mr. Basudeo N. Singh
	Mr. Sarvesh Singh (Executive Director)	Brother of Mr. Sandeep Singh
	Mr. Srinivas Singh (Executive Director)	N.A.
Non-Executive Independent Directors	Mr. Arun Kumar Purwar	N.A.
	Mr. Narendra Kumar Aneja	N.A.
	Ms. Sangeeta Singh	N.A.
	Ms. Sudha Ravi	N.A.
	*Dr. Dheeraj Sharma	N.A.
	Mr. Sujjain Talwar	N.A.
	#Mr. Rajeev Kher	N. A.

*Resigned w.e.f. 14 June, 2024

#Appointed w.e.f. 09 August, 2024

Core Skills / Expertise / Competence for the Board of Directors

Detailed below are the core skills / expertise / competencies required for the effective functioning of the Company alongwith specific expertise of the Board Members:

Name of Director	Areas of Core Skills/ Expertise/ Competence							
	Financial Skills/ Controls	Pharma Domestic and International Marketing Strategy	Legal and Regulatory Compliance and Governance	Risk Management	Plant Management	Human Resource/ Leadership	M&A	Supply Chain
Mr. Basudeo N. Singh, Executive Chairman	√	√	√	√	√	√	√	√
Mr. Sandeep Singh, Managing Director	√	√	√	√	√	√	√	√
Mr. Mritunjay Kumar Singh, Executive Director	√	√		√	√			√
Mrs. Madhurima Singh, Executive Director	√	√	√		√	√		√
Mr. Sarvesh Singh, Executive Director	√	√						
Mr. Srinivas Singh, Executive Director		√		√				
Mr. Arun Kumar Purwar, Independent Director	√		√	√				
Mr. Narendra Kumar Aneja, Independent Director	√		√	√				
Ms. Sangeeta Singh, Independent Director	√					√		
Ms. Sudha Ravi, Independent Director	√			√		√		
Mr. Sujjain Talwar, Independent Director			√	√			√	
Mr. Rajeev Kher, Independent Director		√	√	√		√		√

The Board of Directors of the Company possess the required skills and expertise for running the operations of the Company and the marks indicated hereinabove against names of the respective Board Members signify their specific skill/ expertise/ competency in the above-mentioned areas.

Non-Executive / Independent Directors

None of the Non-Executive/ Independent Directors held any equity shares of the Company as on 31 March, 2025.

In opinion of the Board, Independent Directors of the Company fulfill the conditions specified in the Act and SEBI LODR Regulations and are independent of the management.

During the year under review, following changes occurred in the constitution of Independent Directors of the Company:

(i) Dr. Dheeraj Sharma had resigned as an Independent Director of the Company w.e.f. 14 June, 2024 due to pre-occupation and there were no material reasons for his resignation.

(ii) Mr. Rajeev Kher has been appointed as an Independent Director on the Board of Directors of the Company for a term of 5 (five) consecutive years w.e.f. 09 August, 2024 upto 08 August, 2029.

Post closure of the year under review, the Board at its meeting held on 29 May, 2025, has, subject to approval of shareholders of the Company, appointed the following Independent Directors on the Board of the Company:

(i) Appointment of Mr. Ranjal Laxmana Shenoy (DIN: 00074761) as an Additional Director designated as an Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 13 July, 2025 upto 12 July, 2030, not liable to retire by rotation.

(ii) Appointment of Ms. Neela Bhattacherjee (DIN: 01912483) as an Additional Director designated as an Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 13 July, 2025 upto 12 July, 2030, not liable to retire by rotation.

Board Meetings

During financial year 2024-25, a total of 5 (five) Board meetings dated 29 May, 2024, 09 August, 2024, 13 November, 2024, 10 December, 2024 and 07 February, 2025 were held.

Attendance of each Director at the Board meetings, last AGM, number and names of other Directorships and number of Chairpersonships/ Memberships of Committee(s) of each Director as on 31 March, 2025, are given below:

Name of Director	Attendance			*No. of other Committee Memberships / Chairpersonships		Directorships in other Companies		
	Number of Board meetings held during the Director's tenure	Number of Board meetings attended	Last AGM held on 30 August, 2024 through video conferencing	#Committee Member ships	#Commit tee Chairper sonships	*Other Directorships	Names of other listed entities where person is Director	Category of Directorship in the listed entities
Mr. Basudeo N. Singh	5	5	Yes	0	0	1	NA	NA
Mr. Sandeep Singh	5	5	Yes	1	0	3	NA	NA
Mr. Mritunjay Kumar Singh	5	5	Yes	1	0	2	NA	NA
Mrs. Madhurima Singh	5	5	Yes	0	0	1	NA	NA
Mr. Sarvesh Singh	5	5	Yes	0	0	0	NA	NA
Mr. Srinivas Singh	5	4	Yes	0	0	1	NA	NA
Mr. Arun Kumar Purwar	5	5	Yes	2	1	5	1. IIFL Finance Limited 2. Balaji Telefilms Limited	1. Chairman and Director 2. Independent Director
Mr. Narendra Kumar Aneja	5	5	Yes	0	0	1	NA	NA
Ms. Sangeeta Singh	5	5	Yes	4	0	7	1. Laxmi Organics Industries Limited 2. Shaily Engineering Plastics Limited 3. Transworld Shipping Lines Limited 4. Galaxy Surfactants Limited	Independent Director
Ms. Sudha Ravi	5	5	Yes	1	1	2	NA	NA
@Dr. Dheeraj Sharma	1	0	N. A.	NA	NA	NA	NA	NA
Mr. Sujjain Talwar	5	5	Yes	1	0	3	1. Carborundum Universal Limited 2. Elantas Beck India Limited	Independent Director
%Mr. Rajeev Kher	3	3	Yes	1	0	2	1. Star Health and Allied Insurance Company Limited	Independent Director

@Resigned w.e.f. 14 June, 2024

%Appointed w.e.f. 09 August, 2024

*The list does not include Directorships, Committee Memberships and Committee Chairpersonships in Private Limited, Foreign and Section 8 Companies.

#The Committee Memberships and Chairpersonships in other companies include Memberships and Chairpersonships of Audit and Stakeholders' Relationship Committees of public companies only.

Note: The necessary quorum was present for all the meetings

Compliance under Regulation 17(3) of SEBI LODR Regulations

The Board periodically reviews the compliance reports pertaining to all applicable laws prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

Familiarization Programme

At the time of appointment, Independent Directors are made aware of their roles, rights and responsibilities through a formal letter of appointment which also stipulates the various terms and conditions of their engagement. They are also briefed about the Company's activities, plants, operations and products, etc. In terms of Regulation 46(2)(b) of SEBI LODR Regulations, the terms and conditions of appointment of Independent Directors of the Company are placed on the Company's website and can be accessed at https://admin.alkemlabs.com/uploads/Terms_of_appointment_Independent_Directors_2a82f9dd72.pdf

The Independent Directors of the Company are provided with an overview of the Company's operations through interactions with the senior management and the Executive Directors of the Company. At the Board and Committee meetings, Independent Directors are, on a regular basis, familiarized with the business model and Company strategies thereof, industry and market standards, regulatory issues and the environment in which the Company operates, functions, policies and procedures of the Company and its subsidiaries to enable them in providing their requisite insights on the overall governance processes of the Company. During financial year 2024-25, Independent Directors were briefed about the events including but not limited to changes in the regulatory scenario and global trends, future outlook, succession plans, internal audit, risks and mitigation measures, performance of subsidiaries, working of manufacturing facilities, employees' development, cyber security concerns, contribution to the society and business strategies of the Company. The details of the said Familiarization Programme imparted by the Company to the Independent Directors during financial year 2024-25 have been uploaded on the Company's website, the web link for which is https://www.alkemlabs.com/investors/details-familiarization-program

(3) CODE OF CONDUCT

All the Directors and Senior Management Personnel have affirmed compliance to the Code of Conduct as approved by the Board and a declaration to that effect, signed by the Chief Executive Officer of the Company has been annexed to the Corporate Governance Report. The Code of Conduct has been uploaded on the Company's website, the web link for which is https://admin.alkemlabs.com/uploads/824596594993521810_CODE_OF_BUSINESS_CONDUCT_AND_ETHICS_FOR_SENIOR_MANAGEMENT_eca6236412.pdf

(4) CODE FOR PREVENTION OF INSIDER TRADING

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted Codes of Fair Disclosures and Conduct for Insider Trading ("Code") to prevent insider trading in the securities of the Company based on unpublished price sensitive information. The trading window is closed during the time of declaration of financial results and occurrence of any material event as per the said Code for such duration as may be decided by the Compliance Officer. The Board has appointed Mr. Manish Narang, President – Legal, Company Secretary & Compliance Officer, who is responsible for setting forth procedures and implementation of the said Code for trading in the Company's securities.

(5) AUDIT COMMITTEE

The constitution of the Audit Committee is in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI LODR Regulations.

Composition of the Audit Committee

The Audit Committee comprises of Mr. Arun Kumar Purwar as Chairperson and Mr. Sandeep Singh, Mr. Mritunjay Kumar Singh, Ms. Sangeeta Singh, Mr. Narendra Kumar Aneja and Ms. Sudha Ravi as Members.

Details of Audit Committee meetings

During financial year 2024-25, a total of 5 (five) Audit Committee meetings dated 28 May, 2024, 08 August, 2024, 12 November, 2024, 10 December, 2024 and 06 February, 2025 were held. The intervening gap between two consecutive meetings was not more than one hundred and twenty days.

Attendance of Members at the Audit Committee meetings

Details with respect to attendance of Members at the Audit Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
Mr. Arun Kumar Purwar	Chairperson	5	5
Mr. Sandeep Singh	Member	5	2
Mr. Mritunjay Kumar Singh	Member	5	5
Ms. Sangeeta Singh	Member	5	5
Mr. Narendra Kumar Aneja	Member	5	5
Ms. Sudha Ravi	Member	5	5

Mr. Manish Narang, President – Legal, Company Secretary and Compliance Officer is the Secretary of the Audit Committee.

Note: The necessary quorum was present for all the meetings.

Terms of reference of the Audit Committee

1. Oversight of the company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Providing recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company and the fixation of audit fee;

3. Review and monitor the statutory auditor's independence and performance and effectiveness of audit process;

4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    i. Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013, as amended;

    ii. Changes, if any, in accounting policies and practices and reasons for the same;

    iii. Major accounting entries involving estimates based on the exercise of judgment by management;

    iv. Significant adjustments made in the financial statements arising out of audit findings;

    v. Compliance with listing and other legal requirements relating to financial statements;

    vi. Disclosure of any related party transactions; and

    vii. Qualifications in the draft audit report.

6. Reviewing, with the management, the quarterly and half-yearly financial statements before submission to the Board for approval;

7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

10. Discussion with internal auditors any significant findings and follow up there on;

11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

13. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

14. Review the functioning of the whistle blower mechanism;

15. Approval of appointment of the chief financial officer (i.e., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;

16. To investigate any activity within its terms of reference;

17. To seek information from any employee;

18. To obtain outside legal or other professional advice;

19. To secure attendance of outsiders with relevant expertise, if it considers necessary;

20. Approval or any subsequent modification of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

21. Scrutiny of inter-corporate loans and investments;

22. Valuation of undertakings or assets of the company, wherever it is necessary;

23. Evaluation of internal financial controls and risk management systems;

24. To provide recommendation to the Board of Directors of the Company for declaration of Interim Dividend to be paid to the shareholders of the Company;

25. Reviewing the utilization of loans and/or advances from/ investment to the subsidiaries exceeding Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

26. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder; and

27. Carry out any other function as mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following:

1. Management's discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the chief internal auditor;

6. Statement of deviations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

(6) NOMINATION AND REMUNERATION COMMITTEE

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations.

Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Arun Kumar Purwar as Chairperson and Mr. Basudeo N. Singh, Ms. Sudha Ravi and Mr. Narendra Kumar Aneja as Members.

Details of Nomination and Remuneration Committee meetings

During financial year 2024-25, a total of 3 (three) Nomination and Remuneration Committee meetings dated 28 May, 2024, 08 August, 2024 and 06 February, 2025 were held.

Attendance of Members at the Nomination and Remuneration Committee meetings

Details with respect to attendance of Members at the Nomination and Remuneration Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
Mr. Arun Kumar Purwar	Chairperson	3	3
Mr. Basudeo N. Singh	Member	3	3
Ms. Sudha Ravi	Member	3	3
Mr. Narendra Kumar Aneja	Member	3	3

Note: The necessary quorum was present for all the meetings.

Terms of reference of the Nomination and Remuneration Committee

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   i. use the services of an external agencies, if required;

   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   iii. consider the time commitments of the candidates.

(c) Formulation of criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on Board diversity;

(e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;

(f) Determining whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors;

(g) Analysing, monitoring and reviewing various human resource and compensation matters;

(h) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(i) Determining and recommending to the Board, all remuneration, in whatever form, payable to senior management of the Company and determining compensation levels payable to the other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(j) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(k) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;

(l) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including [the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015] and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and

(m) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Evaluation of Performance of Board, Committees and Directors

Pursuant to the provisions of the Act, SEBI LODR Regulations and Guidance Note issued by SEBI, the Board evaluated the performance of individual Directors, Board as a whole and all the Committees of the Board on the basis of performance evaluation criteria approved by the Nomination and Remuneration Committee of the Company. The individual Directors were assessed after taking into account their overall contribution and engagement in the growth of the Company, active role in monitoring the effectiveness of Company's Corporate Governance practices and adherence to the Code of Conduct, etc. The performance of the Committees of the Board was evaluated after considering the composition, regularity of meetings, independence of the Committees from the Board, their contribution to the effective decisions of the Board, etc.

In accordance with the provisions of Schedule IV of the Act and Regulation 25(3) of SEBI LODR Regulations, a separate meeting of the Independent Directors of the Company was held on 18 March, 2025, where the Independent Directors assessed the Executive Directors on the basis of the contribution made by such Directors in the achievement of business targets, development and successful execution of the business plans, their relationship with the Members of the Board of Directors and management personnel as well as creating a performance culture to drive value creation. The Board as a whole was assessed by the Independent Directors taking into consideration the diversity, composition of the Board, frequency of meetings, qualification mix, regulatory compliances, corporate culture, values and interaction with the management, etc.

The Chairperson of the Company was assessed by the Independent Directors basis his contribution in the growth of the Company with respect to strategic directions on the expansion, diversification and business plans as well as successful execution of business plans and relationship with the Members of the Board of Directors and the management. Based on the said evaluation, Company expects the Board of Directors to continue to play a constructive and meaningful role in creating value for all the stakeholders in the ensuing years.

(7) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The constitution of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI LODR Regulations.

Composition of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Sujjain Talwar as Chairperson and Mr. Mritunjay Kumar Singh, Mrs. Madhurima Singh and Mr. Srinivas Singh as Members.

Details of Stakeholders' Relationship Committee meetings

During financial year 2024-25, a total of 3 (three) Stakeholders' Relationship Committee meetings dated 28 May, 2024, 08 August, 2024 and 06 February, 2025 were held.

Attendance of Members at the Stakeholders' Relationship Committee meetings

Details with respect to attendance of Members at the Stakeholders' Relationship Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
Mr. Sujjain Talwar	Chairperson	3	3
Mr. Mritunjay Kumar Singh	Member	3	3
Mrs. Madhurima Singh	Member	3	3
Mr. Srinivas Singh	Member	3	3

Mr. Manish Narang, President – Legal and Company Secretary was appointed as a Compliance Officer of the Company under Regulation 6 of SEBI LODR Regulations.

Note: The necessary quorum was present for all the meetings.

Terms of reference of the Stakeholders' Relationship Committee

(a) Considering and resolving the grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. or any other documents or information to be sent by the Company to its shareholders etc.

(b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Giving effect to all transfer/ transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/ consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;

(d) Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, and other related matters as may be assigned by the board of directors;

(e) Review of measures taken for effective exercise of voting rights by shareholders;

(f) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

(g) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company; and

(h) Carrying out any other functions as prescribed under the SEBI LODR Regulations.

Details of Investor Complaints

Complaints at the beginning of FY 2024-25	Received during the year	Resolved during the year	Complaints at the end of FY 2024-25
0	0	0	0

(8) RISK MANAGEMENT COMMITTEE

The constitution of the Risk Management Committee is in compliance with the provisions of Regulation 21 of the SEBI LODR Regulations.

Composition of the Risk Management Committee

The Risk Management Committee comprises of Mr. Mritunjay Kumar Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sudha Ravi, Mr. Narendra Kumar Aneja and Mr. Sujjain Talwar as Members.

Details of Risk Management Committee meetings

During financial year 2024-25, a total of 2 (two) Risk Management Committee meetings dated 23 August, 2024 and 06 February, 2025 were held.

Attendance of Members at the Risk Management Committee meetings

Details with respect to attendance of Members at the Risk Management Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during Member's tenure	No. of meetings attended
Mr. Mritunjay Kumar Singh	Chairperson	2	2
Mr. Sandeep Singh	Member	2	0
Mr. Srinivas Singh	Member	2	1
Ms. Sudha Ravi	Member	2	2
Mr. Narendra Kumar Aneja	Member	2	2
Mr. Sujjain Talwar	Member	2	2

Note: The necessary quorum was present for all the meetings.

Terms of reference of the Risk Management Committee

(a) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

(b) Framing, implementing, reviewing and monitoring the risk management plan and cyber security for the Company;

(c) To formulate a detailed risk management policy which shall include:

(i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(ii) Measures for risk mitigation including systems and processes for internal control of identified risks.

(iii) Business continuity plan.

(d) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(e) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(f) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(g) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(h) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and

(i) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

(9) CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The Board of Directors at its meeting held on 07 February, 2025 had renamed the 'Corporate Social Responsibility Committee' as the 'Corporate Social Responsibility and Sustainability Committee'.

The constitution of the Corporate Social Responsibility and Sustainability Committee is in compliance with the provisions of Section 135 of the Act.

Composition of the Corporate Social Responsibility and Sustainability Committee

The Corporate Social Responsibility and Sustainability Committee comprises of Mrs. Madhurima Singh as Chairperson and Mr. Sandeep Singh, Mr. Srinivas Singh, Ms. Sangeeta Singh and Ms. Sudha Ravi as Members.

Details of Corporate Social Responsibility and Sustainability Committee meetings

During financial year 2024-25, a total of 2 (two) Corporate Social Responsibility and Sustainability Committee meetings dated 28 May, 2024 and 06 February, 2025 were held.

Attendance of Members at the Corporate Social Responsibility and Sustainability Committee meetings

Details with respect to attendance of Members at the Corporate Social Responsibility and Sustainability Committee meetings held during financial year under review were as follows:

Name of the Director	Designation in the Committee	No. of meetings held during the Member's tenure	No. of meetings attended
Mrs. Madhurima Singh	Chairperson	2	2
Mr. Sandeep Singh	Member	2	0
Mr. Srinivas Singh	Member	2	2
Ms. Sangeeta Singh	Member	2	2
Ms. Sudha Ravi	Member	2	2

Note: The necessary quorum was present for all the meetings.

Brief Terms of reference of the Corporate Social Responsibility and Sustainability Committee *[amended by the Board of Directors w.e.f. 29 May, 2025]*

(a) Formulate and recommend to the Board of Directors, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

(b) Formulate and recommend to the Board of Directors, a Corporate Sustainability Vision in alignment with global trends in sustainability;

(c) Review and recommend the amount of expenditures to be incurred on the activities to be undertaken by the Company;

(d) Monitor the CSR Policy and Environmental, Social and Governance (ESG)/ Sustainability Policy of the Company from time to time;

(e) Direct oversight on key matters related to Corporate Social Responsibility and Sustainability;

(f) Any other matter as the Corporate Social Responsibility and Sustainability Committee may deem appropriate after the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

(10) Particulars of Senior Management Personnel

(a) Details of Senior Management Personnel of the Company as on 31 March, 2025 (including appointments made during financial year 2024-25) are as follows:

Name	Designation
Dr. Vikas Gupta	Chief Executive Officer
Mr. Nitin Agrawal	President & Chief Financial Officer
Mr. Manish Narang	President - Legal, Company Secretary & Compliance Officer
Mr. Satish Kumar Singh	Head Operations
Mr. Sarandhar Singh	Vice President – Marketing & Sales
Mr. Aniruddha Singh	AGM – CMD Office
Mr. Rajorshi Ganguli	President & Global HR Head
Mr. Amit Ghare	President - International Business
Mr. Sunil Kumar Pathak	President - Marketing & Sales, Semi Chronic Business
Mr. Mukesh Tiwary	President - Marketing & Sales, Generic Business
Dr. Akhilesh Sharma	President & Chief Medical Officer
Mr. Ashish Sehgal	President - Formulation R&D and Regulatory Affairs
^Mr. Shirish Purushotham Ambulgekar	President- Global Quality Head
Mr. Sujit Shetty	Senior Vice President – Internal Audit & Risk Assurance
Mr. Duraipandi Srinivasan	Senior Vice President – Global Procurement and API Business & Operations
Mr. Vijay Shetty	Senior Vice President – Global Distribution and Supply Chain
Mr. Rakesh Tripathi	Senior Vice President – Formulation Manufacturing Head
Mr. Jayprakash Parihar	Senior Vice President – API and R&D
Mr. Ravinder Chakilam	Senior Vice President & Site Head
*Mr. V. Hari Krishna	Senior Vice President - Marketing & Sales
#Dr. Jitendra Singh Huda	Senior Vice President - Marketing & Sales
@Mr. Vishal Meswani	Senior Vice President - Marketing & Sales
Mr. Abhijit Basak	Vice President - Corporate Strategy & Business Development
Mr. Ramanarayana Parhi	Vice President & Chief Information Officer
%Mr. Sanjay Kumar Dipak	Vice President - Marketing & Sales
$Mr. Ashish Kumar Suresh	Assistant Vice President - Head of Middle East, SEA, CIS & Africa
&Ms. Charu Arya	Senior General Manager - Marketing

^Appointed w.e.f. 10 March, 2025
*Appointed w.e.f. 02 July, 2024
#Appointed w.e.f. 09 July, 2024
@Appointed w.e.f. 09 July, 2024
%Appointed w.e.f. 28 February, 2025
$Appointed w.e.f. 09 October, 2024
&Appointed w.e.f. 17 October, 2024

(b) **Details with respect to changes (resignations / retirements) in Senior Management Personnel of the Company during financial year 2024-25 are as follows:**

Name	Designation	Date of change (resignations / retirements)
Mr. Kaustav Banerjee	President & Head Medtech Business	Mr. Kaustav Banerjee had been appointed in M/s. Alkem Medtech Private Limited, a wholly owned subsidiary of the Company and accordingly ceased to hold Senior Management position in the Company with effect from 16 July, 2024.
Mr. Yogesh Kaushal	President - Marketing & Sales, Chronic Business	Retired with effect from the closing of business hours of 15 October, 2024
Mr. Adil Billimoria	President – Quality & Compliance	Retired with effect from the closing of business hours of 31 March, 2025

(11) REMUNERATION OF DIRECTORS

(a) Details of pecuniary relationship or transactions of Non-Executive Directors of the Company (NED's)

The NED's are paid remuneration by way of sitting fees and commission. The details of such remuneration paid to the NED's during financial year 2024-25 are as follows:

(₹ in Million)

Name	Sitting Fees	Commission	Other Perquisites	Total
Mr. Arun Kumar Purwar	0.70	3.54	-	4.24
Mr. Narendra Kumar Aneja	0.80	3.04	-	3.84
Ms. Sangeeta Singh	0.65	3.04	-	3.69
Ms. Sudha Ravi	0.80	3.04	-	3.84
*Dr. Dheeraj Sharma	-	0.98	-	0.98
Mr. Sujjain Talwar	0.50	3.04	-	3.54
#Mr. Rajeev Kher	0.20	1.67	-	1.87
Total	**3.65**	**^18.35**	**-**	**22.00**

*Resigned w.e.f. 14 June, 2024

#Appointed w.e.f. 09 August, 2024

^The total amount of commission includes a sum of ₹2.64 Million pertaining to the previous financial year 2023-24, which was paid in the current financial year 2024-25.

(b) Criteria for making payments to NED's

The criteria for payment of remuneration to the NED's has been placed on the Company's website and can be accessed through https://admin.alkemlabs.com/uploads/Criteria_for_payment_of_remuneration_to_Non_Executive_Directors_d375a6d252.pdf

Remuneration to NED's

Sitting Fees

The Non-Executive Independent Directors of the Company were paid a sitting fees of ₹50,000/- (Rupees Fifty Thousand only) for every meeting of the Board and/ or Committee thereof attended by them.

Commission

Pursuant to the resolution passed by the shareholders of the Company on 16 March, 2015, the Board is authorised to pay commission to the NED's/ Independent Directors, subject to a maximum limit of 2% of the net profits of the Company for each financial year. The said commission is decided each year by the Board and distributed amongst the NED's/ Independent Directors based on their attendance and contribution to the Board and/ or Committee meetings, as well as time spent on operational matters other than at meetings.

Apart from sitting fees and commission referred to above and reimbursement of travel and stay expenses for their attending the Board and Committee meetings, no payment by way of bonus, pension, incentives, etc. is made to any of the NED's.

(c) Details of Remuneration to Executive Directors

The Executive Directors of the Company are paid remuneration in accordance with approval of the Board and shareholders and is subject to the limits prescribed under the Act and Nomination and Remuneration Policy of the Company.

The details of such remuneration paid to Executive Directors during financial year 2024-25 are as follows:

(₹ in Million)

Terms of Remuneration	Name of Directors					
	Mr. Basudeo N. Singh	*Mr. Sandeep Singh	Mr. Mritunjay Kumar Singh	Mrs. Madhurima Singh	Mr. Sarvesh Singh	Mr. Srinivas Singh
Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	197.3	51.8	113.1	101.1	44.3	98.3
Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.8	3.2	2.0	1.6	1.9	1.2
Commission	-	40.0	-	-	-	-
Bonus	-	-	-	-	-	-
Pension	-	-	-	-	-	-
Stock option	-	-	-	-	-	-
Others (Perquisites and Employer Contribution)	16.2	2.5	8.5	8.2	2.5	6.6
Performance Linked Incentive	-	-	-	-	-	-
Total	**214.3**	**97.5**	**123.6**	**110.9**	**48.7**	**106.1**

*Excludes remuneration of USD 0.9 Million paid from M/s The PharmaNetwork, LLC, a subsidiary of the Company in USA

Service Contracts, Notice Period and Severance Fees

The appointment and remuneration of the Executive Chairman, Managing Director and other Executive Directors are subject to the provisions of the Act and the resolutions passed by the Board of Directors and Members of the Company, as may be applicable, which cover the terms and conditions of such appointment.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Chairman, Managing Director and other Executive Directors of the Company.

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme for its Directors and Employees.

(12) GENERAL BODY MEETINGS

(i) Location and time of the last three Annual General Meetings (AGM) held are as follows:

Year	Meeting	Location/ Mode	Date	Time	Special Resolutions passed
2021-22	48th AGM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	25 August, 2022	11.00 a.m.	NIL
2022-23	49th AGM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	25 August, 2023	11.00 a.m.	Alteration to Articles of Association of the Company.

Year	Meeting	Location/ Mode	Date	Time	Special Resolutions passed
2023-24	50th AGM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	30 August, 2024	11.00 a.m.	1. Re-appointment of Mr. Basudeo N. Singh (DIN: 00760310) as an Executive Chairman of the Company for a term of 3 (three) consecutive years with effect from 01 April, 2025 upto 31 March, 2028. 2. Re-appointment of Mr. Narendra Kumar Aneja (DIN: 00124302) as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 16 March, 2025 upto 15 March, 2030.

(ii) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting was held during financial year under review.

(iii) Details of Special Resolution passed through Postal Ballot

During financial year 2024-25, the Company vide Postal Ballot Notice dated 09 August, 2024 proposed the Special Resolution for appointment of Mr. Rajeev Kher (DIN: 01192524) as an Independent Director of the Company for a term of five (5) consecutive years w.e.f. 09 August, 2024 upto 08 August, 2029. The said resolution was duly passed on 03 October, 2024.

Person conducting the Postal Ballot exercise

Mr. Manish Narang, President - Legal, Company Secretary & Compliance Officer of the Company was appointed as person responsible for the entire Postal Ballot process. CS Mannish L. Ghia, Partner of M/s. Manish Ghia & Associates, Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. CS Mannish L. Ghia, Practicing Company Secretary conducted the Postal Ballot process and submitted the report to the Company.

Procedure followed for Postal Ballot

1. In compliance with Regulation 44 of SEBI LODR Regulations and Sections 108, 110 read with the Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, and other applicable provisions of the Act, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to the Members for voting on the proposed Special Resolution.

2. In compliance with the Circular Nos. 14/2020 dated 08 April, 2020, No. 17/2020 dated 13 April, 2020, No. 22/2020 dated 15 June, 2020, No. 33/2020 dated 28 September, 2020, No. 39/2020 dated 31 December, 2020, No. 02/2021 dated 13 January, 2021, No. 10/2021 dated 23 June, 2021, No. 20/2021 dated 08 December, 2021, No. 03/2022 dated 05 May, 2022, No. 11/2022 dated 28 December, 2022 and No. 09/2023 dated 25 September, 2023 issued by the Ministry of Corporate Affairs, the Company dispatched the Postal Ballot Notice dated 09 August, 2024 containing the proposed resolution together with the explanatory statement only through electronic mode to those Members whose mail addresses were registered with the Company/ Depository Participant and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, 23 August, 2024. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules thereof.

3. The remote e-voting facility was open for Members to vote from Wednesday, 04 September, 2024 at 09.00 a.m. to Thursday, 03 October, 2024 at 05.00 p.m.

4. The Scrutinizer submitted his report on Friday, 04 October, 2024, after the completion of scrutiny.

5. The result of the Postal Ballot was declared on Friday, 04 October, 2024. The resolution, passed by requisite majority, was deemed to have been passed on the last date of remote e-voting i.e. Thursday, 03 October, 2024.

6. Details of voting results

Special Resolution	No. of Votes polled	Votes cast in favour of the Resolution (No. & %)	Votes cast against the Resolution (No. & %)
Appointment of Mr. Rajeev Kher (DIN: 01192524) as an Independent Director of the Company for a term of five (5) consecutive years w.e.f. 09 August, 2024 upto 08 August, 2029.	10,35,98,387	10,06,71,716 (97.18%)	29,26,671 (2.82%)

The result of the Postal Ballot is also available on the website of the Company at https://admin.alkemlabs.com/uploads/Alkem_Reg44_Reportand_Scrutinizers_Report04102024signed_edcb3ee8a6.pdf and communicated to the Stock Exchanges, Depository and Registrar & Share Transfer Agent.

(iv) Details of Special Resolution proposed to be conducted through Postal Ballot

Currently, there are no matters which are required to be passed as a Special Resolution through Postal Ballot.

(13) MEANS OF COMMUNICATION

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the online portal of the Stock Exchanges, press releases, news releases, the Annual Reports and uploading relevant information on its website.

(i) Financial Results and Statements: The unaudited quarterly results are announced within forty-five days from the end of the quarter. The audited annual results are announced within sixty days from the closure of financial year as required under SEBI LODR Regulations. The aforesaid financial results are communicated to the Stock Exchanges within stipulated timelines as stated under SEBI LODR Regulations. The results are generally published in Business Standard, national daily newspaper and in Mumbai Lakshadeep, which is a regional (Marathi) daily newspaper.

The audited financial statements forms part of the Annual Report which is sent to the Members within the statutory period and well in advance of the AGM. The Annual Report of the Company, quarterly / half yearly and yearly financial results and financial statements and press releases of the Company are also disseminated on the Company's website www.alkemlabs.com.

(ii) Presentations, Press Releases: The presentations on performance of the Company and press releases are placed on the Company's website immediately after these are communicated to the Stock Exchanges for the benefit of Institutional Investors and Analysts and other shareholders.

(iii) Material Information: The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI LODR Regulations including material information having a bearing on the performance / operations of the Company or other Price Sensitive Information.

(iv) Online filing: All information is filed electronically on BSE's online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS).

(v) SCORES: Facility has been provided by SEBI for investors to place their complaints / grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(14) GENERAL SHAREHOLDER INFORMATION

(a) The 51st AGM of the Members of the Company will be held on Monday, 25 August, 2025 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to be conducted from the registered office of the Company, which shall be deemed to be the venue of the AGM.

(b) Financial Year: 01 April, 2024 to 31 March, 2025.

(c) Dividend details:

(i) Final Dividend for financial year 2023-24 was paid during financial year 2024-25 on and from 04 September, 2024.

(ii) Interim Dividend for financial year 2024-25 was paid on and from 28 February, 2025.

(iii) Record Date for the purpose of payment of Final Dividend for financial year ended 31 March, 2025 shall be 08 August, 2025.

(iv) Final Dividend on equity shares as recommended by the Board for the year ended 31 March, 2025, if approved at the AGM, will be paid on and from 29 August, 2025.

(d) Transfer of Unclaimed Dividend/ Unpaid Amounts to the Investor Education and Protection Fund (IEPF) Authority:

(i) Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, mandates that companies shall transfer dividend that has remained unclaimed / unencashed for a period of seven years from the date of transfer to the unpaid dividend account to IEPF Authority account and such shares in respect of which dividend has not been claimed / encashed for seven consecutive years or more be transferred to IEPF Authority.

In order to educate the shareholders and with an intent to protect their rights, the Company sends regular notices to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF Authority and simultaneously publishes newspaper advertisement with respect to the same. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF Authority, including all benefits accruing on such shares, if any, can be claimed from IEPF Authority following the procedure prescribed in the IEPF Rules. No claim shall lie in respect thereof with the Company.

(ii) The details of unclaimed dividend and their corresponding shares transferred to IEPF Authority during financial year 2024-2025 are as follows:

Type of Dividend	Amount of Dividend (in ₹)	Date of transfer of Dividend Amount	No. of corresponding shares
Final Dividend for financial year 2016-17	1,27,791	12.11.2024	34
Interim Dividend for financial year 2017-18	76,278	03.04.2025	28

The IEPF Authority holds 397 equity shares as on 31 March, 2025. The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

(iii) The details of due dates for transfer of unclaimed dividend and their corresponding shares to IEPF Authority:

Year	Type of Dividend	Dividend per share (in ₹)	Date of Declaration	Due for transfer to IEPF Authority
2017-18	Final	7	31.08.2018	01.10.2025
2018-19	Interim	8	08.02.2019	13.03.2026
2018-19	Final	8	27.08.2019	01.10.2026
2019-20	Interim	22	07.02.2020	11.03.2027
2019-20	Final	3	18.08.2020	22.09.2027
2020-21	Interim	25	05.02.2021	09.03.2028
2020-21	Final	5	27.08.2021	29.09.2028
2021-22	Interim	30	04.02.2022	08.03.2029
2021-22	Final	4	25.08.2022	29.09.2029
2022-23	Interim	40	10.02.2023	15.03.2030
2022-23	Final	10	25.08.2023	28.09.2030
2023-24	Interim	35	09.02.2024	12.03.2031
2023-24	Final	5	30.08.2024	04.10.2031
2024-25	Interim	37	07.02.2025	13.03.2032

(e) Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the annual listing fees has been paid to each of such Stock Exchanges:

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN for NSDL / CDSL (Dematerialized shares)
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	539523	INE540L01014
The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	ALKEM	

(f) Registrar and Share Transfer Agent

M/s MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) is the Registrar and Share Transfer Agent of the Company, having its registered office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 and bearing CIN: U67190MH1999PTC118368.

(g) Shares Transfer System

All the securities of the Company are in dematerialized form.

(h) Distribution of shareholding

Distribution of shareholding as on 31 March, 2025

Shareholding of Nominal Shares	No. of Folios	% Total	Total No. of Shares	% Total
1-1000	84,893	98.94	15,31,644	1.28
1001-2000	220	0.26	1,58,544	0.13
2001-4000	130	0.15	1,90,497	0.16
4001-6000	73	0.09	1,79,132	0.15
6001-8000	45	0.05	1,54,236	0.13
8001-10000	29	0.03	1,30,161	0.11
10001-20000	90	0.10	6,18,652	0.52
Above 20000	322	0.38	11,66,02,134	97.52
Total (Electronic Mode)	**85,802**	**100**	**11,95,65,000**	**100**

Shareholding Pattern as on 31 March, 2025

Category	Total Shares	% Total
Alternate Investment Funds - III	4,28,148	0.36
Body Corporate – Ltd Liability Partnership	17,201	0.01
Central Government	312	0.00*
Clearing Members	32,728	0.03
Directors and their relatives (excluding Independent Directors and Nominee Directors)	1	0.00*
Foreign Nationals	17	0.00*
Foreign Portfolio Investors (Corporate) – I	1,09,44,864	9.15
Foreign Portfolio Investors (Corporate) - II	3,03,709	0.25
Hindu Undivided Family	44,486	0.04
Insurance Companies	38,24,682	3.20
Investor Education and Protection Fund	397	0.00*
Key Managerial Personnel	108	0.00*
Mutual Funds	1,78,98,620	14.97
Non Nationalised Banks	14	0.00*
Non Resident Indians	57,504	0.05
Non Resident (Non Repatriable)	54,831	0.05

Category	Total Shares	% Total
Other Bodies Corporate	1,31,124	0.11
Promoters	6,59,13,109	55.13
Provident Funds/ Pension Funds	10,62,989	0.89
Public	1,88,48,258	15.76
Trusts	1,898	0.00*
TOTAL	**11,95,65,000**	**100.00**

*Negligible

(i) Dematerialization of shares and liquidity

As on 31 March, 2025, 100% of the equity shares of the Company are dematerialized.

(j) Reconciliation of Share Capital Audit

As required by SEBI, quarterly audit of the Company's share capital is being carried out by a Practising Company Secretary (PCS) with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and with the issued and listed capital. The PCS Certificate in regard to the same is submitted to BSE Limited & The National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board.

(k) The Company has not issued any Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments.

(l) Foreign Currency Hedging Activities

The Board of Directors of the Company has approved a "Treasury Policy" to manage the treasury risks of the Company within its risk appetite, which is derived from the business exigency and corporate policy. The hedging activities of the Company shall be a mix of natural hedges, packing credit and forwards & options so that risk can be minimized while capturing opportunity wherever possible.

(m) Plant locations

1. Daman, India
2. Mandva, Gujarat, India
3. Ankleshwar, Gujarat, India
4. Unit I, Baddi, Himachal Pradesh, India
5. Kumrek, East Sikkim, India
6. Alkem Health Science, (Unit of the Company) Unit I, II & III, Samardung, South Sikkim, India
7. Unit 5, South Sikkim, India
8. *S.E.Z., Indore, Madhya Pradesh, India
9. S&B Pharma LLC, California, U.S.A.
10. Indchemie Health Specialities Private Limited, Somnath, Daman, India
11. Indchemie Health Specialities Private Limited, Amaliya, Daman, India
12. Indchemie Health Specialities Private Limited, Baddi, Himachal Pradesh, India
13. Unit I & II, Indchemie Health Specialities Private Limited, Kumrek, East Sikkim, India
14. Cachet Pharmaceuticals Private Limited, Baddi, Himachal Pradesh, India
15. Enzene Biosciences Limited, Chakan, Pune, Maharashtra, India
16. Enzene Biosciences Limited, Pimpri-Chinchwad, Pune, Maharashtra, India

*The Company has vide Business Transfer Agreement dated 06 January, 2025 sold and transferred its undertaking, being the manufacturing facility of the Company situated at Plot No. A-17, Phase II, Special Economic Zone, Pithampur, Dhar, Madhya Pradesh, 454775, India ("Facility") alongwith all rights, title and interest in the leasehold land, factory building, assets and liabilities etc. with respect to the said Facility to M/s. Rubicon Research Limited (formerly known as Rubicon Research Private Limited) ("Rubicon") on a slump sale basis. The transaction is expected to be completed on or before 05 June, 2025.

(n) Address for correspondence

Alkem Laboratories Limited, Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.

Tel No: +91 22 3982 9999; Fax No: +91 22 2495 2955

Communication by e-mail

For transfer / transmission / subdivision / demat / loss of shares / dividend / general inquiries and investor grievance: investors@alkem.com

(o) List of Credit Ratings

Credit Ratings of Company's outstanding instruments:

Instrument Type	Rating Agency	Credit Rating
Commercial Paper	CRISIL	CRISIL A1+
	India Ratings (Fitch)	IND A1+

Credit Ratings of Company's outstanding facilities:

Rating	Rating Agency	Credit Rating	Outlook
Long Term Rating	CRISIL	CRISIL AA+	Stable
Short Term Rating	CRISIL	CRISIL A1+	-
Long Term Rating	CARE Rating	CARE AA+	Stable
Short Term Rating	CARE Rating	CARE A1+	-

(15) DISCLOSURES

(a) Related Party Transactions

The Company has adequate procedures for identification and monitoring of related party transactions. The details of the materially significant transactions entered into by the Company with related party(ies) during financial year 2024-25 have been disclosed in Annexure G forming part of the Directors' Report. All contracts, arrangements and transactions entered by the Company with related parties during financial year 2024-25 were on an arm's length basis. All related party transactions are placed before the Audit Committee on a quarterly basis for review and the same are approved by only the Independent Directors present at the meeting, as per the relevant provisions of the SEBI LODR Regulations. The details of related party transactions are provided in notes to financial statements of this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website and can be accessed through https://admin.alkemlabs.com/uploads/Related_Party_Transactions_Policy_0999ee9848.pdf

(b) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(c) Vigil Mechanism/ Whistle Blower Policy

The Company requires its officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. For this purpose, the Board has adopted a "Whistle Blower Policy" to encourage and enable employees and volunteers of the Company to report any action or suspected action taken within the Company that is illegal, fraudulent or in violation of any adopted policy and to build and strengthen a culture of transparency and trust within the organization. The person making a report of the violation can keep his/her identity anonymous and choose to submit the violation report on a confidential basis. If an individual reasonably believes that a violation has occurred, the individual is encouraged to share his or her questions, concerns, suggestions or complaints to person designated by the Company. Specific telephone number and email ID is mentioned in the Whistle Blower Policy. In addition to the above, under exceptional circumstances a complainant can complain directly to the Chairperson of the Audit Committee. No personnel of the Company has been denied access to either the Designated Person (as mentioned in the Whistle Blower Policy of the Company) or to the Audit Committee. The Whistle Blower Policy has been placed on the Company's website and can be accessed through https://admin.alkemlabs.com/uploads/Whistle_Blower_Policy_new_5d094b8491.pdf

(d) The Company has formulated a Risk Management Plan and all the Directors are informed about risk assessment and minimization procedures.

(e) Material Subsidiary

Pursuant to the provisions of the SEBI LODR Regulations, M/s Ascend Laboratories LLC, incorporated on 02 January, 2003 under the laws of New Jersey, USA is classified as a material subsidiary of the Company. M/s Deloitte Haskins & Sells LLP have been appointed as Statutory Auditors of the said subsidiary w.e.f. 31 August, 2024.

The Company's policy for determining Material Subsidiaries is placed on the Company's website and can be accessed through weblink https://admin.alkemlabs.com/uploads/Policy_on_determining_Material_Subsidiaries_e7b2d25771.pdf

(f) The Company does not undertake any Commodity hedging activities.

(g) The Company has not raised any funds by way of preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR Regulations.

(h) A certificate from a Practicing Company Secretary, that none of the Directors are disqualified or debarred from being appointed or continuing as a Director of the Company by Securities Exchange Board of India / Ministry of Corporate Affairs or any other authority has been annexed to the Corporate Governance Report.

(i) The Board has accepted all the recommendations of the Committees of the Board.

(j) Details with respect to the fees paid during financial year 2024-25, to M/s Deloitte Haskins & Sells LLP, Statutory Auditors of the Company and M/s B S R & Co. LLP, erstwhile Statutory Auditors of the Company and to all entities in the network firm/ network entity of which the respective statutory auditor is a part, for providing audit and all other services to the Company and its subsidiaries, on a consolidated basis, are as follows:

Name of Statutory Auditor	Period	Amount of fees (₹ in Million)
M/s Deloitte Haskins & Sells LLP, Statutory Auditors	From 31.08.2024 to 31.03.2025	29.4
M/s B S R & Co. LLP, erstwhile Statutory Auditors	From 01.04.2024 to 30.08.2024	3.6

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during financial year: Nil

b. number of complaints disposed of during financial year: Nil

c. number of complaints pending as on end of financial year: Nil

(l) Loans and Advances

During the year under review, there were no loans and advances, in the nature of loans granted by the Company and its subsidiaries to any firms/ companies in which Directors are interested.

(m) Disclosure of certain type of agreements binding listed entities

During the financial year under review, there were no such agreements entered into by the Company in terms of Clause 5A of paragraph A of Part A of Schedule III read with Regulation 30 of the SEBI LODR Regulations

(16) COMPLIANCE WITH MANDATORY AND DISCRETIONARY REQUIREMENTS

The Company has complied with all mandatory requirements of the SEBI LODR Regulations and adopted the following discretionary requirements of the SEBI LODR Regulations:

i. The Company has an Executive Chairperson.

ii. The quarterly and half yearly financial statements are published in the newspapers and are also posted on the Company's website.

iii. The Company's financial statement for financial year ended 31 March, 2025 does not contain any modified audit opinion.

iv. There are separate posts of Chairperson, Managing Director and Chief Executive Officer and they are not related to each other as per the term "Relative" defined under the Act.

v. Internal Auditors directly report to the Audit Committee.

vi. The meeting of the Independent Directors of the Company was held on 18 March, 2025, without the presence of non-independent directors and members of the management.

(17) There are no equity shares of the Company in the demat suspense / unclaimed suspense account.

(18) The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) of the SEBI LODR Regulations.

For and on behalf of the Board
Alkem Laboratories Limited

Basudeo N. Singh
Executive Chairman
DIN: 00760310
Mumbai, 29 May, 2025

To
The Board of Directors
Alkem Laboratories Limited
Alkem House,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Regulation 26(3) and Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Directors and the Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics as on 31 March, 2025.

For **Alkem Laboratories Limited**

Dr. Vikas Gupta
Chief Executive Officer
29 May, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Alkem Laboratories Limited
Alkem House, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Alkem Laboratories Limited having CIN: L00305MH1973PLC174201 and having registered office at Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Basudeo Singh	00760310	08-08-1973
2	Mr. Sandeep Singh	01277984	09-08-2013
3	Mr. Mritunjay Kumar Singh	00881412	11-02-2008
4	Mrs. Madhurima Singh	09137323	20-12-2021
5	Mr. Srinivas Singh	06744441	14-09-2022
6	Mr. Sarvesh Singh	01278229	11-11-2019
7	Mr. Arun Kumar Purwar	00026383	16-03-2015
8	Mr. Sujjain Talwar	01756539	05-08-2022
9	Ms. Sangeeta Singh	06920906	29-06-2015
10	Ms. Sudha Ravi	06764496	29-06-2015
11	Mr. Rajeev Kher	01192524	09-08-2024
12	Mr. Narendra Aneja	00124302	16-03-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
Peer Review No.: PR 822/2020
(FRN/ Unique ID: P2006MH007100)

Place: Mumbai
Date: 29 May, 2025
UDIN: F006252G000464226

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
ALKEM LABORATORIES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 27 September, 2024 and addendum to the engagement letter dated 07 February, 2025.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of ALKEM LABORATORIES LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2025, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2025.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 25046930BMODSA5877)

Place: Mumbai
Date: 29 May, 2025

Business Responsibility and Sustainability Report (BRSR)

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L00305MH1973PLC174201
2.	Name of the Company	Alkem Laboratories Limited (the 'Company' or 'Alkem')
3.	Year of Incorporation	1973
4.	Registered office address	Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India
5.	Corporate office address	Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India
6.	E-mail	investors@alkem.com
7.	Telephone	+91 22 3982 9999
8.	Website	www.alkemlabs.com
9.	Financial year for which reporting is being done	1 April, 2024 to 31 March, 2025
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE)
11.	Paid-up Capital	₹11,95,65,000
12.	Name and contact details (telephone, email address) of the person for BRSR Reporting	Mr. Manish Narang (President – Legal, Company Secretary & Compliance Officer) +91 22 3982 9999 investors@alkem.com
13.	Reporting boundary	Disclosures under this report are done on standalone - basis for Alkem Laboratories Limited
14.	Name of assurance provider	DNV Business Assurance India Pvt. Ltd.
15.	Type of assurance obtained	Reasonable for Core indicators

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Manufacturing of pharmaceutical products	Manufacturing and marketing of pharmaceutical and nutraceutical products	100

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Services	NIC Code	% of total turnover contributed
1	Manufacturing and marketing of pharmaceutical and nutraceutical products	210	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

S. No.	Location	Number of plants	Number of offices	Total
1.	National	13*	80**	93
2.	International	-	-	-

*Includes manufacturing sites and R&D facilities
**Includes 4 corporate offices and 76 depots (7 directly owned)

19. Markets served by the entity

a. Number of locations

S. No.	Locations	Number
1.	National (Number of states)	28 states and 8 Union Territories
2.	International (Number of countries)	More than 40 countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

28%

c. A brief on types of customers

Alkem caters to diverse patients and customers across over 40 countries worldwide. Our clientele includes pharmaceutical firms, distributors, wholesalers, pharmacy chains, and hospitals.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1.	Permanent (D)	16,861	16,380	97	481	3
2.	Other than permanent (E)	247	222	90	25	10
3.	Total employees (D+E)	17,108	16,602	97	506	3
	Workers					
4.	Permanent (F)	1,924	1,900	99	24	1
5.	Other than permanent (G)	3,801	3,610	95	191	5
6.	Total workers (F+G)	5,725	5,510	96	215	4

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled Employees					
1.	Permanent (D)	3	3	100	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	Total Differently abled employees (D+E)	3	3	100	0	0
	Differently abled Workers					
4.	Permanent (F)	3	3	100	0	0
5.	Other than permanent (G)	1	1	100	0	0
6.	Total Differently abled workers (F+G)	4	4	100	0	0

21. Participation/Inclusion/Representation of women

	Total No. (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12	3	25
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers

Category	FY 2025			FY 2024			FY 2023		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	23.2	19.9	23.1	27.7	25.9	27.6	28.2	30.6	28.3
Permanent workers	7.3	8.2	7.3	10.2	7.5	10.1	10.5	0.0	10.4

V. Holding, Subsidiary and Associate Companies (including Joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Ascend Laboratories (Pty) Limited	Subsidiary	100%	No
2	Ascend GmbH	Subsidiary	100%	No
3	Alkem Laboratories Corporation	Subsidiary	100%	No
4	S&B Holdings S.a.r.l.	Subsidiary	100%	No
5	Pharmacor Pty Limited	Subsidiary	100%	No
6	ThePharmaNetwork, LLC (Subsidiary of S&B Holdings S.a.r.l.)	Subsidiary	100%	No
7	Ascend Laboratories SDN BHD.	Subsidiary	100%	No
8	Ascend Laboratories SpA	Subsidiary	100%	No
9	Enzene Biosciences Limited	Subsidiary	99.76%	No
10	Alkem Laboratories Korea Inc.	Subsidiary	100%	No
11	Pharmacor Limited	Subsidiary	100%	No
12	The Pharmanetwork, LLP	Subsidiary	100%	No
13	Ascend Laboratories, LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	Step-down Subsidiary	100%	No
14	Ascend Laboratories SAS	Subsidiary	100%	No
15	Ascend Laboratories (UK) Limited	Subsidiary	100%	No
16	Cachet Pharmaceuticals Private Limited	Subsidiary	61%	No
17	Indchemie Health Specialities Private Limited	Subsidiary	51%	No
18	Ascend Laboratories Limited	Subsidiary	100%	No
19	Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Step-down Subsidiary	100%	No
20	Alkem Foundation	Subsidiary	100%	No
21	Connect 2 Clinic Private Limited	Subsidiary	100%	No
22	Ascend Laboratories S.A. DE. CV (Wholly owned subsidiary of Ascend Laboratories SpA)	Step-down Subsidiary	100%	No
23	Enzene Inc (Wholly owned subsidiary of Enzene Biosciences Limited) (w.e.f 26 May, 2022)	Step-down Subsidiary	100%	No
24	Pharmacor Limited (Wholly owned subsidiary of Pharmacor Pty Limited) (w.e.f 1 June, 2022)	Step-down Subsidiary	100%	No
25	S & B Pharma LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	Step-down Subsidiary	100%	No
26	Alkem Medtech Private Limited	Subsidiary	100%	No
27	Alixer Nexgen Therapeutics Limited	Subsidiary	100%	No
28	Alkem Wellness Limited (incorporated on 16 September, 2024)	Subsidiary	100%	No
29	Pharmacor SpA ((Wholly owned by Pharmacor Pty Limited) (w.e.f 22 November, 2024)	Step-down Subsidiary	100%	No
30	Sunsure Solarpark Twenty Two Private Limited (w.e.f. 29 January, 2025)	Associate	26%	No
31	Haystack Analytics Pvt Private Limited (w.e.f. 10 January, 2025)	Associate	8.16%	No

VI. CSR details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

ii. If yes, Turnover – (in ₹): 105,511,325,785

iii. Net worth - (in ₹): 1,23,21,83,00,000

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025			FY 2024		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes, a dedicated grievance redressal channel is available for all internal and external stakeholders. The details are accessible at https://admin.alkemlabs.com/uploads/Whistle_Blower_Policy_new_5d094b8491.pdf	0	0	-	0	0	-
Investors		0	0	-	0	0	-
Shareholders		0	0	-	0	0	-
Employees and workers		6	0	-	13	0	-
Customers		116	0	-	489	12	-
Value Chain Partners		0	0	-	0	0	-
Other (please specify)		0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	ESG Classification	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change & GHG Emissions	Environment	Risk	Risk: The company's assets are vulnerable to climate-related physical and transition risks, which are expected to grow in frequency and intensity over time. Severe weather events can disrupt business operations.	The company's actions are guided by its Sustainability policy, which provides a framework to address climate change and risks related to greenhouse gas emissions. Alkem aims to reduce its Scope 1 and Scope 2 emissions by 42% by the FY 33 from the baseline of FY 23. Risks posed by climate change are also incorporated in company's Enterprise Risk Management system and appropriate mitigation strategies have been identified.	Negative implications due to adverse impact on company's assets

S. No.	Material issue identified	ESG Classification	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Biodiversity	Environment	Risk	Biodiversity loss presents a significant risk to the company due to the pharmaceutical industry's dependence on diverse natural resources and biological compounds. Reduced biodiversity could lead to a scarcity of medicinal plants and raw materials essential for drug development, especially in the biosimilars and nutraceuticals sectors. This scarcity may increase costs and affect supply chains. Additionally, environmental degradation from operations and new projects could attract more regulatory scrutiny, resulting in stricter compliance requirements.	The company prioritizes safeguarding natural resources and ecosystems under its Environmental Protection strategy within its Sustainability Policy. As part of its CSR efforts, it engages in large-scale tree planting activities to enhance green areas.	Negative implications due to cost incurred for the protection of biodiversity.
3	Energy Management	Environment	Risk / Opportunity	Risk: The company's operations require substantial energy, including fuel and electricity, leading to potentially high operational costs if energy inefficiencies are not addressed. Opportunity: Enhancing current processes for better efficiency, adopting advanced technologies and transitioning to renewable energy sources can significantly boost operational yield, profitability and reduce greenhouse gas emissions.	The company aims to decrease its projected energy consumption by 1% annually through efficiency measures by FY 33. The Company has implemented various initiatives for improved energy management, including: • Installing biomass briquette boilers to reduce reliance on traditional fossil fuels. • Implementing Variable Frequency Drives (VFD). • Replacing inefficient Air Handling Units (AHU) with more efficient ones. Furthermore, Alkem plans to achieve ISO 50001 certification for more than 75% of its manufacturing sites by FY'26.	Negative impact due to cost incurred for the capex of energy efficient equipment; however, positive financial impact projected in long run due to lower cost of energy
4	Waste Management	Environment	Risk	Being a part of the pharmaceutical industry, the company produces considerable amounts of hazardous waste and other non-hazardous waste. Improper management of these wastes can result in regulatory violations, fines, penalties, operational limitations and environmental harm.	The company's emphasis on waste minimization is reflected in the adoption of 3R principle: Reduce, Reuse, Recycle. The company has also tied up with government authorized waste management agencies for sustainable waste disposal. The Company also targets to recycle >90% of its non-hazardous waste by FY 25 and each year henceforth.	Negative impact due to cost incurred in handling and management of waste.
5	Water Management	Environment	Risk	Water scarcity at crucial company sites, such as manufacturing and R&D facilities, poses a risk to operations and business continuity. Additionally, the availability of poor-quality water poses a significant challenge, given that pharmaceutical production requires high-quality water to maintain product standards.	The company is dedicated to reducing freshwater usage by monitoring water consumption, auditing raw effluent and treated water discharge and educating employees on water conservation. Rainwater harvesting and effluent treatment systems are installed at all manufacturing sites, with 42% of plants achieving Zero Liquid Discharge. The company aims to become water neutral by FY'30.	Negative impact due to cost incurred in meeting water demand during shortages or availability of poor quality water

S. No.	Material issue identified	ESG Classification	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Product Quality and Patient Safety	Social	Risk	The company prioritizes product safety and quality to mitigate health risks for users and prevent reputational damage, fines, or loss of customer trust. It implements rigorous quality control measures and adheres to industry standards to ensure product reliability and safety.	Alkem maintains a robust pharmacovigilance system to ensure patient safety by efficiently identifying, collecting, assessing and communicating any adverse events related to our medicines. The company strictly follows current Good Manufacturing Practices (cGMP) as required by regulatory bodies to ensure quality in its manufacturing processes. Regular quality control inspections are conducted across all facilities to detect and rectify any non-compliance issues with machinery and equipment.	Positive implications due to customer acceptance and loyalty
7	Occupational Health & Safety	Social	Risk	In the pharmaceutical industry, employees are exposed to hazardous chemicals and substances during manufacturing and R&D activities.	The company is dedicated to a 'Zero Harm' initiative, ensuring no harm to people, assets, or the environment. Its Environment, Health & Safety (EHS) policy is implemented across all sites. Several manufacturing locations, including Baddi (Unit 1 & 2), Daman (Unit 1), Sikkim (Units 1, 2, 3, & 5), Ankleshwar and Mandwa, have achieved ISO 45001 certification. Regular EHS audits are conducted to identify and address any gaps and a strong health and safety culture is fostered through extensive training programs for employees and workers. Various initiatives are in place to enhance process safety and control chemical exposure.	Positive implications due to increased work productivity and reduced LTIFR.
8	Human Resource Development	Social	Opportunity	The industry relies heavily on human capital, emphasizing knowledge and skills. Employee productivity and efficiency are crucial for enhancing asset integrity and driving business growth across all functions.	The company implements a Human Resource policy framework alongside its Environment Health & Safety (EHS) and Sustainability policies. The HR team focuses on strategic and skill development training to promote both personal and professional growth among employees. Alkem provides an inclusive and supportive work environment, offering benefits such as insurance, medical support, maternity and paternity leave, sick leave, emergency support through benevolent funds and access to counseling services. The company is committed to fostering diversity and ensuring equal opportunities, aiming to attract and retain top talent across all functions and levels.	Positive implications due to increased productivity of workforce.

S. No.	Material issue identified	ESG Classification	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Availability and affordability of medicines	Social	Risk	The company recognizes its social and ethical obligation to ensure its products are accessible and affordable for patients. Failing to meet these expectations could lead to a loss of market share to competitors offering more budget-friendly options, significantly impacting revenue and profitability. Over time, recovering customer trust and market position could become challenging if accessibility and affordability are not prioritized.	The company's R&D centers focus on developing innovative solutions to maintain product affordability and accessibility while ensuring high quality.	Positiveimplications inlonger run dueto increased market share.
10	Sustainable Supply Chain	Social	Risk	The company actively manages its supply chain through strategic partnerships and advanced logistics to ensure consistent production and distribution of medications. It employs robust risk management strategies to identify and address potential disruptions, thereby safeguarding its reputation and supporting public health needs.	Alkem has joined the Pharmaceutical Supply Chain Initiative (PSCI) as an Associate Member to enhance safety, environmental and social outcomes across its value chain and encourage responsible practices. The company is committed to supply chain sustainability by setting targets for assessing critical suppliers against ESG criteria and starting to account for its Scope 3 emissions.	Negative implications are observed due to cost incurred in suppliers' assessment.
11	Human Rights	Social, Governance	Risk	Failing to uphold human rights principles may damage reputation and erode stakeholder trust. The company is committed to maintaining ethical standards and fostering a respectful environment to safeguard its image and stakeholder relationships.	The company has established a comprehensive Human Rights policy applicable to all employees, regardless of their position or location. Additionally, it has developed a specific Code of Ethics for all stakeholders, including suppliers, vendors and contractors, to ensure ethical practices throughout the value chain.	Negative implications in short term due to cost incurred to ensure strict inclusivity of human rights principles in systems and processes through regular audits trainings and compliance measures.
12	Community Engagement	Social	Opportunity	For a company to succeed and maintain community trust, aligning its business goals with community priorities is crucial. Any practices that violate these priorities can harm the company's reputation and lead to conflicts. Building trusting relationships and encouraging active community involvement can help the company contribute to social development and reduce potential objections from the community.	The company is committed to addressing both immediate and long-term community needs, aiming to create a positive impact through various initiatives. These efforts focus on enhancing healthcare, education, rural development, environmental care and promoting sports culture, thereby contributing to overall social development and building strong community relationships.	Positive implication due to good will and reputation among the communities, thereby, avoiding chances of legal disputes.
13	R&D and Innovation	Governance		The changing healthcare landscape requires innovative solutions and products to meet society's unmet medical needs. This also presents an opportunity for the company to explore and enter new markets.	Alkem has a dedicated team of scientists leading its R&D efforts, supported by four state-of-the-art, internationally accredited R&D centers located in India and the US. The company allocates a substantial portion of its revenue to R&D to foster innovation and address unmet medical needs, enabling it to explore and enter new markets.	Positive implications with development of new patents that can generate revenue streams

S. No.	Material issue identified	ESG Classification	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14	Data Privacy and cybersecurity	Data Privacy and cybersecurity	Risk	As data breaches become more frequent, it is crucial for a company to protect sensitive customer information and proprietary data to avoid any potential breaches that might damage its reputation and result in financial and non-financial setbacks.	The company has implemented an Information Security Policy and is investing in IT tools for data protection. Data loss or leakage is closely monitored through Vulnerability Assessment and Penetration Testing (VAPT) and IT audits. The company aims to achieve ISO 27001 certification by FY'26, reflecting its commitment to developing strong Information Security Management Systems (ISMS).	Negative implications due to cost incurred in implementing and maintaining cybersecurity technologies.
15	Clinical Trial Conduct	Social, Governance	Risk	Conducting clinical trials is crucial for pharmaceutical companies to ensure their products are safe and effective. Non-compliance with regulatory standards or unethical practices in these trials can lead to delays in drug approvals, hinder the development of commercially viable products and result in legal repercussions.	The company strictly adheres to regulatory standards and ethical guidelines in conducting clinical trials. It is committed to performing scientifically robust and ethical trials to meet unmet healthcare needs and produce reliable data for developing safe and effective new molecules. With extensive experience in conducting clinical studies from phase 1 to phase 4 across various therapies, the company complies with ICH GCP and other international regulations. The R&D team is proficient in handling trials for both small and large molecules, including monoclonal antibodies, biosimilars and stem cell-based products, for submissions to regulatory bodies like CDSCO, USFDA and EMEA.	Positive implications due to increased likelihood of regulatory approval of new drugs, potentially speeding up the time to market and increasing revenue streams
16	Pharmacovigilance	Social, Governance	Risk	Pharmaceutical companies must monitor the effects of their products after administration and track any side effects. This is essential for ensuring patient safety, refining product usage guidelines and maintaining compliance with regulatory standards.	The company maintains a robust pharmacovigilance system to monitor and assess the safety of medicines during both clinical development and post-approval stages. It continuously evaluates the benefit-risk profile of its marketed products and is dedicated to transparently communicating these benefits and risks to patients, healthcare professionals and regulatory authorities.	Negative implications due to additional cost incurred in implementing monitoring and tracking systems.
17	Environmental Compliance	Environment, Governance	Risk / Opportunity	The company prioritizes compliance with environmental regulations, including those governing water and air pollution, hazardous waste management and plastic waste management. (Prevention and Control of Pollution Act, Hazardous Waste Management Rules, Plastic Waste Management Rules, Extended Producer Responsibility, etc.) Adhering to these laws helps prevent fines, legal issues and operational disruptions, ensuring smooth business operations. By maintaining compliance, the company supports sustainable practices and minimizes the risk of significant adverse events.	The company adheres to all relevant local pollution control laws and regulations. It actively implements strategies and systems to minimize environmental impact by applying ISO standards across its operational sites.	Negative implication due to cost incurred on systems and processes to ensure strict compliance.

S. No.	Material issue identified	ESG Classification	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
18	Corporate Governance &Business ethics	Governance	Risk / Opportunity	Unethical behavior or corporate misconduct, such as fraud, bribery, corruption, conflicts of interest, or violations of industry laws and regulations, can result in significant reputational damage, loss of stakeholder trust and legal actions. Inadequate corporate governance practices, including a lack of transparency, ineffective oversight and insufficient accountability, can undermine investor confidence and diminish shareholder value. A strong commitment to ethical conduct and sound corporate governance can boost a company's market competitiveness and strengthen stakeholder relationships.	The company emphasizes core values such as empowerment, integrity, safety, transparency, fairness and ethical dealings with all stakeholders and society. These values guide decision-making and include Quality, Adaptability, Responsibility, Respect, Gratitude, Fairness, Honesty, Safety and Compassion. To ensure ethical conduct, the company relies on various policies and codes, including the Code of Business Conduct, Code of Ethics, Whistleblower Policy and Code of Practices and Procedures for Fair Disclosures. These frameworks help steer the company's business conduct and shape behavioral norms.	Positive implication as good governance improves access to capital.
19	Business Continuity	Governance	Risk	It is important to prioritize resilience and preparedness by developing a comprehensive business continuity plan to navigate uncertainties and potential disruptions. This plan ensures that operations can continue smoothly during challenging times, safeguarding the company's ability to adapt and thrive amidst unforeseen events.	The company has implemented business continuity measures and emergency response plans across all its sites to handle potential disruptions. It is currently developing an enterprise-level business continuity policy and plan to ensure operational continuity during various disruption scenarios.	Negative implications due to expenditure on preparedness measures.
20	Resilient Business Performance	Governance	Risk / Opportunity	It is important to maintain steady market presence despite uncertainties, aiming for long-term economic growth with an emphasis on sustainability and stakeholder value creation. Focusing on strategic capital allocation to ensure profitable expansion is crucial.	The company is committed to generating stable revenue across various streams by leveraging a sustainable supply chain, adopting advanced technologies and implementing a robust business continuity plan. To enhance resilience and mitigate future risks, it has incorporated ESG risks into its Enterprise Risk Management system.	Positive implications due to smooth operations
21	Sales and marketing practices	Social, Governance	Opportunity	Alkem focuses on ethical sales and marketing practices to cultivate brand loyalty and influence consumer behavior positively, aiming for sustained market growth. By prioritizing transparency and integrity in its approaches, the company seeks to strengthen its relationship with its extensive customer base.	The company is focused on enhancing its marketing capabilities by providing comprehensive training and workshops for its employees. It is also allocating resources to develop impactful digital marketing campaigns. Product labels are carefully crafted to comply with regulatory standards while prioritizing patient-centered information.	Positive implications due to increased customer acquisition and retention.
22	Combatting counterfeit medicines	Governance	Risk	Counterfeit products in the market pose significant risks to the company, potentially affecting revenue and customer trust. These fake products can undermine the company's reputation and lead to decreased consumer confidence in its offerings.	The company is implementing technological solutions with anti-counterfeiting security features to combat the issue of counterfeit products in the market.	Negative implications are due to cost incurred in mitigation plan.

Section B: Management and process disclosures

Policy and Management processes

Points		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	(b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	(c) Web Link of the Policies, if available	Policies are available on the website of the Company at https://www.alkemlabs.com/investors/policies. The policies which are internal to the Company are available on the intranet of the Company.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All our facilities adhere to the cGMP standards in addition to the accreditations from international regulatory authorities such as US FDA, WHO, MHRA (UK), TGA (Australia), ANVISA (Brazil) and MCC (South Arica) and regulatory agencies from other countries. Additionally, the manufacturing facilities at Baddi, Daman, Sikkim, Ankleshwar and Mandva are ISO 14001 and ISO 45001 certified. Four operational plants at Sikkim have also been certified for ISO 50001.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Alkem has laid out a set of measurable goals with clear timelines to drive progress around environmental, social and governance areas. These commitments reflect the organization's focus on reducing emissions, improving resource use, strengthening workplace practices and enhancing transparency across the value chain. Environment goals and targets: • To reduce Scope 1 and Scope 2 emissions by 42% by FY 33 from base year FY 23 • To achieve y-o-y 1% reduction in energy consumption from the projected energy requirement of each year till FY 33 • To achieve water neutrality across operations by FY 30 Social goals and targets: • To obtain ISO 45001 certification for more than 75% sites by FY 26 • To increase overall gender diversity to 5% by FY 27 • To screen 90% of new suppliers on ESG criteria with effect from FY 25 • Evaluation of identified critical suppliers in the following manner: – 10% by FY 25 – 35% by FY 26 – 70% by FY 27 – >90% by FY 28 Governance goals and targets: • To obtain ISO 27001 certification by FY 26								

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
6 Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met.	Progress towards environment goals and targets: • 1% reduction in GHG emission intensity per turnover (Scope 1 and Scope 2 per turnover) from previous year. • 21% of total energy demand of the Company met through renewable sources in FY 25 • Site-wise action plan prepared to achieve water neutrality across operations by FY 30. Projects planned for enhancing water harvesting and replenishment potential in watersheds of Mandva and Daman sites. Social goals and targets: • Obtained ISO 45001 certification for 83% sites • Overall gender diversity stands at 3% in FY 25 • Screened 100% of new suppliers on ESG criteria with effect from FY 25 • Evaluated 16% of critical suppliers (by value) in FY 25 Governance goals and targets: • Gap assessment against ISO 27001 has been completed. Certification underway.								
Governance, leadership and oversight									
7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Alkem, we see sustainability as a shared responsibility and a continuous journey. Our focus is on building long-term value by addressing environmental and social priorities through clear goals and grounded action. Our approach is guided by measurable goals and a strong sense of accountability—towards the environment, our people and the communities we serve. A key goal is to reduce our Scope 1 and Scope 2 greenhouse gas emissions by 42% by FY 33, using FY 23 as the baseline. To support this, we are focusing on improving our energy performance with an annual 1% reduction in energy use based on projected requirements, alongside greater use of renewable energy sources. As of this year, we have reduced our Scope 1 and Scope 2 greenhouse gas emissions intensity (per turnover) by 1%, moving steadily toward our FY 33 target. Our green energy transition efforts have led to 21% of energy requirements being met by renewable sources. We are also in the process of obtaining ISO certifications that support our environmental and occupational health goals. We have surpassed our aim is to achieve ISO 45001 certification for more than 75% of sites by FY 26. At present, 83% of our manufacturing sites have ISO 45001 and ISO 14001 certification. 33% of our manufacturing sites are ISO 50001 certified. Water stewardship remains a priority. We are targeting water neutrality across operations by FY 30, which will require greater control, re-use and responsible sourcing of water at all our facilities. On the social front, we are working to increase gender diversity to 5% by FY 27 and ensure QR codes are placed on primary packaging of 75% of domestic products (by sales value) by FY 26 to support better traceability. Supplier engagement is also being strengthened, with 100% screening of new suppliers on ESG parameters under supplier onboarding program and progressively evaluate our identified critical suppliers. Gender diversity has reached 3% in FY 25, with focused hiring practices and sensitization efforts underway.								

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
	We are also exploring ways in which our ESG efforts can support our CSR programs more meaningfully. Cross-functional projects like community watershed management are underway to identify areas where the two can support each other through shared action. To bring all these efforts under a clearer governance framework, we are reviewing and updating our policies on environment, health and safety, supply chain and social performance. The aim is to support long-term consistency in our approach while allowing space for course correction where required. We remain focused on meeting our goals with clarity and purpose. By strengthening our systems, investing in better practices and encouraging collaboration across teams, we aim to deliver outcomes that matter both today and for the years ahead. I look forward to working closely with our teams and partners to turn these goals into results. - Ms. Madhurima Singh (Executive Director & Chair – CSR & Sustainability Committee)								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Sandeep Singh Designation: Managing Director DIN Number: 01277984								
9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has board-level CSR and Sustainability Committee with direct oversight on sustainability issues.								

10 Details of Review of NGRBCs by the Company

Subject for Review	a. Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 Performance against above policies and follow up action	Department heads/ Board Committees/ Board Members review company's Policies, wherever applicable.								
2 Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Board of Directors review the status of compliances with all applicable statutory requirements.								

Subject for Review	b. Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 Performance against above policies and follow up action	Quarterly basis/ On need basis								
2 Compliance with statutory requirements of relevance to the principles and the rectification of any non-compliances	Quarterly basis/ On need basis								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle-wise performance disclosure

Principle 1: Business should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the principles during the FY 2025**

Segment	Total number of training & awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Risk awareness and mitigation, Cybersecurity and IT initiatives	100%
Key Managerial Personnel			100%
Employees other than BoD and KMPs	6,552	Environment, health & safety, Anti-corruption and anti-bribery practices, Cybersecurity, Human Rights, Ethical marketing practices	100%
Workers	6,552	Environment, health & safety, Anti-corruption and anti-bribery practices, Human Rights	100%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2025**

During the financial year, no penalty / fine, settlement, compounding fee, imprisonment, or any kind of punishment has been imposed on the Company or its KMPs.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/Fine	No Penalty/Settlement and compounding fee imposed on company/directors/KMPs.				
Settlement					
Compounding fee					

Non – Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? /(Yes/ No)
Imprisonment	No imprisonment/punishment imposed on company/directors/KMPs.				
Punishment					

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or nonmonetary action has been appealed**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. **Does the entity have an anti-corruption policy or antibribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has an Anti-Bribery and Anti-Corruption (ABAC) policy, aimed to prevent involvement in bribery, corruption and other improper activities, ensuring adherence to laws and ethical conduct. The policy covers specific guidelines on, including, but not limited to, gifts and hospitality, facilitation payments and kickbacks, and grants and donations. It also describes the process for raising a concern/grievance.

The policy is available at https://admin.alkemlabs.com/uploads/Anti_Bribery_and_Anti_Corruption_ABAC_Policy_c0cb337502.pdf

5. **Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption**

   No complaints were received in relation to Conflict of Interest of the Directors or KMPs during FY 2024-25 and FY 2023-24.

6. **Details of complaints with regard to conflict of interest**

   No complaints were received in relation to Conflict of Interest of the Directors or KMPs during FY 2024-25 and FY 2023-24.

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025	FY 2024
Number of days of accounts payables	192	151

9. **Open-ness of business**

   Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025	FY 2024
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	9.00	7.00
	b. Number of trading houses where purchases are made from	215	342
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	57.49	47.10
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	98.09	99.98
	b. Number of dealers / distributors to whom sales are made	8,799	8,972
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	3.75	3.70
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases) (%)	11.40	7.07
	b. Sales (Sales to related parties / Total Sales) (%)	22.66	18.91
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances) (%)	83.71	0.00
	d. Investments (Investments in related parties / Total Investments made) (%)	31.14	90.15

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes*
3	Enhancing stakeholder engagement and communication platforms, efficient logistics and supply chain management, product quality	6

*Representative of % spent value of suppliers participating in the awareness programmes

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   Alkem has implemented a "Code of Business Conduct and Ethics" specifically for its Directors and Senior Management. This code is designed to ensure that the highest level of care is exercised during transactions that may present a conflict of interest with the Company's interests. The code addresses various aspects of potential conflicts of interest, including outside employment, directorships, gifts or payments and corporate opportunities. This Code is publicly accessible on the company's website https://admin.alkemlabs.com/uploads/824596594993521810_CODE_OF_BUSINESS_CONDUCT_AND_ETHICS_FOR_SENIOR_MANAGEMENT_eca6236412.pdf, reflecting Alkem's commitment to transparency and ethical governance.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Segment	FY 2025	FY 2024	Details of improvements in environmental and social impacts
R&D	12.27%	₹47 Million	Green chemistry, yield improvement, product efficacy enhancement for quality healthcare.
Capex	1.47%	₹28.8 Million	Energy efficiency and water conservation and monitoring infrastructure.

2. *a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)*

   Yes, the Company has a Sustainable Supply Chain program where critical suppliers are assessed on sustainability criteria including environment and social management systems and governance policies. Being a pharmaceutical Company, product quality is of utmost priority. Extensive supplier site surveys are conducted to ensure adherence to raw material quality standards and compliances.

   b. If yes, what percentage of inputs were sourced sustainably?

   We have sourced 16% of our inputs sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

   The Company has a process to safely reclaim its products and plastic packaging at the end of life. The post-consumer plastic packaging is collected in alignment with the Extended Producer Responsibility (EPR) obligations under Plastic Waste Management Rules, 2016 and subsequent amendments. 100% of this reclaimed packaging is recycled through authorized recyclers. The expired products are collected from the market and are safely disposed through government authorized waste-management agencies.

   By the nature of industry and products, no other wastes are generated at the end of life of Company's products, including e-waste and other wastes.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, the Company is subject to Extended Producer Responsibility (EPR) and has registered with the Central Pollution Control Board (CPCB) as a Brand Owner to manage the collection and recycling of plastic waste generated from product packaging. The waste management and collection strategy comply with the EPR plan submitted to the Pollution Control Boards.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

   The Company has not conducted LCA of its products.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Being a pharmaceutical company, we have stringent regulations on the quality and specifications of raw and input materials. No recycled or reused input material was used in the production process.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

	FY 2025			FY 2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	3,961	0	0	2,955	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	97	0	0	0	0
Other Waste	0	0	0	0	0	0

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Packaging material (plastic)	100

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. *Details of measures for the well-being of employees:*

Category	% Of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	16,380	16,380	100	16,380	100	0	0	16,380	100	185	13
Female	481	481	100	481	100	481	100	0	0	185	38
Total	16,861	16,861	100	16,861	100	481	3	16,380	97	2,313	14
Other than Permanent Employees											
Male	222	222	100	222	100	0	0	222	100	4	2
Female	25	25	100	25	100	25	100	0	0	0	0
Total	**247**	**247**	**100**	**247**	**100**	**25**	**10**	**222**	**90**	**4**	**2**

b. *Details of measures for the well-being of workers:*

Category	% Of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1,900	1,900	100	1,900	100	0	0	1,900	100	1,699	89
Female	24	24	100	24	100	24	100	0	0	24	100
Total	1,924	1,924	100	1,924	1,924	24	1	1,900	100	1,723	189
Other than Permanent Workers											
Male	3,610	3,610	100	3,610	100	0	0	3,610	100	804	22
Female	191	191	100	191	100	191	100	0	0	11	6
Total	**3,801**	**3,801**	**100**	**3,801**	**100**	**191**	**5**	**3,610**	**95**	**815**	**21**

c. *Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format :*

	FY 2025*	FY 2024
Cost incurred on wellbeing measures as a % of total revenue of the company	0.37	0.30

*Data representative of expenses incurred on health and accident insurance and maternity/paternity benefits – including medical claims, excluding salary payout during parental leave.

2. **Details of retirement benefits for Current and Previous Financial Years**

S.no.	Benefits	FY 2025			FY 2024		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100	100	Yes	100%	100%	Yes
2	Gratuity	100	100	Yes	100%	100%	Yes
3	ESI	1	6	Yes	3%	12%	Yes
4	NPS	2	0	Yes	1%	0%	Yes

3. **Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Alkem Laboratories ensures its offices are accessible to differently abled individuals, complying with the Rights of Persons with Disabilities Act, 2016. The company is dedicated to inclusivity and has implemented measures such as ramps at entry and exit points, wheelchair-friendly parking areas, spacious lifts and specialized restrooms to accommodate these needs. While manufacturing facilities offer partial accessibility, office and administration areas within factory premises are equipped to support differently abled employees and visitors.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Alkem Laboratories has established a 'Code of Ethics' applicable to all employees, promoting diversity and equal opportunities in alignment with the Rights of Persons with Disabilities Act, 2016. This code is accessible to employees via the company's intranet, ensuring awareness and adherence to ethical and inclusive practices within the organization. The code of ethics is accessible at https://www.alkemlabs.com/pdf/Alkem_Labs_Code_of_Ethics.pdf.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave**

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	100	100	100	100
Female	77	77	100	100
Total	97	97	100	100

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

		Yes/No	(If yes, then give details of the mechanism in brief)
1	Permanent workers	Yes	Alkem is committed to providing a safe, healthy and inclusive work environment for all its employees, workers, contractual work-force and third-party employees present on Alkem premises. To ensure effective grievance redressal and uphold employee trust and well-being, the Company has instituted a robust 3-tier grievance management framework: • Open Door Policy: Alkem fosters a culture of open dialogue by encouraging employees to freely approach their immediate supervisors, line managers, or designated HR managers to raise concerns, seek clarifications, or resolve issues. This proactive communication approach promotes early resolution and strengthens workplace transparency. • Internal Complaints Committee (ICC): In compliance with the Prevention of Sexual Harassment (POSH) Act, Alkem has constituted ICCs at all locations to address grievances related to sexual harassment. The details of ICC members are prominently displayed on the Company's internal portal, accessible to all employees. New joiners are informed about the ICC framework during HR induction programs and periodic online refresher trainings are conducted to reinforce awareness among existing employees.
	Other than permanent workers	Yes	
2	Permanent Employees	Yes	
	Other than permanent employees	Yes	

	Yes/No	(If yes, then give details of the mechanism in brief)
		• Whistle-blower Mechanism: Alkem has established a comprehensive Whistle-blower Policy that enables employees to confidentially report actual or suspected incidents of unethical behavior, violation of Company policies, or any illegal activities. Complaints can be raised by sending an email to whistleblower@alkem.co.in. The policy ensures protection of whistle-blowers against any form of retaliation and promotes an ethical and transparent workplace culture. In addition to the above, following practices are also implemented at manufacturing sites: • Suggestion boxes are installed outside all departments and shop-floors at all manufacturing sites for employees and workers to register grievances and area of improvements. • Each site also has an environment, health and safety committee with representation from each department and workers' representatives to highlight concerns. • Daily shop-floor trainings are accompanied with a dialogue session where workers can communicate their grievances. Through this structured and multi-channel grievance redressal mechanism, Alkem remains committed to safeguarding the rights, dignity and well-being of its workforce.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity

Category	FY 2025			FY 2024		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	16,861	0	0	15,611	0	0
Male	16,380	0	0	15,190	0	0
Female	481	0	0	421	0	0
Total Permanent Workers	1,924	0	0	1,821	0	0
Male	1,900	0	0	1,796	0	0
Female	24	0	0	25	0	0

8. Details of training given to employees and workers

	FY 2025					FY 2024				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation1	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	16,602	16,602	100	16,380	98	15,396	15,396	100%	12,870	83%
Female	506	506	100	481	95	447	447	100%	375	84%
Total	17,108	17,108	100	16,861	98	15,843	15,843	100%	13,155	83%
Workers										
Male	5,510	5,510	100	5,510	100	5,067	5,067	100%	5,067	100%
Female	215	215	100	215	100	147	147	100%	147	100%
Total	**5,725**	**5,725**	**100**	**5,725**	**100**	**5,214**	**5214**	**100%**	**5,214**	**100%**

9. Details of performance and career development reviews of employees and workers:

	FY 2025*			FY 2024		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	16,380	13,569	83	15,396	15,396	100
Female	481	404	84	447	447	100
Total	16,861	13,973	83	15,843	15,843	100
Workers						
Male	1,900	1,824	96	5,067	5,067	100
Female	24	24	100	147	147	100
Total	**1,924**	**1,852**	**96**	**5,214**	**5,214**	**100**

*Data representative of permanent employees and workers.

10. Health and Safety Management System

a. ***Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage such system?***

Alkem Laboratories places a strong emphasis on safety as a core value and is committed to maintaining high health and safety standards across all its facilities, including manufacturing, R&D and office sites. The company's Environmental, Health and Safety (EHS) Policy outlines the dedication to managing key health and safety aspects proactively, ensuring the well-being of employees and other stakeholders.

Alkem's internal occupational health and safety management systems, governed by robust standard operating procedures, encompass all its manufacturing sites, offices, depots and warehouses, covering permanent and non-permanent employees and workers, contractual workers, third-party and off-role employees present on Alkem premises. 83% of its manufacturing sites are ISO 45001 certified, only exception being two non-operational units.

b. ***What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?***

Alkem Laboratories upholds the principle that 'Every Incident is Avoidable'. Proactive measures have been implemented to identify and manage work-related hazards. The company conducts systematic risks and opportunities assessments including aspect risk identification and Hazard Identification and Risk Assessment (HIRA), inspections and audits as part of its comprehensive risk mitigation program. The routine assessments include daily leadership rounds across the site, periodic internal audits and assessment programs, through participatory approach. The non-routine assessment comprises incident investigation and management, safety assessment for equipment change/upgrades and pre-emptive assessments following incidents at peer companies.

Alkem ensures compliance with EHS-related statutory requirements and continually monitors upcoming compliance obligations to maintain high safety standards.

c. ***Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)***

Alkem has an extensive EHS risk mitigation framework, which emphasizes on participatory approach for hazard and risk identification. The Company has established efficient channels for its employees and workers to report any work - related hazard. These channels include installing suggestion boxes outside every department, daily shop-floor dialogue session, monthly meetings of EHS committee with workers' representation with hazard identification and mitigation strategy as a key agenda and direct reporting to immediate function head or site EHS team.

The Company provides numerous trainings to its workers.Training modules focusing on occupational health and safety, tailored to specific job roles are created. Employees and workers are trained in emergency preparedness, including the use of fire hydrants, firefighting systems, leak and spill control procedures and safety alarms. Alkem periodically tests employees' proficiency in emergency response, utilizing practical training and online safety modules. These resources equip employees with the knowledge to report work-related hazards and take protective measures. Under Alkem's 'STOP' initiative, each worker, employee and third-party individual present on site, is empowered to stop the work immediately in case of an endangering situation, till the situation is remedied.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Alkem Laboratories provides non-occupational medical and healthcare services to its employees and workers. Each manufacturing site is equipped with Occupational Health and Safety centers staffed by medical practitioners to offer guidance on health-related issues. The company also has a medical insurance scheme and periodic health checkups for its employees to help cover the costs of medical treatments.

Under its Alkemites Assitance program, the Company has partnered with a third-party service provider to offer free of cost 24x7 online counselling for mental health, consultation for diet and nutrition and legal matters to its employees and their immediate family members. These sessions are offered in regional languages as well for the comfort of the employees.

11. Details of Safety related incidents

Sr. no.		Category	FY 2025*	FY 2024*
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
		Workers	0.09	0.10
2	Total recordable work-related injuries	Employees	0	0
		Workers	1	1
3	No. of fatalities	Employees	0	0
		Workers	0	0
4	High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
		Workers	0	0

*Data representative of both permanent and non-permanent (contractual) employees and workers.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

Alkem Laboratories prioritizes workplace safety and health by implementing comprehensive measures. This includes conducting regular safety training sessions for employees and workers to improve EHS performance. The company encourages proactive communication and employee participation in identifying safety concerns and maintaining workplace safety standards.

To manage chemical exposure, Alkem utilizes engineering controls, closed operations and administrative measures, complemented by necessary protective equipment. Regular emergency mock drills are conducted to prepare workers and employees for risks associated with handling chemicals and managing day-to-day operations.

Alkem also recognizes the importance of ergonomics in occupational health. The offices and infrastructure are designed ergonomically to ensure postural health of its employees. Regular yoga sessions, sports activities and mindfulness sessions are conducted to reduce fatigue and ensure a stress-free workplace.

13. Number of Complaints on the following made by employees and workers:

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No major non-conformances were observed during the inspections. Appropriate mitigation strategies have been adopted at individual site-level to overcome the minor concerns identified.

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

   (A) Employees (Y/N) Yes

   (B) Workers (Y/N)? Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Alkem Laboratories is committed to maintaining compliance with statutory requirements by ensuring that all applicable dues related to transactions with its value chain partners are deducted and deposited according to mutually agreed terms. This process is regularly reviewed through internal and statutory audits to ensure accuracy and compliance. The company encourages its value chain partners to uphold integrity and ethical standards in all business dealings and to adhere to necessary compliance obligations.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025	FY 2024	FY 2025	FY 2024
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes. The Company has aided with continued employability resulting from termination of employment.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	16
Working Conditions	-

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No significant risk/concern observed during assessment of health & safety practices of value chain partners.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Alkem Laboratories acknowledges the importance of stakeholder relationships and actively engages with them to ensure mutual understanding and benefit. The company uses a comprehensive approach to identify key stakeholder groups that significantly impact or are impacted by its business. By categorizing these groups as 'key stakeholders,' Alkem maintains regular communication to identify important topics and develop strategies that address stakeholder expectations, aiming to create balanced value for all parties involved.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and Scope of Engagement including Key Topics and Concerns Raised
Shareholders	No	Email, Company Website, Reports to Stock Exchange, Annual Reports, Quarterly Results, Investor Meets, Annual General Meeting (AGM), Press Release, Public Notice in Newspapers	Need Based & Quarterly	Discussions focus on company performance, long-term value and financial results. Regular updates support decision-making and help address questions related to profitability, risk exposure, strategic direction and disclosures related to ESG topics.
Regulatory Bodies & Government Agencies	No	Media Releases, Emails, In-person Meetings, Conferences, Memberships and Associations	Need Based	Engagements cover updates on regulatory requirements, sector-specific expectations and timelines for compliance. These meetings help build clarity around evolving standards, public health priorities and legal obligations relevant to the pharmaceutical sector.
Financial Institutions, Bankers & Lenders	No	Emails, Annual Reports, Investor Meets, Financial Discussion Meetings	Need Based	Discussions focus on the company's financial health, business strategy and risk profile. Banks and lenders seek clarity on return expectations, debt servicing ability and market outlook to assess business strength and future support.
Employees	No	Emails, Newsletters, One-to-One Discussions, Intranet	Continuous	Engagement topics include workplace fairness, skill development, equal opportunity, growth prospects, mental and physical wellbeing and safe working conditions. Feedback is encouraged to support team morale and create a supportive environment.
Customers	No	Emails, Video Conferencing, Customer Meets, Website, Brochures	Continuous	Customers seek timely delivery, reliable quality and pricing clarity. Interactions help clarify product features, availability and service expectations, strengthening trust and improving responsiveness to market demands.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and Scope of Engagement including Key Topics and Concerns Raised
Suppliers & Contractors	No	Emails, Supplier Meets, Supplier Assessments, Contract Discussion Meetings, Performance Reviews	Continuous	Meetings are focused on quality assurance, timelines, cost effectiveness and contract obligations. Suppliers are also engaged in training requirements and risk controls to ensure steady supply and better preparedness.
Local Communities	Yes	Community Meetings, In-person Engagement, Site Visits, CSR Project-Specific Meetings	Carried continually throughout the year	Engagements focus on health care, education access, clean surroundings and basic infrastructure. Community members raise needs related to ongoing support, project effectiveness and participation in social development programs designed to address local challenges.

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Alkem Laboratories has delegated stakeholder consultations on economic, environmental and social matters to specific business and function heads. These leaders are responsible for gathering feedback and addressing concerns from stakeholders. The Board in apprised of key matters in the quarterly Board me etings.The company is committed to maintaining engagement with key stakeholders to set expectations, establish trust and foster open communication.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, Alkem Laboratories integrates stakeholder consultation into its materiality assessment to identify and prioritize key environmental, social and governance topics. This process helps the company develop effective management strategies for these critical areas. Based on the findings, Alkem has established its Sustainability Policy, which outlines specific commitments and actions for responsible management of these topics, ensuring alignment with stakeholder expectations.

3. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Alkem Laboratories' CSR program is designed to address both immediate and long-term community needs, focusing on making a significant impact on vulnerable and marginalized groups. Throughout the financial year, the company has actively engaged with local communities near its manufacturing facilities and R&D centers, implementing targeted projects in areas such as education, health and hygiene, environmental care and community development. For more information, refer to the company's Annual CSR report included in the Annual Report.

Principle 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

Category	FY 2025			FY 2024		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	16,861	16,861	100	15,396	15,396	100%
Other than permanent	247	247	100	447	447	100%
Total employees	17,108	17,108	100	15,843	15,843	100%
Workers						
Permanent	1,924	1,924	100	5,067	5,067	100%
Other than permanent	3,801	3,801	100	147	147	100%
Total workers	5,725	5,725	100	5,214	5,214	100%

2. Details of minimum wages paid to employees and workers

	FY 2025					FY 2024				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Permanent										
Male	16,380	505	3	15,875	97	15,190	832	5%	14,358	95%
Female	481	20	4	461	96	421	30	7%	391	93%
Other than permanent										
Male	222	222	100	0	0	206	206	100%	0	0%
Female	25	25	100	0	0	26	26	100%	0	0%
Permanent										
Male	1,900	0	0	1,900	100	1,796	0	0%	1,796	100%
Female	24	0	0	24	100	25	0	0%	25	100%
Other than permanent										
Male	3,610	3,610	100	0	0	3,271	3,271	100%	0	0%
Female	191	191	100	0	0	122	122	100%	0	0%

3. Details of remuneration/salary/wages

a. *Median remuneration/wages:*

	Male		Female	
	Number	Median remuneration	Number	Median remuneration
Board of Directors (BoD)	3	3,89,83,338	1	3,91,80,156
Key Managerial Personnel	3	2,06,25,000	0	0
Employees other than BoD and KMP	16,371	2,73,360	480	4,04,610
Workers	1,900	2,15,538	24	1,58,928

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025	FY 2024
Gross wages paid to females as % of total wages	4.29	4.00

4. **Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Alkem Laboratories is dedicated to protecting and promoting human rights in line with international standards such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. The company also adheres to relevant local and global regulations, including the Constitution of India. An Ethics Committee is appointed to oversee and address any human rights-related issues within the company, ensuring compliance and fostering a respectful work environment.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Alkem Laboratories is in the process of strengthening its approach to human rights by developing a formal policy and internal mechanisms for addressing related grievances. This will support consistent handling of concerns and help improve risk identification and response. Work is underway to define clear procedures that ensure transparency, fairness and timely resolution of issues raised by employees or external stakeholders.

   At present, the grievances related to human rights can be registered through Company-wide whistleblower channel. The resolution and investigation are jointly monitored by Ethics Committee and Internal Audit Team.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

	FY 2025	FY 2024
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0	0.2%
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

   Alkem Laboratories is committed to maintaining high ethical, moral and legal standards in its business operations. The company has implemented a Whistle Blower Policy based on the principle of anonymity to protect individuals who report concerns, ensuring they are safeguarded against any form of retaliation at work.

   Alkem also prioritizes a healthy working environment free from prejudice, gender bias and sexual harassment. To support this, the company has adopted a Policy on Prevention of Sexual Harassment in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been established at the head office to address and resolve complaints of sexual harassment through thorough investigation and fair judgement. Additionally, committees have been set up at every business location to ensure comprehensive coverage and support.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, Alkem Laboratories includes human rights requirements in its business agreements through a "Code of Ethics for Suppliers, Vendors and Other Stakeholders." This code reflects the company's commitment to human rights and applies to all parties involved in its value chain, including suppliers, contractors, vendors, business partners and other stakeholders, ensuring ethical and responsible practices across its operations.

10. **Assessments for the year**

Section	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/ Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above**

    No significant concerns have been observed during the assessments.

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   There were no human rights-related grievances or complaints reported during the year. As a result, no changes were required in existing business processes. The current systems in place continue to support fair and respectful workplace practices.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   Human rights due diligence is planned in FY 25-26.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Alkem Laboratories ensures that its offices are compliant with the Rights of Persons with Disabilities Act, 2016, making them accessible to differently abled individuals. The company has implemented measures like ramps at entry and exit gates, wheelchair-friendly parking areas, spacious lifts and specially designed restrooms to promote inclusivity. While manufacturing facilities offer partial accessibility, they are equipped to support differently abled employees and visitors in specific areas within the premises.

4. **Details on assessment of value chain partners:**

<table>
<tr><th></th><th>% of value chain partners (by value of business done with such partners) that were assessed</th></tr>
<tr><td>Sexual Harassment</td><td rowspan="5">The assessment of value chain partners on aspects such as sexual harassment, workplace discrimination, child labour, forced or involuntary labour and wages is part of our ongoing review process. Activities to initiate these evaluations are currently being planned and will be phased in over time.</td></tr>
<tr><td>Discrimination at workplace</td></tr>
<tr><td>Child Labour</td></tr>
<tr><td>Forced Labour/Involuntary Labour</td></tr>
<tr><td>Wages</td></tr>
</table>

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in GJ) and energy intensity

	FY 2025	FY 2024
From renewable sources		
Total electricity consumption (A) (GJ)	4,434	4791
Total fuel consumption (B) (GJ)	2,03,911	1,11,860
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumed from renewable sources (A+B+C) (GJ)	2,08,345	1,16,651
From non-renewable sources		
Total electricity consumption (D)	3,72,529	3,45,509
Total fuel consumption (E)	3,90,489	2,06,328
Energy consumption through other sources (F)	0	1,41,657
Total energy consumed from non-renewable sources (D+E+F)	7,63,017	6,93,494
Total energy consumed (A+B+C+D+E+F)	9,71,362	8,10,145
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) (GJ/million INR)	9.21	8.31
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/million USD)	189.65	186.18
Energy intensity in terms of physical output (GJ/MT of product generated)	16.10	17.08
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Energy Consumption/ Revenue) x 20.6. The conversion factor (20.6) is sourced from International Monetary Fund (IMF).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No, pharmaceutical sector is not covered under PAT scheme.

3. Provide details of the following disclosures related to water

	FY 2025	FY 2024
Water withdrawal by source (in kiloliters)		
(i) Surface water	1,96,934	1,70,032
(ii) Groundwater	3,63,602	3,96,672
(iii) Third party water	1,22,785	1,16,664
(iv) Seawater / desalinated water	0	0
(v) Others*	1,440	317
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**6,84,761**	**6,83,686**
Total volume of water consumption (in kiloliters)	**6,56,441**	**6,36,784**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (kl/million INR)	6.22	6.53
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/ Revenue from operations adjusted for PPP) (kl/million USD)	128.16	146.34
Water intensity in terms of physical output (kl/MT of product generated)	10.88	13.42
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Representative of water withdrawn from harvested rainwater.

**Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Water Consumption/ Revenue) x 20.6. The conversion factor (20.6) is sourced from International Monetary Fund (IMF).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

4. **Provide the following details related to water discharged**

Parameter	FY 2025	FY 2024
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	-
- With treatment – please specify level of treatment	0	-
(ii) To Groundwater		
- No treatment	0	-
- With treatment – please specify level of treatment	0	-
(iii) To Seawater		
- No treatment	0	-
- With treatment – please specify level of treatment	0	-
(iv) Sent to third-parties		
- No treatment	0	21,860
- With treatment – please specify level of treatment	28,320	25,042
(v) Others		
- No treatment		-
- With treatment – please specify level of treatment		-
Total water discharged (in kilolitres)	**28,320**	**46,902**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Alkem has established Zero Liquid Discharge (ZLD) systems at several key manufacturing sites. Currently, 42% of its manufacturing units, including locations at Daman (Unit 1), Ankleshwar, Mandva and Sikkim (Units 1 and 2), have ZLD systems in place. Additionally, 92% of Alkem's manufacturing sites have not discharged wastewater to any stream/ groundwater, All manufacturing sites are equipped with Effluent Treatment Plants (ETP) for wastewater treatment. During the reporting period, around 87% of the wastewater treated at Alkem's facilities was reused for utilities and landscaping purposes. The company adheres to standard water recycling protocols and aims to reduce its freshwater usage. As evidence of these efforts, Alkem achieved an 5% reduction in total freshwater consumption intensity (kl per million INR revenue) in FY'25 compared to the previous year.

6. **Provide details of air emissions (other than GHG emissions) by the entity**

Parameter	Please specify unit	FY 2025	FY 2024
NOx	MT	40	40
SOx	MT	35	57
Particulate matter (PM)	MT	89	82
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

Parameter	Unit	FY 2025	FY 2024
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tonnes of CO_2 equivalent (tCO_2e)	33,018	19,249
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tonnes of CO_2 equivalent (tCO_2e)	76,079	82,319
Total Scope 1 and Scope 2 Emissions	**(tCO_2e)**	**1,09,097**	**1,01,568**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	tCO_2e / million INR	1.03	1.04
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2e / million USD	21.29	23.34
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/MT of product generated	1.81	2.14
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Emissions/ Revenue) x 20.6. The conversion factor (20.6) is sourced from International Monetary Fund (IMF).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company has taken a voluntary target to reduce its Scope 1 and Scope 2 emissions by 42% by FY 33 from base year of FY 23. The Company has following projects to support the same:

- Energy audits at sites to identify energy saving levers
- IoT energy meters for real-time data monitoring
- Green energy transition:
  - Use of bio-briquettes in boilers replacing convention fossil-fuels
  - Solar power through captive and open access channels

9. **Provide details related to waste management by the entity**

Parameter	FY 2025	FY 2024
	Total Waste generated (in MT)	
Plastic waste (A)	1,528	1,335
E-waste (B)	2	3
Bio-medical waste (C)	17	15
Construction and demolition waste (D)	0	0
Battery waste (E)	6	5
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	922	733
Other Non-hazardous waste generated (H). Please specify, if any.	3,103	2,892
Total (A+B + C + D + E + F + G + H)	5,578	4,983
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT/million INR)	0.05	0.05
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP) (MT/ million USD)	1.09	1.15
Waste intensity in terms of physical output (MT / MT of product generated)	0.09	0.11
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2025	FY 2024
	Total Waste Recovered (in MT)	
(i) Recycled	4,564	4,189
(ii) Re-used	128	0
(iii) Other recovery operations (Co-processing)	614	523
Total	**5,289**	**4,712**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2025	FY 2024
	Total Waste Disposed (in MT)	
(i) Incineration	248	3,66
(ii) Landfilling	131	77
(iii) Other disposal operations	8	8
Total	**386**	**451**

*Formula for calculating Intensity per rupee of turnover adjusted for PPP = (Emissions/ Revenue) x 20.6. The conversion factor (20.6) is sourced from International Monetary Fund (IMF).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The company has implemented waste management strategies to minimize waste generation and recycle the remainder. As part of its sustainability goals, the Company recycles over 100% of its non-hazardous waste. The company ensures that all non-hazardous waste, such as glass, paper, metal and food waste, is either recycled or reused. Additionally, Alkem collaborates with a government-authorized agency to collect, recycle, co-process or dispose hazardous waste, based on waste category.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details**

None of the company's operations/ offices are situated in ecologically sensitive areas.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not Applicable			

LEADERSHIP INDICATORS

1. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area*: Daman, Jaipur, Patna and Ahmedabad

(ii) Nature of operations: Manufacturing site, depot and warehouses

(iii) Water withdrawal, consumption and discharge:

Parameter	FY 2025	FY 2024
Water withdrawal by source (in kiloliters)		
(i) To Surface water	-	-
(ii) Groundwater	2,07,840	2,14,646
(iii) Third party water	23,500	34,392
(iv) Seawater / desalinated water	-	-

Parameter	FY 2025	FY 2024
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	2,31,340	2,49,038
Total volume of water consumption (in kiloliters)	2,31,340	2,43,722
Water intensity per rupee of turnover (Water consumed / turnover) (kl/million INR)	2.19	2.5
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		-
(i) Into Surface water		-
- No treatment	0	-
- With treatment – please specify level of treatment	0	-
(ii) Into Groundwater		
- No treatment	0	-
- With treatment – please specify level of treatment	0	-
(iii) Into Seawater		
- No treatment	0	-
- With treatment – please specify level of treatment	0	-
(iv) Sent to third parties		
- No treatment	0	5,173
- With treatment – please specify level of treatment	0	142
(v) Others		
- No treatment	0	-
- With treatment – (Primary – Transfer to CETPs after primary treatment	0	-
Total water discharged (in kiloliters)	**0**	**5,316**

*As per CGWB Report on 'Dynamic Ground Water Resources of India, 2024'

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. Independent reasonable assurance has been conducted by DNV Business Assurance India Pvt. Ltd.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2025	FY 2024
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tonnes of CO_2 equivalent	We are in the process of compiling and verifying scope 3 data for FY 25 and it will be presented as part of the upcoming Sustainability Report.	3,65,176
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Green energy transition	Alkem is proactively transitioning to green energy through use of bio-briquettes in its boilers and solar power through captive and open access arrangements	21% use of energy through renewable sources resulting in reduced emission of greenhouse gases.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The company has established an entity-level Business Continuity Plan (BCP) to mitigate the effects of both planned and unforeseen disruptions. The BCP addresses various operational risks, including extreme weather events, leadership gaps, supply chain disruptions and system failures. It outlines strategies for timely recovery from these risks, aiming to minimize significant financial losses. The BCP is part of the risk committee's terms of reference.

To enhance disaster resilience, Alkem has ensured all its manufacturing facilities have a disaster management plan and are equipped to handle emergencies, facilitating swift recovery from potential disasters.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

The company has not observed any major environmental impact linked to its value chain during the reporting period. It continues to monitor operations and supply chain activities through regular assessments and engagements with partners to identify and address potential risks. Preventive actions and controls are built into sourcing and operational practices to support environmental responsibility.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

16% of purchase value.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. ***Number of affiliations with trade and industry chambers / associations:***

The Company is an active member of six (6) trade and industry chambers/associations.

b. ***List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.***

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Indian Drugs Manufacturer's Association (IDMA)	National
2.	Indian Pharmaceutical Alliance (IPA)	National
3.	Bombay Chamber of Commerce & Industry	National
4.	Pharmaceutical Export Promotion Council of India	National
5.	Federation of Pharma Entrepreneurs (FOPE)	National
6	Pharmaceutical Supply Chain Initiative (PSCI)	International

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

During the Financial Year 2024-25, the Company has not received any cases related to anti-competitive practices.

Name of Authority	Brief of the case	Corrective action taken
Not Applicable		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

   No public policy positions are advocated by the entity in reporting year.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	NONE				

Principle 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in FY 24**

   During the financial year 2024-25, no social impact assessment was performed for the projects undertaken by the Company.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity**

   There is no R&R being undertaken by the Company.

S.No	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY 24 (in ₹)
	Not Applicable					

3. **Describe the mechanisms to receive and redress grievances of the community**

   The company carries out its CSR projects in collaboration with credible partner organizations. We follow a participatory approach, where local communities and other key stakeholders are actively involved in planning and running the projects. This helps build a sense of ownership within the community and supports the long-term success of our initiatives.

   To make sure concerns are heard and addressed, our CSR team and partner agencies regularly connect with community members, local authorities and other stakeholders through formal/informal platforms including quarterly meetings with communities, participatory workshops etc. There is an effective system in place for people to raise concerns —either through the implementation agency or directly with the company. The contact details of CSR coordinators at each site are made available to communities and all relevant stakeholders for direct grievance redressal in their local language. There is a dedicated email displayed across all platforms of Alkem Foundation - Website, Social Media handles, all project-related PR material, where grievances/ queries may be registered. All grievances are reviewed within a set timeframe, in coordination with involved stakeholders. This approach helps ensure transparency and accountability and keeps us constantly improving how we deliver our projects.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

Parameter	FY 2025	FY 2024
Directly sourced from MSMEs/ small producers	11.85	13.30
Directly from within India (%)	87.72	90.54

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in following locations, as % of total wage cost**

Location	FY 2025	FY 2024
Rural	12.79	0
Semi-urban	12.76	11.00
Urban	14.79	33.00
Metropolitan	59.07	52.00

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.no	State	Aspirational District	Amount Spent (in ₹)
1	Bihar	Muzaffarpur	25,00,00,000
2	Bihar	Muzaffarpur	45,02,444

3. a. *Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)*

The Company has a Supplier Diversity Program committed to promoting diversity, equity and inclusion in pharmaceutical supply chain. The key objectives of the program include:

1. Increasing supplier diversity by actively doing business with historically underrepresented groups,
2. Encouraging growth and development of diverse suppliers by providing them support and resources
3. Improving quality of our products and services by leveraging the diverse perspectives and experiences of our suppliers.

b. *From which marginalized /vulnerable groups do you procure?*

Company's Supplier Diversity Program aims to consider women-owned enterprises, small and medium enterprises (SMEs), social enterprises, minority-owned enterprises and disabled-owned enterprises.

c. *What percentage of total procurement (by value) does it constitute?*

Alkem is formalizing a mechanism to monitor procurement under Supplier Diversity Program.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge :

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involvedv.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Health	2,82,105	66
2	Environment	61,000	-
3	Education	1,543	61
4	Rural development	13,672	29
5	Sports	366	-

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

   The company has established a strong system to manage and resolve customer complaints/grievances. Detailed standard operating procedures guide the process of receiving and promptly addressing customer concerns and feedback. To effectively respond to consumer issues, the company has updated its website to allow for the submission of reports regarding adverse events related to its products.

   Weblink for consumer redressal for adverse event - https://www.alkemlabs.com/adverse-event-reporting.php

   Alkem Laboratories has a structured pharmacovigilance system designed to protect patient well-being by enabling the timely identification, collection, evaluation and communication of adverse events related to its medicines.

   Individuals who wish to report a suspected adverse reaction or side effect linked to any of Alkem's products may do so through the following channels:

   - Call the Adverse Drug Reaction (ADR) Reporting Toll-Free Number: 1800-22-99-10, available Monday to Friday, between 9:30 am and 5:30 pm

   - Complete and submit the ADR reporting form online - https://www.alkemlabs.com/pdf/adverse/Alkem%20ADR%20Reporting%20Form.pdf

   Alkem's Pharmacovigilance policy can be accessed here : https://www.alkemlabs.com/pdf/adverse/Pharmacovigilance%20and%20Data%20Privacy%20Policy_EY%20comments%20Reply_RS.pdf

   These reporting channels help ensure that safety concerns of consumers are addressed and reviewed without delay, supporting the company's ongoing efforts to monitor product performance after they reach patients.

2. **Turnover of products and / services as a percentage of turnover from all products/ service that carry information about**

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	100
Recycling and/or safe disposal	0

3. **Number of consumer complaints in respect of the following:**

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive trade practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Others - Pharmacovigilance Reports	116	0	Reports on adverse drug reactions	489	12	-

4. **Details of instances of product recalls on accounts of safety issues**

	Number	Reasons for recall
Voluntary recalls	60	Out of specification and market complaints
Forced recalls	0	-

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Alkem has crafted a comprehensive Corporate Information Technology Policy, which is a multi-layered perimeter security policy and incorporates various controls, tools and services to safeguard its data from potential attacks or breaches. This approach ensures data security even if a system failure or breach occurs, as other layers will step in to counter or eliminate threats. Furthermore, Alkem follows the ISO 27001 Information Security standard to effectively manage its information security practices.

   The policy is available on Company's Intranet and is accessible to all the employees.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services**

   Not Applicable

7. **Provide the following information relating to data breaches:**

   a. ***Number of instances of data breaches***

      Nil

   b. ***Percentage of data breaches involving personally identifiable information of customers***

      Nil

   c. ***Impact, if any, of the data breaches***

      Not applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The information on products and services of the Company is available on Company's website and the same can be assessed at the following web-link www.alkemlabs.com.

   The same information is also included in Company's Annual Reports which are available for public access.

   The link to Annual Reports and Sustainability Reports can be accessed at https://www.alkemlabs.com/investors/annual-reports and https://www.alkemlabs.com/sustainability/esg respectively.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The company firmly believes in its responsibility to ensure the safety and well-being of its consumers by delivering products that support a healthy lifestyle. It complies with regulatory standards by providing consumers with comprehensive information on safe storage, usage, potential adverse effects, mitigation measures and disposal. This information is accessible through various channels, including its website, product information leaflets and labels. Alkem is dedicated to continually offering high-quality products at affordable prices to its consumers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The company is dedicated to maintaining transparency in its communications, ensuring that consumers and stakeholders are informed about any product disruptions or discontinuations. When discontinuing Scheduled Formulations, the company issues a public notice in the newspaper typically at least 6 months prior and obtains the necessary approvals from relevant government authorities. The public notice, directed to all customers and consumers, clearly outlines the details of the product to be discontinued, the timeframe after which the product may no longer be available in the market and the potential consequences of the discontinuation.

4. A. ***Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.***

      No. The company publishes all information on the products, as required under the law.

   B. ***Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)***

      No, the Company has not conducted any consumer satisfaction survey.

INDEPENDENT ASSURANCE STATEMENT

to the Management of Alkem Laboratories Limited

Alkem Laboratories Limited (Corporate Identity Number L00305MH1973PLC174201, hereafter referred to as 'Alkem' or 'the Company') has commissioned DNV Business Assurance India Private Limited ('DNV', 'us' or 'we') to undertake an independent reasonable level of assurance of the Company's disclosures in its in the company's Business Responsibility and Sustainability Report (hereafter referred as 'BRSR') for the Financial Year (FY) 2024-25. The disclosures include the BRSR Core Indicators reported per as per Annexure 17 A of Master Circular No SEBI/HO/CFD/PoD2/CIR/P/0155, dated November 11,2024.

Our Conclusion:

Based on our review and procedures followed for a reasonable level of assurance, DNV is of the opinion that, in all material aspects, the BRSR Core Key Performance Indicators (KPIs) under the 9 ESG attributes (as listed in Annexure I of this statement) for FY 2024-25 are reported in accordance with the reporting requirements outlined in Industry Standard on Reporting of BRSR Core.

Scope of Work and Boundary

The scope of our engagement includes an independent reasonable level of assurance of 'BRSR Core Attributes'for the FY 2024-25 (as listed in Annexure I of this statement).

The reporting and assurance boundary covers the performance of Alkem Laboratories Limited for a standalone basis which includes 13 plants & R&D facilities, 4 Corporate Offices & 7 Company-owned depots.

Reporting Criteria and Standards

The disclosures have been prepared by Alkem Laboratories Limited in reference to:

- Industry Standard on Reporting of BRSR Core Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated Dec 20, 2024.
- BRSR Core (Annexure 17A) and BRSR reporting guidelines (Annexure 16) as per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155, dated November 11, 2024.
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Assurance Methodology/Standard

The assurance engagement has been carried out in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustain™ Protocol, V6.0 has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements; ISO 14046 - Environmental management - Water footprint - Principles, requirements, and guidelines, to evaluate disclosures wrt. Greenhouse gases and water disclosures respectively.

Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Alkem Laboratories Limited. We carried out the following activities:

- Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The Industry Standard on Reporting of BRSR Core used a basis of reasonable level of assurance.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries
- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.

Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

DNV

- DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annexure II.
- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for reasonable level of assurance for the disclosures.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (for total revenue from operations; Principle 3, Question 1(c) of Essential Indicators for Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company; Principle 8, Question 4 of Essential Indicators, Principle 1, Question 8 of Essential Indicators and Principle 1, Question 9 of Essential Indicators) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

Responsibility of the Company

Alkem Laboratories Limited has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in the BRSR Core . The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Alkem Laboratories Limited is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance Statement

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than company for DNV's work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Alkem Laboratories Limited. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,

Panda, Tapan Kumar — Digitally signed by Panda, Tapan Kumar Date: 2025.07.09 13:12:00 +05'30'	Sharma, Anjana — Digitally signed by Sharma, Anjana Date: 2025.07.09 13:29:15 +05'30'
Tapan Kumar Panda Lead Verifier	Anjana Sharma. Assurance Reviewer
Assurance Team: Varsha Bohiya, Suraiya Rahman	

09/07/2025, Bengaluru, India.

Annexure I – BRSR Core Verified Data

Sr. No.	Attribute	BRSR Core Parameter	Unit	Verified Value for FY 2024-25
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions	MT of CO2e	33,018
		Total Scope 2 emissions	MT of CO2e	76,079
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO2e/million INR	1.03
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO2e / USD million	21.30
		Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e/MT of product generated	1.81
2	Water footprint	Total water consumption	KL	6,56,441
		Water consumption intensity	(Total water consumption in KL / Revenue in million INR)	6.22
			Total water consumption in kilolitres / Revenue from operations adjusted for PPP in million US dollars)	128.16
		Water intensity in terms of physical output	Total water consumption in kilolitres/MT of product generated	10.88
		Water Discharge by destination and levels of Treatment	KL	28,320
3	Energy footprint	Total energy consumed	Gigajoules (GJ)	9,71,362
		% of energy consumed from renewable sources	In % terms	21
		Energy intensity	Energy intensity per rupee of turnover. (GJ/Million INR)	9.21
			Energy intensity per rupee of turnover adjusted for PPP. (GJ/million USD)	189.65
			(GJ/MT of product generated)	16.10
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	1,528
		E-waste (B)	MT	2
		Bio-medical waste (C)	MT	17
		Construction and demolition waste (D)	MT	0
		Battery waste (E)	MT	6
		Radioactive waste (F)	MT	0
		Other Hazardous Waste (G)	MT	922
		Other Non-Hazardous Waste (H)	MT	3,103
		Total (A+B + C + D + E + F + G+ H)	MT	5,578
		Waste intensity per rupee of turnover from operations	MT/million INR	0.05
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT/million USD	1.09
		Waste intensity in terms of physical output	(MT/MT of product generated)	0.09
		Total waste recovered through recycling, re-using or other recovery operations		
		(i) Recycled	MT	4,546
		(ii) Re-used	MT	128
		(iii) Other recovery operations (Co-processing)	MT	614
		Total	MT	5,289
		Total waste disposed by nature of disposal method		
		(i) Incineration	MT	248
		(ii) Landfilling	MT	131
		(iii) Other disposal options	MT	8
		Total	MT	386
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company (Excluding Workers)	In % terms	0.37
		Details of safety-related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Total recordable work-related injuries	Employee:0 Worker:1
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees:0 Worker : 0.09
			No. of fatalities	Employees:0 Worker:0
			High consequence work-related injury or ill-health (excluding fatalities)	Employees;0 Workers :0
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	4.29
		Complaints on PoSH	Total Complaints on Sexual Harassment (POSH) reported	0
			Complaints on PoSH as a % of female employees / workers	0

			Complaints on PoSH upheld	0
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases and from within India	Directly sourced from MSMEs/ small producers	11.85
			Sourced directly from within India	87.72
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Location	
			Rural	12.79
			Semi-urban	12.76
			Urban	14.79
			Metropolitan	59.07
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured	192
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	9
			Number of trading houses where purchases are made from	215
			Purchases from top 10 trading houses as % of total purchases from trading houses	57.49
			Sales to dealers / distributors as % of total sales	98.09
			Number of dealers / distributors to whom sales are made	8,799
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	3.75
			Share of RPTs (as respective %age) in	
			Purchases	11.40
			Sales	22.66
			Loans & advances	83.71
			Investments	31.14

* Scope 1 GHG emissions are calculated based on IPCC sixth assessment report and GHG Protocol 2024. Scope 2 GHG emissions are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO_2 baseline database for Indian Power Sector, version 20, December 2024. Scope 2 emission data have been calculated by a location-based approach.

Annexure II – Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Alkem House, Mumbai
2.	India Offices/ Manufacturing plants (onsite)	Sikkim(I-V), Ankleshwar, Mandva, Daman-I
3.	India Offices/ Manufacturing plants /Depots(Remote)	Siliguri, New Delhi, Indore ,Baddi-I

Independent Auditor's Report

To The Members of
Alkem Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Alkem Laboratories Limited (the "Company"), which comprise the Balance Sheet as at 31 March, 2025, 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 which are incorporated the financial information for the year ended on that date of the Company's one branch located at Nepal.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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, 2025, and its profit, total 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 standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
	Overstatement of revenue cut-off (Refer Note 3.19) The Company recognises revenue from sale of products based on shipping terms which defines the timing of the transfer of control to the customer. The terms and conditions for sale vary with different customers. For revenue recognized during the period near to the reporting date, it is essential to ensure that the control of goods has been transferred to the customers. Dispatch of goods to customers happens from multiple locations including factories, warehouses, depots and third-party locations. Revenue recognition being subject to the manual exercise of tracking delivery for determining transfer of control, we consider cut-off of revenue as a key audit matter.	Principal audit procedures performed included the following: • Evaluated the Company's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS). • Performed a walkthrough of the revenue business cycle to obtain an understanding of the relevant risks and controls around the timing of revenue recognition. Tested the design, implementation and operating effectiveness of the relevant controls. • Assessed the IT environment in which the business system operates and tested the General information technology controls. • Basis the sales recorded during the year and near to the period end, reviewed the lead time analysis to arrive at the average time taken for transfer of control to the customers from the date of dispatch. • On statistically selected samples of transactions, tested the underlying documents, which included vouching of sale invoices, shipping documents and lead time/ proof of delivery to test evidence for transfer of control both during the period and at period end.

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 Management Discussion & Analysis, Directors' Report, Corporate Governance and Business Responsibility and Sustainability Report, but does not include the standalone financial statements and our auditor's report thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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/ Accounting Standards 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 standalone 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 Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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

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

The standalone financial statements of the Company for the year ended 31 March, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 29 May, 2024. These previously issued financial statements have been adjusted to comply with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" and included in this Statement as comparative financial statements. The adjustments made to the previously issued financial statements to comply with Ind AS have been reviewed and audited by us, as applicable.

Our opinion on the standalone 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 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 standalone 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 standalone 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 3.26 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, 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.

(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 final dividend proposed in the previous year, declared and paid by the Company during the year and the interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 3.33 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

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, 2025 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 & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 25046930BMODRT7323)

Place: Mumbai
Date: 29 May, 2025

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 standalone 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 standalone financial statements of Alkem Laboratories Limited (the "Company") as at 31 March, 2025 in conjunction with our audit of the standalone 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 standalone financial statements based on the internal control with reference to standalone 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 ("ICAI"). 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 standalone financial statements, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2025, based on the criteria for internal financial control with reference to standalone 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)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 25046930BMODRT7323)

Place: Mumbai
Date: 29 May, 2025

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 Laboratories 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) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non-current assets held for sale according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of the property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held
	Gross carrying value (₹ in Million)	Carrying value in the financial statements (₹ in Million)			
510 TO 513 Shah Nahar	20.91	11.69	Title deed not available		31 March, 2014 till 31 March, 2025

(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, 2025 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 ₹ 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.

(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, stood guarantee, or provided security during the year and details of which are given below:

	Loans (₹ in Millions)	Guarantee (₹ in Millions)
A. Aggregate amount granted / provided during the year:		
- Subsidiaries	87.2	11,649.9
- Others	39.4	Nil
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	90.7	19,259.2
- Others	31.8	Nil

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, 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 3(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, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Provident Fund and Profession Tax dues.

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, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2025 on account of disputes are given below:

Name of Statue	Nature of Dues	Amount under dispute	Amount Paid under protest	Amount unpaid	Period to which Amount Relates	Forum where the dispute is pending
GST Act 2017	GST	36.8	1.3	35.5	2017-2018	Deputy Commissioner of State Tax - Appeal Div-6 - Varodara
GST Act 2017	GST	19.5	1.0	18.5	2017-2018	Deputy Commissioner of CGST - Jaipur. Appeal is to be filed in tribunal.
GST Act 2017	GST	262.2	-	262.2	April to June 2017 - TRAN1 credit	Bombay High Court
GST Act 2017	GST	1.4	0.2	1.2	2017-18 to 2019-20	Office of Principal Commissioner Customs and GST, Appeal II Commissionerate Hyderabad. Appeal to be filed in tribunal
GST Act 2017	GST	20.5	1.9	18.6	2017-18	Office of Commissioner (Appeals), CGST, Customs & Central Excise, Guwahati
GST Act 2017	GST	4.7	0.2	4.5	2017-18 to 2020-21	Appellate authority
GST Act 2017	GST	14.1	0.7	13.4	2017-18	Office of Special Commissioner - Appeals
GST Act 2017	GST	4.0	0.4	3.6	2017-18 to 2019-20	Central GST, Excise and Customs, Appeals Commissionerate
GST Act 2017	GST	0.4	0.0	0.4	2017-18	Office of the Commissioner (Appeals), CGST, Customs Jaipur
GST Act 2017	GST	43.2	3.8	39.4	2017-18 to 2019-20	Chennai Appeals -II Commissionerate
GST Act 2017	GST	1,251.5	113.9	1,137.6	2017-18 to 2021-22	Office of the commissioner, CGST and Central excise, Appeals - II
GST Act 2017	GST	1.8	1.8	-	1 March, 2024 to 31 March, 2024	Office of the Commissioner (Appeals), CGST, Gujarat
GST Act 2017	GST	16.2	1.5	14.7	2018-19 to 2019-20	Central GST, Excise and Customs, Appeals Commissionerate, Bhubaneswar
GST Act 2017	GST	71.1	3.5	67.6	2017-18 to 2019-20	Office of the Commissioner of GST (Appeal) Ludhiana
GST Act 2017	GST	11.4	0.6	10.8	2019-20	GST Appeals, State Appellate Authority Ward 203, Zone 11
GST Act 2017	GST	40.6	3.7	36.9	2020-21 to 2021-22	Commissioner of Customs & Indirect Taxes Hyderabad (Appeals - II) Commissionerate, Hyderabad
GST Act 2017	GST	5.7	0.3	5.4	2019-20	GST Appeals, State Appellate Authority, Raipur - 11, Nava Raipur Division
GST Act 2017	GST	3.7	0.3	3.4	2019-20 to 2020-21	Additional Commissioner (Appeals II), Chennai
GST Act 2017	GST	1.4	0.1	1.3	2019-20	Senior Joint Commissioner, GST Appeals, State Appellate Authority, Large Taxpayer Unit, Corporate Division
GST Act 2017	GST	26.4	1.3	25.1	2017-18 to 2022-23	Assistant Commissioner of Central Tax and Central Excise, Amaravathi CGST Divisional Office, Vijayawada - 520002
GST Act 2017	GST	104.3	-	104.3	2017-18 to 2020-21	Appeal yet to be filed

Name of Statue	Nature of Dues	Amount under dispute	Amount Paid under protest	Amount unpaid	Period to which Amount Relates	Forum where the dispute is pending
GST Act 2017	GST	0.2	-	0.2	2020-21	Appeal yet to be filed
GST Act 2017	GST	3.3	-	3.3	2020-21 to 2022-23	Appeal yet to be filed
GST Act 2017	GST	2.1	-	2.1	2020-21	Appeal yet to be filed
GST Act 2017	GST	2.0	-	2.0	2020-21	Appeal yet to be filed
GST Act 2017	GST	15.2	-	15.2	2021-22 & 2022-23	Appeal yet to be filed
GST Act 2017	GST	2,026.3	200.0	1,826.3	2017-18 to 2022-23	Appeal yet to be filed
Maharashtra VAT Act, 2002	Value Added Tax	127.8	8.8	119.0	2009-10, 2014-15 to 2016-17	Joint Dy. Commissioner Of Sales Tax(Appeals).
Maharashtra VAT Act, 2002	Value Added Tax	90.6	13.9	76.7	2010-11 to 2013-14	Sales Tax Tribunal Mazgaon
The Central Sales Tax Act, 1956	Central Sales Tax	0.7	0.2	0.5	1999-2001	Sales Tax Special circle
Bihar VAT Act, 2005	Value Added Tax	13.4	3.2	10.2	2010-11 to 2011-12	Joint commissioner of Commercial taxes Appeals
The Orissa Value Added Tax Act, 2004	Value Added Tax	1.0	0.0	1.0	2014-15 to 2015-2016 (Sep 15)	Joint Commissioner of Commercial Tax
The Orissa Value Added Tax Act, 2004	Value Added Tax	0.5	0.0	0.5	2012-2013 to 2013-2014	Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK.
Gujarat VAT Act, 2003	Value Added Tax	0.1	-	0.1	2006-2007	Commissioner of Commercial Taxes Gujarat
Gujarat VAT Act, 2003	Value Added Tax	2.7	-	2.7	2010-11	Dy. Commissioner of Commercial Taxes Vadodara
Maharashtra VAT Act, 2002	Value Added Tax	4.0	0.2	3.8	01/04/2017 to 30/06/2017	Joint. Commissioner Of State Tax(Appeals)
The Central Sales Tax Act, 1956	Central Sales Tax	15.0	0.7	14.3	2009-10, 2014-15 2016-17	Joint Dy. Commissioner Of Sales Tax(Appeals).
The Central Sales Tax Act, 1956	Central Sales Tax	0.1	-	0.1	01/04/2017 to 30/06/2017	Joint. Commissioner Of State Tax(Appeals)
The Central Sales Tax Act, 1956	Central Sales Tax	4.2	1.7	2.5	2002-2003 to 2004-2005	Sales Tax Special Circle
The Central Sales Tax Act, 1956	Central Sales Tax	0.2	0.0	0.2	1 April, 2014 till 30 September,2015 & 1 April, 2016 till 31 March,2017	Joint commissioner of Commercial Tax
The Central Sales Tax Act, 1956	Central Sales Tax	0.4	0.2	0.2	2010-11, 2013-14	Sales Tax Tribunal - Mazgaon

Name of Statue	Nature of Dues	Amount under dispute	Amount Paid under protest	Amount unpaid	Period to which Amount Relates	Forum where the dispute is pending
The Orissa Value Added Tax Act, 2004	Value Added Tax	0.7	0.1	0.6	2015-16(Oct'15 to Mar'16) & 2016-17 & 2017-18(Apr'16 to June'17)	Odisha Sales Tax Tribunal, Cuttack
The Central Sales Tax Act, 1956	Central Sales Tax	0.1	0.0	0.1	2014-15	Joint Commissioner of Commercial Taxes Goa
The Central Sales Tax Act, 1956	Central Sales Tax	0.4	0.0	0.4	2012-13 to 2013-14	Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK.
Orissa Entry Tax Act,1999	Entry Tax	0.2	0.1	0.1	2012-13 to 2013-14	Joint commissioner of Sales Tax (Appeals) CT and GST TERRITORIAL RANGE CUTTACK I, CUTTACK.
Daman and Diu Value Added Tax, 2005	Value Added Tax	1.9	-	1.9	2016-17	Joint Commissioner of Value Added Tax, D&NH
The Customs Act 1962	Customs Duty	52.8	5.3	47.5	2013-15	The Customs, Excise & Service Tax Appellate Tribunal
Finance Act,1994	Service Tax	1.1	0.1	1.0	April-2015-2016 & April 2016-2017	Mumbai CESTAT
Finance Act,1994	Service Tax	0.2	0.0	0.2	2014-15 to 2017-18	Mumbai CESTAT
Finance Act,1994	Service Tax	35.7	1.3	34.4	April 2014 to June 2017	Mumbai CESTAT
The Central Excise Act, 1944	Excise Duty and Penalty	101.2	4.0	97.2	2015	Bombay High Court
Income Tax Act, 1961	Income Tax	7,851.5	122.4	7,729.1	AY 2010-11 to AY 2022-23	Commissioner of Income Tax (Appeals)

(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, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

(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 issued any of its securities (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.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.

(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 177 and 188 of the Companies Act, 2013, where applicable, 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.

(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 2025.

(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.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 25046930BMODRT7323)

Place: Mumbai
Date: 29 May, 2025

Standalone Balance Sheet

as at 31 March, 2025

(₹ Million)

Particulars	Note no.	As at 31 March, 2025	As at 31 March, 2024
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	14,823.7	16,596.7
(b) Right of use assets	3.1	815.5	879.6
(c) Capital work-in-progress	3.1	458.2	499.3
(d) Other Intangible assets	3.1	274.2	346.1
(e) Intangible assets under development	3.1	306.8	408.5
(f) Financial Assets			
(i) Investment in subsidiaries and associate	3.2	30,391.5	25,502.6
(ii) Other Investments	3.2	7,123.9	1,349.6
(iii) Loans	3.3	90.7	3.5
(iv) Other financial assets	3.4	2,840.4	520.6
(g) Deferred tax assets (net)	3.7C	14,291.4	12,866.6
(h) Current tax assets (net)	3.7D	312.0	492.2
(i) Other non-current assets	3.5	747.0	511.9
Total non-current assets		**72,475.3**	**59,977.2**
2 Current assets			
(a) Inventories	3.6	15,229.0	18,495.6
(b) Financial Assets			
(i) Investments	3.2	6,552.4	1,437.6
(ii) Trade receivables	3.8	15,598.4	17,536.4
(iii) Cash and cash equivalents	3.9	749.2	389.5
(iv) Bank balances other than cash and cash equivalents	3.10	9,811.9	10,269.0
(v) Loans	3.3	16.5	39.5
(vi) Other financial assets	3.4	19,246.1	25,414.6
(c) Other current assets	3.11	6,336.5	6,818.6
Total current assets		**73,540.0**	**80,400.8**
3 Assets held for sale	3.36 & 3.43	9,940.7	-
TOTAL ASSETS		**1,55,956.0**	**1,40,378.0**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3.12A	239.1	239.1
(b) Other equity	3.12B	1,22,979.2	1,05,307.0
Total Equity		**1,23,218.3**	**1,05,546.1**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	3.29	434.5	376.0
(ii) Other financial liabilities	3.17	855.5	690.6
(b) Provisions	3.14	2,638.9	2,455.8
(c) Other non-current liabilities	3.15	208.5	245.5
Total non-current liabilities		**4,137.4**	**3,767.9**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	3,712.4	9,572.3
(ii) Lease liabilities	3.29	240.2	103.8
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.16	651.2	587.6
Total outstanding dues of creditors other than micro and small enterprises	3.16	13,986.6	15,121.8
(iv) Other financial liabilities	3.17	3,817.4	3,379.9
(b) Other current liabilities	3.18	1,285.9	1,192.2
(c) Provisions	3.14	1,356.9	1,106.4
(d) Current tax liabilities (net)	3.7D	383.8	-
Total current liabilities		**25,434.4**	**31,064.0**
4 Liabilities classified as held for sale	3.36 & 3.43	**3,165.9**	**-**
Total liabilities		**32,737.7**	**34,831.9**
TOTAL EQUITY AND LIABILITIES		**1,55,956.0**	**1,40,378.0**
Material accounting policies and Key accounting estimates and judgements	2A - 2B		
Notes to the Standalone Financial Statements	3.1 - 3.46		

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

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

Manish Narang
President - Legal & Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Standalone Statement of Profit and Loss

for the year ended 31 March, 2025

(₹ in Million)

Particulars	Note no.	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Continuing operations			
1 Income			
(a) Revenue from operations	3.19	88,134.4	79,638.5
(b) Other income	3.20	5,070.6	3,059.9
Total income		**93,205.0**	**82,698.4**
2 Expenses			
(a) Cost of materials consumed	3.21	23,959.2	22,703.6
(b) Purchases of stock-in-trade		3,896.1	3,842.7
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.22	566.1	(308.5)
(d) Employee benefits expense	3.23	16,309.6	14,780.1
(e) Finance costs	3.24	761.1	800.7
(f) Depreciation and amortisation expenses	3.1	2,836.1	2,391.4
(g) Other expenses	3.25	21,841.4	21,908.8
Total expenses		**70,169.6**	**66,118.8**
3 **Profit before exceptional items and tax from continuing operations (1) - (2)**		**23,035.4**	**16,579.6**
4 **Exceptional items**	3.44	-	**(638.3)**
5 **Profit before tax from continuing operations (3) + (4)**		**23,035.4**	**15,941.3**
6 Tax expense	3.7A		
(a) Current tax		3,501.3	2,330.2
(b) Deferred tax credit (net)		(1,363.1)	(1,994.0)
Total tax expenses (a + b)		**2,138.2**	**336.2**
7 **Profit for the year after tax from continuing operations (5) - (6)**		**20,897.2**	**15,605.1**
Discontinued operations	3.36		
Profit before tax from discontinued operations		2,938.5	2,869.0
Tax expense of discontinued operations		1,026.8	1,002.6
8 **Profit from discontinued operations (after tax)**		**1,911.7**	**1,866.4**
9 **Profit for the year (7) + (8)**		**22,808.9**	**17,471.5**
10 Other comprehensive income			
I. In respect of continuing operations:			
(a) (i) Items that will not be reclassified to profit or loss	3.28	(170.3)	(66.8)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3.7A	59.5	23.3
(b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
II. In respect of discontinued operations:	3.36		
(a) (i) Items that will not be reclassified to profit or loss		(6.5)	(0.0)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.3	(0.0)
(b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total of other comprehensive income / (loss) for the year, net of tax		**(115.0)**	**(43.5)**
11 **Total comprehensive income for the year (9) + (10)**		**22,693.9**	**17,428.0**
12 **Earnings per share (in ₹): Face value of ₹2 each**			
Earnings Per Share (for continuing operations) (face value of ₹2/- each)	3.31		
Basic and diluted earnings per share		174.78	130.52
Earnings Per Share (for discontinued operations) (face value of ₹2/- each)			
Basic and diluted earnings per share		15.99	15.61
Earnings Per Share (from total operations) (face value of ₹2/- each)			
Basic and diluted earnings per share		190.77	146.13
Material accounting policies and Key accounting estimates and judgements	2A - 2B		
Notes to the Standalone Financial Statements	3.1 - 3.46		

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

B.N. Singh
Executive Chairman
DIN. 00760310
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Sandeep Singh
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Chief Executive Officer
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Nitin Agrawal
President - Finance & Chief Financial Officer
Mumbai, India

Manish Narang
President - Legal & Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Standalone Statement of Changes in Equity

for the year ended 31 March, 2025

(a) Equity share capital

(₹ in Million)

Balance as at 1 April, 2024	Change in equity share capital during the year	Balance as at 31 March, 2025
239.1	-	239.1

(₹ in Million)

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

(b) Other Equity

(₹ in Million)

Particulars	Reserves and Surplus				
	Capital reserve	General reserve	Retained earnings	Remeasurement of defined benefit plans	Total other equity
Balance as at 1 April, 2023	**5.2**	**19,380.4**	**74,317.7**	**(443.9)**	**93,259.4**
Total comprehensive income for the year ended 31 March, 2024					
Profit for the year from continuing operations	-	-	15,605.1	-	15,605.1
Profit for the year from discontinued operations	-	-	1,866.4	-	1,866.4
Other comprehensive income for the year (net of tax) from continuing and discontinued operations	-	-	-	(43.5)	(43.5)
Total comprehensive income for the year	**-**	**-**	**17,471.5**	**(43.5)**	**17,428.0**
Transactions with owners of the company					
Dividend on equity shares (Refer Note 3.33)	-	-	(5,380.4)	-	(5,380.4)
Balance as at 31 March, 2024	**5.2**	**19,380.4**	**86,408.8**	**(487.4)**	**1,05,307.0**
Total comprehensive income for the year ended 31 March, 2025					
Profit for the year from continuing operations	-	-	20,897.2	-	20,897.2
Profit for the year from discontinued operations	-	-	1,911.7	-	1,911.7
Other comprehensive income for the year (net of tax) from continuing and discontinued operations	-	-	-	(115.0)	(115.0)
Total comprehensive income for the year	**-**	**-**	**22,808.9**	**(115.0)**	**22,693.9**
Transactions with owners of the company					
Dividend on equity shares (Refer Note 3.33)	-	-	(5,021.7)	-	(5,021.7)
Balance as at 31 March, 2025	**5.2**	**19,380.4**	**1,04,196.0**	**(602.4)**	**1,22,979.2**

Standalone Statement of Changes in Equity

for the year ended 31 March, 2025

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

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

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

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

The accompanying notes are an integral part of these financial statements

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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Manish Narang
President - Legal &
Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Standalone Statement of Cash Flow

for the year ended 31 March, 2025

(₹ in Million)

	Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
A	**Cash Flow from Operating Activities:**		
	Profit before tax		
	Continuing operations	23,035.4	15,941.3
	Discontinued operations	2,938.5	2,869.0
	Adjustments for:		
	Depreciation and amortisation expense	2,894.2	2,443.5
	Impairment loss on property, plant and equipment, capital work-in-progress and intangible assets under development	137.3	415.6
	Unrealised gain on fair valuation of investments (net)	(400.3)	-
	Profit on sale of investments (net)	(108.0)	(139.6)
	(Profit)/ loss on sale / write off of property plant and equipment (net)	(48.8)	28.4
	Dividend income from subsidiaries	(661.9)	(26.1)
	Provision for doubtful advances	20.2	318.0
	Interest income	(2,978.2)	(2,274.7)
	Interest expenses	780.8	819.1
	Expected credit loss on receivables	58.1	198.6
	Liabilities no longer required, written back	-	(19.8)
	Rental income	(27.2)	(27.6)
	Unrealised foreign currency (gain) / loss on revaluation (net)	(179.6)	382.0
	Subtotal of Adjustments	**(513.4)**	**2,117.4**
	Operating profit before working capital changes	**25,460.5**	**20,927.7**
	Adjustments for changes in working capital:		
	Increase in trade receivables	(2,379.1)	(437.5)
	Decrease/ (Increase) in loans, other financial assets and other assets	790.9	(696.1)
	Increase in inventories	(203.8)	(1,249.1)
	Increase in trade payable, other financial liabilities and other liabilities	2,014.8	3,552.4
	Increase/(decrease) in provisions	177.1	(1,703.5)
	Subtotal of Adjustments	**399.9**	**(533.8)**
	Cash generated from operations	**25,860.4**	**20,393.9**
	Less: Income taxes paid (net of refund)	(3,966.3)	(3,528.3)
	Net cash generated from operating activities	**21,894.1**	**16,865.6**
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)	(2,262.0)	(1,066.8)
	Proceeds from disposal of property, plant and equipment	402.6	62.4
	Investments in subsidiaries and associate	(4,888.9)	-
	Investments made in fixed deposits	(29,635.4)	(33,104.9)
	Redemption of fixed deposits	33,104.3	21,583.6
	Investments in other than deposits	(16,775.4)	(189.0)
	Redemption of investments other than deposits	6,394.7	2,095.3
	Dividend received	661.9	26.1
	Interest received	2,896.9	1,909.7
	Rent received	27.2	27.6
	Net cash used in investing activities	**(10,074.1)**	**(8,656.0)**
C	**Cash Flow from Financing Activities:**		
	Repayment of current borrowings (net)	(4,693.8)	(3,443.7)
	Principal repayment of lease liabilities	(88.6)	(145.1)
	Dividend paid	(5,021.7)	(5,380.4)
	Interest paid	(564.8)	(621.2)
	Net cash used in financing activities	**(10,368.9)**	**(9,590.4)**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**1,451.1**	**(1,380.8)**
E	**Cash and cash equivalents as at beginning of the year**	**(1,330.7)**	**50.1**
F	**Cash and cash equivalents as at end of the year (D+E) (Refer note no 2 below)**	**120.4**	**(1,330.7)**

Standalone Statement of Cash Flow

for the year ended 31 March, 2025

Notes:

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

(₹ in Million)

Particulars	Current borrowings	Lease Liabilities
As at 1 April, 2023	10,065.8	558.0
Cash flows during the year (net)	(2,250.5)	(145.1)
Non-cash items	36.8	66.9
As at 31 March, 2024	**7,852.1**	**479.8**
Cash flows during the year (net)	(4,693.8)	(88.6)
Non-cash items	(74.7)	283.5
As at 31 March, 2025	**3,083.6**	**674.7**

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

(₹ in Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Cash and cash equivalents	749.2	389.5
Loans repayable on demand from banks	(628.8)	(1,720.2)
Total cash and cash equivalents	**120.4**	**(1,330.7)**

3 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"

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

Material accounting policies and Key accounting estimates and judgements	2A - 2B
Notes to the Standalone Financial Statements	3.1 - 3.46

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

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President - Legal &
Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Notes
to the standalone financial statements for the year ended 31 March, 2025

1 General Information

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

2A Material accounting policies:

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

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March, 2025 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 29 May, 2025.

b) Basis of preparation and presentation

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

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

An asset is classified as current when it is:

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

b) Held primarily for the purpose of trading,

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

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

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

The Company classifies all other liabilities as non-current.

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

c) Basis of measurement

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

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable

Notes

to the standalone financial statements for the year ended 31 March, 2025

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.

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

i) Recognition and Measurement

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

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

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

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

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

f) 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. Freehold land is not depreciated.

Notes

to the standalone financial statements for the year ended 31 March, 2025

The estimated useful lives of Tangible assets are as follows:

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

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

2.3 Intangible Assets:

i) Recognition and measurement

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

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

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it 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, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

iii) Amortisation

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

The estimated useful lives of intangible assets are as follows:

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

2.4 Impairment of non-financial assets:

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

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

The Company as a lessee

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

Notes

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

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

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. 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.

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

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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,

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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.

2.7 Equity instruments

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

2.8 Inventories:

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

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

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

2.9 Revenue Recognition and measurement:

Revenue from operations

a) Revenue from sale of goods is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods at a point in time. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

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

Other income

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

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

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

d) Dividend income is accounted in the period in which the right to receive the same is established.

Refund liabilities:

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

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

2.10 Foreign currency transactions and translations

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

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

2.11 Employee Benefits:

a) Post Employment Benefits and Other Long Term Benefits:

i) Defined Contribution Plan:

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

ii) Defined Benefit Plans:

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

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by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

b) Short term Employee Benefits:

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

2.12 Taxes on Income:

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

i) Current tax

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

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

ii) Deferred tax

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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.

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

2.13 Provision, Contingent Liabilities and Contingent Assets:

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

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are 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) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

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

2.15 Discontinued operations and assets held for sale:

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as standalone statement of profit and loss after tax from discontinued operations in the standalone statement of profit and loss.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

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For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Property, Plant and Equipment and intangible assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the financial statements.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

2.16 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.

2.17 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.

2.18 Government Grants:

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

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

2.19 Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an

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indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

2.20 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.

2.21 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".

2.22 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified amendments to the exisiting standards Ind AS 21 : The Effects of Changes in Foreign Exchange rates applicable to the Company w.e.f. 1 April, 2025, to address concerns about currency exchangeability and provide guidance on estimating spot exchange rates when a currency is not exchangeable. There is no significant impact on the Company in the current year.

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

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the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

b) Recognition of MAT credit:

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

c) Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

d) Provisions and contingent liabilities:

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

e) Impairment loss in investments carried at cost:

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

f) Fair value measurements and valuation processes:

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

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factors could affect the reported fair value of financial instruments.

g) Defined Benefit Plans:

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

h) Liabilities towards anticipated sales return:

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

i) 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.

l) 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.

Notes

to the standalone financial statements for the year ended 31 March, 2025

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

(₹ Million)

Particulars	Property plant and equipment								Intangible assets			Right of use		
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvement	Total	Computer software	Trade Mark & patents	Total	Land	Buildings	Total
As at 1 April, 2023	1,248.6	6,979.6	16,045.5	495.5	271.3	885.2	-	25,925.8	590.4	1,273.5	1,863.8	553.6	979.3	1,532.9
Additions	22.8	845.9	1,101.5	86.4	23.7	314.2	-	2,394.5	46.5	-	46.5	-	80.2	80.2
Deletions	(18.1)	(23.6)	(217.8)	(13.3)	(1.8)	(60.4)	-	(335.0)	(0.3)	(65.4)	(65.7)	-	-	-
As at 31 March, 2024	**1,253.3**	**7,801.9**	**16,929.3**	**568.6**	**293.2**	**1,139.0**	**-**	**27,985.3**	**636.6**	**1,208.1**	**1,844.7**	**553.6**	**1,059.5**	**1,613.1**
Additions	-	207.3	810.7	91.3	183.5	372.9	101.2	1,766.9	105.9	41.8	147.7	3.6	686.6	690.2
Deletions	(120.8)	(69.9)	(340.7)	(16.7)	(13.0)	(125.1)	-	(686.2)	(17.4)	-	(17.4)	-	(5.5)	(5.5)
Transferred to assets held for sale **(refer note 3.43)**	-	(787.0)	(864.9)	(17.1)	(1.6)	(23.1)	-	(1,693.7)	(3.5)	-	(3.5)	(283.4)	-	(283.4)
Transfer on account of discontinued operations **(refer note 3.36)**	-	-	(31.6)	(5.9)	(2.1)	(17.9)	-	(57.5)	(0.3)	-	(0.3)	-	(466.4)	(466.4)
As at 31 March, 2025	**1,132.5**	**7,152.3**	**16,502.8**	**620.2**	**460.0**	**1,345.8**	**101.2**	**27,314.8**	**721.3**	**1,249.9**	**1,971.2**	**273.8**	**1,274.2**	**1,548.0**
Depreciation and Amortisation														
As at 1 April, 2023	-	1,076.7	7,144.3	274.0	157.6	547.8	-	9,200.6	416.4	881.7	1,298.0	56.7	516.3	573.1
Depreciation/amortisation for the year	-	233.2	1,523.7	47.4	32.6	179.7	-	2,016.6	99.5	166.9	266.3	9.0	151.5	160.5
Impairment loss **(refer note 3.43)**	-	-	415.6	-	-	-	-	415.6	-	-	-	-	-	-
Deductions	-	(5.7)	(163.5)	(13.0)	(1.6)	(60.3)	-	(244.1)	(0.3)	(65.6)	(65.9)	-	-	-
As at 31 March, 2024	**-**	**1,304.2**	**8,920.1**	**308.5**	**188.6**	**667.2**	**-**	**11,388.6**	**515.6**	**983.0**	**1,498.6**	**65.7**	**667.8**	**733.6**
Depreciation/amortisation for the year	-	244.8	1,889.4	50.6	41.7	218.1	6.3	2,450.9	95.8	123.6	219.4	7.6	158.3	165.9
Deductions	-	(34.9)	(324.3)	(16.5)	(11.2)	(111.3)	-	(498.2)	(17.4)	-	(17.4)	-	-	-
Transferred to assets held for sale **(refer note 3.43)**	-	(109.9)	(675.4)	(7.3)	(1.4)	(21.1)	-	(815.1)	(3.5)	-	(3.5)	(20.5)	-	(20.5)
Transfer on account of discontinued operations **(refer note 3.36)**	-	-	(21.2)	(2.4)	(2.0)	(9.5)	-	(35.1)	(0.1)	-	(0.1)	-	(146.5)	(146.5)
As at 31 March, 2025	**-**	**1,404.2**	**9,788.6**	**332.9**	**215.7**	**743.4**	**6.3**	**12,491.1**	**590.4**	**1,106.6**	**1,697.0**	**52.8**	**679.6**	**732.5**
Net Book Value														
As at 31 March, 2024	1,253.3	6,497.7	8,009.2	260.1	104.6	471.8	-	16,596.7	121.0	225.1	346.1	487.9	391.7	879.6
As at 31 March, 2025	**1,132.5**	**5,748.1**	**6,714.2**	**287.3**	**244.3**	**602.4**	**94.9**	**14,823.7**	**130.9**	**143.3**	**274.2**	**221.0**	**594.5**	**815.5**

Notes:

1. Addition to Property, Plant and Equipment includes items aggregating **₹630.2 Million** (For the year ended 31 March, 2024 ₹1,312.8 Million) located at Research and Development Centres of the Company.

2. Refer Note 3.26(b)(1) for contractual commitments with respect to property, plant and equipments and other intangible assets.

3. Exclusive charge by way of hypothecation over the whole of the movable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories and other movable assets, both present and future subject to a maximum value of **₹2,150 Million** (31 March, 2024 ₹2,150 Million) - situated at Daman and Sikkim in India against issuance of Stand by letter of credit required for loan of US **$ 18.0 Million** (31 March, 2024 - US $ 20.0 Million) advanced by Banco de Chile to Ascend Laboratories SpA, Chile, a wholly owned subsidiary of the Company and US **$ 5.0** Million (31 March, 2024 - US $ 5.0 Million) advanced to PharmaNetwork SpA, Chile, a wholly owned subsidiary of Ascend Laboratories SpA, Chile.

Notes

to the standalone financial statements for the year ended 31 March, 2025

4. **Depreciation and amortisation expense:**

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Depreciation expenses	2,616.7	2,125.0
Amortisation expenses	219.4	266.4
Total	**2,836.1**	**2,391.4**

5. **Capital work-in-progress**

Capital work in progress comprises expenditure in respect of various plants in the course of construction/expansion. Total amount of Capital work in progress is **₹ 458.2 Million** as at 31 March, 2025 (31 March, 2024: ₹ 499.3 Million).

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Opening balance	499.3	1,851.0
Add: Additions during the year	1,865.0	1,020.0
Less: Capitalised during the year	(1,665.7)	(2,371.7)
Less: Transferred to assets classified as assets held for sale	(204.8)	-
Less; Provision made for old capital work in progress	(35.6)	-
Closing balance	**458.2**	**499.3**

Capital work-in-progress ageing schedule for the year ended 31 March, 2025 and 31 March, 2024 is as follows:

(₹ 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	409.2	27.2	12.9	8.9	458.2
	(202.5)	(50.4)	(31.4)	(9.5)	(293.8)
Projects temporarily suspended	-	-	-	-	-
	(-)	(7.8)	(148.1)	(49.6)	(205.5)

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

Notes
to the standalone financial statements for the year ended 31 March, 2025

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, 2025 and 31 March, 2024:

(₹ Million)

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

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

6. **Intangible assets under development**

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Opening balance	408.5	436.5
Add: Additions during the year	-	-
Less: Capitalised / written off during the year	101.7	28.0
Closing balance	**306.8**	**408.5**

Intangible assets under development ageing schedule for the year ended 31 March, 2025 and 31 March, 2024 is as follows:

(₹ 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	-	-	118.4	188.4	306.8
	(-)	(306.8)	(-)	(101.7)	(408.5)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

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

For intangibles assets under development, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March, 2025 and 31 March, 2024:

(₹ Million)

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

Notes

to the standalone financial statements for the year ended 31 March, 2025

3.2 Investments:

Particulars	Units	Units	Face Value	As at 31 March, 2025		As at 31 March, 2024	
	As at 31 March, 2025	As at 31 March, 2024		₹ in Million	₹ in Million	₹ in Million	₹ in Million
Non - Current Investments							
In Equity Shares Unquoted: [at cost]							
A) Investment in Subsidiaries:							
Ascend Laboratories (Pty) Limited, South Africa	49,960	49,960	Rand 10	68.8		68.8	
Alkem Laboratories Corporation, Philippines (Including 5 shares held by the nominees)	51,39,682	51,39,682	Peso 100	717.4		717.4	
Ascend GmbH, Germany (One share of Euro 250, second share of Euro 24,750 and third share of Euro 751,880)	3	3	NA	160.9		160.9	
Ascend Laboratories Sdn. Bhd., Malaysia (₹91)	2	2	Ringgit 1	0.0		0.0	
S&B Holdings S.a.r.l., Luxembourg	4,29,64,652	4,29,64,652	Euro 1	4,682.3		4,682.3	
Alkem Laboratories Korea Inc., South Korea	15,000	15,000	Korean Won 1000	0.1		0.1	
Ascend Laboratories SpA, Chile (1,000 Nominative Shares, without par value)	5,427	5,427	NA	281.0		281.0	
Pharmacor Limited, Kenya	1,000	1,000	KES 100	0.1		0.1	
Pharmacor Pty Limited, Australia (without par value)	6,83,13,954	6,83,13,954	NA	224.7		224.7	
Ascend Laboratories (UK) Limited, UK (issued capital 250,000 shares of 1 GBP of which 40 Pence is called up & paid)	2,50,000	2,50,000	GBP 1	9.9		9.9	
ThePharmaNetwork, LLC, USA	5,96,74,767	5,96,74,767	NA	7,583.0		7,583.0	
Cachet Pharmaceuticals Private Limited, India	10,813	10,813	INR 100	925.8		925.8	
Indchemie Health Specialities Private Limited, India	1,27,500	1,27,500	INR 10	1,640.7		1,640.7	
Enzene Biosciences Limited, India	4,70,85,843	4,70,85,843	INR 10	9,140.0		9,140.0	
Ascend Laboratories SAS, Colombia	14,58,929	11,23,329	COP 1,000	28.9		21.9	
Ascend Laboratories Limited, Canada	20,000	20,000	CAD 1	1.1		1.1	
Alkem Foundation, India	10,000	10,000	INR 10	0.1		0.1	
Connect 2 Clinic Private Limited, India	14,99,994	14,99,994	INR 10	15.0		15.0	
Alkem Medtech Private Limited, India (incorporated on 27 March, 2024) **(Refer note 3 below)**	38,03,75,180	-	INR 10	4,500.0		-	
Alixer Nexgen Therapeutics Limited (incorporated on 12 July, 2024)	2,00,000	-	INR 10	2.0		-	
Alkem Wellness Limited (incorporated on 16 September, 2024)	50,00,000	-	INR 10	50.0	30,031.7	-	25,472.8
Investment in Limited Liability Partnership Firm: Unquoted: [at cost]							
The PharmaNetwork LLP, Kazakhstan **(Refer note 1 below)**					157.6		157.6
Investment in Subsidiaries					30,189.3		25,630.4
Provision for impairment in value of investments **(Refer note 2 below)**					(127.8)		(127.8)
Investment in Subsidiaries - Sub total (A)					**30,061.5**		**25,502.6**
B) Investment in Associate: Unquoted: [at cost]							
HaystackAnalytics Private Limited	18,320	-	INR 1	330.0		-	
Investment in Associates - Sub total (B)					**330.0**		**-**
TOTAL					**30,391.5**		**25,502.6**

Notes
to the standalone financial statements for the year ended 31 March, 2025

3.2 Other Non - Current Investments

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
C) Other Non-Current Investments		
1) In Equity Shares of Other Companies and Limited Liability Partnership Firm: Unquoted [at fair value through profit and loss]	334.7	305.6
2) In Preference Shares of Other Companies : Unquoted [at fair value through profit and loss]	217.6	150.0
3) Investment In Venture Capital Fund: Unquoted (Non Trade) [at fair value through profit and loss]	934.9	737.7
4) Non Convertible Debentures [at amortised cost] Quoted	5,636.7	156.3
Other Non Current Investments - Sub total (B)	**7,123.9**	**1,349.6**
Total (A+B+C)	**37,515.4**	**26,852.2**

Notes:

1) **Details of The PharmaNetwork LLP, Kazakhstan:**

(₹ Million)

	As at 31 March, 2025		As at 31 March, 2024	
	Profit Sharing Ratio	Capital Accounts	Profit Sharing Ratio	Capital Accounts
Alkem Laboratories Limited	100.00%	157.6	100.00%	157.6

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

3) On 27 March 2024, the Company had incorporated a new wholly owned subsidiary, Alkem Medtech Private Limited, and subscribed its 200,000 equity shares of ₹10 each.

3.2 Other Current Investments

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
1) Investment in funds : (Unquoted) [at fair value through profit and loss]		
Avenue Venture Real Estate Fund (Units of ₹100,000 each, fully paid-up) - Refer note 4 below	747.0	1,012.6
2) Preference Shares: [at amortised cost] (unquoted)	-	8.1
3) Investment In Mutual Funds Quoted (Non-Trade) [at fair value through profit and loss]	5,017.4	372.5
4) Non Convertible Debentures : - Quoted (at amortised cost)	788.0	44.4
Total	**6,552.4**	**1,437.6**

Notes

to the standalone financial statements for the year ended 31 March, 2025

Notes:

(₹ Million)

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Book Value	Market Value	Book Value	Market Value
1) Aggregate value of Quoted Investments	11,442.1	11,442.1	573.2	573.2
2) Aggregate value of Unquoted Investments	32,625.7	N.A.	27,716.6	N.A.
3) Aggregate amount of impairments in the value of Investments	127.8	N.A.	127.8	N.A.
4) All Investments in Shares & Securities are fully paid up (Except Refer sub-note 2 of note 3.26(b))				

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

3.3 Loans

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
A. Non-current loans		
(Unsecured, considered good unless otherwise stated)		
Loans to subsidiary companies **(Refer note 3.35)**	90.7	3.5
Less: Loss allowance	-	-
TOTAL	**90.7**	**3.5**
B. Current loans		
(Unsecured, considered good unless otherwise stated)		
Loans to employees	16.5	39.5
TOTAL	**16.5**	**39.5**

Note:

During the year, the Company has granted an unsecured loan of USD 1 million to its wholly owned subsidiary Alkem Laboratories Corporation; at an interest rate of 5.7% for working capital requirement.

Notes
to the standalone financial statements for the year ended 31 March, 2025

3.4 Other financial assets

A. Other non current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with original and remaining maturity more than 12 months	15.1	64.1
Deposits with non-banking financial companies	2,301.7	-
Security deposits	162.8	105.1
Balances with government authorities	271.2	271.2
Other receivables	89.6	80.2
TOTAL	**2,840.4**	**520.6**

Note: Bank deposits of **NIL** (31 March, 2024: ₹2.5 Million) are under lien with the Banks against Overdraft facility.

B. Other current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months	16,604.7	21,249.1
Deposits with non-banking financial companies	2,111.2	2,811.9
Other receivables	24.0	444.7
Incentive receivable from government	506.2	908.9
TOTAL	**19,246.1**	**25,414.6**

Note: Bank deposits of **₹3,089.3 Million** (31 March, 2024: ₹2,800.0 Million) are under lien with the Banks against Overdraft facility.

3.5 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital advances		
Considered good	205.1	57.1
Considered doubtful	4.5	-
	209.6	**57.1**
Less: Provision for doubtful advance	(4.5)	-
	205.1	**57.1**
Balances with government authorities	539.7	452.5
Other advances	2.2	2.3
TOTAL	**747.0**	**511.9**

Notes

to the standalone financial statements for the year ended 31 March, 2025

3.6 Inventories

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Raw and packing materials	7,175.8	6,968.8
Goods-in-transit	104.0	108.9
	7,279.8	**7,077.7**
Work-in-progress	801.1	951.8
Finished goods	3,676.4	5,025.7
Goods-in-transit	2,262.7	2,555.5
	5,939.1	**7,581.2**
Stock-in-trade	1,160.9	2,833.3
Goods-in-transit	48.1	51.6
	1,209.0	**2,884.9**
TOTAL	**15,229.0**	**18,495.6**

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, 2025 is **₹985.8 Million** (31 March, 2024: ₹545.4 Million)

2. The cost of inventories recognised as an expense during the year in respect of continuing operations was **₹29,068.5 Million** (31 March, 2024: ₹26,792.5 Million).

3.7 Income tax

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

(₹ in Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
On continuing operations		
Current tax		
Current year tax	3,501.3	2,330.2
	3,501.3	**2,330.2**
Deferred tax credit (net)		
Minimum Alternate Tax (MAT) credit entitlement	(890.3)	(2,002.0)
Origination and reversal of temporary differences	(472.8)	8.0
	(1,363.1)	**(1,994.0)**
Tax expense for the year from continuing operations	**2,138.2**	336.2
On discontinued operations		
Current year tax	1,026.8	1,002.6
Total tax expense	**3,165.0**	**1,338.8**

Notes

to the standalone financial statements for the year ended 31 March, 2025

(ii) Tax recognised in other comprehensive income

(₹ in Million)

Particulars	For the year ended 31 March, 2025			For the year ended 31 March, 2024		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Continuing operations						
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(170.3)	59.5	(110.8)	(66.8)	23.3	(43.5)
	(170.3)	**59.5**	**(110.8)**	**(66.8)**	**23.3**	**(43.5)**
Discontinued operations						
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(6.5)	2.3	(4.2)	(0.0)	(0.0)	(0.1)
	(6.5)	**2.3**	**(4.2)**	**(0.0)**	**(0.0)**	**(0.1)**

(B) Reconciliation of effective tax rate

(₹ Million)

Particulars	(%)	For the year ended 31 March, 2025	(%)	For the year ended 31 March, 2024
Profit before tax from continuing operations		23,035.4		15,941.3
Profit before tax from discontinued operations		2,938.5		2,869.0
Profit before tax from operations		**25,973.9**		**18,810.3**
Tax using the Company's applicable tax rate	34.9%	9,076.3	34.9%	6,572.3
Tax effect of:				
Long term capital gains taxable at lower rate / exempt under income tax	0.0%	-	0.1%	16.1
Deferred tax reversal during tax holiday period	0.3%	73.9	0.2%	42.1
Deduction on profits earned from exempt units	-26.1%	(6,780.1)	-28.4%	(5,349.4)
Utilisation of previously written off MAT Credit#	0.0%	-	-3.6%	(674.2)
Permanent disallowance - current year	2.7%	700.4	2.0%	373.7
Permanent disallowance - prior years	0.0%	-	0.0%	-
Others	0.4%	94.5	1.9%	358.2
	12.2%	**3,165.0**	**7.1%**	**1,338.8**

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

(C) Movement in deferred tax assets and liabilities

(₹ in Million)

Particulars	Net balance 1 April, 2024	Recognised in profit or loss	Transfer on account of discontinued operations (refer note 3.36)	Recognised in OCI	Net balance 31 March, 2025
Deferred Tax Liabilities:					
Property, plant and equipment and Intangible assets	(2,245.0)	363.3	-	-	(1,881.7)
Investments	(290.5)	(139.9)	-	-	(430.4)
Deferred Tax Assets:					
Employee benefits	1,244.0	207.6	-	61.8	1,513.4
Trade receivables	288.6	6.9	-	-	295.5

Notes

to the standalone financial statements for the year ended 31 March, 2025

(₹ in Million)

Particulars	Net balance 1 April, 2024	Recognised in profit or loss	Transfer on account of discontinued operations (refer note 3.36)	Recognised in OCI	Net balance 31 March, 2025
Deferred Government Grant	98.6	(12.9)	-	-	85.7
Impairment of investment in subsidiary	29.8	-	-	-	29.8
Impairment of assets	145.2	-	-	-	145.2
Other items	222.2	47.8	-	-	270.0
MAT credit entitlement	13,373.7	890.3	-	-	14, 264.0
Deferred Tax Assets (Net)	**12,866.6**	**1,363.1**	**-**	**61.8**	**14,291.4**

(₹ in Million)

Particulars	Net balance 1 April, 2023	Recognised in profit or loss	Transfer on account of discontinued operations (refer note 3.36)	Recognised in OCI	Net balance 31 March, 2024
Deferred Tax Liabilities:					
Property, plant and equipment and Intangible assets	(1,787.9)	(457.1)	-	-	(2,245.0)
Investments	(290.3)	(0.2)	-	-	(290.5)
Deferred Tax Assets:					
Employee benefits	1,110.4	110.3	-	23.3	1,244.0
Trade receivables	116.6	172.0	-	-	288.6
Deferred Government Grant	28.2	70.4	-	-	98.6
Impairment of investment in subsidiary	29.8	-	-	-	29.8
Impairment of assets	-	145.2	-	-	145.2
Other items	270.8	(48.6)	-	-	222.2
MAT credit entitlement	11,371.7	2,002.0	-	-	13,373.7
Deferred Tax Assets (Net)	**10,849.2**	**1,994.0**	**-**	**23.3**	**12,866.6**

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

(D) Tax assets and liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Current tax assets (net)	312.0	492.2
Current tax liabilities (net)	383.8	-

(E) Unrecognised deferred tax assets

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

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Unrecognised MAT Credit Entitlement	-	135.8

Notes

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3.8 Trade receivables

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
(Unsecured)		
Considered good	15,930.9	17,991.4
Credit impaired	-	-
Less: Loss allowance	(332.5)	(455.0)
TOTAL	**15,598.4**	**17,536.4**

Note:

1. Above trade receivables include amount due from related parties **₹11,969.8 Million** (31 March, 2024: ₹10,955.5 Million) - **Refer Note 3.35**
2. **Refer note 3.37** for information about credit risk and market risk of trade receivables.

Trade receivables ageing schedule for the year ended 31 March, 2025 and 31 March, 2024

(₹ Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade receivables - considered good	14,686.8	482.0	115.9	262.9	90.6	227.1	15,865.3
	(13,734.8)	(2,656.1)	(968.8)	(271.4)	(72.8)	(174.7)	(17,878.6)
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed Trade receivables - considered good	-	2.3	11.5	-	0.9	50.9	65.6
	(-)	(17.4)	(12.0)	(19.9)	(32.3)	(31.2)	(112.8)
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Loss Allowance							332.5
							(455.0)
Total							**15,598.4**
							(17,536.4)

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.

Notes
to the standalone financial statements for the year ended 31 March, 2025

3.9 Cash and cash equivalents

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Cash on hand	4.4	4.1
Cheques and drafts on hand	685.9	97.0
Balance with banks:		
In current accounts	54.4	237.3
In exchange earners' foreign currency account	4.5	51.1
TOTAL	**749.2**	**389.5**

3.10 Bank balances other than cash and cash equivalents

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Restricted for use:		
Unpaid dividend account	1.7	1.7
Unspent CSR account	1.3	4.3
Benevolent fund account	10.7	7.0
Bank deposits with original maturity more than 3 months but less than 12 months	9,798.2	10,256.0
TOTAL	**9,811.9**	**10,269.0**

Note:
Bank deposits of **₹2,569.6 Million** (31 March, 2024: ₹1,850.0 Million) are under lien with banks against Overdraft facilities availed.

Details of Deposits (including accrued interest)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with original and remaining maturity greater than 12 months **(Refer Note 3.4A)**	15.1	64.1
Bank deposits with original maturity greater than 12 months but remaining maturity less than 12 months **(Refer Note 3.4B)**	16,604.7	21,249.1
Bank deposits with original maturity more than 3 months but less than 12 months **(Refer Note 3.10)**	9,798.2	10,256.0
Deposits with non-banking financial companies **(Refer Note 3.4 A & B)**	4,412.9	2,811.9
TOTAL	**30,830.9**	**34,381.1**

3.11 Other current assets

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities	4,574.7	5,210.7
Advance to suppliers and employees:		
Considered good	1,238.8	1,152.2
Considered doubtful	385.4	369.7
	1,624.2	**1,521.9**

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(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Less: Provision for doubtful advance	(385.4)	(369.7)
	1,238.8	1,152.2
Prepaid expenses	380.0	316.6
Right to return asset	143.0	139.1
TOTAL	**6,336.5**	**6,818.6**

3.12A Equity share capital

Authorised:

250,000,000 equity shares of ₹2 each amounting to **₹500 Million** (31 March, 2024: 250,000,000 equity shares of ₹2 each amounting to ₹500 Million)

Issued, subscribed and paid up:

119,565,000 equity shares of ₹2 each fully paid up amounting to **₹239.1 Million** (31 March, 2024: 119,565,000 equity shares of ₹2 each fully paid up amounting to ₹239.1 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, 2025		As at 31 March, 2024	
	Number of shares	(₹ in Million)	Number of shares	(₹ in Million)
At the commencement of the year	11,95,65,000	239.1	11,95,65,000	239.1
At the end of the year	11,95,65,000	239.1	11,95,65,000	239.1

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

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

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

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

Name of the shareholders:	As at 31 March, 2025		As at 31 March, 2024	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Mr. Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	2,32,14,088	19.42%	2,47,05,800	20.66%
Mr. Basudeo Narain Singh	86,95,360	7.27%	86,95,360	7.27%
Mr. Mritunjay Kumar Singh	76,82,000	6.42%	76,82,000	6.42%
Madhurima Singh (Estate of Mr. Dhananjay Kumar Singh)*	72,84,429	6.09%	64,45,745	5.39%

* In March 2025, the shares held by the Estate of Dhananjay Kumar Singh were officially transferred to Mrs. Madhurima Singh. Consequently, Mrs. Madhurima Singh now holds a total of 73,93,939 shares (6.18%)

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to the standalone financial statements for the year ended 31 March, 2025

(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.

(e) Promoters shareholding

Promoters Name	No. of shares as at 31 March, 2025	No. of shares as at 31 March, 2024	% of total shares as of Mar 25	% of total shares as of Mar 24	% change during the current year
Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	2,32,14,088	2,47,05,800	19.4%	20.7%	-6.0%
Basudeo Narain Singh	86,95,360	86,95,360	7.3%	7.3%	0.0%
Mritunjay Kumar Singh	76,82,000	76,82,000	6.4%	6.4%	0.0%
Madhurima Singh *	109,510	9,48,194	0.1%	0.8%	-88.5%
Madhurima Singh (Estate of Dhananjay Kumar Singh)*	72,84,429	64,45,745	6.1%	5.4%	13.0%
Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust)	30,92,875	30,92,875	2.6%	2.6%	0.0%
Jayanti Sinha	29,38,220	29,38,220	2.5%	2.5%	0.0%
Seema Singh	25,79,045	29,37,740	2.2%	2.5%	-12.2%
Archana Singh	23,94,050	23,94,050	2.0%	2.0%	0.0%
Divya Singh	12,08,971	12,08,971	1.0%	1.0%	0.0%
Meghna Singh	12,08,650	12,08,650	1.0%	1.0%	0.0%
Aniruddha Singh	12,08,971	12,08,971	1.0%	1.0%	0.0%
Shrey Shree Anant Singh	11,95,650	11,95,650	1.0%	1.0%	0.0%
Sadhika Raj	5,50,000	5,50,000	0.5%	0.5%	0.0%
Sakshi Sinha	5,50,000	5,50,000	0.5%	0.5%	0.0%
Satyam Sinha	5,50,000	5,50,000	0.5%	0.5%	0.0%
Shikhar Raj	5,50,000	5,50,000	0.5%	0.5%	0.0%
Raj Kumar Singh	5,38,038	5,38,038	0.4%	0.4%	0.0%
Sandeep Singh	7	7	0.0%	0.0%	0.0%
Srinivas Singh	1,02,695	1,02,695	0.1%	0.1%	0.0%
Sarandhar Singh	79,800	79,800	0.1%	0.1%	0.0%
Sarvesh Singh	1	79,800	0.0%	0.1%	-100.0%
Manju Singh	1,00,517	1,00,517	0.1%	0.1%	0.0%
Satish Kumar Singh	72,430	71,934	0.1%	0.1%	0.7%
Inderjit Kaur Arora	7,800	7,800	0.0%	0.0%	0.0%
Annapurna Singh	1	3,041	0.0%	0.0%	-100.0%
Premlata Singh	1	1	0.0%	0.0%	0.0%

*In March 2025, the shares held by the Estate of Dhananjay Kumar Singh were officially transferred to Mrs. Madhurima Singh. Consequently, Mrs. Madhurima Singh now holds a total of 7,393,939 shares (6.18%)

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to the standalone financial statements for the year ended 31 March, 2025

3.12B Other equity

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital reserve	5.2	5.2
General reserve	19,380.4	19,380.4
Retained earnings	1,04,196.0	86,408.8
Other comprehensive income	(602.4)	(487.4)
TOTAL	**1,22,979.2**	**1,05,307.0**

3.13 Borrowings

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Current borrowings		
Secured		
Loans repayable on demand from banks	628.8	1,720.2
	628.8	**1,720.2**
Unsecured		
Working capital loan from banks	3,083.6	7,852.1
	3,083.6	**7,852.1**
TOTAL	**3,712.4**	**9,572.3**

Notes:

1. Secured: Loans repayable on demand from Banks include:

   a. Overdrafts from banks **₹628.8 Million** (31 March, 2024: ₹1,720.2 Million) are secured against pledge of fixed deposits with the banks.

   b. Overdraft Facilities carry a rate of interest ranging between 7.80% to 8.30% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

2. Unsecured: Packing Credit in Foreign Currencies of **₹3,083.6 Million** (31 March 2024: ₹7,852.1 Million) are repayable on demand carries interest rate in the range of 4.54% to 4.79%.

3.14 Provisions

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
A. Non-current provisions		
Provisions for employee benefits		
- Gratuity **(Refer note 3.28)**	1,645.5	1,553.2
- Compensated absences	993.4	902.6
TOTAL	**2,638.9**	**2,455.8**
B. Current provisions		
Provision for employee benefits:		
- Gratuity **(Refer note 3.28)**	979.8	790.7
- Compensated absences	377.1	315.7
TOTAL	**1,356.9**	**1,106.4**

Notes
to the standalone financial statements for the year ended 31 March, 2025

3.15 Other non-current liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Deferred income on government grant **(Refer note 3.41)**	208.5	245.5
TOTAL	**208.5**	**245.5**

3.16 Trade payables

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total outstanding dues of micro enterprises and small enterprises **(Refer note 3.27)**	651.2	587.6
Total outstanding dues of creditors other than micro and small enterprises	13,986.6	15,121.8
TOTAL	**14,637.8**	**15,709.4**

Note:

Due to related parties **₹2,008.4 Million** (31 March, 2024: ₹1,976.3 Million) **(Refer note 3.35)**

Trade payables ageing schedule for the year ended 31 March, 2025 and 31 March, 2024

(₹ Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	-	540.2	103.6	3.1	0.8	3.5	651.2
	(-)	(544.4)	(35.9)	(7.3)	(-)	(-)	(587.6)
ii) Others	3467.4	5,354.5	4,187.1	651.6	119.9	206.1	13,986.6
	(3,445.5)	(7,247.1)	(4,020.3)	(144.0)	(122.3)	(134.4)	(15,113.6)
iii) Disputed dues - MSME	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed dues - Others	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(8.2)	(8.2)

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

Relationship with struck off companies:

Relationship with struck off companies:	Nature of Transactions	Transactions during the year 31 March, 2025	Balance o/s. at the end of the year as at 31 March, 2025	Transactions during the year 31 March, 2024	Balance o/s. at the end of the year as at 31 March, 2024	Relationship with the Struck off company, if any, to be disclosed
Verdical Enterprises (OPC) Private Limited	Payables	1.22	0.0 *	1.52	-	Vendor

*Less than 1 lakh

3.17 Other financial liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
A. Other non current financial liabilities		
Liability towards anticipated sales returns **(Refer note 3.32)**	776.6	690.6
Option payable**	78.9	-
TOTAL	**855.5**	**690.6**

Notes
to the standalone financial statements for the year ended 31 March, 2025

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
B. Other current financial liabilities		
Employee payables	1,973.8	1,753.7
Security deposits received	443.2	310.5
Liabilities towards and anticipated sales returns **(Refer Note 3.32)**	1,388.0	1,314.0
Forward contract payable	10.7	-
Unpaid dividend*	1.7	1.7
Total	**3,817.4**	**3,379.9**

Notes:

*Amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013 **Nil** (31 March, 2024: **NIL**).

**The option payable represents the value of the option written by the Company to grant exit to the shareholders of one of its subsidiary Company. The option has been valued as per the valuation principles and methodology.

3.18 Other current liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Dues to statutory authorities*	599.2	769.3
Advances from customers	649.6	385.7
Deferred income on government grant **(Refer note 3.41)**	37.1	37.2
Total	**1,285.9**	**1,192.2**

Note:

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

3.19 Revenue from operations

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Revenue from contract with customers		
Sale of products	1,05,511.4	95,186.4
Less: related to discontinued operations **(Refer note 3.36)**	(18,974.9)	(17,838.7)
Sale of products from continuing operations - (A)	**86,536.5**	**77,347.7**
Other operating revenues:		
Export incentives	323.2	272.5
Scrap sales	154.9	141.5
Budgetary support benefit under GST	839.5	861.7
Business compensation and settlement income	-	709.0
Miscellaneous income	280.3	306.1
Total other operating revenue:	**1,597.9**	**2,290.8**
Less: related to discontinued operations **(Refer note 3.36)**	-	-
Total other operating revenue from continuing operations - (B)	**1,597.9**	**2,290.8**
Total (A) + (B)	**88,134.4**	**79,638.5**

Notes

to the standalone financial statements for the year ended 31 March, 2025

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

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Revenue from contract with customers as per contracted price	88,410.4	79,357.8
Adjustments made to contract price on account of:		
Less: Sales return	1,697.0	1,926.1
Less: Discounts	176.9	84.0
Revenue from contract with customers	**86,536.5**	**77,347.7**
Other operating revenue	1,597.9	2,290.8
Revenue from operations	**88,134.4**	**79,638.5**

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

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Revenue from Operations:		
Country of Domicile - India	63,146.4	60,336.7
United States of America	16,715.4	13,803.4
Other Countries	8,272.6	5,498.4
Total	**88,134.4**	**79,638.5**

3.20 Other income

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest income under the effective interest method		
-Bank deposits at amortised cost	2,628.1	2,108.5
-Bonds, debentures and loans at amortised cost	350.1	166.2
Dividend income on equity securities	661.9	26.1
Foreign currency transactions and translation gain (net)	514.2	239.9
Liabilities/provisions no longer required	-	19.8
Rental income	27.2	27.6
Profit on sale of investments at FVTPL (net)	108.0	139.6
Profit on sale of property, plant and equipments (net)	48.8	-
Gain on fair value of investments through profit and loss	400.3	-
Miscellaneous income *	332.0	332.2
Total other income	**5,070.6**	**3,059.9**
Less: related to discontinued operations **(Refer note 3.36)**	(0.0)	(0.0)
Total other income from continuing operations	**5,070.6**	**3,059.9**

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

Notes
to the standalone financial statements for the year ended 31 March, 2025

3.21 Cost of materials consumed

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Raw material consumed	23,623.4	22,059.6
Packing material consumed	5,854.3	5,439.7
Total cost of materials consumed	**29,477.7**	**27,499.3**
Less: related to discontinued operations **(Refer note 3.36)**	(5,518.5)	(4,795.7)
Total cost of material consumed from continuing operations	**23,959.2**	**22,703.6**

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

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Opening stock:		
Finished goods	7,581.2	7,354.6
Stock-in-trade	2,884.9	2,104.2
Work-in-progress	951.8	1,246.0
	11,417.9	**10,704.8**
Less: Closing stock:		
Finished goods	7,251.7	7,581.2
Stock-in-trade	2,883.2	2,884.9
Work-in-progress	803.7	951.8
	10,938.6	**11,417.9**
Total cost of material consumed	**479.3**	**(713.1)**
Less: related to discontinued operations **(Refer note 3.36)**	(86.8)	(404.6)
Total cost of material consumed from continuing operations	**566.1**	**(308.5)**

3.23 Employee benefits expense

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Salaries, wages and bonus	15,937.9	14,438.9
Contribution to provident and other funds **(Refer note 3.28)**	854.0	770.0
Employees' welfare expenses	439.0	393.9
Total employee benefit expenses	**17,230.9**	**15,602.8**
Less: related to discontinued operations **(Refer note 3.36)**	(921.3)	(822.7)
Total employee benefit expenses from continuing operations	**16,309.6**	**14,780.1**

Notes

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3.24 Finance costs

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest expenses on		
- Bank overdraft and others at amortised cost	388.2	613.5
- Defined benefit liabilities **(Refer note 3.28)**	139.9	127.5
Other borrowing cost	118.0	23.1
Interest expense on lease liabilities **(Refer note 3.29 (iii))**	134.7	55.0
Total finance costs	**780.8**	**819.1**
Less: related to discontinued operations **(Refer note 3.36)**	(19.7)	(18.4)
Total finance costs from continuing operations	**761.1**	**800.7**

3.25 Other expenses

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Consumption of stores and spare parts	647.1	554.7
Power and fuel	1,283.5	1,238.5
Processing charges	661.9	513.9
Contract labour charges	1,072.0	1,001.4
Rent **(Refer note 3.29(iii))**	18.9	21.6
Rates and taxes	102.2	245.2
Insurance	420.6	323.6
Marketing, advertisement and promotions	6,502.5	6,678.3
Selling and distribution expenses	2,977.1	2,526.0
Legal and professional Fees	1,667.6	1,824.4
Sales commission	776.8	757.1
Travelling and conveyance	2,883.9	2,725.0
Repairs:		
- Buildings	119.4	74.6
- Plant and machineries	560.1	473.8
- Others	624.8	385.3
Loss on sale / write off of property, plant and equipments (net)	-	28.4
Commission to directors	18.3	13.0
Donation*	1.7	285.2
Communication and printing expenses	96.7	91.9
Vehicle expenses	228.9	220.9
Clinical and analytical charges	1,410.4	1,386.6
Expected credit loss on receivables	58.1	198.6
Impairment loss	137.3	-
Corporate Social Responsibility (CSR) expenditure **(Refer note 3.40)**	360.9	347.9
License, registration & technology fees	827.0	660.6

Notes

to the standalone financial statements for the year ended 31 March, 2025

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Miscellaneous expenses	760.4	1,573.4
Total other expenses	**24,218.1**	**24,149.9**
Less: related to discontinued operations **(Refer note 3.36)**	(2,376.7)	(2,241.0)
Total other expenses from continuing operations	**21,841.4**	**21,908.8**

*Includes NIL (31 March, 2024: ₹250 Million) paid to a political party.

*Refer Note 3.39 for breakup of Payment to auditors.

3.26 (a) Contingent Liabilities

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
	Claims against the Company not acknowledged as debt:		
(i)	Sales Tax / Goods and Service tax demands disputed in appeal {advances paid in dispute **₹200 Million** (31 March, 2024: ₹1.3 Million)}	1,393.1	36.8
(ii)	Income Tax demands disputed in appeal {**advances paid in dispute ₹122.4 Million** (31 March, 2024: ₹123.7 Million)} (Refer note 3.26 (b))	6,613.8	39.5
(iii)	Other matters: a. Supply of Goods: **₹1.4 Million** (31 March, 2024: ₹1.5 Million) b. In relation to CCI: **₹746.3 Million** (31 March, 2024: ₹746.3 Million) c. Legal Matters : **₹0.4 Million** (31 March, 2024: ₹20.4 Million)	748.1	768.2
	Total	**8,755.0**	**844.5**

Management considers that sales tax/ Goods and service tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made. The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements.

3.26 (b) Commitments

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advance paid **₹26.7 Million** (31 March, 2024: ₹19.7 Million)	449.4	214.7
2	Calls in Respect of Partly paid up shares issued by a subsidiary Company **(Refer note.3.2)**	16.6	15.8
3	Uncalled/ Unpaid contribution towards investment in funds	15.0	59.3
4	Unpaid commitment towards investment in entity (Enterprise value subject to cash/ net debt/ debt like item and working capital adjustment)	1,400.0	-
5	Other Commitments: Commitment towards research and development - **NIL** (31 March, 2024: EUR 0.0625 Million)	-	5.6
6	Uncalled/ Unpaid contribution towards investment in subsidiary	-	2.0
7	Pending Export Obligation under advance licence / EPCG Scheme	80.6	103.0

Notes
to the standalone financial statements for the year ended 31 March, 2025

3.27 Dues to Micro and Small enterprises

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

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
a)	Principal amount remaining unpaid to any supplier as at the year end	651.2	587.6
	Interest due thereon	62.7	51.2
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006) (MSMED Act, 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	62.7	51.2
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.	113.9	51.2

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.

3.28 Disclosure of Employee Benefits

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:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
- Contribution to Provident Fund	850.8	762.1
- Contribution to Employee state insurance corporation	3.2	7.9
Total	**854.0**	**770.0**

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to the standalone financial statements for the year ended 31 March, 2025

ii) Defined benefit plan:

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

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

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

b) On death in service:

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

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March, 2025 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, 2025:

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation :**		
	Current Service Cost	244.9	226.4
	Past Service Cost	-	-
	Interest Cost	139.9	127.5
	Actuarial (gain) / loss	176.9	66.8
	Benefits paid	(192.0)	(162.8)
	Transferred to discontinued operations*	(19.4)	(11.6)
	PVO at the beginning of the year	**2,343.9**	**2,086.0**
	Transferred to discontinued operations*	(69.0)	-
	PVO at end of the year	**2,625.3**	**2,343.9**
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	2,625.3	2,343.9
	Fair Value of planned assets at end of year	-	-
	Funded status	2,625.3	(2,343.9)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	2,625.3	(2,343.9)
III)	**Net cost for the year**		
	Current Service cost	244.9	226.4
	Past Service Cost	-	-
	Interest cost	139.9	127.5
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	176.9	66.8
	Sub total	**561.7**	**420.7**
	Transferred to discontinued operations*	(19.4)	(11.6)
	Net cost	**542.3**	**409.1**

Notes
to the standalone financial statements for the year ended 31 March, 2025

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
IV)	**Assumption used in accounting for the gratuity plan:**		
	Discount rate (%)	6.61%	7.18%
	Attrition rate (%)	10% - 20%	10% - 20%
	Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
	Salary escalation rate (%)	10% in Next one year and 8% thereafter	10% in Next one year and 8% thereafter

*For the previous year the figures related to the statement of profit and loss have been given impact of the generic business carveout; however, the balance sheet items have not adjusted to give impact of the carved out.

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

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

Maturity profile of defined benefit obligation:

(₹ Million)

Projected benefits payable in future years from the date of reporting	As at 31 March, 2025	As at 31 March, 2024
1st following year	959.1	790.7
2nd following year	317.9	270.4
3rd following year	273.8	253.5
4th following year	261.8	224.4
5th following year	234.5	207.5
Sum of years 6th to 10th	925.5	779.5
Sum of years 11th and above	1,056.9	918.6

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	As at 31 March, 2025		As at 31 March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(107.6)	119.4	(93.9)	104.1
Future salary growth (1% movement)	128.6	(118.3)	90.9	(83.5)

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **5.88 years** (Previous year: 5.87 years)

Notes

to the standalone financial statements for the year ended 31 March, 2025

3.29 Leases

Leases as lessee

i. Right of use assets

Right of use assets related to leased properties.

(₹ Million)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	487.9	391.8	879.6	496.9	463.0	959.9
Depreciation for the year	(7.6)	(158.3)	(165.9)	(9.0)	(151.5)	(160.5)
Additions / Adjustments of right of use assets (net)	3.6	686.6	690.2	-	80.2	80.2
Transfer to assets held for sale **(Refer note 3.43)**	(262.9)	-	(262.9)	-	-	-
Deletions	-	(5.5)	(5.5)	-	-	-
Transfer on account of discontinued operations **(Refer note 3.36)**	-	(319.9)	(319.9)	-	-	-
Closing Balance	**221.0**	**594.5**	**815.5**	**487.9**	**391.8**	**879.6**

ii. Lease liability

(₹ Million)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
	Land	Buildings	Total	Land	Buildings	Total
Maturity analysis of lease liability - undiscounted contractual cash flows						
Less than one year	-	328.9	328.9	2.9	191.8	194.7
One to three years	-	487.4	487.4	5.8	326.1	331.9
More than three years	-	434.4	434.4	257.9	147.0	404.9
Total undiscounted cash flows	**-**	**1,250.7**	**1,250.7**	**266.6**	**664.9**	**931.5**
Current (Discounted)	-	240.2	240.2	0.1	103.7	103.8
Non-current (Discounted)	-	434.5	434.5	62.9	313.1	376.0

iii. Amount recognised in statement of profit and loss

(₹ Million)

Particulars	For the Year ended 31 March, 2025			For the Year ended 31 March, 2024		
	Land	Buildings	Total	Land	Buildings	Total
General and administrative expenses						
Short-term lease rent expense	2.9	16.0	18.9	2.9	18.7	21.6
Depreciation and impairment losses						
Depreciation of right of use asset	7.6	158.3	165.9	9.0	151.5	160.5
Finance cost						
Interest expense on lease liability	2.8	131.9	134.7	2.8	52.2	55.0
	13.3	**306.1**	**319.5**	**14.8**	**222.4**	**237.1**

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to the standalone financial statements for the year ended 31 March, 2025

iv. Amount recognised in statement of cash flows

(₹ Million)

Particulars	For the Year ended31 March 2025			For the Year ended31 March 2024		
	Land	Buildings	Total	Land	Buildings	Total
Cash outflow for short-term leases	2.9	16.0	18.9	2.9	18.7	21.6
Principal component of cash outflow for long-term leases	0.0	88.6	88.6	0.0	145.0	145.1
Interest component of cash outflow for long-term leases	2.8	131.9	134.7	2.8	52.2	55.0
Total cash outflow for leases	**5.8**	**236.5**	**242.2**	**5.8**	**215.9**	**221.7**

v. Movement of lease liabilities

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Opening balance of lease liability	479.8	558.0
Additions/adjustments to lease liability	686.9	66.9
Interest on lease liability	134.7	55.0
Repayment of lease liability	(223.3)	(200.1)
Transfer to assets held for sale **(Refer note 3.43)**	(62.9)	-
Transfer on account of discontinued operations **(Refer note 3.36)**	(339.5)	-
Closing lease liability	**674.7**	**479.8**

3.30 The aggregate amount of revenue expenditure incurred during the period on Research and Development and shown in the respective heads of account is **₹4,605 Million**(Previous year: ₹4,637.7 Million).

3.31 Earnings per share (EPS)

(₹ Million)

Particulars			For the year ended 31 March, 2025	For the year ended 31 March, 2024
Profit / (Loss) after tax attributable to equity shareholders from continuing operations	(₹ in Million)	A	20,897.2	15,605.1
Profit / (Loss) after tax attributable to equity shareholders from discontinued operations	(₹ in Million)	B	1,911.7	1,866.4
Profit / (Loss) after tax attributable to equity shareholders from continuing and discontinued operations	(₹ in Million)	C	22,808.9	17,471.5
Weighted average number of equity shares outstanding during the year	Nos.	D	11,95,65,000	11,95,65,000
Basic and diluted earnings per equity share (₹) - Face value of ₹2 per share from continuing operations	In ₹	(A / D)	174.78	130.52
Basic and diluted earnings per equity share (₹) - Face value of ₹2 per share from discontinued operations	In ₹	(B/ D)	15.99	15.61
Basic and diluted earnings per equity share (₹) - Face value of ₹2 per share from continuing and discontinued operations	In ₹	(C/ D)	190.77	146.13

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

Liabilities towards anticipated sales return:

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

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Carrying amount at the beginning of the year	2,004.6	1,823.9
Add: Liability accrued during the year	2,012.2	1,897.4
Less: Amount utilized during the year	1,852.2	1,716.7
Carrying amount at the end of the year	**2,164.6**	**2,004.6**

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Non-current	776.6	690.6
Current	1,388.0	1,314.0
Total	**2,164.6**	**2,004.6**

3.33 Dividend paid and proposed:

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

(₹ Million)

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March, 2025	Dividend Per Equity Share (₹)	For the year ended 31 March, 2024
Dividend on equity shares	42.00	5,021.7	45.00	5,380.4
Total		**5,021.7**		**5,380.4**

After the reporting date, the following dividend was proposed by the Board of Directors in its meeting held on 29 May, 2025 (previous year: in the Board meeting held on 29 May, 2024) subject to the approval at the annual general meeting. Proposed dividend has not been recognised as a liability.

(₹ Million)

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March, 2025	Dividend Per Equity Share (₹)	For the year ended 31 March, 2024
Final dividend on equity shares	8.00	956.5	5.00	597.8
Total		**956.5**		**597.8**

3.34 Segment Reporting

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

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

The Company’s prinicipal related parties consist of its subsidiaries and 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.

Notes

to the standalone financial statements for the year ended 31 March, 2025

A) Subsidiaries and Step down Subsidiaries

Particulars	Principal Place of Business	% Shareholding and Voting Power	
		As at 31 March, 2025	As at 31 March, 2024
Ascend Laboratories (Pty) Ltd	South Africa	100%	100%
Ascend GmbH	Germany	100%	100%
Alkem Laboratories Corporation	Philippines	100%	100%
S&B Holdings S.a.r.l. (Previously known as S&B Holdings B.V with principle place of business based at Netherlands redomiciled to Luxembourg w.e.f 16 October, 2023)	Luxembourg	100%	100%
Pharmacor Pty Limited	Australia	100%	100%
ThePharmaNetwork, LLC (Subsidiary of S&B Holdings S.a.r.l.)	United States of America	100%	100%
Ascend Laboratories SDN BHD.	Malaysia	100%	100%
Ascend Laboratories SpA	Chile	100%	100%
Enzene Biosciences Limited	India	99.76%	99.76%
Alkem Laboratories Korea Inc.	South Korea	100%	100%
Pharmacor Limited	Kenya	100%	100%
The Pharmanetwork, LLP	Kazakhstan	100%	100%
Ascend Laboratories, LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America	100%	100%
Ascend Laboratories SAS	Colombia	100%	100%
Ascend Laboratories (UK) Limited	United Kingdom	100%	100%
Cachet Pharmaceuticals Private Limited	India	61%	61%
Indchemie Health Specialities Private Limited	India	51%	51%
Ascend Laboratories Limited	Canada	100%	100%
Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Chile	100%	100%
Alkem Foundation	India	100%	100%
Connect 2 Clinic Private Limited	India	100%	100%
Ascend Laboratories S.A. DE. CV (Wholly owned subsidiary of Ascend Laboratories SpA)	Mexico	100%	100%
Enzene Inc (Wholly owned subsidiary of Enzene Biosciences Limited) (w.e.f 26 May, 2022)	United States of America	100%	100%
Pharmacor Limited (Wholly owned subsidiary of Pharmacor Pty Limited) (w.e.f 1 June, 2022)	New Zealand	100%	100%
S & B Pharma LLC (Wholly owned subsidiary of The PharmaNetwork, LLC)	United States of America	100%	100%
Alkem Medtech Private Limited (incorporated on 27 March, 2024)	India	100%	NA
Alixer Nexgen Therapeutics Limited (incorporated on 12 July, 2024)	India	100%	NA
Alkem Wellness Limited (incorporated on 16 September, 2024)	India	100%	NA
Pharmacor SpA ((Wholly owned by Pharmacor Pty Limited) (w.e.f 22 November, 2024)	Chile	100%	NA

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B) Associate

	Principal Place of Business	% Shareholding and Voting Power	
		As at 31 March, 2025	As at 31 March, 2024
HaystackAnalytics Private Limited (acquired 7.42% on 06 June, 2024 and the balance 0.74% on 10 January, 2025)	India	8.16%	NA

C) Key Managerial Personnel ("KMP")

Mr. Basudeo Narain Singh	Executive Chairman
Mr. Mritunjay Kumar Singh	Executive Director
Mr. Sandeep Singh	Managing Director
Mr. Sarvesh Singh	Executive Director
Mr. Srinivas Singh	Executive Director
Mrs. Madhurima Singh	Executive Director
Mr. A.K.Purwar	Independent Director
Mr. Sujjain Talwar	Independent Director
Ms. Sangeeta Singh	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Dheeraj Sharma (upto 14 June, 2024)	Independent Director
Mr. Rajeev Kher (w.e.f. 09 August, 2024)	Independent Director
Mr. Narendra Kumar Aneja	Independent Director
Dr. Vikas Gupta (w.e.f 22 September, 2023)	Chief Executive Officer
Mr. Rajesh Dubey (upto 31 January, 2024)	President - Finance & Chief Financial Officer
Mr. Nitin Agrawal (w.e.f 1 February, 2024)	President - Finance & Chief Financial Officer
Mr. Manish Narang	President - Legal & Company Secretary

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

Mr. Satish Kumar Singh	Father of Sandeep Singh and Sarvesh Singh
Mrs. Archana Singh	Daughter of Basudeo Narain Singh
Mr. Sarandhar Singh	Son of Late Balmiki Prasad Singh and Brother of Srinivas Singh
Mrs. Manju Singh	Wife of Late Balmiki Prasad Singh and Mother of Srinivas Singh
Mrs. Premlata Singh	Mother of Sandeep Singh and Sarvesh Singh
Mrs. Seema Singh	Wife of Mritunjay Kumar Singh
Ms. Divya Singh	Daughter of Madhurima Singh
Mr. Aniruddha Singh	Son of Madhurima Singh
Ms. Meghna Singh	Daughter of Mritunjay Kumar Singh
Mr. Shrey Shree Anant Singh	Son of Mritunjay Kumar Singh
Ms.Inderjit Arora	Wife of Sandeep Singh
Mrs. Annapurna Singh	Wife of Sarvesh Singh
Mr. Sreejan Shandilya	Husband of Madhurima Singh's Daughter

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

Shivanika Foods Private Limited
4Ever 4 Ward Private Limited
Samnan Chemical Private Limited

Notes
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Shreenika Pioneering Inc.
Nikki Arora Fine Jewellery LLP
India Realty Excellence Fund II LLP
Sureet Propkem Private Limited
Maaiya Social Change Front Foundation
Prospera Ventures Private Limited
Travelon Services Private Limited
IIFL Finance Ltd (Formerly IIFL Holdings Ltd)
Jindal Panther Cement Pvt. Ltd.
Eroute Technologies Pvt Ltd
Jindal Global Capability Centre Pvt Ltd
Sanguine Consultants
Integrated Mumbai Business Park (India) Private Limited (Dubai Ports World)
Integrated Chennai Business Park (India) Private Limited (Dubai Ports World)
Fomento Resorts and Hotels Private Limited
Ascend Laboratories LLC, USA
Economics Law Practice
Aneja Management Consultants Private Limited
Aneja Assurance Private Limited
Aneja Advisory Private Limited
ANSA & Associates LLP
Okiyo Terraces Private Limited
Kukui Advisors (SPOC) Private Limited

Details of Transactions with Related Parties

(₹ Million)

Sr. No.	Particulars	For the year ended 31 March, 2025				
		Subsidiaries/Step down subsidiaries/ Associate	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
1	Remuneration*	-	1,023.2	161.2	-	1,184.5
		-	(962.0)	(152.4)	-	(1,114.3)
2	Consultancy fees paid	-	-	3.0	-	3.0
		-	-	(3.0)	-	(3.0)
3	Purchase of stock in trade	3,169.7	-	-	-	3,169.7
		(3,361.9)	-	-	-	(3,361.9)
4	Sale of finished goods	23,904.9	-	-	-	23,904.9
		(18,434.1)	-	-	-	(18,434.1)
5	Sale of raw and packing materials	2.2	-	-	-	2.2
		(3.9)	-	-	-	(3.9)
6	Purchase of raw and packing materials	4.7	-	-	-	4.7
		(4.3)	-	-	-	(4.3)
7	Services received	770.6	-	-	-	770.6
		(732.0)	-	-	-	(732.0)

Notes
to the standalone financial statements for the year ended 31 March, 2025

(₹ Million)

Sr. No.	Particulars	For the year ended 31 March, 2025				
		Subsidiaries/Step down subsidiaries/ Associate	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
8	Rental income	20.0	-	-	-	20.0
		(23.3)	-	-	-	(23.3)
9	Rent expenses	-	3.0	1.1		4.2
		-	(3.0)	(1.1)	-	(4.2)
10	Investments made	4,889.0	-	-	-	4,889.0
		-	-	-	-	-
11	Dividend paid	-	731.9	657.4	1,386.4	2,775.7
		-	(787.9)	(724.2)	(1,546.0)	(3,058.1)
12	Loans and advances given to	84.8	-	-	-	84.8
		-	-	-	-	-
13	Loans and advances repaid by	-	-	-	-	-
		-	(1.6)	-	-	(1.6)
14	Donation given to	352.9	-	-	-	352.9
		(537.4)	-	-	-	(537.4)
15	Purchase of PPE	-	-	-	-	-
		(4.2)	-	-	-	(4.2)
16	Royalty expenses	0.3	-	-	-	0.3
		(0.4)	-	-	-	(0.4)
17	Guarantee commission	33.9	-	-	-	33.9
		(21.3)	-	-	-	(21.3)
18	Royalty income	125.7	-	-	-	125.7
		(140.0)	-	-	-	(140.0)
19	Reimbursement of expenses to	407.4	-	-	-	407.4
		(862.3)	-	-	-	(862.3)
20	Reimbursement of expenses from	235.2	105.1	1.1		341.5
		(28.0)	(35.0)	(2.8)	-	(65.9)
21	Interest income on loans given	1.7	-	-	-	1.7
		(0.2)	(0.0)	-	-	(0.2)
22	Advance received	-	-	-	-	-
		(10.8)	-	-	-	(10.8)
23	Dividend received	661.4	-	-	-	661.4
		(25.5)	-	-	-	(25.5)
24	Corporate guarantee given for subsidiaries	11,694.9	-	-	-	11,694.9
		(166.8)	-	-	-	(166.8)
25	Freight income	129.3	-	-	-	129.3
		(194.6)	-	-	-	(194.6)

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

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*Key managerial personnel remuneration

Key managerial personnel remuneration comprise the following :

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Short term employee benefits	922.0	905.6
Post-employment benefits	82.3	49.8
Other long-term benefits	18.9	6.6
Total	**1,023.2**	**962.0**

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.

Significant Related party transactions

(₹ Million)

Sr. No.	Transactions	Related Party relation	year ended 31 March, 2025	year ended 31 March, 2024
1	Sale of Finished Goods			
	Ascend Laboratories, LLC	Step Down Subsidiary	16,562.3	13,753.0

Balance due from / to the related Parties

(₹ Million)

Sr. No.	Particulars	For the year ended 31 March, 2025				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
1	Outstanding receivables	11,969.8	-	-	-	11,969.8
2	Outstanding payables	2,008.4	-	-	-	2,008.4
3	Security deposits payable	8.6	-	-	-	8.6
4	Loans receivable	90.7	-	-	-	90.7

(₹ Million)

Sr. No.	Particulars	For the year ended 31 March, 2024				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Close Members of KMP	Affiliates	Total
		A	B	C	D	
1	Outstanding receivables	10,955.5	-	-	-	10,955.5
2	Outstanding payables	1,976.3	-	-	-	1,976.3
3	Security deposits payable	8.6	-	-	-	8.6
4	Loans receivable	3.5	-	-	-	3.5

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Note:

1 **Disclosure pursuant to regulation 34 (3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 186 of the Companies Act, 2013.**

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

(₹ Million)

Sr. No.	Related Party	Related Party relation	As at 31 March, 2025	Maximum balance outstanding during the year	As at 31 March, 2024	Rate of interest
i	Alkem Laboratories Korea Inc.	Wholly Owned Subsidiary	2.1	2.1	2.0	6.5% p.a.
ii	Ascend Laboratories SDN BHD.	Wholly Owned Subsidiary	1.6	1.6	1.5	6.5% p.a.
iii	Alkem Laboratories Corporation	Wholly Owned Subsidiary	87.0	87.0	-	5.7% p.a. for the current year

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

c) Value of assets pledged against loan taken by subsidiaries

(₹ Million)

Sr. No.	Related Party	Related Party relation	As at 31 March, 2025	As at 31 March, 2024
i	Ascend Laboratories SpA, Chile	Wholly Owned Subsidiary	2,150.0	2,150.0
ii	PharmaNetwork SpA, Chile	Wholly Owned Subsidiary		

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

d) The Company has issued corporate guarantee to its subsidiaries/step down subsidiaries as below:

(₹ Million)

Sr. No.	Subsidiary name	Currency	Amount of Corporate Guarantee as on 31 March, 2025 in in Foreign Currency (in Million)	Amount of Corporate Guarantee as on 31 March, 2025 in ₹ Million	Amount of Corporate Guarantee as on 31 March, 2024 in in Foreign Currency (in Million)	Amount of Corporate Guarantee as on 31 March, 2024 in ₹ Million
i	Pharmacor Pty Limited, Australia	AUD	5.0	269.1	5.0	270.6
ii	Ascend Laboratories SpA, Chile	USD	42.8	3,654.1	22.0	1,834.9
iii	Pharma Network SpA (Wholly owned by Ascend Laboratories SpA), Chile	USD	12.1	1,034.2	7.5	625.5
iv	Enzene Biosciences Limited	USD	55.0	4,701.1	-	-
		INR	1,750.0	1,750.0	500.0	500.0
v	Ascend Laboratories LLC, USA	USD	50.0	4,273.8	50.0	4,170.3
vi	Ascend GMBH, Germany	EUR	11.0	1,013.0	-	-

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(₹ Million)

Sr. No.	Subsidiary name	Currency	Amount of Corporate Guarantee as on 31 March, 2025 in in Foreign Currency (in Million)	Amount of Corporate Guarantee as on 31 March, 2025 in ₹ Million	Amount of Corporate Guarantee as on 31 March, 2024 in in Foreign Currency (in Million)	Amount of Corporate Guarantee as on 31 March, 2024 in ₹ Million
vii	The Pharma Network LLP, Kazakhstan	USD	6.6	564.1	-	-
viii	Pharmacor Ltd, Kenya	USD	2.8	235.1	-	-
ix	Ascend Laboratories (Pty) Ltd, South Africa	USD	1.7	141.0	-	-
x	Ascend Laboratories Ltd, UK	GBP	2.2	243.5	-	-
xi	Ascend Laboratories SAS, Colombia	USD	3.3	282.1	-	-
xii	Pharmacor SpA, Chile	USD	7.7	658.2	-	-

3.36 Discontinuing/restructuring operations

The Board of Directors of the Company at their meeting held on 10 December, 2024 have approved to transfer its Generic Business Undertaking to Alkem Wellness Limited, a wholly owned subsidiary of the Company as a going concern on a slump sale basis. The Company is currently in process of executing the Business Transfer Agreement (BTA).

Consequently the Generic Business has been classified as a disposal group held for sale and as a discontinued operations in accordance with Ind AS 105 "Non - current Assets Held for Sale and Discontinued Operations".

The proposed transfer of generics business is expected to be completed by 01 October, 2025.

The financial performance and cash flows for Discontinuing/ restructuring operations in respect of Generic Business undertaking

i) Analysis of profit from discontinuing operations:

(₹ in Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Revenue from sale of products	18,974.9	17,838.7
Other operating revenues	-	-
Total revenue from operations	**18,974.9**	**17,838.7**
Other income	0.0	0.0
Total income	**18,974.9**	**17,838.7**
Expenses		
Cost of materials consumed	5,518.5	4,795.7
Purchases of stock-in-trade	7,228.9	7,444.3
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(86.8)	(404.6)
Employee benefits expense	921.3	822.7
Finance costs	19.7	18.4
Depreciation and amortisation expense	58.1	52.1
Other expenses	2,376.7	2,241.0
Total expenses	**16,036.4**	**14,969.7**
Profit before tax from discontinued operations	**2,938.5**	**2,869.0**

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(₹ in Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Tax expense (net)		
Current tax	1,026.8	1,002.6
Deferred tax	-	-
Total tax expense	**1,026.8**	**1,002.6**
Profit after tax for the year from discontinued operations	**1,911.7**	**1,866.4**
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss	6.5	0.1
Income tax relating to items that will not be reclassified to profit or loss	(2.3)	(0.0)
Other comprehensive income for the year	**4.2**	**0.0**
Total comprehensive income for the year	**1,915.9**	**1,866.4**

ii) Net cash flows attributable to the discontinuing operations

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Net cash generated from operating activities	1,510.9	1,296.1
Net cash used in investing activities	(1.0)	(1.7)
Net cash used in financing activities	(62.5)	(54.1)

iii) Summary of assets and liabilities to be transferred for Generic Business Undertaking as on 31 March, 2025:

(₹ Million)

Particulars	As at 31 March, 2025
Property, plant and equipment	22.4
Right of use assets	319.9
Other Intangible assets	0.2
Other financial assets (non - current)	9.1
Inventories	3,470.6
Trade receivables	4,342.4
Loans (current)	15.3
Other financial assets (current)	4.3
Other current assets	410.1
Total assets transferred	**8,594.3**
Lease liabilities (non - current)	252.1
Provisions (non - current)	108.8
Lease liabilities (current)	87.4
Trade payables	2,345.0
Other financial liabilities (current)	284.5
Provisions (current)	25.2
Total liabilities transferred	**3,103.0**
Net assets to be transferred for Generic Business Undertakings	**5,491.3**

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3.37 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

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

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

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

(₹ Million)

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	-	-	749.2	749.2	-	-	-	-
Other Bank Balances	-	-	9,811.9	9,811.9	-	-	-	-
Non-current investments	1,487.1	-	5,636.7	7,123.9	-	1,487.1	-	1,487.1
Current investments	5,764.4	-	788.0	6,552.4	5,017.4	-	747.0	5,764.4
Non-current loans	-	-	90.7	90.7	-	-	-	-
Current loans	-	-	16.5	16.5	-	-	-	-
Trade receivables	-	-	15,598.4	15,598.4	-	-	-	-
Other Non-current financial assets	-	-	2,840.4	2,840.4	-	-	-	-
Other Current financial assets	-	-	19,246.1	19,246.1	-	-	-	-
Total	**7,251.5**	**-**	**54,777.9**	**62,029.5**	**5,017.4**	**1,487.1**	**747.0**	**7,251.5**
Financial liabilities								
Other Non Current financial liabilities	-	-	855.5	855.5	-	-	-	-
Current borrowings	-	-	3,712.4	3,712.4	-	-	-	-
Trade payables	-	-	14,637.8	14,637.8	-	-	-	-
Lease liabilities	-	-	674.7	674.7	-	-	-	-
Other Current financial liabilities	-	-	3,817.4	3,817.4	-	-	-	-
Total	**-**	**-**	**23,697.8**	**23,697.8**	**-**	**-**	**-**	**-**

(₹ Million)

Particulars	As at 31 March, 2024							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	389.5	389.5	-	-	-	-
Other Bank Balances	-	-	10,269.0	10,269.0	-	-	-	-
Non-current investments	1,193.3	-	156.3	1,349.6	-	1,193.3	-	1,193.3
Current investments	1,385.1	-	52.5	1,437.6	372.5	-	1,012.6	1,385.1
Non-current loans	-	-	3.5	3.5	-	-	-	-

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(₹ Million)

Particulars	As at 31 March, 2024							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Current loans	-	-	39.5	39.5	-	-	-	-
Trade receivables	-	-	17,536.4	17,536.4	-	-	-	-
Other Non-current financial assets	-	-	520.6	520.6	-	-	-	-
Other Current financial assets	-	-	25,414.6	25,414.6	-	-	-	-
Total	**2,578.4**	**-**	**54,381.9**	**56,960.3**	**372.5**	**1,193.3**	**1,012.6**	**2,578.4**
Financial liabilities								
Other Non Current financial liabilities	-	-	690.6	690.6	-	-	-	-
Current borrowings	-	-	9,572.3	9,572.3	-	-	-	-
Trade payables	-	-	15,709.4	15,709.4	-	-	-	-
Lease liabilities	-	-	479.8	479.8	-	-	-	-
Other Current financial liabilities	-	-	3,379.9	3,379.9	-	-	-	-
Total	**-**	**-**	**29,832.0**	**29,832.0**	**-**	**-**	**-**	**-**

B. Measurement of fair values

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

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

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

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

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

The significant unobservable inputs used to determine the fair value of investment in fund together with the quantitative sensitivity analysis as at 31 March, 2025 and 31 March, 2024 are as shown below:

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

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

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Level 3 fair values

Reconciliation of Level 3 fair values

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

Particulars	₹ in Million
Opening Balance (1 April, 2023)	1,042.6
Net change in fair value (unrealised)	-
Repayment	(30.0)
Closing Balance (31 March, 2024)	**1,012.6**
Net change in fair value (unrealised)	(25.8)
Repayment	(200.3)
Provision towards investment	(39.5)
Closing Balance (31 March, 2025)	**747.0**

Transfer out of Level 3

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

Sensitivity analysis

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

	31 March, 2025		31 March, 2024	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Significant unobservable inputs				
Sale Price - 5%	18.2	(18.2)	31.4	(31.4)
Cost of Construction - 5%	(6.0)	6.0	(13.8)	13.8
Absorption Timelines - 1 Year	(24.6)	23.9	(40.6)	38.4

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

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

Risk management framework

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

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

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

i. Credit risk

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

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

Trade receivables

Trade receivables consisits 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, 2025, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

(₹ Million)

Particulars	31 March, 2025	31 March, 2024
India	3,335.2	6,245.6
US	7,507.6	5,897.1
Other regions	4,755.6	5,393.7
Total	**15,598.4**	**17,536.4**

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

(₹ Million)

Particulars	31 March, 2025	31 March, 2024
Stockists/distributors	3,628.6	6,580.9
Subsidiaries	11,969.8	10,955.5
Total	**15,598.4**	**17,536.4**

At 31 March, 2025, the carrying amout of the Company's most significant customer (Ascend Laboratories LLC, its wholly owned step-down subsidiary) is **₹7,508.9 Million** (31 March, 2024: ₹ 5,891.7 Million)

Impairment

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

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

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

(₹ Million)

Particulars	31 March, 2025	31 March, 2024
Balance as at the beginning of the year	455.0	280.9
Impairment loss recognised	58.1	198.6
Amounts written back	(38.4)	(24.5)
Transfer on account of discontinued operations	(142.3)	-
Balance as at the end of the year	**332.5**	**455.0**

Loans to subsidiaries

The Company has an exposure of **₹ 90.7 Million** as at 31 March, 2025 (31 March, 2024: ₹ 3.5 Million) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost.

The Company did not have any amounts that were past due but not impaired at 31 March, 2025 or 31 March, 2024. The Company has no collateral in respect of these loans.

Investments, Cash and Cash Equivalents and Bank Deposits

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

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

Total non-current and current investments as at 31 March, 2025 is **₹ 71,235.0 Million** (31 March, 2024: ₹ 60,248.4 Million)

Debt securities

The Company has an exposure of **₹ 6,424.7 Million** as at 31 March, 2025 (31 March, 2024: ₹ 208.8 Million) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31 March, 2025.

Credit Rating of debt securities is given below:

(₹ Million)

Credit Rating	31 March, 2025	31 March, 2024
AAA	6,424.7	200.7
Not Rated	-	8.1
Total	**6,424.7**	**208.8**

The Company did not have any debt securities that were past due but not impaired at 31 March, 2025 or 31 March, 2024. The Company has no collateral in respect of these investments.

ii. Liquidity risk

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

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

Exposure to liquidity risk

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

(₹ Million)

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	3,712.4	3,712.4	3,712.4	-	-	-	-
Trade payables	14,637.8	14,637.8	14,637.8	-	-	-	-
Other Current financial liabilities	3,817.4	3,817.4	3,817.4	-	-	-	-
Total	**22,167.6**	**22,167.6**	**22,167.6**	**-**	**-**	**-**	**-**

(₹ Million)

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

iii. Market risk

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

Currency risk

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

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Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2025 and 31 March, 2024 in their respective currencies are as below (absolute values):

Particulars	31 March, 2025										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Non-current loans	-	-	10,61,548	-	-	-	-	-	-	-	-
Trade and other receivables	1,03,36,781	45,54,766	11,79,57,694	2,02,91,908	-	1,03,777	-	-	-	-	10
Cash and cash equivalents	-	-	52,647	-	-	-	-	-	-	-	-
	1,03,36,781	**45,54,766**	**11,90,71,889**	**2,02,91,908**	**-**	**1,03,777**	**-**	**-**	**-**	**-**	**10**
Financial liabilities											
Short term borrowings	-	-	3,55,00,000	-	-	-	-	-	-	-	-
Trade and other payables	43,59,923	6,55,272	2,72,66,641	41,70,425	3,04,650	-	3,00,773	-	20,70,322	15,750	-
	43,59,923	**6,55,272**	**6,27,66,641**	**41,70,425**	**3,04,650**	**-**	**3,00,773**	**-**	**20,70,322**	**15,750**	**-**
Hedge through forward covers	-	-	5,00,00,000	-	-	-	-	-	-	-	-
Net unhedged foreign currency exposure as at 31 March, 2025	**59,76,858**	**38,99,494**	**63,05,247**	**1,61,21,483**	**(3,04,650)**	**1,03,777**	**(3,00,773)**	**-**	**(20,70,322)**	**(15,750)**	**10**

Particulars	31 March, 2024										
	EUR	GBP	USD	AUD	CNY	CAD	JPY	KES	NPR	AED	CHF
Financial assets											
Non-current loans	-	-	41,855	-	-	-	-	-	-	-	-
Trade and other receivables	62,67,228	83,02,294	11,58,37,397	1,52,54,324	-	1,03,777	-	-	4,11,730	-	10
Cash and cash equivalents	-	-	6,12,673	-	-	-	-	-	-	-	-
	62,67,228	**83,02,294**	**11,64,91,925**	**1,52,54,324**	**-**	**1,03,777**	**-**	**-**	**4,11,730**	**-**	**10**
Financial liabilities											
Short term borrowings	-	-	9,40,00,000	-	-	-	-	-	-	-	-
Trade and other payables	17,68,678	6,33,445	1,78,00,960	61,92,267	1,21,050	-	6,78,944	-	-	31,500	-
	17,68,678	**6,33,445**	**11,18,00,960**	**61,92,267**	**1,21,050**	**-**	**6,78,944**	**-**	**-**	**31,500**	**-**
Hedge through forward covers	-	-	-	-	-	-	-	-	-	-	-
Net unhedged foreign currency exposure as at 31 March, 2024	**44,98,550**	**76,68,848**	**46,90,965**	**90,62,057**	**(1,21,050)**	**1,03,777**	**(6,78,944)**	**-**	**4,11,730**	**(31,500)**	**10**

Foreign exchange derivatives and exposures outstanding at the year end

Nature of instrument	Currency	Cross Currency	As of March 31, 2025	As of March 31, 2024
Forward contracts - Sold	USD	-	USD 50 Mn	NIL
Forward contracts - Bought	NA	NA	NA	NA

Note: The Company uses foreign exchange forward contracts/derivatives for hedging purposes.

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

INR	Year-end spot rate	
	31 March, 2025	31 March, 2024
EUR	92.09	89.88
GBP	110.70	105.03
USD	85.48	83.41
AUD	53.81	54.11
CNY	11.75	11.48
CAD	59.67	61.27
JPY	0.57	0.55
KES	0.66	0.63
NPR	0.62	0.63
AED	23.27	22.71
CHF	96.84	92.04

Notes
to the standalone financial statements for the year ended 31 March, 2025

Sensitivity analysis

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

Effect ₹ in Million 31 March, 2025	Profit or (loss) before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
EUR	55.0	(55.0)	35.8	(35.8)
GBP	43.2	(43.2)	28.1	(28.1)
USD	481.3	(481.3)	313.1	(313.1)
AUD	86.7	(86.7)	56.4	(56.4)
CNY	(0.4)	0.4	(0.2)	0.2
CAD	0.6	(0.6)	0.4	(0.4)
JPY	(0.0)	0.0	(0.0)	0.0
NPR	(0.1)	0.1	(0.1)	0.1
AED	(0.0)	0.0	(0.0)	0.0
CHF	0.0	(0.0)	0.0	(0.0)
	666.3	**(666.3)**	**433.5**	**(433.5)**

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

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, 2025, the investments in mutual funds amounts to **₹ 5,017.4 Million** (31 March, 2024: ₹ 372.5 Million). 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, 2025		31 March, 2024	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Price change by 1%	50.17	(50.17)	3.7	(3.7)

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to the standalone financial statements for the year ended 31 March, 2025

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:

(₹ Million)

Particulars	31 March, 2025	31 March, 2024
Fixed-rate instruments		
Financial assets	37,346.3	34,624.8
Financial liabilities	628.8	1,720.2
Total	**36,717.6**	**32,904.6**
Variable-rate instruments		
Financial liabilities	3,083.6	7,852.1
Total	**3,083.6**	**7,852.1**

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.

Interest rate sensitivity - variable rate instruments

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

Particulars	Profit or loss			
	31 March, 2025		31 March, 2024	
	5% increase	5% decrease	5% increase	5% decrease
Variable-rate instruments	(14.6)	14.6	(22.1)	22.1
Cash flow sensitivity (net)	(14.6)	14.6	(22.1)	22.1

3.38 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.

Notes
to the standalone financial statements for the year ended 31 March, 2025

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

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total Borrowings	3,712.4	9,572.3
Less : Cash and cash equivalents	749.2	389.5
Net debt	**2,963.2**	**9,182.7**
Total equity	1,23,218.3	1,05,546.1
Net debt to equity ratio	**0.02**	**0.09**

3.39 Payment to auditors (excluding GST)

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
As Auditor		
Audit fees*	30.8	37.3
In other capacity		
In any other services such as certification, etc.	1.5	1.2
Reimbursement of out of pocket expenses	0.7	4.1
Total	**33.0**	**42.6**

*The above audit fees includes audit fees of ₹ 3.6 Million of the erstwhile auditor towards limited review of June 2024.

3.40 The gross amount required to be spent by the Company on Corporate Social Responsibility (""CSR"") as per section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 during the year is **₹ 331.0 Million** (31 March, 2024: ₹ 327.6 Million).

The Company has spent an amount of **₹ 359.1 Million** (31 March, 2024: ₹ 343.7 Million) towards the CSR obligation of the Company and an amount of **₹ 2.2 Million** (31 March, 2024: ₹ 4.2 Million) was transferred to the "Unspent CSR Account" towards the ongoing projects initiated by the Company towards CSR as per the approved CSR policy of the Company on healthcare, women empowerment, education, sanitation, conservation of environment, rural development.

Above spend includes a transfer of **₹ 350.1 Million** (31 March, 2024: ₹ 343.5 Million) to Alkem Foundation, a subsidiary of the Company, which is a Section 8 registered company under Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as healthcare, women empowerment, education, sanitation, conservation of environment, rural development and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

Amount spent during the year on other than ongoing projects:

(₹ Million)

	Particulars	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
ii)	On purposes other than (i) above	338.0	-	338.0
		(111.5)	-	(111.5)

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

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to the standalone financial statements for the year ended 31 March, 2025

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

(₹ Million)

Opening balance With the Company	In Separate CSR Unspent Account	Amount required to be spent during the year	Amount spent during the year		Closing balance	
			From the Company's bank account	From separate CSR Unspent account	With the Company	In Separate CSR Unspent Account
-	4.3	-	21.1	7.2	-	1.3
(-)	(1.0)	(216.1)	(232.2)	(203.0)	(-)	(4.3)

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

Subsequent to 31 March, 2025, an amount of **₹ 2.2 Million** (Previous year: ₹ 4.2 Million has been transferred to the separate CSR Unspent account on 30 April, 2025 (Previous year: 30 April, 2024) in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 rules.

3.41 Government Grant

The Company is eligible for government grants which are conditional upon construction of new factories in the Sikkim region. One of the grants, received in FY 2014-15 amounted to ₹ 72.4 Million with respect to the Kumrek facility. The factory has been constructed and in operation since August 2007. The second grant is with respect to Samardung facility in Sikkim amounting to ₹ 122.1 Million for which the Company has received the claim amount in FY 2018-19. The factory has been constructed and in operation since October, 2012. The third grant is with respect to AHS-3 facility in Sikkim amounting to ₹ 30.6 Million for which the Company has received the claim amount in the previous year. Further, during the previous year, Company has received grant amounting to ₹ 398.7 Million with respect to AHS- 2 facility in Sikkim. These grants, recognized as deferred income, are being amortized over the useful life of the plant and machinery in proportion to the related depreciation expense. The unamortised grant as on 31 March, 2025 amounts to **₹ 245.6 Million** (Previous year: ₹ 282.7 Million), the breakup of which is as below:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Non-current	208.5	245.5
Current	37.1	37.2
Total	**245.6**	**282.7**

3.42 Additional disclosure with respect to amendments 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.

Notes

to the standalone financial statements for the year ended 31 March, 2025

iv) The Company does not have any changes 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 not received any funds to lend or invest in other persons or entities on behalf of the Funding party. Further, there are no funds received from any Party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities ("Ultimate Beneficiaries") identified by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

3.43 Assets held for sale

In respect of one of the manufacturing units located at Indore, where indicators of impairment were identified, the Company identified the recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, as compared with the carrying value. The outcome of this exercise as on 31 March, 2024 resulted in the Company recognizing an impairment loss of ₹ 415.6 Million in the standalone financial statements under 'Exceptional Items'. In the current year; the Company as a part of its ongoing initiative of networking strategy and optimisation of manufacturing facilities has identified divestment of its Indore facility. Consequently, related assets and liabilities are disclosed as held for sale. These assets and liabilities have been carried at cost as the same are lower than the fair value expected out of sale.

(₹ Million)

Particulars	Net book value of assets as at 31 March, 2025
Property, plant and equipment	878.6
Right of use assets	262.9
Capital work in progress	204.8
Total assets held for sale	**1,346.3**
Lease liabilities	62.9
Total liabilities classified as held for sale	**62.9**
Net book value of assets	**1,283.4**

Notes

to the standalone financial statements for the year ended 31 March, 2025

3.44 Exceptional items

(a) During the previous year, the Company disclosed about a Cyber security incident occured in November 2023 that compromised business email IDs of certain employees at one of the Company's subsidiaries which resulted in a fraudulent transfer of ₹ 513.1 Million. The Company employed independent external agencies to investigate the incident. Based on their report, the Company concluded that the impact of the incident did not extend beyond the above mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of the Company or it's subsidiary. The Company has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long-term measures to augment its security controls systems across the organization. The Company believes that no legal violations have occurred because of this incident, and all known impacts on its standalone financial statements for the year ended 31 March, 2024 on account of this incident have been considered. Further, subsequent to this event, the Company has been able to recover an amount of ₹ 290.4 Million and the net amount of ₹ 222.7 Million has been shown as 'Exception item' in the Statement of Profit and Loss.

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

3.45 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.

3.46 Ratios

(₹ Million)

Sr. No	Ratios	Numerator	Denominator	31 March, 2025	31 March, 2024*	% Variance	Reason for variance
a)	Current Ratio	Current Assets	Current liabilities	2.9	2.6	12%	Not applicable
b)	Debt-equity Ratio	Total Debt	Shareholder's equity	0.0	0.1	-61%	Due to decrease in OD utilisation during the year
c)	Debt service coverage Ratio	Earnings available for debt service	Debt service	4.4	2.3	92%	Due to decrease in OD utilisation during the year
d)	Return on equity Ratio	Net profit after taxes	Average shareholder's equity	18.3%	17.6%	4%	Not applicable
e)	Inventory turnover Ratio	Cost of goods sold or sales	Average inventory	1.7	2.1	-21%	Not applicable
f)	Trade receivables turnover Ratio	Net credit sales	Average accounts receivable	5.2	5.4	-3%	Not applicable
g)	Trade payables turnover Ratio	Net credit purchases	Average trade payables	1.9	2.9	-35%	Refer note* below
h)	Net capital turnover Ratio	Net sales	Working capital	1.8	1.9	-7%	Not applicable

Notes

to the standalone financial statements for the year ended 31 March, 2025

(₹ Million)

Sr. No	Ratios	Numerator	Denominator	31 March, 2025	31 March, 2024*	% Variance	Reason for variance
i)	Net profit Ratio	Net profit after taxes	Net sales	24.1%	18.4%	32%	Due to increase in gross margin during the year
j)	Return on capital employed	Earnings before interest and taxes	Capital employed	14.8%	17.1%	-13%	Not applicable
k)	Return on investment						
	- Quoted			10.5%	12.0%	-12%	Not applicable
	- Unquoted			7.9%	7.6%	5%	Not applicable

*The previous year figures have not been restated to give the impact of the generic business carveout.

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

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

29 May, 2025

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

Manish Narang
President - Legal &
Company Secretary
Mumbai, India
Membership no.: F4365

Independent Auditor's Report

To The Members of

Alkem Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Alkem Laboratories Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's share of loss in its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated 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 which is incorporated the financial information for the year ended on that date of one branch of the Group located at Nepal.

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of reports of the other auditors on separate financial statements of subsidiaries and associate referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 Consolidated Financial Statements section of our report. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Overstatement of revenue-cut off** (Refer Notes 2.11,3.19 and 3.34) The Group recognises revenue from sale of products based on shipping terms which defines the timing of the transfer of control to the customer. The terms and conditions for sale vary with different customers. For revenue recognized during the period near to the reporting date, it is essential to ensure that the control of goods has been transferred to the customers. Dispatch of goods to customers happens from multiple locations including factories, warehouses, depots and third-party locations. Revenue recognition being subject to the manual exercise of tracking delivery for determining transfer of control, we consider cut-off of revenue as a key audit matter.	Our audit procedures included the following: • Evaluated the Group's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS). • Performed a walkthrough of the revenue business cycle to obtain an understanding of the relevant risks and controls around the timing of revenue recognition. Tested the design, implementation and operating effectiveness of the relevant controls. • Assessed the IT environment in which the business system operates and tested the General information technology controls. • Basis the sales recorded during the year and near to the period end, reviewed the lead time analysis to arrive at the average time taken for transfer of control to the customers from the date of dispatch. • On statistically selected samples of transactions, tested the underlying documents, which included vouching of sale invoices, shipping documents and lead time/ proof of delivery to test evidence for transfer of control both during the period and at period end.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Directors' Report, Corporate Governance and Business Responsibility and Sustainability reports, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, and associate, is traced from their financial statements audited by the other auditors.
- 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.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 intend 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 also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 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 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branch, entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branch or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements 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 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.

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

Other Matters

(a) We did not audit the financial statements of 24 subsidiaries, whose financial statements reflect total assets of ₹ 27,007.1 Million as at 31st March, 2025, total revenues of ₹ 23,441.9 Million and net cash outflows amounting to ₹ 2,433.6 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 6.2 Million for the year ended 31st March, 2025, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, 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.

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

The consolidated financial statements of the Parent for the year ended 31st March, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 29 May, 2024.

Our opinion on the consolidated 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 and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group and its associate including relevant records so far as it appears from our examination of those books, and the reports of the other auditors.

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

    d) In our opinion, the aforesaid consolidated 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 of the Parent as on 31 March, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2025 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 consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    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 and based on the auditors' reports of subsidiary companies and associate company incorporated in India, the remuneration paid by the Parent such subsidiary companies, and associate company to their respective 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. - Refer Note 3.26 to the consolidated financial statements;

        ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and one associate company incorporated in India.

        iv) (a) The respective Managements of the Parent and its subsidiaries and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associate respectively that, to the best of their 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 Parent or any of such subsidiaries and associate 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 Parent or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associate 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors 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 final dividend proposed in the previous year, declared and paid by the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent, whose financial statements have been audited under the Act, where applicable, during the year and until the date of this report is in compliance with section 123 of the Act, as applicable.

As stated in note 3.35 to the consolidated financial statements, the Board of Directors of the Parent whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and based on the other auditor's reports of its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act, the Parent, its subsidiary companies and associate company incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March, 2025 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 audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent and above referred subsidiary companies and associate company incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Alkem Laboratories Limited	L00305MH1973PLC174201	Parent	Clause i(c)

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

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 25046930BMODRU7848)

Place: Mumbai
Date: 29 May, 2025

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 consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Alkem Laboratories Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India and its associate company, which is a company incorporated in India, as of that date.

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

The respective Company's management and Board of Directors of the Parent, its subsidiary companies, and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on "the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (ICAI)". 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 respective 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 internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, and its associate company which are companies incorporated in India, 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate company which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 8 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 25046930BMODRU7848)

Place: Mumbai
Date: 29 May, 2025

Consolidated Balance Sheet

as at 31 March, 2025

(₹ Million)

	Particulars	Note no.	As at 31 March, 2025	As at 31 March, 2024
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3.1	20,639.3	21,614.6
	(b) Right of use assets	3.1	3,222.2	2,471.7
	(c) Capital work in progress	3.1	4,765.5	1,484.0
	(d) Goodwill	3.36	4,231.1	4,167.4
	(e) Other intangible assets	3.1	430.5	474.1
	(f) Intangible assets under development	3.1	715.2	101.7
	(g) Financial assets			
	(i) Investment in associate	3.2	323.8	-
	(ii) Other investments	3.2	9,108.6	3,348.0
	(iii) Other financial assets	3.4	4,753.6	1,202.2
	(h) Deferred tax assets (net)	3.7C	17,382.5	15,148.3
	(i) Current tax assets (net)	3.7D	647.1	781.7
	(j) Other non-current assets	3.5	1,233.4	839.5
	Total non-current assets		**67,452.8**	**51,633.2**
2	**Current assets**			
	(a) Inventories	3.6	29,224.1	26,611.8
	(b) Financial assets			
	(i) Investments	3.2	9,022.6	1,489.9
	(ii) Trade receivables	3.8	24,662.5	22,528.1
	(iii) Cash and cash equivalents	3.9	3,041.4	4,550.7
	(iv) Bank balances other than (iii) above	3.10	12,589.4	11,242.8
	(v) Loans	3.3	90.4	90.7
	(vi) Other financial assets	3.4	21,154.8	29,302.0
	(c) Other current assets	3.11	8,326.7	8,299.8
	Total current assets		**1,08,111.9**	**1,04,115.8**
3	**Assets held for sale**	3.43	**1,346.3**	**-**
	TOTAL ASSETS		**1,76,911.0**	**1,55,749.0**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	3.12A	239.1	239.1
	(b) Other equity	3.12B	1,19,609.6	1,02,881.5
	Equity attributable to owners of the Company		**1,19,848.7**	**1,03,120.6**
	(c) Non-controlling interests	3.37	4,487.6	4,023.4
	Total Equity		**1,24,336.3**	**1,07,144.0**
	Liabilities			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	3.13	3,109.1	400.0
	(ii) Lease liabilities	3.29	2,674.2	1,892.6
	(iii) Other financial liabilities	3.17	3,539.9	3,109.9
	(b) Provisions	3.14	3,382.2	2,998.6
	(c) Other non-current liabilities	3.15	219.5	258.4
	Total non-current liabilities		**12,924.9**	**8,659.5**
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	3.13	7,518.8	11,739.7
	(ii) Lease liabilities	3.29	506.9	151.8
	(iii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	3.16	879.8	670.0
	Total outstanding dues of creditors other than micro and small enterprises	3.16	17,513.7	16,811.2
	(iv) Other financial liabilities	3.17	7,908.6	6,457.7
	(b) Other current liabilities	3.18	3,057.0	2,296.5
	(c) Provisions	3.14	1,591.1	1,268.7
	(d) Current tax liabilities (net)	3.7D	611.0	549.9
	Total current liabilities		**39,586.9**	**39,945.5**
4	**Liabilities classified as held for sale**	3.43	**62.9**	-
	Total Liabilities		**52,574.7**	**48,605.0**
	TOTAL EQUITY AND LIABILITIES		**1,76,911.0**	**1,55,749.0**
	Material accounting policies and Key accounting estimates and judgements	2A - 2B		
	Notes to the Consolidated Financial Statements	3.1 - 3.47		

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

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

Manish Narang
President - Legal & Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2025

(₹ in Million)

Particulars	Note no.	For the year ended 31 March, 2025	For the year ended 31 March, 2024
1 Income			
(a) Revenue from operations	3.19	1,29,645.2	1,26,675.8
(b) Other income	3.20	4,937.4	3,108.4
Total income		**1,34,582.6**	**1,29,784.2**
2 Expenses			
(a) Cost of materials consumed	3.21	34,403.7	32,945.9
(b) Purchases of stock-in-trade		15,140.2	16,288.7
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.22	(1,901.3)	141.2
(d) Employee benefits expense	3.23	24,539.2	22,010.1
(e) Finance costs	3.24	1,217.0	1,124.1
(f) Depreciation and amortisation expenses	3.1	3,571.6	2,993.0
(g) Other expenses	3.25	32,341.9	32,835.0
Total expenses		**1,09,312.3**	**1,08,338.0**
3 Profit before exceptional items and tax (1) - (2)		**25,270.3**	**21,446.2**
4 Exceptional items	3.43-3.45	-	**(1,214.9)**
5 Profit before tax (3) + (4)		**25,270.3**	**20,231.3**
6 Tax expense	3.7A		
(a) Current tax		5,236.0	4,222.8
(b) Deferred tax credit (net)		(2,125.7)	(2,106.1)
Total tax expenses (a + b)		**3,110.3**	**2,116.7**
7 Share in loss after tax of associate		**(6.2)**	**-**
8 Profit for the year (5) - (6) + (7)		**22,153.8**	**18,114.6**
9 Other Comprehensive Income			
(a) (i) Items that will not be reclassified subsequently to profit or loss	3.28	(218.1)	(93.4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3.7A	72.1	29.8
(b) (i) Items that will be reclassified to profit or loss		343.2	264.0
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year (net of tax)		**197.2**	**200.4**
10 Total Comprehensive Income for the year (8) + (9)		**22,351.0**	**18,315.0**
11 Profit attributable to			
Owners of the Company		21,654.8	17,957.7
Non-Controlling Interests	3.37	499.0	156.9
12 Other Comprehensive income attributable to			
Owners of the Company		207.5	206.5
Non-Controlling Interests	3.37	(10.3)	(6.1)
13 Total Comprehensive Income attributable to			
Owners of the Company		21,862.3	18,164.2
Non-Controlling Interests	3.37	488.7	150.8
14 Earnings per share (in ₹): Face value of ₹ 2 each			
Basic and diluted earnings per share	3.33	181.11	150.19
Material accounting policies and Key accounting estimates and judgements	2A - 2B		
Notes to the Consolidated Financial Statements	3.1 - 3.47		

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

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

Manish Narang
President - Legal & Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Consolidated Statement of Changes in Equity
for the year ended 31 March, 2025

(a) Equity share capital

(₹ in Million)

Balance as at 1 April, 2024	Change in equity share capital during the year	Balance as at 31 March, 2025
239.1		239.1

(₹ in Million)

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

(b) Other Equity

(₹ in Million)

Particulars	Attributable to Owners of the Parent							Total other equity attributable to owners of the parent	Total other equity attributable to non-controlling interest	Total other equity
	Reserves and Surplus					Items of OCI				
	Capital reserve	Gross obligation to non-controlling interest under put option	Employee stock option outstanding account	General reserve	Retained earnings	Remeasurement of defined benefit plans	Foreign currency translation reserve			
Balance as at 1 April, 2023	5.2	(1,660.1)	6.0	19,872.5	70,519.7	(491.3)	1,961.8	90,213.8	3,897.1	94,111.1
Total comprehensive income for the year ended 31 March 2023										
Profit for the year	-	-	-	-	17,957.7	-	-	17,957.7	156.9	18,114.6
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(63.6)	270.1	206.5	(6.1)	200.4
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**17,957.7**	**(63.6)**	**270.1**	**18,164.2**	**150.8**	**18,315.0**
Dividend on equity shares **(Refer Note 3.35)**	-	-	-	-	(5,380.4)	-	-	(5,380.4)	(24.5)	(5,405.1)
Recognition of put option liability during the year	-	(305.5)	-	-	-	-	-	(305.5)	-	(305.5)
Employee compensation expense for the year **(Refer Note 3.41)**	-	-	189.4	-	-	-	-	189.4	-	189.4
Balance as at 31 March, 2024	**5.2**	**(1,965.6)**	**195.4**	**19,872.5**	**83,097.0**	**(554.9)**	**2,231.9**	**1,02,881.5**	**4,023.4**	**1,06,904.9**
Total comprehensive income for the year ended 31 March, 2024										
Profit for the year	-	-	-	-	21,654.8	-	-	21,654.8	499.0	22,153.8
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(146.0)	353.5	207.5	(10.3)	197.2
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**21,654.8**	**(146.0)**	**353.5**	**21,862.3**	**488.7**	**22,351.0**

(₹ in Million)

Particulars	Attributable to Owners of the Parent							Total other equity attributable to owners of the parent	Total other equity attributable to non-controlling interest	Total other equity
	Reserves and Surplus						Items of OCI			
	Capital reserve	Gross obligation to non-controlling interest under put option	Employee stock option outstanding account	General reserve	Retained earnings	Remeasurement of defined benefit plans	Foreign currency translation reserve			
Transactions with owners of the company										
Dividend on equity shares **(Refer Note 3.35)**	-	-	-	-	(5,021.7)	-	-	(5,021.7)	(24.5)	(5,046.2)
Recognition of put option liability during the year	-	(278.6)	-	-	-	-	-	(278.6)	-	(278.6)
Employee compensation expense for the year **(Refer Note 3.41)**	-	-	166.1	-	-	-	-	166.1	-	166.1
Balance as at 31 March, 2025	**5.2**	**(2,244.2)**	**361.5**	**19,872.5**	**99,730.1**	**(700.9)**	**2,585.4**	**1,19,609.6**	**4,487.6**	**1,24,097.2**

The Description of the nature and purpose of each reserve within equity:

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

Employee stock options outstanding account: The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of profit and loss with corresponding credit to Employee stock options outstanding account.

General reserve: General reserve represents portion of the net profit transferred before declaring dividend pursuant to the provisions of Companies Act 1956 applicable to Company and its Indian subsidiaries. Mandatory transfer to general reserve is not required under the Companies Act 2013.

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

Foreign currency translation reserve: Foreign currency translation reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

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

Gross obligation to non-controlling interest under put option: The amount that may become payable under the option on exercise is initially recognised at fair value within other financial liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as gross obligation to non-controlling interest under put option in other equity.

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

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

Manish Narang
President - Legal & Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Consolidated Statement of Cash Flow

for the year ended 31 March, 2025

(₹ in Million)

	Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
A	Cash Flow from Operating Activities:		
	Profit before Tax	**25,270.3**	**20,231.3**
	Adjustments for:		
	Depreciation and amortisation expense	3,571.6	2,993.0
	Liabilities no longer required written back	(155.1)	(19.8)
	Profit on sale of investments (net)	(110.2)	(146.3)
	Unrealised gain on fair valuation of investments (net)	(418.7)	(5.4)
	(Profit) / Loss on sale / write off of property plant and equipment (net)	(46.0)	31.8
	Employee stock compensation expenses	166.1	189.4
	Unrealised foreign currency loss on revaluation (net)	111.6	594.3
	Dividend Income	(1.7)	(1.9)
	Interest Income	(3,587.8)	(2,757.7)
	Impairment loss on property, plant and equipment, capital work-in-progress and intangible assets under development	137.3	992.2
	Interest expenses	1,217.0	1,124.1
	Provision for doubtful advances	20.2	318.0
	Expected credit loss on receivables	133.7	524.0
	Subtotal of Adjustments	**1,038.0**	**3,835.7**
	Operating profit before working capital changes	**26,308.3**	**24,067.0**
	Adjustments for changes in working capital:		
	Increase in trade receivables	(2,185.5)	(2,219.9)
	Decrease/ (Increase) in loans, other financial assets and other assets	249.9	(1,351.1)
	Increase in inventories	(2,612.3)	(734.0)
	Increase in trade payable, other financial liabilities and other liabilities	2,166.5	5,252.8
	Increase / (decrease) in provisions	241.7	(1,464.7)
	Subtotal of adjustments	**(2,139.7)**	**(516.9)**
	Cash generated from operations	**24,168.6**	**23,550.1**
	Less: Income taxes paid (net of refund)	(5,040.2)	(4,069.4)
	Net Cash generated from operating activities	**19,128.4**	**19,480.7**
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)	(6,756.2)	(2,592.9)
	Proceeds from disposal of property, plant and equipment	408.4	724.8
	Investment made in fixed deposits	(37,558.4)	(36,258.8)
	Redemption of fixed deposits	40,534.2	24,041.8
	Other investments made	(19,380.8)	(533.7)
	Other investments redeemed	6,616.4	2,139.1
	Investments in associate	(330.0)	-
	Dividend received	1.7	1.9
	Interest received	3,477.1	2,392.8
	Net cash (used in) investing activities	**(12,987.6)**	**(10,085.0)**
C	Cash Flow from Financing Activities:		
	Proceeds from non-current borrowings (net)	2,879.0	400.0
	Repayment of current borrowings (net)	(4,820.1)	(5,208.9)
	Dividend paid	(5,046.2)	(5,404.9)
	Principal repayment of lease liabilities	(316.5)	(323.2)
	Interest paid	(806.1)	(913.1)
	Net cash (used in) financing activities	**(8,109.9)**	**(11,450.1)**
D	**Net decrease in Cash and Cash Equivalents (A+B+C)**	**(1,969.1)**	**(2,054.4)**
E	**Cash & Cash Equivalents as at the beginning of the year**	**663.1**	**2,738.0**
	Add/Less: Effect of exchange difference on foreign currency cash and cash equivalents	105.1	(20.5)
F	**Cash & Cash Equivalents as at the end of the year (D+E) (Refer Note 4 below)**	**(1,200.9)**	**663.1**

Consolidated Statement of Cash Flow

for the year ended 31 March, 2025

Notes:

1 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"

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

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

(₹ in Million)

Particulars	Lease Liabilities	Non-current borrowings	Current borrowings
As at 1 April, 2023	895.3	-	10,066.1
Cash flows from borrowing during the year (net)	(323.2)	400.0	(2,237.4)
Non-Cash Items	1,472.3	-	36.8
As at 31 March, 2024 (Refer note 3.13)	**2,044.4**	**400.0**	**7,865.5**
Cash flows from borrowing during the year (net)	(316.5)	2,879.0	(4,514.3)
Non-Cash Items	1,453.2	-	(74.7)
As at 31 March, 2025 (Refer note 3.13)	**3,181.1**	**3,279.0**	**3,276.5**

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

(₹ in Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Cash and cash equivalents **(Refer note 3.9)**	3,041.4	4,550.7
Loans repayable on demand from banks **(Refer note 3.13)**	(4,242.3)	(3,887.6)
Total Cash and cash equivalents	**(1,200.9)**	**663.1**

Material accounting policies and Key accounting estimates and judgements	2A - 2B
Notes to the Consolidated Financial Statements	3.1 - 3.47

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

Rupen K. Bhatt
Partner
Membership No. 046930
Mumbai, India
29 May, 2025

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

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

Manish Narang
President - Legal & Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Notes

to the consolidated financial statements for the year ended 31 March, 2025

1 General Information

Alkem Laboratories Limited ('the Company') was incorporated in 1973 under the provisions of Companies Act, 1956 of India, as a Company with limited liability. The Company is domiciled in India with its registered office address being, Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India. The Company is engaged in pharmaceutical business with global operations. The Company is engaged in the development, manufacture and sale of pharmaceutical products. These consolidated financial statements comprise the financial statement of Alkem Laboratories Limited ('the Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as 'the Group') and it's associate.

2A MATERIAL ACCOUNTING POLICIES:

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

a) Statement of compliance

The financial statements of the Group as at and for the year ended 31 March, 2025 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 29 May, 2025.

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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2B. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group 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 Group'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 Group 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.

Notes

to the consolidated financial statements for the year ended 31 March, 2025

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 consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group has applied the going concern basis of accounting in preparing the consolidated financial statements.

2.2 Basis of consolidation

The financial statements incorporate the financial statements of the Parent Company and the entities it controls, both unilaterally and jointly.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- has the ability to use its power to affects its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary and relevant adjustments are made to the consolidated financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The financial statements of subsidiaries are included in the financial statements from the date on which control commences until the date on which control ceases.

The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and profits/losses, unless cost/revenue cannot be recovered.

Notes
to the consolidated financial statements for the year ended 31 March, 2025

The details of the subsidiaries consolidated are as follows:

Name of Subsidiaries	Principal place of Business	% of Shareholding and voting power	
		As at 31 March, 2025	As at 31 March, 2024
Alkem Laboratories Corporation	Philippines	100%	100%
Ascend Laboratories Pty Ltd	South Africa	100%	100%
S&B Holdings S.a.r.l. (Previously known as S&B Holdings B.V with principle place of business based at Netherlands redomiciled to Luxembourg w.e.f 16 October, 2023)	Luxembourg	100%	100%
Ascend GmbH	Germany	100%	100%
Pharmacor Pty Ltd	Australia	100%	100%
The PharmaNetwork LLC*	USA	100%	100%
Ascend Laboratories SpA	Chile	100%	100%
Ascend Laboratories SDN BHD.	Malaysia	100%	100%
Enzene Biosciences Limited	India	99.76%	99.76%
Ascend Laboratories, LLC **	USA	100%	100%
Alkem Laboratories, Korea Inc	South Korea	100%	100%
Pharmacor Ltd.	Kenya	100%	100%
The PharmaNetwork, LLP	Kazakhstan	100%	100%
Ascend Laboratories (UK) Limited	United Kingdom	100%	100%
Ascend Laboratories SAS	Colombia	100%	100%
Cachet Pharmaceuticals Private Limited	India	60.63%	60.63%
Indchemie Health Specialities Private Limited	India	51%	51%
Connect 2 Clinic Private Limited	India	100%	100%
S & B Pharma LLC **	USA	100%	100%
Ascend Laboratories Ltd.	Canada	100%	100%
Pharma Network SpA ***	Chile	100%	100%
Ascend Laboratories S.A. DE. CV ***	Mexico	100%	100%
Alkem Foundation	India	100%	100%
Pharmacor Limited #	New Zealand	100%	100%
Enzene Inc ##	USA	100%	100%
Alkem Medtech Private Limited (incorporated on 27 March 2024)	India	100%	NA
Alixer Nexgen Therapeutics Limited (incorporated on 12 July 2024)	India	100%	NA
Alkem Wellness Limited (incorporated on 16 September, 2024)	India	100%	NA
Pharmacor SPA (incorporated on 22 November, 2024) ****	Chile	100%	NA

*Ownership interest held through S&B Holdings S.a.r.l. (Previously known as S&B Holdings B.V)

**Ownership interest held through The PharmaNetwork LLC

***Ownership interest held through Ascend Laboratories SpA

#Ownership interest held through Pharmacor Pty Ltd with effect from 1 June, 2022

**** Ownership interest held through Pharmacor Pty Ltd

##Ownership interest held through Enzene Biosciences Limited with effect from 26 May, 2022

Notes

to the consolidated financial statements for the year ended 31 March, 2025

(b) Investment in Associate

Investments in associates are accounted for using the equity method unless otherwise stated. Under the equity method of accounting, on initial recognition the investment in an associate is recognised at cost. The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit and loss after the date of acquisition, unless the share purchase agreement specify otherwise. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities.

If an entity's share of losses of an associate equal or exceeds its interest in the associate, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The details of the associate consolidated is as follows:

(₹ Million)

Name of Associate	Principal place of Business	% of Shareholding and voting power	
		As at 31 March, 2025	As at 31 March, 2024
HaystackAnalytics Private Limited (acquired 7.42% on 06 June, 2024 and the balance 0.74% on 10 January, 2025)	India	8.16%	NA

(c) Non-controlling interests (NCI)

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

(d) Loss of control

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind ASs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable.

(e) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against

Notes

to the consolidated financial statements for the year ended 31 March, 2025

the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Business Combination

In accordance with Ind AS 103, the Group accounts for the business combination using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.36). Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, none of the assets or liabilities are restated to their fair values. Instead, the acquirer incorporates carrying values from the date on which the business combination between entities under common control occurred. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(g) Goodwill arising on consolidation, of acquisitions represents the excess of (a) consideration paid for acquiring control and (b) acquisition date fair value of previously held ownership interest, if any, in a subsidiary over the Group's share in the fair value of the net assets (including identifiable intangibles) of the subsidiary as on the date of acquisition of control. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised as Capital Reserve. Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the acquisition. After initial recognition, goodwill arising on consolidation is tested for impairment annually and measured at cost less accumulated impairment losses, if any. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

2.3 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 Group 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 PPE not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of PPE outstanding at each balance sheet date are disclosed as capital advance under other non-current assets.

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

Notes
to the consolidated financial statements for the year ended 31 March, 2025

ii) Subsequent expenditure

Subsequent expenditure relating to PPE is capitalised only if it is probable that future economic benefits associated with the item will flow to the Group 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 / upto the date on which is asset is ready to use / disposed off. Freehold land is not depreciated.

The estimated useful lives of Tangible assets are as under:

PPE	Company and Subsidiaries in India	Subsidiaries in USA	Subsidiary in Australia	Subsidiary in Philippines and United Kingdom	Subsidiary in South Africa	Subsidiaries in Chile and Kenya	Subsidiary in Kazakhstan	Subsidiary in Germany
Buildings*	5-60 years	5 - 40 years	-	-	-	-	-	-
Plant and machinery*	1 - 20 years	5 - 7 years	-	-	-	-	-	-
Furniture and fixtures*	10 years	5 - 7 years	5 years	3 years	6 years	10 years	7 years	-
Office equipment*	3 - 6 years	5 years	2.5 - 5 years	3 years	3 years	3 - 10 years	3 - 10 years	5-10 years
Vehicles*	8 years	5 years	-	3 years	-	5 - 8 years	4 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 for the Parent Company and it's subsidiaries in India. The different useful life is based on internal technical evaluation by the Parent Company and it's subsidiaries in India and historical usage of assets.

2.4 Intangible Assets:

I. Recognition and measurement

Research and development	Expenditure on research activities is recognised in statement of profit or loss as incurred.
	Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
Goodwill	Goodwill is initially recognised based on the accounting policy for business combinations **(refer note 2.2 (f))**. These assets are not amortised but are tested for impairment annually.

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

II. Subsequent expenditure

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

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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.

Intangible Assets	Company and Subsidiaries in India	Subsidiaries in USA	Subsidiary in Australia	Subsidiary in Philippines, Kazakhstan	Subsidiary in Chile, Germany and Kenya	Subsidiary in South Africa
Computer Software	3 - 6 years	3 years	2.5 years	2 - 5 years	2 - 6 years	-
Trademark and patents	5 years	5 years	-	-	5 years	5 years
Technology	-	15 years	-	-	-	-

2.5 Impairment of non-financial assets:

At each reporting date, the Group 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. Intangible assets with indefinite useful life are tested annually for impairment. 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 profit or 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.

2.6 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Group 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 Group or a present obligation whose amount cannot 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 by the Group.

2.7 Financial instruments:

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Group 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.

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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 Group changes its business model for managing financial assets.

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

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

Financial assets: Business model assessment

The Group 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 Group'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 Group'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 Group 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 Group 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 Group 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 Group'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)

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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 profit or loss.

Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

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

Financial liabilities

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

The Group also derecognises a financial liability when it 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 profit or loss.

Offsetting

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

2.8 Equity instruments:

Equity instruments issued by the Group 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 Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

2.9 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 price of materials 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 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 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.

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2.10 Revenue recognition and measurement

Revenue from Operations:

a) Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group 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 Group as part of the contract. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the company. Chargeback, rebates, returns and medicaid payments are variable consideration that is recognised and recorded based on historical experience, market conditions and specific contractual terms. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices historical trends, past experience and projected market conditions.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

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

Other Income

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

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

Refund liabilities:

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

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

2.11 Foreign currency transactions and translations

i. Foreign exchange transactions:

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date 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. 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.

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ii. **Foreign operations:**

The assets and liabilities of foreign subsidiaries including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR by applying the appropriate monthly average rate which best approximates the actual rate of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of cumulative amount is reclassified to profit or loss.

2.12 Employee Benefits:

a) Post-employment benefits and other long term benefits:

i) **Defined contribution plans:**

Group'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 Group's contribution towards provident fund are considered to be defined contribution plan for which the Group makes contribution on monthly basis. The Group's obligation is limited to the contribution it makes.

ii) **Defined benefit plans:**

Group's liabilities towards defined benefit plans viz. gratuity expected to occur after twelve months, are determined annually by a qualified independent actuary using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. 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 Group'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. That benefit is discounted to determine its present value. In respect of compensated absences, actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. 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 employee.

2.13 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.

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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 or for transactions that give rise to equal taxable and deductible temporary differences) 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

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 Group 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

The Group as a lessee

The Group 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 Group assesses whether:

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

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

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

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

2.15 Earnings per share (‘EPS’):

Basic EPS is calculated by dividing the profit(or loss) attributable to the owners of the Group 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.

2.16 Government Grants:

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

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

2.17 Cash and cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand, cash in hand, also net of outstanding bank overdrafts as per the consolidated statement of cash flow.

2.18 Borrowing Costs:

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to finance costs. Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/ inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Employee stock option scheme:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The excess of fair value of shares over the exercise price determined at the grant date of the equity-settled share-based payments, is charged to Statement of Profit and Loss on the straight-line basis over the vesting period of the option, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

2.20 Assets held for sale:

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

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An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the financial statements.

2.21 Segment reporting:

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

2.22 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.

2.23 Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA), vide notification G.S.R. 291(E) dated 7 May, 2025, has amended Ind AS 21 The Effects of Changes in Foreign Exchange Rates to provide guidance on accounting for situations where exchangeability between currencies is lacking. The amendment is applicable for annual reporting periods beginning on or after 1 April, 2025.

The amendment sets out criteria for assessing whether a currency is exchangeable and, where it is not, prescribes how an entity should estimate the spot exchange rate. The amendment also requires disclosures to enable users of the financial statements to understand the impact of any such lack of exchangeability on the entity's financial position, performance, and cash flows.

The Group does not expect these amendments to have a material impact on its operations or financial statements.

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 Group disclosure of material accounting policies which are provided in Note 2A to the consolidated financial statements, 'Material accounting policies'.

i) Judgements:

a. Determination of functional currency of foreign operations:

Judgement is required to determine the functional currency of foreign operations, which requires evaluation of the primary economic environment in which the foreign operations operate. Factors that are considered in such evaluation include :

(i) the currency that mainly influences sales price for goods;

(ii) the currency of the country whose competitive forces and regulations mainly determine the the sales price of goods;

(iii) the currency that mainly influences labour, material and other costs of providing goods or services;

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(iv) the currency in which funds from financing activities;

(v) the currency in which receipts from operating activities are usually retained.

(vi) whether the activities of the foreign operation are carried out as an extension of the reporting entity;

(vii) whether transactions with the reporting entity are a high or a low proportion of the foreign operation's activities;

(viii) whether cash flows from the activities of the foreign operation directly affect the cash flows of the reporting entity and are readily available for remittance to it; and

(ix) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations without funds being made available by the reporting entity.

Differing conclusions around these judgements may materially impact how foreign exchange differences arising on translation of these foreign operations are reported in the consolidated financial statements.

b. The Group uses significant judgement in assessing the lease term (including anticipated renewals). The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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 Group tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group 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 Group structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group 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 Consolidated Statement of Profit and Loss and tax payments.

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

b. Recognition of MAT credit entitlement:

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Parent Company along with its Indian subsidiaries will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement

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in determining the expected availment of the credit based on business plans and future cash flows of the Parent Company and its Indian subsidiaries.

c. Estimation of useful life:

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

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

d. Provisions and contingent liabilities:

The Group 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. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

e. 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

f. 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 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.

g. Provision for anticipated sales return:

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

h. Chargebacks, rebates and discount:

Provisions for chargeback, rebates, discounts, other deductions and medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

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i. Percentage of completion :

Revenue for fixed price contracts is recognised using percentage of completion method. The Group uses judgement to estimate the future cost to completion of the contracts which is used to determine degree of completion of the performance obligation.

j. 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.

k. Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

l. Expected credit loss

In accordance with Ind AS 109 - Financial Instruments, the Group 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 Group 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 Group 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 Group 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

(₹ Million)

Particulars	Property, plant and equipment								Other Intangible assets				Right of use		
	Freehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software	Trade Mark & patents	Technology	Total	Buildings	Land	Total
As at 1 April 2023	1,358.9	10.2	8,786.0	19,302.2	613.5	400.7	1,393.5	31,864.8	671.8	1,235.2	213.6	2,120.6	1,831.7	553.6	2,385.3
Additions	22.8	96.1	1,455.3	1,742.0	121.8	63.6	381.9	3,883.5	132.7	-	-	132.7	1,416.5	-	1,416.5
Deletions	(18.1)	-	(23.6)	(228.3)	(13.4)	(16.4)	(55.8)	(355.6)	(0.9)	(65.4)	-	(66.2)	(48.6)	-	(48.6)
Foreign Exchange Differences on account of foreign operations	1.0	0.9	8.4	15.6	0.2	0.8	(31.5)	(4.7)	(0.3)	0.1	(2.8)	(2.9)	(55.6)	-	(55.6)
As at 31 March 2024	**1,364.6**	**107.0**	**10,226.1**	**20,831.5**	**722.1**	**448.7**	**1,688.1**	**35,388.1**	**803.3**	**1,169.9**	**210.8**	**2,184.0**	**3,144.0**	**553.6**	**3,697.6**
Additions	-	140.4	289.2	1,784.9	120.8	216.8	461.4	3,013.5	117.3	60.0	54.2	231.5	1,375.7	3.6	1,379.3
Deletions	(120.8)	-	(69.9)	(378.2)	(16.7)	(29.3)	(125.2)	(740.1)	(17.4)	-	(0.6)	(18.0)	(257.3)	-	(257.3)
Reclassification to non-current assets held for sale **(Refer note 3.43)**	-	-	(787.0)	(864.9)	(17.1)	(1.6)	(23.1)	(1,693.7)	(3.5)	-	-	(3.5)	-	(283.4)	(283.4)
Foreign Exchange Differences on account of foreign operations	1.3	2.7	17.7	21.1	0.5	(4.6)	12.8	51.5	2.0	0.4	4.7	7.1	10.2	-	10.2
As at 31 March 2025	**1,245.1**	**250.1**	**9,676.1**	**21,394.4**	**809.6**	**630.0**	**2,014.0**	**36,019.3**	**901.7**	**1,230.3**	**269.1**	**2,401.1**	**4,272.6**	**273.8**	**4,546.4**
Depreciation and Amortisation															
As at 1 April 2023	0.1	4.0	1,394.4	8,375.0	339.8	212.2	885.3	11,210.8	478.8	846.2	131.4	1,456.4	950.0	56.7	1,006.7
Depreciation/amortisation for the year	-	4.8	297.0	1,766.9	58.5	53.6	227.2	2,408.1	133.5	167.1	17.2	317.8	258.1	9.0	267.1
Impairment loss **(Refer note 3.44)**	-	-	-	415.6	-	-	-	415.6	-	-	-	-	-	-	-
Deductions	-	-	(5.7)	(172.4)	(13.1)	(11.5)	(60.9)	(263.6)	(0.3)	(65.4)	-	(65.7)	(24.4)	-	(24.4)
Foreign Exchange Differences on account of foreign operations	-	0.1	1.4	4.8	0.2	0.5	(4.4)	2.6	(0.5)	0.1	1.8	1.4	(23.5)	-	(23.5)
As at 31 March 2024	**0.1**	**8.9**	**1,687.1**	**10,389.9**	**385.4**	**254.8**	**1,047.2**	**13,773.5**	**611.5**	**948.0**	**150.4**	**1,709.9**	**1,160.1**	**65.7**	**1,225.9**
Depreciation/amortisation for the year	-	19.7	319.4	2,210.6	64.2	66.0	270.5	2,950.4	133.4	123.9	26.3	283.6	330.0	7.6	337.6
Adjustments	-	-	-	(5.3)	(0.6)	1.4	1.7	(2.8)	(2.5)	-	-	(2.5)	-	-	-
Deductions	-	-	(34.9)	(358.7)	(16.5)	(22.7)	(111.1)	(543.9)	(17.4)	-	-	(17.4)	(230.0)	-	(230.0)
Reclassification to non-current assets held for sale (Refer note 3.43)	-	-	(109.9)	(675.4)	(7.3)	(1.4)	(21.1)	(815.1)	(3.5)	-	-	(3.5)	-	(20.5)	(20.5)
Foreign Exchange Differences on account of foreign operations	-	0.2	2.5	9.4	0.4	(2.5)	7.9	17.9	(3.5)	0.4	3.6	0.5	11.3	-	11.3
As at 31 March 2025	**0.1**	**28.8**	**1,864.2**	**11,570.5**	**425.4**	**295.6**	**1,195.1**	**15,380.0**	**718.0**	**1,072.3**	**180.3**	**1,970.6**	**1,271.4**	**52.8**	**1,324.2**
Net Book Value															
As at 31 March 2024	**1,364.5**	**98.1**	**8,539.0**	**10,441.5**	**336.7**	**193.9**	**640.9**	**21,614.6**	**191.9**	**221.9**	**60.4**	**474.1**	**1,983.9**	**487.9**	**2,471.7**
As at 31 March 2025	**1,245.0**	**221.3**	**7,811.9**	**9,823.9**	**384.2**	**334.4**	**818.9**	**20,639.3**	**183.7**	**158.0**	**88.8**	**430.5**	**3,001.2**	**221.0**	**3,222.2**

Refer **Note 3.13** on Borrowings, for the details related to charge on Property, plant and equipment of the Group.

1. Addition to Property, Plant and Equipment includes items aggregating **₹ 630.2 Million** (31 March, 2024: ₹1,369.0 Million) located at Research and Development Centres of the Group.

2. Refer **Note 3.27(1)** for contractual commitments with respect to property, plant and equipments and other intangible assets.

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3. (a) Exclusive charge by way of hypothecation over the whole of the movable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories and other movable assets, both present and future subject to a maximum value of **₹ 2,150 Million** (31 March, 2024 ₹ 2,150 Million) - situated at Daman and Sikkim in India against issuance of Stand by letter of credit required for loan of US **$ 18 Million** (31 March, 2024 - US $ 20.0 Million) advanced by Banco de Chile to Ascend Laboratories SpA, Chile, a wholly owned subsidiary of the Company and US **$ 5 Million** (31 March, 2024 - US $ 5.0 Million) advanced to PharmaNetwork SpA, Chile, a wholly owned subsidiary of Ascend Laboratories SpA, Chile.

   (b) With respect to Enzene Biosciences Limited, first pari passu charge is created on immovable & moveable property to secure Term loan availed from EXIM bank. **(refer footnote to note 3.13)**

4. **Depreciation and amortisation expense:**

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Depreciation expense	3,288.0	2,675.2
Amortisation expense	283.6	317.8
Total	**3,571.6**	**2,993.0**

5. **Capital work-in-progress**

Capital work in progress comprises expenditure in respect of various plants in the course of construction/expansion. Total amount of Capital work in progress is **₹ 4,765.5 Million** as at 31 March, 2025 (31 March, 2024: ₹ 1,484.0 Million).

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Opening balance	1,484.0	3,102.7
Add: Additions during the year	6,382.8	2,244.1
Less: Capitalised during the year	2,860.9	3,862.8
Less: Provision made for old Capital Work in progress	35.6	-
Less: Transferred to assets classified as held for sale	204.8	-
Closing balance	**4,765.5**	**1,484.0**

Capital work-in-progress ageing schedule for the year ended 31 March, 2025 and 31 March, 2024 is as follows:

(₹ 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	4,120.2	589.3	47.1	8.9	4,765.5
	(1,087.0)	(150.6)	(31.4)	(9.5)	(1,278.5)
Projects temporarily suspended	-	-	-	-	-
	(-)	(7.8)	(148.1)	(49.6)	(205.5)

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

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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, 2025 and 31 March, 2024:

(₹ Million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project 1	-	-	-	-	-
	(97.3)	(-)	(-)	(-)	(97.3)
Project 2	-	-	-	-	-
	(33.7)	(-)	(-)	(-)	(33.7)
Project 3	-	-	-	-	-
	(205.5)	(-)	(-)	(-)	(205.5)

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

6. **Intangible assets under development**

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Opening balance	101.7	129.7
Add: Additions during the year	715.2	-
Less: Capitalised / written off during the year	101.7	28.0
Closing balance	**715.2**	**101.7**

Intangible assets under development ageing schedule for the year ended 31 March, 2025 and 31 March, 2024 is as follows:

(₹ Million)

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progess	715.2	-	-	-	715.2
	(-)	(-)	(-)	(101.7)	(101.7)
Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

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

For intangibles assets under development, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of 31 March 2025 and 31 March 2024:

(₹ Million)

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

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

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3.2 Investments

Non - Current Investments

A) Investment in Associate

Particulars	As at 31 March, 2025	As at 31 March, 2024
	₹ in Million	₹ in Million
HaystackAnalytics Private Limited	323.8	-
Total	**323.8**	**-**

B) Other Non-Current Investments

Particulars	As at 31 March, 2025	As at 31 March, 2024
	₹in Million	₹in Million
In Equity Shares of Other Companies and Limited Liability Partnership Firm: Unquoted [at fair value through profit and loss]	334.9	306.9
In Preference Shares of Other Companies : Unquoted [at fair value through profit and loss]	217.6	150.0
Investment In Venture Capital Fund: Unquoted (Non Trade) [at fair value through profit and loss]	1,452.2	1,187.2
Non Convertible Debentures : [Quoted] (at amortised cost)	5,636.7	156.3
Investments in bonds : [Quoted] (at amortised cost)	1,467.2	1,547.7
Total	**9,108.6**	**3,348.0**

C) Current Investments

Particulars	As at 31 March, 2025	As at 31 March, 2024
	₹in Million	₹in Million
Investment in funds : (Unquoted) [at fair value through profit and loss]		
Avenue Venture Real Estate Fund (Units of Rs.100,000 each, fully paid-up) - **Refer note (4) below**	747.0	1,012.6
Preference Shares: (Unquoted) [at amortised cost]	-	8.1
Equity Shares : (Quoted) [at fair value through profit and loss]	23.2	36.9
Investment In Mutual Funds : Quoted (Non-Trade) [at fair value through profit and loss]	6,936.0	386.9
Non Convertible Debentures : (Quoted) [at amortised cost]	1,316.4	45.4
Total	**9,022.6**	**1,489.9**

Notes:

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	₹in Million		₹ in Million	
	Book Value	Market Value	Book Value	Market Value
1) Aggregate value of Quoted investments	15,379.4	15,379.4	2,173.2	2,173.2
2) Aggregate value of Unquoted investments	3,075.5	N.A.	2,664.7	N.A.

3) All Investments in Shares & Securities are fully paid up except for investment in Funds **(Refer Note 3.27(2))**.

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4) During the year ended 31 March 2016, pursuant to the approval of the Board of Directors in its meeting held on 09 March, 2016, the Company in order to focus on its core business activities and for other commercial reasons, restructured its investment in Avenue Venture Real Estate Fund ("Fund") by entering into an Option Agreement with Mr. Tushar Kumar, which was in force for a period of 2 years from the execution date i.e 10 March 2016. The Option Agreement was subsequently renewed for a period of 2 years each by executing First, Second and Third Supplementary agreement till 9 March 2020, 9 March 2022 and 9 March 2024 respectively. During the current year, pursuant to the approval of the Board of Directors in its meeting held on 9 February, 2024, the Company has entered into an Option Agreement with Mr. Jyoti Prakash Narayan Singh which is in force for a period of 2 years from execution date i.e 10 March 2024 for grant of unconditional option exercisable without restriction at the option of the option holder to purchase the trust units held by the Company in the Fund at an option price of 102% of the fair market value of each trust unit as on the exercise date.

3.3 Loans:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
A. Current loans		
(Unsecured, considered good unless otherwise stated)		
Loans to employees	90.4	90.7
Total	**90.4**	**90.7**

Break-up of loans

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Loans considered good - Secured	-	-
Loans considered good - Unsecured	90.4	90.7
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**90.4**	**90.7**
Less: Loss allowance	-	-
Total	**90.4**	**90.7**

3.4 Other Financial Assets:

A. Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with original and remaining maturity more than 12 months	1,452.8	705.8
Deposits with non-banking financial companies	2,302.0	-
Other receivables	99.7	80.2
Balances with government authorities	662.6	271.2
Security deposits	236.5	145.0
Total	**4,753.6**	**1,202.2**

Note:

Bank deposits of **₹198.9 Million** (31 March, 2024: ₹2.5 Million) are under lien with the Banks against Overdraft facility.

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B. Other current financial assets

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with original maturity more than 12 months but remaining maturity less than 12 months	17,426.7	24,806.9
Deposits with non-banking financial companies	2,931.3	2,811.9
Other receivables	240.4	514.6
Incentive receivable from government	541.7	1,143.4
Security deposits	14.7	25.2
Total	**21,154.8**	**29,302.0**

Note:

Bank deposits of **₹3,268.1 Million** (31 March, 2024: ₹4,674.0 Million) are under lien with the Banks against Overdraft facility.

3.5 Other Non-Current Assets:

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital advances	691.4	384.7
Balances with government authorities	539.8	452.5
Other advances	2.2	2.3
Total	**1,233.4**	**839.5**

3.6 Inventories:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Raw and packing materials	9,265.9	8,685.2
Goods-in-transit	111.0	108.9
	9,376.9	**8,794.1**
Work-in-progress	1,293.3	1,474.1
Finished goods	11,137.3	8,290.9
Goods-in-transit	2,264.5	2,557.5
	13,401.8	**10,848.4**
Stock-in-trade	5,070.2	5,435.6
Goods-in-transit	81.9	59.6
	5,152.1	**5,495.2**
Total	**29,224.1**	**26,611.8**

Note:

1. The Group 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 is **₹1,497.3 Million** (31 March, 2024: ₹878.4 Million)
2. **Refer note 3.13** on Borrowings, for the details related to charge on inventories lying with the Group.
3. The cost of inventories recognised as an expense during the year was **₹48,414.3 Million** (31 March 2024: ₹50,048.5 Million).

Notes

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3.7 Income taxes

(A) Components of income tax expenses

(i) Amounts recognised in profit and loss

(₹ in Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Current tax:		
Current tax	5,236.0	4,222.8
	5,236.0	**4,222.8**
Deferred tax:		
Minimum Alternate Tax (MAT) credit entitlement	(890.3)	(2,002.0)
Origination and reversal of temporary differences	(1,235.4)	(104.1)
	(2,125.7)	**(2,106.1)**
Tax expense for the year	**3,110.3**	**2,116.7**

(ii) Amounts recognised in other comprehensive income

(₹ in Million)

Particulars	For the year ended 31 March, 2025			For the year ended 31 March, 2024		
	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	(218.1)	72.1	(146.0)	(93.4)	29.8	(63.6)
	(218.1)	**72.1**	**(146.0)**	**(93.4)**	**29.8**	**(63.6)**

(B) Reconciliation of effective tax rate

(₹ Million)

Particulars	(%)	For the year ended 31 March, 2025	(%)	For the year ended 31 March, 2024
Profit before tax		**25,270.3**		**20,231.3**
Tax using the Company's applicable tax rate	34.9%	8,829.4	34.9%	7,068.8
Tax effect of:				
Deduction on profits earned from exempt units	-26.8%	(6,780.1)	-27.5%	(5,562.4)
Expense not deductible for tax purposes	0.7%	166.1	-0.1%	(10.4)
Utilisation of previously written off MAT Credit#	0.0%	-	-3.3%	(674.2)
Unrecognised deferred tax asset in subsidiaries	-0.1%	(17.9)	0.0%	(4.1)
Permanent disallowance - current year	2.9%	721.4	2.8%	564.1
Deferred tax reversal during tax holiday period	0.3%	73.9	0.2%	42.1
Others	0.5%	117.5	3.4%	692.8
	12.3%	**3,110.3**	**10.5%**	**2,116.7**

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

Notes

to the consolidated financial statements for the year ended 31 March, 2025

C. Movement in deferred tax assets and liabilities

(₹ Million)

Particulars	Net balance 1 April, 2024	Recognised in profit or loss	Recognised in OCI	Exchange rate difference	Net balance 31 March, 2025	Deferred tax asset	Deferred tax liability
Deferred tax liabilities							
Property, plant and equipment and intangible assets	(2,310.2)	363.8	-	-	(1,946.4)	-	1,946.4
Investments	(245.7)	(138.7)	-	-	(384.4)	-	384.4
Deferred tax assets							
Inventories	599.3	1,231.1	-	-	1,830.4	1,830.4	-
Employee benefits	1,450.1	221.0	72.1	-	1,743.2	1,743.2	-
Trade receivable	424.1	19.7	-	-	443.8	443.8	-
Deferred government grant	102.7	(13.4)	-	-	89.3	89.3	-
Impairment of assets	145.2	-	-	-	145.2	145.2	-
Other items	949.4	(390.0)	-	36.4	595.8	595.8	-
Tax losses carried forward	621.7	(58.1)	-	-	563.6	563.6	-
MAT credit entitlement	13,411.7	890.3	-	-	14,302.0	14,302.0	-
Tax assets / (liabilities)	**15,148.3**	**2,125.7**	**72.1**	**36.4**	**17,382.5**	**19,713.3**	**2,330.8**
Offsetting of deferred tax assets and deferred tax liabilities						(2,330.8)	(2,330.8)
Net deferred tax assets	**15,148.3**	**2,125.7**	**72.1**	**36.4**	**17,382.5**	**17,382.5**	**-**

(₹ Million)

Particulars	Net balance 1 April, 2023	Recognised in profit or loss	Recognised in OCI	Exchange rate difference	Net balance 31 March, 2024	Deferred tax asset	Deferred tax liability
Deferred tax liabilities							
Property, plant and equipment and intangible assets	(1,714.1)	(596.1)	-	-	(2,310.2)	-	2,310.2
Investments	(243.9)	(1.8)	-	-	(245.7)	-	245.7
Deferred tax assets							
Inventories	610.4	(11.1)	-	-	599.3	599.3	-
Employee benefits	1,285.0	135.3	29.8	-	1,450.1	1,450.1	-
Trade receivable	241.6	182.5	-	-	424.1	424.1	-
Deferred government grant	32.8	69.9	-	-	102.7	102.7	-
Impairment of assets	-	145.2	-	-	145.2	145.2	
Other items	896.8	65.3	-	(12.7)	949.4	949.4	-
Tax losses carried forward	506.8	114.9	-	-	621.7	621.7	-
MAT credit entitlement	11,409.7	2,002.0	-	-	13,411.7	13,411.7	-
Tax assets (liabilities)	**13,025.0**	**2,106.1**	**29.8**	**(12.7)**	**15,148.3**	**17,704.2**	**2,555.9**
Offsetting of deferred tax assets and deferred tax liabilities						(2,555.9)	(2,555.9)
Net deferred tax assets	**13,025.0**	**2,106.1**	**29.8**	**(12.7)**	**15,148.3**	**15,148.3**	**-**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

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

Significant management judgement is required in determining recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred tax assets will be recovered.

D. Tax assets and liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Current tax assets (net)	647.1	781.7
Current tax liabilities (net)	611.0	549.9

E. Unrecognised deferred tax liability

A deferred tax liability in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised amounting to **₹2,547.9 Million** (31 March, 2024: ₹1,997.9 Million) because the Parent Company controls the dividend policy of its subsidiaries and the management is not expecting to distribute profit in the foreseeable future.

F. Unrecognised deferred tax assets

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

(₹ Million)

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	93.3	24.3	60.9	15.8
Tax Losses	3,468.9	857.8	9,618.6	2,179.7
Unrecognised MAT credit entitlement	-	-	-	137.4
Total	**3,562.2**	**882.1**	**9,679.5**	**2,332.9**

G. Tax Losses carried forward

(₹ Million)

Particulars	Expiry Date (Financial Year)	As at 31 March, 2025	Expiry Date (Financial Year)	As at 31 March, 2024
Business losses (allowed to carry forward for specified period)	2026-2032	811.5	2025-2032	896.9
Business losses (allowed to carry forward for specified period)	2036-2038	351.8	2034-2038	395.8
Unabsorbed depreciation (allowed to carry forward for infinite period)		1,341.8		887.0
Total		**2,505.0**		**2,179.7**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

3.8 Trade Receivables:

(Unsecured)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Considered good	25,457.9	23,441.6
Credit impaired	-	-
Less: Loss allowance	(795.4)	(913.5)
	24,662.5	**22,528.1**
Total	**24,662.5**	**22,528.1**

Note :

1. **Refer note 3.38** for information about credit risk and market risk of trade receivables.

Trade receivables ageing schedule for the year ended 31 March, 2025 and 31 March, 2024

(₹ Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade receivables - considered good	20,357.2	3,988.8	405.9	127.2	124.2	309.4	25312.6
	(16,298.2)	(4,995.1)	(229.9)	(274.4)	(57.0)	(241.6)	(22,096.2)
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	2.6	0.7	0.1	3.4
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed Trade receivables - considered good	-	2.5	29.8	21.0	16.0	67.2	136.5
	(-)	(21.9)	(776.6)	(478.5)	(33.7)	(34.7)	(1,345.4)
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
vi) Disputed Trade receivables - credit impaired	-	-	1.3	4.1	-	-	5.4
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Loss Allowance							795.4
							(913.5)
Total							**24,662.5**
							(22,528.1)

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

The entities included in the Group, covered under the Act, do not have any transactions or balances with struck off Companies.

Notes

to the consolidated financial statements for the year ended 31 March, 2025

3.9 Cash and Cash Equivalents:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Cash on hand	11.7	10.4
Cheques and drafts on hand	685.9	97.0
Balance with banks:		
In Current accounts	1,265.8	4,392.2
In Exchange Earners' Foreign Currency Account	4.5	51.1
Deposit with original maturity less than three months	1,073.5	-
Total	**3,041.4**	**4,550.7**

3.10Bank balances other than Cash and Cash Equivalents:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Restricted for use:		
Unpaid dividend account	1.7	1.7
Unspent CSR account	1.3	4.3
Benevolent fund account	10.7	6.9
Bank deposits with original maturity more than 3 months but less than 12 months	12,575.7	11,229.9
Total	**12,589.4**	**11,242.8**

Note:

Bank deposits of **₹3,950.4 Million** (31 March 2023: ₹2,192.1 Million) are under lien with banks against Overdraft facilities availed.

Details of Deposits (including accrued interest)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Bank deposits with original and remaining maturity more than 12 months **(Refer Note 3.4A)**	1,452.8	705.8
Bank deposits with original maturity greater than 12 months but remaining maturity less than 12 months **(Refer Note 3.4B)**	17,426.7	24,806.9
Bank deposits with original maturity more than 3 months but less than 12 months **(Refer Note 3.10)**	12,575.7	11,229.9
Deposits with non-banking financial companies **(Refer Note 3.4A and 3.4B)**	5,233.3	2,811.9
Total	**36,688.5**	**39,554.5**

3.11Other Current Assets:

(Unsecured, considered good unless otherwise stated)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Balances with government authorities	5,825.6	6,037.9
Advance to suppliers and employees:		
Considered good	1,306.6	1,222.1
Considered doubtful	385.3	369.7
	1,691.9	**1,591.8**

Notes
to the consolidated financial statements for the year ended 31 March, 2025

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Less: Provision for doubtful advance	(385.3)	(369.7)
	1,306.6	**1,222.1**
Prepaid expenses	595.3	499.1
Right to return asset	185.4	214.2
Unbilled revenue	413.8	326.5
Total	**8,326.7**	**8,299.8**

3.12A Equity Share Capital:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Authorised:		
250,000,000 equity shares of Rs.2/- each (31 March, 2024: 250,000,000 equity shares of Rs.2/- each)	500.0	500.0
	500.0	**500.0**
Issued, Subscribed and Paid up:		
119,565,000 equity shares of Rs.2/- each fully paid up (31 March, 2024: 119,565,000 equity shares of Rs.2 each fully paid up)	239.1	239.1
	239.1	**239.1**

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

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	(₹ in Million)	Number of shares	(₹ in Million)
At the commencement and at the end of the year	11,95,65,000	239.1	11,95,65,000	239.1
Add: Increase in the number of shares	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
At the end of the year	**11,95,65,000**	**239.1**	**11,95,65,000**	**239.1**

(b) Rights, preferences and restrictions attached to equity shares:

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

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

Notes

to the consolidated financial statements for the year ended 31 March, 2025

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

Name of the shareholders:	As at 31 March, 2025		As at 31 March, 2024	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Mr. Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	2,32,14,088	19.42%	2,47,05,800	20.66%
Mr. Basudeo Narain Singh	86,95,360	7.27%	86,95,360	7.27%
Mr. Mritunjay Kumar Singh	76,82,000	6.42%	76,82,000	6.42%
Madhurima Singh (Estate of Mr. Dhananjay Kumar Singh)*	72,84,429	6.09%	64,45,745	5.39%

* In March 2025, the shares held by the Estate of Dhananjay Kumar Singh were officially transferred to Mrs. Madhurima Singh. Consequently, Mrs. Madhurima Singh now holds a total of 73,93,939 shares (6.18%)

(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.

Promoters shareholding

Promoter name	No. of shares as at 31 March, 2025	No. of shares as at 31 March, 2024	% of total shares as of March 2025	% of total shares as of March 2024	% change during the current year
Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	2,32,14,088	2,47,05,800	19.4%	20.7%	-6.0%
Basudeo Narain Singh	86,95,360	86,95,360	7.3%	7.3%	0.0%
Mritunjay Kumar Singh	76,82,000	76,82,000	6.4%	6.4%	0.0%
Madhurima Singh*	109,510	9,48,194	0.1%	0.8%	-88.5%
Madhurima Singh (Estate of Dhananjay Kumar Singh)*	72,84,429	64,45,745	6.1%	5.4%	13%
Madhurima Singh (on behalf of Dhananjay and Madhurima Singh Trust)	30,92,875	30,92,875	2.6%	2.6%	0.0%
Jayanti Sinha	29,38,220	29,38,220	2.5%	2.5%	0.0%
Seema Singh	25,79,045	29,37,740	2.2%	2.5%	-12.2%
Archana Singh	23,94,050	23,94,050	2.0%	2.0%	0.0%
Divya Singh	12,08,971	12,08,971	1.0%	1.0%	0.0%
Meghna Singh	12,08,650	12,08,650	1.0%	1.0%	0.0%
Aniruddha Singh	12,08,971	12,08,971	1.0%	1.0%	0.0%
Shrey Shree Anant Singh	11,95,650	11,95,650	1.0%	1.0%	0.0%
Sadhika Raj	5,50,000	5,50,000	0.5%	0.5%	0.0%
Sakshi Sinha	5,50,000	5,50,000	0.5%	0.5%	0.0%
Satyam Sinha	5,50,000	5,50,000	0.5%	0.5%	0.0%
Shikhar Raj	5,50,000	5,50,000	0.5%	0.5%	0.0%
Raj Kumar Singh	5,38,038	5,38,038	0.4%	0.4%	0.0%
Sandeep Singh	7	7	0.0%	0.0%	0.0%
Srinivas Singh	1,02,695	1,02,695	0.1%	0.1%	0.0%

Notes

to the consolidated financial statements for the year ended 31 March, 2025

Promoter name	No. of shares as at 31 March, 2025	No. of shares as at 31 March, 2024	% of total shares as of March 2025	% of total shares as of March 2024	% change during the current year
Sarandhar Singh	79,800	79,800	0.1%	0.1%	0.0%
Sarvesh Singh	1	79,800	0.0%	0.1%	-100%
Manju Singh	1,00,517	1,00,517	0.1%	0.1%	0.0%
Satish Kumar Singh	72,430	71,934	0.1%	0.1%	0.7%
Inderjit Kaur Arora	7,800	7,800	0.0%	0.0%	0.0%
Annapurna Singh	1	3,041	0.0%	0.0%	-100%
Premlata Singh	1	1	0.0%	0.0%	0.0%

* In March 2025, the shares held by the Estate of Dhananjay Kumar Singh were officially transferred to Mrs. Madhurima Singh. Consequently, Mrs. Madhurima Singh now holds a total of 73,93,939 shares (6.18%)

3.12B Other Equity:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Capital reserve	5.2	5.2
Employee stock options outstanding account	361.5	195.4
General reserve	19,872.5	19,872.5
Retained earnings	99,730.1	83,097.0
Other comprehensive income	1,884.5	1,677.0
Gross obligation to non-controlling interest under put option	(2,244.2)	(1,965.6)
Total	**1,19,609.6**	**1,02,881.5**

3.13 Borrowings:

A. Non-current borrowings

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Secured:		
Term loans		
- from other parties	624.2	400.0
Unsecured		
External commercial borrowings		
- from banks	2,484.9	-
Total	**3,109.1**	**400.0**

Notes:

Enzene Biosciences Limited ('EBL')

Term loan consist of ₹800 Million loan sanctioned by Export-Import Bank of India (EXIM bank) under Exim bank's Ubharte Sitaare Programme for a period of 5 years. The loan is obtained for part financing the capital expenditure incurred or to be incurred by the company. The loan carries an interest rate of MCLR + 0.25bps (effective interest rate of 8.50% as on date of loan).

MCLR to be fixed on the date of first disbusrement and to be reset after 12 months form the date of first disbursement and every 12 months thereafter.

The loan is to be repaid in 14 equal quarterly installments after moratorium of 18 months from date of first disbursement.

EBL received **₹800 Million** (31 March, 2024 : ₹400 Million) and drawn complete sanctioned amount before 31 December, 2024 for capital expenses to be incurred by the company.

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to the consolidated financial statements for the year ended 31 March, 2025

The term loan is secured againt the following:

a) First Pari passu charge on entire Immovable properties, situated at Chakan

b) First Pari passu charge on entire movable fixed assets of EBl

c) Cash Deposit of ₹91.5 Million by way of Lien maked fixed deposit in favour of EXIM bank

ECB Loan from HSBC Bank by Enzene Biosciences Limited ('EBL')

(₹ Million)

Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 March, 2025	As at 31 March, 2024
Unsecured					
External Commercial Borrowings [ECB] in Foreign Currency	3 months SOFR + 125bps	4 December, 2031	20 quarterly installments	1,262.6	-
Total				**1,262.6**	**-**
less: Current maturities of long term borrowings (included in current borrowings)				-	-
less: Interest accrued (included in current borrowings)				3.2	-
Non-Current Borrowings				**1,259.4**	**-**

External Commercial Borrowings consist of USD 25 Million loan sanctioned by HSBC for a period of 7 years. The ECB is obtained for part financing the capital expenditure incurred or to be incurred by EBL. The loan carries an interest rate of 3 months SOFR + 125 bps.

EBL has drawn ₹1,278.9 Million from bank in terms of the sanction letter agreed with the bank and infused the same in Enzene Inc [100% subsidiary of the company]. The balance amount has to be drawn by EBl before 31 December, 2025 for the expenses to be incurred by the company.

The loan is to be repaid in 20 quarterly installments after moratorium of 24 months from date of first disbursement.

The ECB is guaranteed against the following:

a) Corporate Guarantee by Alkem Laboratories Limited

The ECB shall rank pari passu with claims of all its other unsecured and unsubordinated creditors.

Repayment terms of borrowings :

(₹ Million)

Repayment terms of borrowings	As at 31 March, 2025	As at 31 March, 2024
Principal repayment schedule as mentioned below		
Less than one year	-	-
One to three years	483.5	-
More than three years	775.9	-
Total undiscounted cash flows	**1,259.4**	**-**
Current	-	-
Non-current	1,259.4	-

Notes
to the consolidated financial statements for the year ended 31 March, 2025

ECB Loan from CITI Bank by Enzene Biosciences Limited ('EBL')

(₹ Million)

Particulars	Interest Rate	Maturity Date	Terms of Repayment	As at 31 March, 2025	As at 31 March, 2024
Unsecured					
External Commercial Borrowings [ECB] in Foreign Currency	3 months SOFR + 65bps	4 February, 2032	20 quarterly installments	1,208.1	-
Total				**1,208.1**	**-**
less: Current maturities of long term borrowings (included in current borrowings)				-	-
less: Interest accrued (included in current borrowings)				2.9	-
Non-Current Borrowings				**1,205.2**	**-**

External Commercial Borrowings consist of USD 25 Million loan sanctioned by Citi Bank for a period of 7 years. The ECB is obtained for part financing the capital expenditure incurred or to be incurred by EBL. The loan carries an interest rate of 3 months SOFR + 65 bps.

EBL has drawn ₹1,193.8 Million from bank in terms of the sanction letter agreed with the bank and infused the same in Enzene Inc [100% subsidiary of the company]. The balance amount has to be drawn by EBl before 30 June, 2026 for the expenses to be incurred by EBl.

The loan is to be repaid in 20 quarterly installments after moratorium of 24 months from date of first disbursement.

The ECB is guaranteed against the following:

a) Corporate Guarantee by Alkem Laboratories Limited

The ECB shall rank pari passu with claims of all its other unsecured and unsubordinated creditors.

(₹ Million)

Repayment terms of borrowings	As at 31 March, 2025	As at 31 March, 2024
Principal repayment schedule as mentioned below		
Less than one year	-	-
One to three years	396.8	-
More than three years	808.4	-
Total undiscounted cash flows	**1,205.2**	**-**
Current	-	-
Non-current	1,205.2	-

B. Current borrowings

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Secured		
Loans repayable on demand from banks	4,242.3	3,874.2
Term loan from banks	-	13.4
Current maturities of long term borrowings	169.9	-
	4,412.2	**3,887.6**

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(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Unsecured		
Working capital loan from banks	3,106.6	7,852.1
	3,106.6	**7,852.1**
Total	**7,518.8**	**11,739.7**

Notes:

Secured:

The Company:

Loans repayable on demand from Banks include:

1. Overdrafts from banks **₹628.8 Million** (31 March, 2024: ₹1,720.2 Million) are secured against pledge of fixed deposits with the banks.

2. Overdraft Facilities carry a rate of Interest ranging between 7.80% to 8.30% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Indchemie Health Specialities Private Limited ('IHSPL')

Loans repayable on demand from Banks include:

Overdraft from banks **₹33.8 Million** (31 March, 2024 ₹143.7 Million) are secured against fixed deposits placed with respective banks.

Overdraft Facilities carry a rate of Interest ranging between 7.75% to 8.00% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Cachet Pharmaceuticals Private Limited ('CPPL')

Working capital loan comprises of Packing credit in Foreign currencies provided by ICICI Bank of **Nil** (31 March, 2024: ₹13.4) are repayable on demand and it carries interest rate in the range of 4.50% to 6.32% p.a., which are secured against hypothecation of stock, book debts, tangible movable property.

Enzene Biosciences Limited

Loans repayable on demand from Banks include:

1. Overdraft from banks **₹1,315.8 Million** (31 March, 2024: ₹1,042.2 Million) are secured against fixed deposits placed with respective banks

2. Overdraft facilities carry a rate of interest ranging between 5.90% to 8.27% p.a computed on a monthly basis on the actual amount utilised, and are repayable on demand.

3. Current maturities of Long term borrowings : Term loan from Bank amounting to **₹169.9 Million** (31 March, 2024 : Nil)

Ascend Laboratories SpA, Chile

Loans repayable on demand from Banks include:

Loan facilities of **₹1,046.4 Million (CLP 116,39.1 Million)** (31 March, 2024: Nil (CLP Nil) by various banks are fund based facility (working capital credits). The interest rate is Tab30+0.083% to Tab30+0.108% monthly.

Notes

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The PharmaNetwork, LLC, USA ('TPN)

Loans repayable on demand from Banks include:

Working Capital loan of **₹1,217.5 Million (USD 14.2 Million)** (31 March, 2024 ₹968.2 Million (USD 11.6 Million) from bank includes revolving credit line taken on 3 November, 2012 ('closing date') by TPN are secured upto USD 50,000,000 (31 March, 2024 USD 50,000,000) by issue of ABF Revolving Credit Facility by JP Morgan Chase which is secured by a continuing lien on security interest in all of the Collateral, whether in the form of cash or other property and whether tangible or intangible as well as Inventory, Receivables, Equipment and intellectual property of the TPN. Interest on this Revolving Credit Facility is payable monthly in arrears on the first business day of each month at a rate equal to **SOFR + 1.25%** (31 March, 2024 1.25% plus daily LIBOR).

Unsecured:

Working Capital loan from Banks include

The Company:

Packing Credit in Foreign Currencies of **₹3,083.6 Million** (31 March, 2024: ₹7,852.1 Million) and are repayable on demand carries Interest rate in the range of 4.54% to 4.79%.

Ascend GmbH :

Working Capital loan from CITI Bank amounting to **₹23.0 Million** (31 March, 2024 : Nil) carrying an interest rate of EURIBOR + 1.2% (margin)

3.14 Provisions

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
A. Non-current provision		
Provisions for employee benefits		
Gratuity **(Refer note 3.28)**	2,156.8	1,930.9
Compensated absences	1,225.4	1,067.7
Total	**3,382.2**	**2,998.6**
B. Current provision		
Gratuity **(Refer note 3.28)**	1,070.0	849.6
Compensated absences	521.1	419.1
Total	**1,591.1**	**1,268.7**

3.15 Other Non-Current Liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Deferred income on government grant **(Refer note 3.42)**	219.5	258.4
Total	**219.5**	**258.4**

3.16 Trade Payables:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total outstanding dues of micro enterprises and small enterprises	879.8	670.0
Total outstanding dues of creditors other than micro and small enterprises	17,513.7	16,811.2
Total	**18,393.5**	**17,481.2**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

Trade payables ageing schedule for the year ended 31 March, 2025 and 31 March, 2024

(₹ Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	-	717.4	155.0	3.1	0.8	3.5	879.8
	(-)	(624.2)	(38.5)	(7.3)	(-)	(-)	(670.0)
ii) Others	3,798.8	7,939.2	5,673.7	50.3	3.9	47.8	17,513.7
	(3,887.2)	(8,010.6)	(4,840.7)	(10.6)	(39.8)	(14.1)	(16,803.0)
iii) Disputed dues - MSME	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
iv) Disputed dues - Others	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(8.2)	(8.2)

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

Relationship with struck off companies:

Name of Struck off company	Nature of Transactions	Transactions during the year 31 March, 2025	Balance o/s. at the end of the year as at 31 March, 2025	Transactions during the year 31 March, 2024	Balance o/s. at the end of the year as at 31 March, 2024	Relationship with the Struck off company, if any, to be disclosed
Perfect Office Systems Private Limited	Payables	-	-	0.8	-	Vendor
A K M Enterprises Private Limited	Payables	-	-	0*	-	Vendor
Southern Star Pvt Ltd	Payables	-	-	0*	-	Vendor
Senator Inns Private Limited	Payables	-	-	0*	0*	Vendor
Pharma Labs Pvt Ltd	Payables	-	-	2.1	0*	Vendor
Veridical Enterprises (Opc) Private Limited	Payables	1.2	0*	1.5	-	Vendor

*Less than 1 lakh

3.17 Other Financial Liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Non Current		
Put option liability **(Refer note below)**	2,244.2	1,965.6
Liability towards anticipated sales returns **(Refer note 3.34)**	1,270.9	1,144.3
Security deposits	5.0	-
Capital creditors	19.8	-
Total	**3,539.9**	**3,109.9**

Note:

During the year ended 31 March 2023, the Company and Enzene Biosciences Limited ('Enzene') had entered into an agreement with Eight Roads Ventures India Healthcare IV, L.P. ("Eight Roads Ventures") and F-Prime Capital Partners Life Sciences Fund VI LP ("F-Prime Capital") ('Investors') whereby the Investors have infused **₹1,614.8 Million** towards subscription of 4,108,973 Compulsorily Convertible Preference Shares ('CCPS') and 20 Equity Shares. The transaction involved the investment of **₹1,614.8 Million** and issuance and allotment of CCPS and equity shares having a face value of ₹10 each, by Enzene to Investors in lieu of such investment. The investment towards CCPS and equity shares received on 27 January, 2023 is convertible into a fixed number of equity shares of Enzene and hence has been classified as equity in the financial statements of Enzene.

Notes

to the consolidated financial statements for the year ended 31 March, 2025

In these consolidated financial statements, CCPS has been reflected as part of non-controlling interests. As per the Shareholders Agreement dated 23 December, 2022, the Company will be required to provide various options to enable the Investor to exit over a period of time. In case such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement. As of 31 March, 2025, the CCPS have been recognized as a financial liability, the fair value of which is **₹2,244.2 Million** (31 March, 2024 : ₹1,965.6 Million). CCPS is convertible into equity shares at any time but not later than nineteen years, at the option of the Investors, and is convertible compulsorily and automatically at the agreed conversion date, which is linked to meeting one of the agreed conditions.

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Current		
Employee payables	3,185.5	2,905.0
Security deposits	475.6	353.2
Liabilities towards anticipated sales returns and rebates **(Refer Note 3.34)**	3,274.9	3,197.8
Forward contract payable	10.7	-
Unpaid dividend*	1.7	1.7
Capital creditors	960.2	-
Total	**7,908.6**	**6,457.7**

*Amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013 **Nil** (31 March, 2024: ₹ Nil). The same has been deposited within the statutory timelines.

3.18 Other Current Liabilities

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Dues to statutory authorities*	817.0	1,134.5
Advances from customers	2,201.0	1,122.9
Deferred income on government grant **(Refer note 3.42)**	39.0	39.1
Total	**3,057.0**	**2,296.5**

*Due to statutory authorities includes GST payable, sales tax payable, tax deducted at source payable, provident fund and other dues payable.

3.19 Revenue from operations:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Sale of products- (A)	1,27,570.3	1,23,857.6
Sale of services- (B)	475.9	534.8
Revenue from contracts with customers (A) + (B)	**1,28,046.2**	**1,24,392.4**
Other operating revenues:		
Export incentives	342.7	293.8
Scrap sales	173.7	163.9
Budgetary support benefit under GST	917.2	955.0
Business Compensation and Settlement Income	-	709.0
Miscellaneous income	165.4	161.7
Total other operating revenue: (C)	**1,599.0**	**2,283.4**
TOTAL (A) + (B) + (C)	**1,29,645.2**	**1,26,675.8**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

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

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Revenue from contract with customers as per contracted price	1,91,430.6	1,91,556.2
Adjustments made to contract price on account of:		
Less: Sales return	2,823.4	2,823.9
Less: Discounts / Rebates / Chargebacks	60,561.0	64,339.9
Revenue from contract with customers	**1,28,046.2**	**1,24,392.4**
Other operating revenue	1,599.0	2,283.4
Revenue from operations	**1,29,645.2**	**1,26,675.8**

b) **Disaggregation of revenue from contracts with customers: Refer note 3.30(a)**

3.20 Other income:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest income under the effective interest method		
-Bank deposits at amortised cost	3,135.3	2,487.1
-Bonds, debentures and loans at amortised cost	452.5	270.6
Foreign currency transactions and translation gain (net)	380.0	-
Liabilities/provisions no longer required written back	155.1	19.8
Profit on sale of investments at FVTPL (net)	110.2	146.3
Profit on sale of property, plant and equipments (net)	46.0	-
Gain on fair value of investments through profit and loss	418.7	5.4
Miscellaneous income	239.6	179.2
Total	**4,937.4**	**3,108.4**

3.21 Cost of materials consumed:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Raw material consumed	27,973.6	26,840.7
Packing material consumed	6,430.1	6,105.2
Total	**34,403.7**	**32,945.9**

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

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Opening Stock:		
Finished goods	10,848.4	12,074.7
Stock-in-trade	5,495.2	4,207.9

Notes
to the consolidated financial statements for the year ended 31 March, 2025

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Work-in-progress	1,474.1	1,639.9
	17,817.7	**17,922.5**
Less: Closing stock:		
Finished goods	13,401.8	10,848.4
Stock-in-trade	5,152.1	5,495.2
Work-in-progress	1,293.3	1,474.1
	19,847.2	**17,817.7**
Effect of foreign exchange translation	128.2	36.4
TOTAL	**(1,901.3)**	**141.2**

3.23 Employee benefits expense:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Salaries, wages and bonus	22,402.4	20,080.4
Contribution to provident and other fund	1,258.3	1,089.9
Employees' welfare expenses	712.4	650.4
Employee stock compensation expenses **(Refer note 3.41)**	166.1	189.4
Total	**24,539.2**	**22,010.1**

3.24 Finance costs:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest expenses on		
- Bank overdraft and others at amortised cost	703.2	803.8
- Defined benefit liabilities **(Refer note 3.28)**	169.2	153.3
Other borrowing cost	344.6	167.0
Total	**1,217.0**	**1,124.1**

3.25 Other expenses:

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Consumption of stores and spare parts	771.7	672.8
Power and fuel	1,689.9	1,625.8
Processing charges	600.3	621.5
Contract labour charges	1,406.9	1,308.4
Rent **(Refer note 3.29)**	100.8	96.0
Rates and taxes	279.3	523.4

Notes

to the consolidated financial statements for the year ended 31 March, 2025

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Insurance	686.0	583.6
Marketing, advertisement and promotions	7,612.4	8,065.0
Selling and distribution expenses	4,483.8	3,941.8
Legal and professional Fees	2,259.4	2,208.6
Sales commission	835.1	811.9
Travelling and conveyance	3,959.8	3,743.8
Repairs:		
- Buildings	148.8	110.6
- Plant and machineries	681.1	604.9
- Others	782.2	550.2
Loss on sale / write off of property, plant and equipments (net)	-	31.8
Commission to directors	18.3	13.0
Donation *	2.1	287.5
Communication and printing expenses	224.4	236.8
Vehicle expenses	266.3	257.3
Clinical and analytical charges	1,847.2	1,594.9
Expected credit loss on receivables	133.7	524.0
Corporate Social Responsibility (CSR) expenditure	377.8	363.1
Royalty expenses	161.2	269.1
License, registration & technology fees	945.2	884.3
Impairment loss	137.3	-
Foreign currency transactions and translation loss (net)	-	335.1
Miscellaneous expenses	1,930.9	2,569.8
Total	**32,341.9**	**32,835.0**

*Includes **Nil** (31 March, 2024: ₹250 Million) paid to a political party

3.26 (a) Contingent Liabilities

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
	Claims against the Group not acknowledged as debt:		
(i)	Sales Tax / Goods and service tax demand disputed in appeal {advances paid in dispute **₹202.5 Million** (31 March, 2024: ₹10.2 Million)}	1,421.1	82.8
(ii)	Custom duty demand disputed in appeal	2.4	2.4
(iii)	Income Tax demand disputed in appeal {**advances paid dispute in ₹122.7 Million** (31 March, 2024: ₹123.7 Million)}	6,638.9	44.5
(iv)	Other matters: a. Supply of Goods: **₹1.4 Million** (31 March, 2024: ₹20.6 Million) b. In relation to CCI: **₹746.3 Million** (31 March, 2024: ₹746.3 Million) c. Legal Matters: **₹0.4 Million** (31 March, 2024 : ₹20.4 Million)	748.1	787.3
	Total	**8,810.5**	**917.1**

Notes
to the consolidated financial statements for the year ended 31 March, 2025

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

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

3.27 Commitments

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advances paid **₹410.9 Million** (31 March, 2024: ₹163.1 Million)	1,043.4	841.0
2	Uncalled / Unpaid contribution towards investment in funds **(Refer Note.3.2)**	17.7	60.1
3	Other Commitments: Commitment towards research and development - **Nil** (31 March, 2024: EUR 0.0625 Million)	-	5.6
4	Pending Export Obligation under advance licence / EPCG Scheme	80.6	283.0

3.28 Disclosure of Employee Benefits

A. The Company and its Indian subsidiaries:

i) Defined contribution plans:

The Company and its Indian subsidiaries makes contributions towards provident fund. The Company and its Indian subsidiaries 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 and its indian subsidiaries make monthly contribution to the said funds plan equal to a specific percentage of the covered employee's salary. The Company and its Indian subsidiaries has no obligations other than to make the specified contributions.

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

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
- Contribution to Provident Fund	1,072.0	961.4
- Contribution to Employee state insurance corporation	17.4	22.8
Total	**1,089.4**	**984.2**

ii) Defined benefit plan:

The Parent Company and its Indian subsidiaries earmarks liability towards unfunded Gratuity and Compensated absences and provides for payment 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, 2025 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.

Notes
to the consolidated financial statements for the year ended 31 March, 2025

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's and its Indian subsidiaries financial statements as at 31 March, 2025:

(₹ Million)

Sr. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation :**		
	Current Service Cost	290.7	262.2
	Past Service Cost	-	36.7
	Interest Cost	169.2	152.0
	Actuarial (gain) / loss	218.1	92.4
	Benefits paid	(233.4)	(213.7)
	PVO at the beginning of the year	2,773.2	2,443.7
	PVO at end of the year	**3,217.8**	**2,773.2**
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	3,217.8	2,773.2
	Fair Value of planned assets at end of year	-	-
	Funded status	(3,217.8)	(2,773.2)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset/ (liability) recognised in the balance sheet	(3,217.8)	(2,773.2)
III)	**Net cost for the year**		
	Current Service cost	290.7	262.2
	Past Service Cost	-	36.7
	Interest cost	169.2	152.0
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	218.1	92.4
	Net cost	678.0	543.3
IV)	**Assumption used in accounting for the gratuity plan:**		
	Discount rate (%)	6.56% - 6.70%	7.17% - 7.20%
	Attrition rate (%)	10% - 22%	10% - 20%
	Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
	Salary escalation rate (%)	7% - 10%	7% - 10%

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.

Notes

to the consolidated financial statements for the year ended 31 March, 2025

Maturity profile of defined benefit obligation:

(₹ Million)

Projected benefits payable in future years from the date of reporting	As at 31 March, 2025	As at 31 March, 2024
1st following year	1,058.4	856.1
2nd following year	358.6	308.8
3rd following year	313.0	287.1
4th following year	309.7	252.6
5th following year	281.7	242.9
Sum of years 6th to 10th	1,116.2	941.6
Sum of years 11th and above	1,605.4	1,433.3

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:

(₹ Million)

Particulars	31 March, 2025		31 March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(144.4)	162.2	(119.5)	133.9
Future salary growth (1% movement)	168.6	(154.1)	118.7	(107.9)

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 **4.47 - 10.9 years** (Previous year: 5.16 - 10.09 years)

B. Foreign subsidiaries:

i) Defined contribution plans:

The foreign subsidiaries have recognised **₹168.8 Million** (31 March 2024: ₹105.7 Million) in the Statement of Profit and Loss towards contribution to various funds.

ii) Defined benefit plan:

Alkem Laboratories Corporation, Philippines ("ALC"):

ALC does not have an established retirement plan and only conforms to the minimum regulatory benefit under R.A. 7641 which is of defined benefit type and provides a retirement benefit equal to 22.5 days pay for every year of credited service for employees who attain the normal retirement age of 60 years old with at least five years of credited service. The regulatory benefit is paid in lump-sum upon retirement. For the years ended 31 March, 2025 and 31 March, 2024, ALC post - employment defined benefit obligation amounted to **₹9.0 Million** (PHP 6.1 Million) and ₹7.3 Million (PHP 4.9 Million), respectively.

In determining the amounts of the retirement benefit obligation, the following significant actuarial assumptions were used:

Discount rate - **6.26 %** (31 March, 2024 - 6.26%) Expected salary increase rate - **3.00%** (31 March, 2024 - 3.00%)

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
Current Service Cost	1.7	1.3
Actuarial loss	-	1.0
PVO at the beginning of the year	7.3	5.0
PVO at end of the year	**9.0**	**7.3**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

3.29 Leases

Leases as lessee

i. Right of use assets

Right-of-use assets related to leased properties.

(₹ in Million)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	487.9	1,983.9	2,471.7	496.9	881.7	1,378.6
Depreciation for the year	(7.6)	(330.0)	(337.6)	(9.0)	(258.1)	(267.1)
Additions / Adjustments to right of use assets	3.6	1,375.7	1,379.3	-	1,416.5	1,416.5
Derecognition of right of use assets	-	(27.3)	(27.3)	-	(24.2)	(24.2)
Transfer to assets held for sale	(262.9)	-	(262.9)	-	-	-
Foreign exchange differences	-	(1.1)	(1.1)	-	(32.1)	(32.1)
Closing balance	**221.0**	**3,001.2**	**3,222.2**	**487.9**	**1,983.9**	**2,471.7**

ii. Lease liability

(₹ in Million)

Particulars	As at 31 March, 2025			As at 31 March, 2024		
Maturity analysis of lease liability - undiscounted contractual cash flows	Land	Buildings	Total	Land	Buildings	Total
Less than one year	-	542.8	542.8	2.9	313.2	316.1
One to three years	-	1,399.0	1,399.0	5.8	887.9	893.6
More than three years	-	2,785.8	2,785.8	257.9	2,571.4	2,829.4
Total undiscounted cash flows	**-**	**4,727.6**	**4,727.6**	**266.6**	**3,772.5**	**4,039.1**
Current (Discounted)	-	506.9	506.9	0.1	151.7	151.8
Non-current (Discounted)	-	2,674.2	2,674.2	62.9	1,829.7	1,892.6

iii. Amount recognised in profit or loss

(₹ in Million)

Particulars	For the Year ended 31 March, 2025			For the Year ended 31 March, 2024		
	Land	Buildings	Total	Land	Buildings	Total
General and administrative expenses						
Short-term lease rent expense	2.9	97.9	100.8	2.9	93.1	96.0
Depreciation and impairment losses						
Depreciation of right of use lease asset	7.6	330.0	337.6	9.0	258.1	267.1
Foreign exchange difference	-	11.3	11.3	-	(23.5)	(23.5)
Finance cost						
Interest expense on lease liability	2.8	162.3	165.1	-	76.8	76.8
	13.3	**601.5**	**614.9**	**11.9**	**404.5**	**416.2**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

iv. Amount recognised in statement of cash flows

(₹ in Million)

Particulars	For the Year ended 31 March, 2025			For the Year ended 31 March, 2024		
	Land	Buildings	Total	Land	Buildings	Total
Cash outflow for short-term leases	2.9	97.9	100.8	2.9	93.1	96.0
Principal component of cash outflow for long-term leases	0.0	316.5	316.5	-	323.2	323.2
Interest component of cash outflow for long-term leases	2.8	162.3	165.1	2.8	76.8	79.6
Total cash outflow for leases	**5.7**	**576.7**	**582.4**	**5.7**	**493.1**	**498.8**

v. Movement of lease liabilities

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Opening balance of lease liability	2,044.4	895.3
Addition to lease liability	1,351.0	1,392.7
Interest on lease liability	165.1	79.6
Transfer to assets held for sale	(62.9)	-
Repayment of lease liability	(316.5)	(323.2)
Closing lease liability	**3,181.1**	**2,044.4**

3.30 Segment Reporting

Basis for Segmentation

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The operating segments are reported in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision Maker (CODM). The CODM has been identified as the Executive Chairman of the Group who reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

Entity-wide disclosures

The below information analyses the group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

(₹ Million)

Sr. No.	Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
a)	**Revenue from Operations:**		
	Country of Domicile - India	91,435.7	86,620.2
	United States of America	24,817.6	27,709.3
	Other Countries	13,391.9	12,346.3
		1,29,645.2	**1,26,675.8**

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(₹ Million)

Sr. No.	Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
b)	**Non-current assets (Refer note below)**		
	Country of Domicile - India	23,867.5	25,849.2
	United States of America	9,614.3	3,977.9
	Other Countries	522.0	486.4
		34,003.8	**30,313.5**

Note:

Non-current assets for this purpose consist of Property, Plant and Equipments, Capital work in progress, Intangible assets, Intangible assets under development and Goodwill.

c) The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue during the year.

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

The Group's prinicipal related parties consist of Key Managerial Personnel ("KMP"), Close Members of KMP and entities in which KMP and their Close Members have significant influence ("Affiliates").

A. Key Managerial Personnel

Mr. Basudeo Narain Singh	Executive Chairman
Mr. Mritunjay Kumar Singh	Executive Director
Mr. Sandeep Singh	Managing Director
Mr. Sarvesh Singh	Executive Director
Mr. Srinivas Singh	Executive Director
Mrs. Madhurima Singh	Executive Director
Mr. A.K.Purwar	Independent Director
Mr. Sujjain Talwar	Independent Director
Ms. Sangeeta Singh	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Dheeraj Sharma (upto 14 June, 2024)	Independent Director
Mr. Rajeev Kher (w.e.f. 09 August, 2024)	Independent Director
Mr. Narendra Kumar Aneja	Independent Director
Dr. Vikas Gupta (w.e.f 22 September, 2023)	Chief Executive Officer
Mr. Rajesh Dubey (upto 31 January, 2024)	President - Finance & Chief Financial Officer
Mr. Nitin Agrawal (w.e.f 1 February, 2024)	President - Finance & Chief Financial Officer
Mr. Manish Narang	President - Legal & Company Secretary

B. Close Members of Key Managerial Personnel with whom transaction have taken place during the year

Mr. Satish Kumar Singh	Father of Sandeep Singh and Sarvesh Singh
Mrs. Archana Singh	Daughter of Basudeo Narain Singh
Mr. Sarandhar Singh	Son of Late Balmiki Prasad Singh and Brother of Srinivas Singh
Mrs. Manju Singh	Wife of Late Balmiki Prasad Singh and Mother of Srinivas Singh
Mrs. Premlata Singh	Mother of Sandeep Singh and Sarvesh Singh

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Mrs. Seema Singh	Wife of Mritunjay Kumar Singh
Ms. Divya Singh	Daughter of Madhurima Singh
Mr. Aniruddha Singh	Son of Madhurima Singh
Ms. Meghna Singh	Daughter of Mritunjay Kumar Singh
Mr. Shrey Shree Anant Singh	Son of Mritunjay Kumar Singh
Ms.Inderjit Arora	Wife of Sandeep Singh
Mrs. Annapurna Singh	Wife of Sarvesh Singh
Mr. Sreejan Shandilya	Husband of Madhurima Singh's Daughter

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

Shivanika Foods Private Limited
4Ever 4 Ward Private Limited
Samnan Chemical Private Limited
Shreenika Pioneering Inc.
Nikki Arora Fine Jewellery LLP
India Realty Excellence Fund II LLP
Sureet Propkem Private Limited
Maaiya Social Change Front Foundation
Prospera Ventures Private Limited
Travelon Services Private Limited
IIFL Finance Ltd (Formerly IIFL Holdings Ltd)
Jindal Panther Cement Pvt. Ltd.
Eroute Technologies Pvt Ltd
Jindal Global Capability Centre Pvt Ltd
Sanguine Consultants
Integrated Mumbai Business Park (India) Private Limited (Dubai Ports World)
Integrated Chennai Business Park (India) Private Limited (Dubai Ports World)
Fomento Resorts and Hotels Private Limited
Ascend Laboratories LLC, USA
Economics Law Practice
Aneja Management Consultants Private Limited
Aneja Assurance Private Limited
Aneja Advisory Private Limited
ANSA & Associates LLP
Okiyo Terraces Private Limited
Kukui Advisors (SPOC) Private Limited

Details of Transactions with Related Parties

Sr. No.	Particulars	Year ended 31 March, 2025			
		Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	Total
		A	B	C	
1	Remuneration*	1,103.0	161.2	-	1,264.2
		(1,032.5)	(152.4)	(-)	(1,184.9)

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Sr. No.	Particulars	Year ended 31 March, 2025			
		Key Managerial Personnel	Close Members of Key Managerial Personnel	Affiliates	Total
		A	B	C	
2	Consultancy fees paid	-	3.0	-	3.0
		(-)	(3.0)	(-)	(3.0)
3	Rent expenses	3.3	1.1	-	4.4
		(3.0)	(1.1)	(-)	(4.2)
4	Dividend paid	731.9	657.4	1,386.4	2,775.7
		(787.9)	(724.2)	(1,546.0)	(3,058.1)
6	Repayment of loan given	-	-	-	
		(1.6)	(-)	(-)	(1.6)
7	Interest income on loans given	-	-	-	-
		(0.0)	(-)	(-)	(0.0)
8	Reimbursement of expenses from	105.1	1.1	-	106.2
		(35.0)	(2.8)	(-)	(37.8)

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

*Key managerial personnel remuneration

Key managerial personnel remuneration comprise the following:

(₹ Million)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Short term employee benefits	1,001.8	976.1
Post-employment benefits	82.3	49.8
Other long-term benefits	18.9	6.6
Total	**1,103.0**	**1,032.5**

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

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

3.32 The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is **₹5,620.0 Million** (31 March, 2024: ₹5,228.8 Million).

3.33 Earnings per share (EPS)

(₹ Million)

Particulars			Year ended 31 March, 2025	Year ended 31 March, 2024
Profit for the year attributable to Owners of the Company	₹ in Million	A	21,654.8	17,957.7
Weighted average number of equity shares outstanding	Nos.	B	11,95,65,000	11,95,65,000
Basic and diluted earnings per equity share (₹) - Face value of ₹2 per share	In ₹	(A / B)	181.11	150.19

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

Liability towards anticipated sales return:

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

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Carrying amount at the beginning of the year	2,927.5	2,624.9
Add: Liability accrued during the year	3,425.9	3,101.6
Less: Amount utilized during the year	3,276.3	2,799.1
Carrying amount at the end of the year	**3,077.1**	**2,927.5**

Liability towards rebates:

The Group provides the rebate to the customers based on the contractual agreement executed between the group and the insurance agencies. Liability is calculated in the books for the rebates amounts based on the details of sales made to the customers and actual liability arises on account of rebate invoices received from the insurance agencies.

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Carrying amount at the beginning of the year	1,414.6	1,012.9
Add: Liability accrued during the year	911.1	1,939.8
Less: Amount utilized during the year	857.0	1,538.1
Carrying amount at the end of the year	**1,468.7**	**1,414.6**

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Non-current liability	1,270.9	1,144.3
Current liability	3,274.9	3,197.8
Total	**4,545.8**	**4,342.1**

3.35 Dividend paid and proposed

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

Particulars	Dividend Per Equity Share (₹)	Year ended 31 March, 2025 (₹ in Million)	Dividend Per Equity Share (₹)	Year ended 31 March, 2024 (₹ in Million)
Dividend on equity shares	42.00	5,021.7	45.00	5,380.4
Total		**5,021.7**		**5,380.4**

After the reporting date, the following dividend was proposed by the Board of Directors of the Parent Company in its meeting held on 29 May, 2025 (previous year: in the Board meeting held on 29 May, 2024) subject to the approval at the annual general meeting. Proposed dividend has not been recognised as a liability.

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(₹ Million)

Particulars	Dividend Per Equity Share (₹)	Year ended 31 March, 2025 (₹ in Million)	Dividend Per Equity Share (₹)	Year ended 31 March, 2024 (₹ in Million)
Final Dividend on Equity Shares	8.00	956.5	5.00	597.8
Total		**956.5**		**597.8**

3.36 Impairment testing for cash generating unit (CGU) containing goodwill

The goodwill at each CGU level and goodwill acquired separately are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax Budgeted EBITDA projections of the next five years and the Terminal Value at the end of the fifth year (after considering the relevant long-term growth rate) which is considered by the Board as a reasonable period given the long development and life cycle of medicine.

Goodwill acquired through business combinations with indefinite lives has been allocated to the following CGU's

(₹ Million)

Name of the Entities	As at 31 March, 2025	As at 31 March, 2024
Goodwill		
The PharmaNetwork LLC, United States of America	2,567.9	2,503.2
Pharmacor Pty Ltd, Australia	169.0	170.0
Enzene Biosciences Limited, India	106.0	106.0
Cachet Pharmaceuticals Private Limited ("CPPL"), India	487.9	487.9
Indchemie Health Specialities Private Limited ("IHSPL"), India	900.3	900.3
Total	**4,231.1**	**4,167.4**

The table below shows the key assumptions used in the value in use calculations for goodwill at each CGU level:

Particulars	The Pharma Network LLC	Enzene Biosciences Limited	Pharmacor Pty Ltd	CPPL	IHSPL
Pre-tax adjusted discount rate (in %)	12.8%	17.3%	12.0%	12.0%	12.0%
Long-term growth rate (in %)	2.0%	2.0%	1.0%	3.0%	3.0%

Key assumptions used in the value-in-use calculations

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

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These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for any of the CGU and for goodwill acquired separately as at 31 March, 2025 and 31 March, 2024 as the recoverable value of the CGU and goodwill acquired separately exceeded the carrying value.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Group has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

3.37 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has non-controlling interest, before any intra-group eliminations.

31 March, 2025

	Cachet Pharmaceuticals Private Limited	Indchemie Health Specialities Private Limited	Enzene Biosciences Limited, India	Total
Non-controlling interest percentage	39.4%	49.0%	0.24%	
Non- current assets	866.7	2,934.6	10,745.6	14,546.9
Current assets	1,742.1	4,072.2	5,103.8	10,918.1
Non-current liabilities	193.7	972.9	4,848.5	6,015.1
Current liabilities	1,167.1	1,201.9	5,248.4	7,617.4
Net assets	**1,248.0**	**4,832.0**	**5,752.5**	**11,832.5**
Net assets attributable to the non-controlling interest	491.3	2,367.7	13.8	2,872.8
Add: Transactions with NCI **(Refer note 3.17)**	-	-	1,614.8	1,614.8
Total attributable to NCI	**491.3**	**2,367.7**	**1,628.6**	**4,487.6**
Revenue from operations	4,593.6	7,111.8	3,636.2	15,341.7
Profit/(loss) after tax	430.9	677.0	(974.9)	133.0
Other comprehensive income (net of tax)	(12.1)	(11.5)	26.5	2.9
Total comprehensive income	**418.8**	**665.5**	**(948.4)**	**135.9**
Profit/(loss) allocated to non-controlling interest	169.6	331.7	(2.3)	499.0
Changes in proportion held by non-controlling interest	-	-	-	-
Profit/(loss) attributable to Non-Controlling Interest (a)	169.6	331.7	(2.3)	499.0
Other comprehensive income allocated to non-controlling interest (b)	(4.8)	(5.6)	0.1	(10.3)
Total comprehensive income allocated to non-controlling interest (a + b)	**164.9**	**326.1**	**(2.3)**	**488.7**
Cash flows from operating activities	294.2	301.2	(864.3)	(269.0)
Cash flows from investing activities	(174.1)	(51.1)	(3,486.8)	(3,712.0)
Cash flows from financing activities	(34.8)	(250.8)	2,518.3	2,232.7
Net increase/ (decrease) in cash and cash equivalents	**85.3**	**(0.7)**	**(1,832.8)**	**(1,748.2)**

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31 March, 2024

	Cachet Pharmaceuticals Private Limited	Indchemie Health Specialities Private Limited	Enzene Biosciences Limited, India	Total
Non-controlling interest percentage	39.4%	49.0%	0.24%	
Non- current assets	507.7	3,330.1	5,468.8	9,306.5
Current assets	1,764.5	3,495.2	5,385.0	10,644.7
Non-current liabilities	157.9	915.0	1,713.6	2,786.5
Current liabilities	1,285.1	1,693.2	2,606.4	5,584.7
Net assets	**829.2**	**4,217.1**	**6,533.8**	**11,580.0**
Net assets attributable to the non-controlling interest	326.5	2,066.4	15.7	2,408.6
Add: Transactions with NCI **(Refer Note no. 3.17)**	-	-	1,614.8	1,614.8
Total attributable to NCI	**326.5**	**2,066.4**	**1,630.5**	**4,023.4**
Revenue from operations	4,424.4	6,815.2	2,626.3	13,865.8
Profit after tax	82.7	254.5	(131.9)	205.3
Other comprehensive income (net of tax)	(4.1)	(9.2)	0.9	(12.4)
Total comprehensive income	**78.6**	**245.3**	**(131.0)**	**192.9**
Profit/(loss) allocated to non-controlling interest	32.5	124.7	(0.3)	156.9
Changes in proportion held by non-controlling interest	-	-	-	-
Profit attributable to Non-Controlling Interest (a)	32.5	124.7	(0.3)	156.9
Other comprehensive income allocated to non-controlling interest (b)	(1.6)	(4.5)	(0.0)	(6.1)
Total comprehensive income allocated to non-controlling interest (a + b)	**30.9**	**120.2**	**(0.3)**	**150.8**
Cash flows from operating activities	196.7	222.0	(122.9)	295.8
Cash flows from investing activities	(221.1)	(207.9)	(1,477.2)	(1,906.2)
Cash flows from financing activities	(22.2)	(156.4)	169.3	(9.3)
Net increase/ (decrease) in cash and cash equivalents	**(46.6)**	**(142.3)**	**(1,430.8)**	**(1,619.7)**

3.38 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

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

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

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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, 2025							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	3,041.4	3,041.4	-	-	-	-
Other bank balances	-	-	12,589.4	12,589.4	-	-	-	-
Non-current investments	2,004.7	-	7,427.7	9,432.4	-	2,004.7	-	2,004.7
Current investments	7,706.2	-	1,316.4	9,022.6	6,959.2	-	747.0	7,706.2
Current loans	-	-	90.4	90.4	-	-	-	-
Trade receivables	-	-	24,662.5	24,662.5	-	-	-	-
Other non-current financial assets	-	-	4,753.6	4,753.6	-	-	-	-
Other current financial assets	-	-	21,154.8	21,154.8	-	-	-	
	9,710.9	**-**	**75,036.1**	**84,747.2**	**6,959.2**	**2,004.7**	**747.0**	**9,710.8**
Financial liabilities								
Non Current borrowings	-	-	3,109.1	3,109.1	-	-	-	-
Current borrowings	-	-	7,518.8	7,518.8	-	-	-	-
Trade payables	-	-	18,393.5	18,393.5	-	-	-	-
Lease liabilities	-	-	3,181.1	3,181.1	-	-	-	-
Other financial liabilities	-	-	9,204.3	9,204.3	-	-	-	-
	-	**-**	**41,406.8**	**41,406.8**	**-**	**-**	**-**	**-**

The above table excludes other non-current financial liabilities amounting to **₹2,244.2 Million** valued using the fair value methodology (Level 3). The changes in fair value has been accounted directly through other equity.

Particulars	As at 31 March, 2024							
	Carrying amount							Fair value
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	4,550.7	4,550.7	-	-	-	-
Other bank balances	-	-	11,242.8	11,242.8	-	-	-	-
Non-current investments	1,634.2	-	1,703.9	3,338.1	-	1,634.2	-	1,634.2
Current investments	1,436.4	-	53.5	1,489.9	423.8	-	1,012.6	1,436.4
Current loans	-	-	90.7	90.7	-	-	-	-
Trade receivables	-	-	22,528.1	22,528.1	-	-	-	-
Other non-current financial assets	-	-	1,202.2	1,202.2	-	-	-	-
Other current financial assets	-	-	29,302.0	29,302.0	-	-	-	-
	3,070.6	**-**	**70,673.9**	**73,744.5**	**423.8**	**1,634.2**	**1,012.6**	**3,070.6**

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Particulars	As at 31 March, 2024							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non Current borrowings	-	-	400.0	400.0	-	-	-	-
Current borrowings	-	-	11,739.7	11,739.7	-	-	-	-
Trade payables	-	-	17,481.2	17,481.2	-	-	-	-
Lease liabilities	-	-	2,044.4	2,044.4	-	-	-	-
Other current financial liabilities	-	-	7,602.0	7,602.0	-	-	-	-
	-	**-**	**39,267.3**	**39,267.3**	**-**	**-**	**-**	**-**

The above table excludes other non-current financial liabilities amounting to ₹1,965.6 Million valued using the fair value methodology (Level 3). The changes in fair value has been accounted directly through other equity.

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 largely 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 method. The discount rates used is based on management estimates.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Details about the methods used to determine the amount of fair value change attributable to change in credit risk including an explanation of why the method is appropriate.

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

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

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Level 3 fair values

Reconciliation of Level 3 fair values

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

Particulars	(₹ in Million)
Opening Balance (1 April, 2023)	1,042.6
Net change in fair value (unrealised)	-
Repayment	(30.0)
Closing Balance (31 March, 2024)	**1,012.6**
Net change in fair value (unrealised)	(25.8)
Repayment	(200.3)
Provision towards investment	(39.5)
Closing Balance (31 March, 2025)	**747.0**

Transfer out of Level 3

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

Sensitivity analysis

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

	31 March, 2025		31 March, 2024	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Significant unobservable inputs				
Sale Price - 5%	18.2	(18.2)	31.4	(31.4)
Cost of Construction - 5%	(6.0)	6.0	(13.8)	13.8
Absorption Timelines - 1 Year	(24.6)	23.9	(40.6)	38.4

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

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

Risk management framework

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

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

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

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i. Credit risk

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

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

Trade receivables

The Group'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 Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group'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.

The maximum exposure to credit risk for trade receivables by geographic region is as follows:

(₹ Million)

	Carrying amount	
	31 March, 2025	31 March, 2024
India	9,176.1	7,452.2
US	11,142.1	11,297.6
Other regions	4,344.3	3,778.3
Total	**24,662.5**	**22,528.1**

No single customer's balance was more than 10% of the total receivables. (Nil as at 31 March, 2024)

Impairment

As per the simplified approach, the Group 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.

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

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

(₹ Million)

Particulars	For the year ended	
	31 March, 2025	31 March, 2024
Balance as at the beginning of the year	913.5	438.2
Expected credit loss on receivables	133.7	524.0
Amounts written back	(251.8)	(48.7)
Balance as at the end of the year	**795.4**	**913.5**

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.

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

Total value of investments, cash and cash equivalent and bank deposits as on 31 March, 2025 is **58,198.6** Million (31 March, 2024: ₹48,943.1 Million)

Debt securities:

The Group has an exposure of **₹8,420.3 Million** as at 31 March, 2025 (31 March, 2024: ₹1,757.4 Million) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31 March, 2025.

Credit Rating of debt securities is given below:

(₹ Million)

Credit Rating	31 March, 2025	31 March, 2024
A +	-	74.3
A1 +	5.0	30.0
AA	125.6	6.2
AA -	74.4	35.2
AA +	1,261.5	1,233.5
AAA	6,953.8	370.1
Not Rated	-	8.1
Total	**8,420.3**	**1,757.4**

The Group did not have any debt securities that were past due but not impaired at 31 March, 2025 and 31 March, 2024. The Group has no collateral in respect of these investments.

ii. Liquidity risk

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

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

Exposure to liquidity risk

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

(₹ Million)

31 March, 2025	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non current borrowings	3,279.0	4,072.5	38.0	344.1	492.4	1,996.4	1,201.6
Current borrowings	7,348.9	7,348.9	7,348.9	-	-	-	-

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(₹ Million)

31 March, 2025	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Trade Payables	18,393.5	18,393.5	6,829.0	11,564.5	-	-	-
Other Non current Financial Liabilities	3,539.9	3,539.9	48.5	265.8	981.4	-	2,244.2
Other Current Financial Liabilities	7,908.6	5,890.3	5,699.6	88.0	60.8	41.9	-
Total	**40,469.9**	**39,245.1**	**19,964.0**	**12,262.4**	**1,534.6**	**2,038.3**	**3,445.8**

(₹ Million)

31 March, 2024	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non current borrowings	400.0	400.0	-	-	-	400.0	-
Current borrowings	11,739.7	11,739.7	11,739.7	-	-	-	-
Trade Payables	17,481.2	17,481.2	13,260.7	4,220.5	-	-	-
Other Non current Financial Liabilities	3,109.9	3,109.9	-	-	-	-	3,109.9
Other Current Financial Liabilities	6,457.7	6,457.7	6,416.7	35.7	-	-	5.3
Total	**39,188.5**	**39,188.5**	**31,417.1**	**4,256.2**	**-**	**400.0**	**3,115.2**

iii. Market risk

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

Currency risk

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2025, 31 March, 2024 in there respective currencies are as below (absolute values):

Particulars	31 March, 2025										
	EUR	GBP	USD	AUD	CAD	CNY	AED	CHF	JPY	NPR	KES
Financial assets											
Trade Receivables	18,61,569	-	1,41,09,364	48,286	-	-	-	10	-	-	-
Cash and cash equivalents	-	-	52,647	-	-	-	-	-	-	-	-
	18,61,569	**-**	**1,41,62,011**	**48,286**	**-**	**-**	**-**	**10**	**-**	**-**	**-**
Financial liabilities											
Short Term Borrowings	-	-	3,55,00,000	-	-	-	-	-	-	-	-
Trade Payables	40,13,618	1,31,873	1,56,93,101	97,659	-	3,04,650	15,750	-	3,00,773	20,70,322	-

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Particulars	31 March, 2025										
	EUR	GBP	USD	AUD	CAD	CNY	AED	CHF	JPY	NPR	KES
Other Current financial liabilities	-	-	-	-	-			-	-	-	-
	40,13,618	1,31,873	5,11,93,101	97,659	-	3,04,650	15,750	-	3,00,773	20,70,322	-
Hedge through forward covers			5,00,00,000								
Net unhedged foreign currency exposure as at 31 March, 2025	(21,52,049)	(1,31,873)	(8,70,31,091)	(49,373)	-	(3,04,650)	(15,750)	10	(3,00,773)	(20,70,322)	-

Particulars	31 March, 2024										
	EUR	GBP	USD	AUD	CAD	CNY	AED	CHF	JPY	NPR	KES
Financial assets											
Trade Receivables	17,60,985	24,73,432	99,88,138	48,287	-	-	-	10	-	4,11,730	-
Cash and cash equivalents	-	-	6,12,673	-	-	-	-	-	-	-	-
	17,60,985	**24,73,432**	**1,06,00,811**	**48,287**	**-**	**-**	**-**	**10**	**-**	**4,11,730**	**-**
Financial liabilities											
Short Term Borrowings	-	-	9,40,00,000	-	-	-	-	-	-	-	-
Trade Payables	17,95,014	5,450	63,93,406	(88,559)	-	1,21,050	31,500	-	6,78,944	-	-
Other Current financial liabilities	-	-	-	-	-	-	-	-	-	-	-
	17,95,014	**5,450**	**10,03,93,406**	**(88,559)**	**-**	**1,21,050**	**31,500**	**-**	**6,78,944**	**-**	**-**
Net foreign currency exposure as at 31 March, 2024	(34,029)	24,67,982	(8,97,92,595)	1,36,845	-	(1,21,050)	(31,500)	10	(6,78,944)	4,11,730	-

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

INR	Year-end spot rate	
	31 March, 2025	31 March, 2024
EUR	92.09	89.88
GBP	110.70	105.03
USD	85.48	83.41
AUD	53.81	54.11
CAD	59.67	61.27
CNY	11.75	11.48
AED	23.27	22.71
KES	0.66	0.63
JPY	0.57	0.55
NPR	0.62	0.63
CHF	96.84	92.04

Sensitivity analysis

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

Effect ₹ in Million 31 March, 2025	Profit or (loss) before tax	
	Strengthening	Weakening
10% movement		
EUR	(19.8)	19.8
GBP	(1.5)	1.5
USD	(743.9)	743.9
AUD	(0.3)	0.3
JPY	(0.0)	0.0
CNY	(0.4)	0.4

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Effect ₹ in Million 31 March, 2025	Profit or (loss) before tax	
	Strengthening	Weakening
AED	(0.0)	0.0
NPR	(0.1)	0.1
CHF	0.0	(0.0)
	(766.0)	**766.0**

Effect ₹ in Million 31 March, 2024	Profit or (loss) before tax	
	Strengthening	Weakening
10% movement		
EUR	(0.3)	0.3
GBP	25.9	(25.9)
USD	(748.9)	748.9
AUD	0.7	(0.7)
JPY	(0.0)	0.0
CNY	(0.1)	0.1
AED	(0.1)	0.1
NPR	0.0	(0.0)
CHF	0.0	(0.0)
	(722.8)	**722.8**

Other Price Risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2025, the investments in mutual funds amounts to **₹6,936.1 Million** (31st March, 2024: ₹386.9 Million). 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, 2025		31 March, 2024	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Price change by 1%	69.4	(69.4)	3.9	(3.9)

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

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

(₹ Million)

Particulars	31 March, 2025	31 March, 2024
Fixed-rate instruments		
Financial assets	46,182.1	49,033.9
Financial liabilities	3,109.1	3,319.4
Total	**43,073.0**	**45,714.5**
Variable-rate instruments		
Financial liabilities	7,518.8	8,820.3
Total	**7,518.8**	**8,820.3**

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Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

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

INR	Profit or loss			
	31-Mar-25		31-Mar-24	
	5% increase	5% decrease	5% increase	5% decrease
Variable-rate instruments	(20.5)	20.5	(73.2)	73.2
Cash flow sensitivity (net)	**(20.5)**	**20.5**	**(73.2)**	**73.2**

3.39 Capital Management

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

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

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total Borrowings	10,627.9	12,139.7
Less : Cash and cash equivalent	3,041.4	4,550.7
Net debt	**7,586.5**	**7,589.0**
Total equity	1,24,336.3	1,07,144.0
Net debt to equity ratio	0.06	0.07

3.40 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013

Name of the enterprises	31 March, 2025							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit or loss	Amount	As (%) of consolidated OCI	Amount	As (%) of consolidated TCI	Amount
Parent Company								
Alkem Laboratories Limited	103%	123,218.3	105%	22,808.9	-55%	(115.0)	104%	22,693.9
Subsidiaries								
Indian								
Enzene Biosciences Limited & Subsidiary (Enzene Inc)	5%	5,752.5	-5%	(974.9)	13%	26.5	-4%	(948.4)
Cachet Pharmaceuticals Private Limited	1%	1,248.1	2%	430.9	-6%	(12.1)	2%	418.8

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Name of the enterprises	31 March, 2025							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit or loss	Amount	As (%) of consolidated OCI	Amount	As (%) of consolidated TCI	Amount
Indchemie Health Specialities Private Limited	4%	4,833.8	3%	677.0	-6%	(11.5)	3%	665.5
Alkem Foundation	0%	(0.4)	0%	(0.1)	0%	-	0%	(0.1)
Connect 2 Clinic Private Limited	0%	34.0	0%	3.7	0%	(0.0)	0%	3.7
Alkem Medtech Private Limited	4%	4,481.1	0%	(18.9)	0%	-	0%	(18.9)
Alixer Nexgen Therapeutics Limited	0%	(7.9)	0%	(9.9)	0%	-	0%	(9.9)
Alkem Wellness Limited	0%	20.0	0%	(30.0)	0%	-	0%	(30.0)
Foreign								
Ascend Laboratories (Pty) Ltd	0%	119.7	0%	10.8	4%	8.0	0%	18.8
Ascend GmbH	0%	(14.1)	1%	112.2	-1%	(1.3)	1%	110.9
Alkem Laboratories Corporation	0%	92.2	0%	(57.7)	0%	(0.4)	0%	(58.3)
S&B Holdings S.a.r.l.(Previously known as S&B Holdings B.V)	2%	2,090.6	0%	(7.0)	1%	-	0%	(7.0)
Pharmacor Pty Ltd & Subsidiary (Pharmacor Limited & Pharmacor SpA)	1%	811.0	1%	285.9	1%	1.8	1%	(287.7)
The PharmaNetwork LLC & Subsidiaries (Ascend Laboratories LLC and S&B Pharma LLC)	10%	12,582.3	1%	237.2	145%	301.5	2%	538.7
Ascend Laboratories SDN BHD.	0%	(1.1)	0%	(0.0)	0%	(0.1)	0%	(0.1)
Ascend Laboratories SpA & Subsidiaries (Pharma Network SpA and Ascend Laboratories S.A. DE C.V.)	1%	1,057.8	2%	328.6	16%	33.6	2%	362.2
Alkem Laboratories, Korea Inc	0%	(2.1)	0%	(0.1)	0%	0.1	0%	0.0
Pharmacor Ltd.	0%	57.6	0%	9.7	1%	2.1	0%	11.8
The PharmaNetwork, LLP	0%	142.8	0%	8.3	-6%	(13.4)	0%	(5.1)
Ascend Laboratories (UK) Limited	0%	105.8	0%	17.1	2%	4.9	0%	22.0
Ascend Laboratories Ltd	0%	(5.9)	0%	(0.1)	0%	0.2	0%	0.1
Ascend Laboratories SAS	0%	61.8	0%	(6.6)	-2%	(3.8)	0%	(10.4)
Total Eliminations	-27%	(32,341.6)	-8%	(1,665.0)	-11%	(23.9)	-9%	(1,688.9)
Non Controlling Interest	-4%	(4,487.6)	-2%	(499.0)	5%	10.3	-2%	(488.7)
Associates								
HaystackAnalytics Private Limited	-	-	0%	(6.2)	-	-	0%	(6.2)
	100%	**1,19,848.7**	**100%**	**21,654.8**	**100%**	**207.5**	**100%**	**21,862.3**

Name of the enterprises	31 March, 2024							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit or loss	Amount	As (%) of consolidated OCI	Amount	As (%) of consolidated TCI	Amount
Parent Company								
Alkem Laboratories Limited	102%	1,05,546.1	97%	17,471.5	-21%	(43.5)	96%	17,428.0
Subsidiaries								
Indian								
Enzene Biosciences Limited & Subsidiary (Enzene Inc)	6%	6,534.8	-1%	(131.4)	0%	0.9	-1%	(130.4)

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Name of the enterprises	31 March, 2024							
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit or loss	Amount	As (%) of consolidated OCI	Amount	As (%) of consolidated TCI	Amount
Cachet Pharmaceuticals Private Limited	1%	829.2	0%	82.7	-2%	(4.1)	0%	78.6
Indchemie Health Specialities Private Limited	4%	4,218.3	1%	254.5	-4%	(9.2)	1%	245.4
Alkem Foundation	0%	(0.3)	0%	(0.2)	0%	-	0%	(0.2)
Connect 2 Clinic Private Limited	0%	30.4	0%	5.1	0%	0.2	0%	5.3
Foreign								
Ascend Laboratories Pty Ltd	0%	101.6	0%	9.2	-3%	(5.3)	0%	3.9
Ascend GmbH	0%	(125.1)	0%	26.2	0%	(0.7)	0%	25.5
Alkem Laboratories Corporation	0%	150.4	0%	(12.0)	-2%	(3.9)	0%	(15.9)
S&B Holdings S.a.r.l.(Previously known as S&B Holdings B.V)	2%	2,097.7	0%	(5.7)	0%	0.2	0%	(5.5)
Pharmacor Pty Ltd & Subsidiary (Pharmacor Limited)	1%	1,183.9	1%	199.9	-9%	(17.6)	1%	182.3
The PharmaNetwork LLC & Subsidiaries	12%	12,042.8	0%	(51.0)	87%	178.7	1%	127.8
Ascend Laboratories SDN BHD.	0%	(1.0)	0%	(0.4)	0%	0.0	0%	(0.3)
Ascend Laboratories SpA & Subsidiaries (Pharma Network SpA and Ascend Laboratories S.A. DE C.V.)	1%	695.6	1%	187.4	-60%	(124.6)	0%	62.9
Alkem Laboratories, Korea Inc	0%	(2.2)	0%	(0.7)	0%	0.0	0%	(0.6)
Pharmacor Ltd.	0%	45.8	0%	9.5	1%	1.9	0%	11.4
The PharmaNetwork, LLP	0%	147.9	0%	33.8	1%	3.0	0%	36.8
Ascend Laboratories (UK) Limited	0%	84.0	0%	15.1	1%	2.4	0%	17.5
Ascend Laboratories Ltd	0%	(5.9)	0%	(2.6)	0%	(0.0)	0%	(2.6)
Ascend Laboratories SAS	0%	65.2	0%	22.3	4%	8.9		31.2
Total Eliminations	-26%	(26,495.2)	0%	1.5	103%	213.1	1%	214.0
Non Controlling Interest	-4%	(4,023.4)	-1%	(156.9)	3%	6.1	-1%	(150.9)
	100%	**1,03,120.6**	**100%**	**17,957.7**	**100%**	**206.5**	**100%**	**18,164.2**

3.41 ENZENE BIOSCIENCES LIMITED (Subsidiary)

As at 31 March, 2025, Subsidiary has following share based payment arrangements for employees:

ESOS 2016

This Scheme shall be called 'Enzene Employee Stock Option Scheme 2016' ("ESOS 2016"/"Scheme").

ESOS 2016 is established with effect from 15 January, 2016 on which the Shareholders have approved the Scheme by way of a special resolution and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOS 2016 have been issued and exercised, whichever is earlier. The plan entitles key managerial personnel and senior employees to purchase shares in the subsidiary at the stipulated exercise price, subject to compliance with vesting conditions; all exercised options shall be settled by physical delivery of shares.

The terms and conditions related to the grant of the shares options are as follows:

1	**Date of Grant**	03 March, 2016
	Exercise price per Option	₹125.80

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	Number of Options granted	1,45,600
	Exercise period	Shall be 2 years from the date of respective vesting. The board in its meeting on 9 November, 2022 have approved the following changes: i. The Exercise Period, for the unexercised Options as on 9 November, 2022, shall be until liquidity event from the date of respective vesting of Options. ii. This shall not apply to the Options that have been already Exercised or have lapsed or not Granted as on 9 November, 2022.
		iii. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Board, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws. Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
03 March 2017	1 year from the date of grant	5.0%
03 March 2018	2 years from the date of grant	15.0%
03 March 2019	3 years from the date of grant	20.0%
03 March 2020	4 years from the date of grant	30.0%
03 March 2021	5 years from the date of grant	30.0%
Total		**100%**

2	**Date of Grant**	27 January, 2017
	Exercise price per Option	₹10
	Number of Options granted	56,400
	Exercise period	Shall be 2 years from the date of respective vesting. The board in its meeting on 9 November, 2022 have approved the following changes: i. The Exercise Period, for the unexercised Options as on 9 November, 2022, shall be until liquidity event from the date of respective vesting of Options. ii. This shall not apply to the Options that have been already Exercised or have lapsed or not Granted as on 9 November, 2022. iii. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Board, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws. Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity

Notes
to the consolidated financial statements for the year ended 31 March, 2025

Vesting Schedule	1 to 4 years from the date of grant as stated below
Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
27 January, 2018	1 year from the date of grant	15.0%
27 January, 2019	2 years from the date of grant	25.0%
27 January, 2020	3 years from the date of grant	30.0%
27 January, 2021	4 years from the date of grant	30.0%
Total		**100.0%**

3 **Date of Grant**	25 May, 2017
Exercise price per Option	₹125.80
Number of Options granted	18,000
Exercise period	Shall be 2 years from the date of respective vesting. The board in its meeting on 9 November, 2022 have approved the following changes: i. The Exercise Period, for the unexercised Options as on 9 November, 2022, shall be until liquidity event from the date of respective vesting of Options. ii. This shall not apply to the Options that have been already Exercised or have lapsed or not Granted as on 9 November, 2022. iii. The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Board, for the issuance of Equity Shares against the Options vested in him, subject to Applicable Laws. Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
Vesting Period	1 to 5 years from the date of grant as stated below
Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
25 May, 2018	1 year from the date of grant	5.0%
25 May, 2019	2 years from the date of grant	15.0%
25 May, 2020	3 years from the date of grant	20.0%
25 May, 2021	4 years from the date of grant	30.0%
25 May, 2022	5 years from the date of grant	30.0%
Total		**100%**

Notes

to the consolidated financial statements for the year ended 31 March, 2025

Reconciliation of outstanding share options

Particulars	No.of Options	
	31 March, 2024	31 March 2023
Outstanding at 1 April	53,208	53,208
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March	**53,208**	**53,208**

1. The estimated grant-date fair value of Stock options granted under ESOS 2016(1) plan is ₹69.94
2. The estimated grant-date fair value of Stock options granted under ESOS 2016(2) plan is ₹147.43
3. The estimated grant-date fair value of Stock options granted under ESOS 2016(3) plan is ₹75.48

The fair values are measured based on the Black-Scholes-Merton formula. Expected volatility, an input in this formula, is estimated by considering historical average of share price volatility of peer companies. The Inputs used in the measurement of grant-date fair values are as follows:

	ESOS 2016 (1)	ESOS 2016 (2)	ESOS 2016 (3)
Fair value as on Grant Date of Equity Share	148	155	155
Compounded Risk-Free Interest Rate	7.7%	7.5%	7.5%
Expected volatility	31.93%	31.93%	31.93%

Enzene Employee Stock Option Plan ("ESOP 2022")

ESOP 2022 is established with effect from 24 February, 2023, on which the Shareholders have approved the plan by way of a Special Resolution and shall continue to be in force until its termination by the Board/ EBL/ the Committee. The plan entitles the employees who as may be decided by the Committee at its own discretion to participate in this option plan to purchase shares in EBL at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by crediting the shares in their Demat account.

The terms and conditions related to the grant of the shares options are as follows:

1	**Date of Grant**	23 July, 2023
	Exercise price per Option	₹10
	Number of Options granted	947,230 - SCHEME "A"
	Exercise period	Shall be 1 years from the date of respective vesting. The board in its meeting on 6th July, 2023 have approved the option: The Exercise Period is based on scenerios : 1. Death / Permanent Disability - Until liquidity event 2. Resignation - Until last working day 3. Retirement - Until last working day 4. Termination with clause / Abandonment - Not applicable 5. Other cases - Until Liquidity event Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity

Notes

to the consolidated financial statements for the year ended 31 March, 2025

Vesting Period	1 to 4 years from the date of grant as stated below
Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
22 July, 2024	At the end of 12 months from the date of Grant	40.0%
22 July, 2025	At the end of 24 months from the date of Grant	20.0%
22 July, 2026	At the end of 36 months from the date of Grant	20.0%
22 July, 2027	At the end of 48 months from the date of Grant	20.0%
Total		**100%**

2 **Date of Grant**	23 July, 2023
Exercise price per Option	₹10
Number of Options granted	40,000 SCHEME "A2"
Exercise period	Shall be 1 years from the date of respective vesting. The board in its meeting on 6th July, 2023 have approved the option: The Exercise Period is based on scenerios : 1. Death / Permanent Disability - Until liquidity event 2. Resignation - Until last working day 3. Retirement - Until last working day 4. Termination with clause / Abandonment - Not applicable 5. Other cases - Until Liquidity event Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity
Vesting Period	1 to 4 years from the date of grant as stated below
Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
22 July, 2024	At the end of 12 months from the date of Grant	20.0%
22 July, 2025	At the end of 24 months from the date of Grant	30.0%
22 July, 2026	At the end of 36 months from the date of Grant	30.0%
22 July, 2027	At the end of 48 months from the date of Grant	20.0%
Total		**100%**

3 **Date of Grant**	1st grant given on -23 July, 2023, 2nd grant - 05 August, 2023, 3rd grant -02 August, 2023, 4th grant - 14 August, 2023, 5th grant - 04 February, 2025
Exercise price per Option	₹10
Number of Options granted	3,50,000

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to the consolidated financial statements for the year ended 31 March, 2025

Exercise period	Shall be 1 years from the date of respective vesting. The board in its meeting on 6th July, 2023 have approved the option: The Exercise Period is based on scenerios : 1. Death / Permanent Disability - Until liquidity event 2. Resignation - Until last working day 3. Retirement - Until last working day 4. Termination with clause / Abandonment - Not applicable 5. Other cases - Until Liquidity event Liquidity event is defined as a. An IPO b. Strategic sale of part of business / vertical to third party c. Substantial change in shareholding / management d. Merger with another entity"
Vesting Period	1 to 5 years from the date of grant as stated below
Vesting Schedule	As mentioned below

Vesting Schedule:

Date of Vesting	Vesting period after the date of grant (years)	Vesting based on time
22 July, 2024	At the end of 12 months from the date of Grant	5.0%
22 July, 2025	At the end of 24 months from the date of Grant	15.0%
22 July, 2026	At the end of 36 months from the date of Grant	30.0%
22 July, 2027	At the end of 48 months from the date of Grant	30.0%
22 July, 2028	At the end of 60 months from the date of Grant	20.0%
Total		**100%**

Share based payment expenses for the year

(₹ Million)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
ESOS 2022	166.1	189.4
Total Expenses recognised	**166.1**	**189.4**

Reconciliation of outstanding share options

(₹ Million)

Particulars	No. of Options	
	31 March, 2025	31 March, 2024
Outstanding at 1 April	12,64,823	-
Granted during the year	1,30,007	12,64,823
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	(57,600)	-
Outstanding at 31 March	**13,37,230**	**12,64,823**

1 The estimated grant-date fair value of Stock options granted under ESOS 2022 Scheme 'A' is ₹400.94

The estimated grant-date fair value of Stock options granted under ESOS 2022 Scheme 'A2' is ₹399.95

The estimated grant-date fair value of Stock options granted under ESOS 2022 Scheme 'B' is ₹411.81

Notes

to the consolidated financial statements for the year ended 31 March, 2025

2 The estimated weighted average exercise price of Stock options granted under ESOS 2022 Scheme 'A' is ₹10
The estimated weighted average exercise price of Stock options granted under ESOS 2022 Scheme 'A2' is ₹10
The estimated weighted average exercise price of Stock options granted under ESOS 2022 Scheme 'B' is ₹10

3 The estimated weighted average life of options granted under ESOS 2022 Scheme 'A' is ₹6.50
The estimated weighted average life of options granted under ESOS 2022 Scheme 'A2' is ₹4.50
The estimated weighted average life of options granted under ESOS 2022 Scheme 'B' is ₹6.45

The fair values are measured based on the Black-Scholes-Merton formula. Expected volatility, an input in this formula, is estimated by considering historical average of share price volatility of peer companies. The Inputs used in the measurement of grant-date fair values are as follows:

Particulars	ESOP 2022 Scheme 'A'	ESOP 2022 Scheme'A2'	ESOP 2022 Scheme 'B'
Fair value as on Grant Date of Equity Share	407.19	407.19	429.24
Compounded Risk-Free Interest Rate	7.24%	7.17%	6.62%
Expected life	5.75	3.75	5.50
Expected volatility	0.4286	0.4173	0.4171
Dividend	-	-	-

3.42 Government Grant

The Company:

The Company is eligible for government grants which are conditional upon construction of new factories in the Sikkim region. One of the grants, received in FY 2014-15 amounted to ₹72.4 Million with respect to the Kumrek facility. The factory has been constructed and in operation since August 2007. The second grant is with respect to Samardung facility in Sikkim amounting to ₹122.1 Million for which the Company has received the claim amount in FY 2018-19. The factory has been constructed and in operation since October, 2012. The third grant is with respect to AHS-3 facility in Sikkim amounting to ₹30.6 Million for which the Company has received the claim amount in the FY 2023-24. Further, during the FY 2023-24, Company have received grant amounting to ₹398.7 Million with respect to AHS- 2 facility in Sikkim. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion to the related depreciation expense. The unamortised grant as on 31 March, 2025 amount to **₹245.6 Million** (31 March, 2024 ₹282.7 Million).

Enzene Biosciences Limited ("EBL"):

EBL is eligible for government grant from Biotechnology Industry Research Assistance Council (BIRAC) under National Biopharma Mission. The grant received/receivable includes grant in relation to the assets and grant which are revenue in nature. The grant received/receivable is for specific project for which EBL is incurring the expenditure. Accordingly, the eligible amount of revenue grant is deducted from the respective head of expenditure. EBL is also eligible for government grants which are against Capital expenditure incurred by EBL on the specific purchase of assets.These grants, recognized as deferred income, are being amortized over the useful life of the assets in proportion in which the related depreciation expense is recognised. The unamortised grant as on 31 March, 2025 amount to **₹3.5 Million** (31 March, 2024 ₹3.8 Million).

Indchemie Health Specialities Private Limited ("IHSPL")

IHSPL is eligible for government grant which is conditional upon construction of new factory in the Sikkim region under the capital investment subsidy scheme of North East Industrial and Investment Promotion Policy (NEIIPP) 2007. One of the grant is with respect to Kumrek facility in Sikkim [Unit-IV] amounting to ₹10.7 Million received in FY 2016-17. The factory has been constructed and in operation since 27 August, 2007. The second grant is with respect to Kumrek facility in Sikkim [Unit-V] amounting to ₹23.4 Million received in FY 2019-20. The factory has been constructed and in operation since 9 May, 2016. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised. The unamortised grant as on 31 March, 2025 amounts to **₹9.4 Million** (Previous year: ₹11.0 Million).

Notes
to the consolidated financial statements for the year ended 31 March, 2025

The unamortised grant as on 31 March, 2025 of the Group amounts to **₹258.5 Million** (Previous year: ₹297.6 Million), the breakup of which is as below:

(₹ Million)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Non current	219.5	258.4
Current	39.0	39.1
Total	**258.5**	**297.5**

3.43 Non-current assets held for sale:

(A) During the previous year, manufacturing plant located at St. Louis a unit under S & B Pharma LLC, USA, a subsidiary, held for sale amounting to ₹1,232.6 Million (USD 15 Million) had been sold for a total net consideration of ₹656.0 Million (USD 8 Million) pursuant to a 'Purchase and Sale' Agreement leading to impairment of Property, plant and equipment held for sale amounting to ₹576.5 Million (USD 7 Million) which is reflecting in the Profit and Loss under 'Exceptional items'.

(B) In respect of one of the manufacturing units located at Indore, where indicators of impairment were identified, the Group identified the recoverable amount of the CGUs, being the higher of the value in use and fair value less costs of disposal, as compared with the carrying value. The outcome of this exercise as on 31 March, 2024 resulted in the Group recognizing an impairment loss of ₹415.6 Million in the consolidated financial statements under 'Exceptional Items'.

In the current year; the Group as a part of its ongoing initiative of networking strategy and optimisation of manufacturing facilities has identified divestment of its Indore facility. Consequently, related assets and liabilities are disclosed as held for sale. These assets and liabilities have been carried at cost as the same are lower than the fair value expected out of sale.

(₹ Million)

Particulars	Net Book value of assets
Property, plant and equipment	878.6
Right of use assets	262.9
Capital work in progress	204.8
Total assets held for sale	**1,346.3**
Lease liabilities	62.9
Total liabilities classified as held for sale	**62.9**
Net book value of assets	**1,283.4**

3.44 Impairment of asset

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

Notes

to the consolidated financial statements for the year ended 31 March, 2025

3.45 Exceptional items

On 12 January, 2024, the Group disclosed about a Cyber security incident occured in November, 2023 which compromised business email IDs of certain employees at one of the Group's subsidiaries which resulted in a fraudulent transfer of ₹513 Million. The Group employed independent external agencies to investigate the incident. Based on their report, the Group concluded that the impact of the incident did not extend beyond the above mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of the Group.

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

3.46(a) Additional disclosure with respect to amendments to Schedule III

i) The entities included in the group, covered under the Act, do not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

ii) The entities included in the group, covered under the Act, do 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 entities included in the group, covered under the Act, have 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 entities included in the group, covered under the Act, do not have any changes or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

v) The entities included in the group, covered under the Act, have not traded or invested in Crypto Currency or Virtual Currency during the current or previous 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 entities included in the group, covered under the Act, 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 entities (Ultimate Beneficiaries).

The entities included in the group, covered under the Act, have not received any fund from any party with the understanding that the entities shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the entities included in the group, covered under the Act, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

viii) The entities included in the group, covered under the Act, complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

Notes

to the consolidated financial statements for the year ended 31 March, 2025

3.46 (b) Non adjusting events after the reporting period:

Subsequent to the year end 31 March 2025, the management of Enzene Biosciences Limited ("EBL") has identified a cyber security incident in its subsidiary Enzene Inc. on 15 May 2025 involving the compromise of an employee's ID which has resulted in fraudulent transfer of approximately ₹307.7 million. EBL has engaged an independent external agency to investigate the incident. Based on their preliminary reports, EBL has concluded that the impact of the incident did not extend beyond the above-mentioned amounts nor did it occur due to any fraudulent act on part of any of the promoters, directors, key managerial personnel or any member of the senior management or any other employee of EBL or its subsidiary. EBL is in process of evaluating options of strengthening its cybersecurity Infrastructure and implementing improvements to its cyber and data security systems to safeguard against such risks in the future. As of the date of approval of the financial statements, there is no evidence of a data breach. EBL is assessing the incident and continues to monitor developments. No provision has been made, as potential costs, including indemnities or claims in the event of a breach, are currently not determinable.

3.47 Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these consolidated financial statements by the Board of Directors of the Group requiring adjustment or disclosure.

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

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

Sandeep Singh
Managing Director
DIN. 01277984
Mumbai, India

M.K. Singh
Executive Director
DIN. 00881412
Mumbai, India

Dr. Vikas Gupta
Chief Executive Officer
Mumbai, India

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

Manish Narang
President - Legal &
Company Secretary
Mumbai, India
Membership no.: F4365

29 May, 2025

Notice

(pursuant to Section 101 of the Companies Act, 2013)

NOTICE is hereby given that the Fifty First (51st) Annual General Meeting ("AGM") of the Members of Alkem Laboratories Limited (the "Company") will be held on Monday, 25 August, 2025 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (a) the Audited Standalone Financial Statements of the Company for financial year ended 31 March, 2025 and the Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for financial year ended 31 March, 2025 and the Report of Auditors thereon.

2. To confirm the payment of Interim Dividend and to declare Final Dividend on Equity Shares for financial year ended 31 March, 2025.

3. To appoint a Director in place of Mr. Mritunjay Kumar Singh (DIN: 00881412), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Srinivas Singh (DIN: 06744441), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 204(1) of the Companies Act 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other applicable provisions if any, of the Companies Act 2013, (including any statutory modifications or re-enactment thereof for the time being in force) ("Act"), Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI LODR Regulations") and upon recommendation of the Board of Directors of the Company, M/s. Manish Ghia & Associates, Practicing Company Secretaries, (CP No.: 3531) be and are hereby appointed as the Secretarial Auditors of the Company to hold office for a term of 5 (five) years with effect from 01 April, 2025 upto 31 March, 2030, on such fees as may be decided by the Board of Directors of the Company and the Secretarial Auditors.

   RESOLVED FURTHER THAT any one of the Directors and/or Company Secretary of the Company be and is hereby authorized to sign, execute, submit and file the relevant forms, documents etc. and to do all acts, deeds and things as may be deemed necessary to give effect to this resolution.

   RESOLVED FURTHER THAT a copy of the above resolution certified by any one of the Directors or Company Secretary of the Company be submitted to the concerned authorities and they be hereby requested to act upon the same."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, as amended, read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, as amended, the fees, as approved by the Board of Directors, amounting to ₹14,00,000/- (Rupees Fourteen Lakhs only) plus applicable taxes and re-imbursement at actuals of out of pocket expenses subject to a maximum limit of 3% of total fees i.e. ₹42,000/- (Rupees Forty Two Thousand only) incurred in connection with the audit, payable to Mr. Suresh D. Shenoy, Cost Accountant (Membership No. 8318), who was appointed by the Board of Directors of the Company as Cost Auditor to conduct audit of cost records maintained by the Company for financial year ended 31 March, 2025, be and is hereby ratified.

   RESOLVED FURTHER THAT any one of the Directors and/or Company Secretary of the Company be and is hereby authorized to sign, execute, submit and file the relevant forms, documents etc. and to do all acts, deeds and things as may be deemed necessary to give effect to this resolution."

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular dated 05 May, 2020 read with General Circulars dated 08 April, 2020, 13 April, 2020, 28 September, 2020, 31 December, 2020, 13 January, 2021, 08 December, 2021, 05 May, 2022, 28 December, 2022, 25 September, 2023 and 19 September, 2024 as amended (collectively referred to as "MCA General Circulars") permitted holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), MCA General Circulars and subsequent circulars issued by SEBI, the AGM of the Company is being held through VC/ OAVM. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at "ALKEM HOUSE", Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

2. The Explanatory Statement pursuant to Section 102 of the Act relating to the Special Business covered under Item Nos. 5 and 6 to be transacted at the AGM is annexed hereto. In respect of resolutions proposed at Item Nos. 3 and 4 a statement giving additional information on the Directors seeking re-appointment is annexed hereto as required under SEBI LODR Regulations, read with Secretarial Standard – 2 on General Meetings.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/ OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.

4. Members can login and join 30 minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 minutes after the scheduled time. Members are allowed to participate on first come-first served basis, as participation through video conferencing is limited upto 1000 Members only. However, the participation of Members holding 2% or more, Promoters, Institutional Investors, Directors, Auditors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee etc. are not restricted on first come first served basis.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Members are advised to make nomination in respect of their shareholdings in the Company with their respective Depository Participants.

7. The final dividend on equity shares as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Friday, 29 August, 2025 to those Members or their mandates whose names appear:

    a) As Members in the Registrar of Members of the Company on the record date i.e. Friday, 08 August, 2025; and

    b) As beneficial owners on the record date as per the lists to be furnished by Depositories in respect of shares held in electronic form.

8. Members who have not claimed their dividend(s) are requested to make their claim to the Company at the Registered Office or to the Registrar & Share Transfer Agent of the Company at the earliest but not later than the due dates for transfer to Investor Education and Protection Fund (IEPF). The details of unpaid or unclaimed dividend(s), along with the due dates for transfer to the IEPF of the Central Government pursuant to Section 124 of the Act are provided in point no. 14(d) of Corporate Governance Report, which forms part of the Board Report.

9. Members are requested to update their Bank Mandate / NECS / Direct Credit details / Name / Address / Power of Attorney and update their Core Banking Solutions enabled account number with the Depository Participants with whom they maintain their demat accounts.

10. In case, the Company is unable to pay the dividend to any Member by electronic mode, due to non-availability of bank account details, the Company shall dispatch dividend warrants to such Members by post.

11. Non-resident Indian Members are requested to immediately inform their Depository Participants about:

    - the change in the residential status on return to India for permanent settlement;
    - the particulars of the NRE account with a Bank in India, if not furnished earlier.

12. Members may note that in terms of the provisions of the Income-Tax Act, 1961 ("the IT Act") as amended by and read with the Finance Act, 2020, with effect from 01 April, 2020, dividend distributed or paid by a Company shall be taxable in the hands of the Members and the Company shall be therefore required to deduct tax at source (TDS) from dividend paid to the Members at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the following documents in accordance with the provisions of the IT Act.

(i) **For Resident Members:** TDS shall be made under Section 194 of the IT Act @ 10% on the amount of dividend declared and paid by the Company during financial year 2025-26 unless exempt under any of the provisions of the IT Act, provided PAN is registered by the Member. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year 2025-26 does not exceed ₹10,000/-

TDS shall not be deducted in cases where a Member provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Form 15G and 15H can be downloaded from the following link https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html. Members are requested to click on General Tab, wherein all the forms are available under the head "Form 15G/15H/10F". Please note that all fields are mandatory and Company may at its sole discretion reject any such form that does not fulfil the requirement of law.

In order to provide exemption from withholding of tax, the following organizations must provide a self-declaration as listed below:

a) **Insurance Companies:** A declaration that they are beneficial owners of shares held.

b) **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the IT Act along with copy of registration documents (self-attested).

c) **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10(23FBA) of the IT Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.

d) **Other Non-Individual shareholders** who are holding certificate issued by the Income- Tax Department u/s. 197 of the IT Act for lower / nil rate or exempt from TDS under provisions of Section 194 of the IT Act or who are covered u/s 196 of the IT Act, are required to submit an attested copy of the PAN along with the documentary evidence in relation to the exemption/ lower rate.

Needless to mention, valid PAN and linking of PAN with Aadhar will be required

As per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/ inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the IT Act. The Company will be using functionality of the Income-tax department for the same.

(ii) **For Non-Resident Members:** Tax is required to be withheld in accordance with the provisions of Section 195 of the IT Act at applicable rates in force. As per the relevant provisions of the IT Act, tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the IT Act, a Non-Resident Member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the Member, if they are more beneficial to the Member. For this purpose, i.e. to avail the tax treaty benefits, the Non-Resident Member will have to provide all the following valid documents for financial year 2025-26:

a) Self-attested copy of PAN card, if any, allotted by the Indian Income Tax authorities;

b) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the Member is a resident;

c) Form 10F in the digital format as prescribed by the Government;

d) Self-declaration by the Non-Resident Member of having no permanent establishment in India in accordance with the applicable tax treaty;

e) Self-declaration by Non-Resident Member of meeting treaty eligibility requirement and satisfying beneficial ownership requirement under the treaty as modified by the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting;

f) In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate;

g) In case of Member being tax resident of Singapore, proof of satisfying requirement of Article 24 – Limitation of Relief should be provided.

It is recommended that Members should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

The documents referred to in point nos. (c) to (e) above can be downloaded from the following link https://web.in.mpms.mufg.com/client-downloads.html. Members are requested to click on General Tab, wherein all the forms are available under the head "Form 15G/15H/10F".

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident Members.

13. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the details and documents as mentioned above not later than Friday, 08 August, 2025.

14. Kindly note that the aforesaid documents, duly completed and signed are required to be uploaded on the URL: https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html on or before Friday, 08 August, 2025 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post Friday, 08 August, 2025.

15. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the Member would still have the option of claiming refund of the excess tax paid at the time of filing their income tax return. No claim shall lie against the Company for such taxes deducted. In case of any queries, kindly write to the Company's Registrar and Share Transfer Agent at rnt.helpdesk@in.mpms.mufg.com (No tax exemption forms should be sent and this email ID is only for queries)

16. Members may note that, since the tax consequences are dependent on facts and circumstances of each case, the Members are advised to consult their own tax consultants with respect to specific tax implications arising out of receipt of dividend.

17. The Securities and Exchange Board of India has mandated the submission of the PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).

18. In compliance with the aforesaid MCA General Circulars and SEBI Circular dated 12 May, 2020, 15 January, 2021, 13 May, 2022, 05 January, 2023, 07 October, 2023 and 03 October, 2024, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

Process for registration of e-mail id for obtaining Notice of the AGM along with Annual Report is as follows:

If your e-mail address is not registered with the Company/Depository Participant, you may register on or before 5:00 p.m. (IST) on Friday, 11 August, 2025 to receive this Notice of AGM along with the Annual Report 2024-25 by completing the process for registration of e-mail address as under:

(a) **For permanent registration for demat shareholders:**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant by following the procedure prescribed by the Depository Participant.

(b) **For temporary registration for demat shareholders:**

The Members of the Company holding equity shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with M/s. MUFG Intime India Private Limited (MUFG) by clicking the link: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html on their website https://web.in.mpms.mufg.com in the Investor Services tab by choosing the email registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and email ID.

19. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.alkemlabs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and Notice of AGM shall also be available on the website of CDSL www.evotingindia.com.

20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of Act, and all other documents referred to in the Annual Report, will be available for inspection in electronic mode during the AGM. Members may inspect the same by sending an email to investors@alkem.com.

22. Pursuant to Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI LODR Regulations, the Company is providing facilities for remote e-voting (refer instructions at point no. 23) and voting during the AGM by electronic means (refer instructions at point no. 26) to all Members in proportion to their shareholding as on the cut-off date i.e. Monday, 18 August, 2025 (as per the applicable regulations). All the businesses contained in this Notice may be transacted through abovementioned e-voting facilities, being provided by Central Depository Services Limited (CDSL).

23. The instructions for shareholders for remote e-voting are as under:

    (i) The voting period begins on Friday, 22 August, 2025 at 9.00 a.m. and ends on Sunday, 24 August, 2025 at 5.00 p.m. During this period, shareholders of the Company, as on the cut-off date i.e. Monday, 18 August, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 24 August, 2025. The e-voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. 18 August, 2025.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

    (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020, under Regulation 44 of SEBI LODR Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

    In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

    (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020 on e-voting facility provided by listed entities, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, login method for e-voting and joining virtual meetings for individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/MUFG INTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022 2499 7000

(v) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now Enter your User ID:
  a. For CDSL: 16 digits beneficiary ID
  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company
- Next enter the Image Verification as displayed and click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Shareholders holding shares in demat form other than individual and physical form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/MUFG or contact MUFG.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the Depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Click on the EVSN for 'Alkem Laboratories Limited' on which you choose to vote.

(viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xiii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xv) Additional facility for Non–Individual Shareholders and Custodians – for remote e-voting only:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investors@alkem.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

24. Process for those shareholders whose email addresses are not registered with the Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

    (i) For demat shareholders – please update your email ID & Mobile No. with your respective Depository Participant (DP).

    (ii) For Individual demat shareholders – please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

25. The details of the process and manner for participating in AGM through VC/OAVM are explained herein below:

    (i) The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

    (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

    (iii) Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

    (iv) Shareholders are encouraged to join the meeting through Laptops / IPads having audio/video facility for better experience and internet with a good speed to avoid any disturbance during the meeting.

    (v) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

    (vi) Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request via email at investors@alkem.com in advance atleast 3 (three) days prior to the date of meeting i.e. on or before 21 August, 2025 mentioning your name, demat account number/folio number, email ID, mobile number. The shareholders who do not wish to speak during the AGM but have queries may send their queries via email at investors@alkem.com in advance atleast 5 (five) days prior to the date of meeting i.e. on or before 19 August, 2025 mentioning their name, demat account number/ folio number, email id, mobile number. These queries will be replied to by the Company suitably by email.

    (vii) Only those shareholders who have registered themselves as speakers will be allowed to express their views/ask questions during the meeting.

26. The instructions for shareholders for e-voting during the AGM are as under:

    (i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

    (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

    (iii) If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

27. If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi - Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911.

28. Details of Scrutiniser and result of e-voting:

    (i) The Company has appointed CS Mannish L. Ghia, Partner, M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai (Membership No. 6252) to act as the Scrutiniser, to scrutinise the entire e-voting in a fair and transparent manner.

    (ii) The Scrutiniser shall submit his report to the Chairman of the meeting or any person authorised by him within two working days of the conclusion of the AGM. The results declared along with the report of Scrutiniser shall be placed on the website of the Company www.alkemlabs.com and on website of CDSL immediately after declaration of results by the Chairman or person authorised by him in this behalf. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

    (iii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.

For and on behalf of the Board

Registered Office:
ALKEM HOUSE,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400013.

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2025

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI LODR Regulations"), the listed entity shall on the basis of recommendation of Board of Directors, appoint a Secretarial Auditor for a period of 5 years with the approval of Members at the Annual General Meeting.

Accordingly, the Board of Directors of the Company, at its meeting held on 29 May, 2025, upon the recommendation of the Audit Committee, proposed the appointment of M/s Manish Ghia & Associates, Practising Company Secretaries (CP No.: 3531), as Secretarial Auditor of the Company for conducting secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for a term of five (5) years commencing from 01 April, 2025 to 31 March, 2030.

M/s Manish Ghia & Associates, Practising Company Secretaries have provided their consent and confirmed that their appointment, if made, would be within the limits specified under the Companies Act, 2013 and applicable rules as amended from time to time.

Brief Profile:

Manish Ghia & Associates (MGA) is a well-known peer reviewed firm of company secretaries having more than 2 decades of expertise in providing professional services in the space of assurance & certification, corporate governance and compliances. Over the years, MGA has built a strong reputation for secretarial audits, and due diligence with its meticulous processes and skilled resources; MGA in its offerings serves a diverse range of industries including financial services, gaming & tech, pharmaceuticals, health and diagnostics, infrastructure etc. The firm also offers advisory and compliance support under various corporate laws including Company law, SEBI regulations, FEMA and RBI directions, to ensure seamless regulatory adherence.

Details as required under Regulation 36(5) of the SEBI LODR Regulations are as follows:

a) The fees proposed to be paid to M/s Manish Ghia & Associates towards secretarial audit for financial year 2025-26 shall not exceed ₹6,60,000/- (Rupees Six Lakhs Sixty Thousand only) plus out of pocket expenses and applicable taxes. The fees for the subsequent years of their term shall be fixed by the Board of Directors of the Company.

b) The Audit Committee and the Board of Directors, while recommending the appointment of M/s Manish Ghia & Associates as the Secretarial Auditor of the Company, have taken into consideration, among other things, the credentials of the firm and partners, proven track record of the firm and eligibility criteria prescribed under the Companies Act, 2013.

Accordingly, the Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

None of the Directors / Key Managerial Personnel of the Company and / or their relatives is, in any way, concerned or interested, in the aforesaid resolution.

ITEM NO. 6

The Board of Directors at its meeting held on 29 May, 2024, upon the recommendation of the Audit Committee had approved the appointment of Mr. Suresh D. Shenoy, Cost Accountant (Membership No. 8318) as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for financial year ended 31 March, 2025 at a fee of ₹14,00,000/- (Rupees Fourteen Lakhs only) plus applicable taxes and re-imbursement at actuals of out of pocket expenses subject to a maximum limit of 3% of total fees i.e. ₹42,000/- (Rupees Forty Two Thousand only) incurred for the purpose of the above audit.

In accordance with Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 including any statutory modification(s) or enactments thereof, for the time being in force, the fees payable to Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the Board of Directors recommends for your approval the Ordinary Resolution set out at item no. 6 of the Notice for ratification of fees payable to Cost Auditor for financial year 2024-25.

None of the Directors / Key Managerial Personnel of the Company and / or their relatives is, in any way, concerned or interested, in the aforesaid resolution.

For and on behalf of the Board

Registered Office:
ALKEM HOUSE,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400013.

Basudeo N. Singh
Executive Chairman
DIN: 00760310

Mumbai, 29 May, 2025

ANNEXURE TO ITEM NOS. 3 and 4 OF THE NOTICE

Profile of Directors seeking re-appointment at the forthcoming Annual General Meeting

(in pursuance of Regulation 36 of the SEBI LODR Regulations, read with Secretarial Standard – 2 on General Meetings)

Name of Director	Mr. Mritunjay Kumar Singh	Mr. Srinivas Singh
DIN	00881412	06744441
Date of Birth	04 November, 1963	18 November, 1988
Age (in years)	61	36
Qualifications	Bachelor of Science and a Diploma in administration management.	Bachelor of Science
Experience	Over 35 years	Over 12 years
Expertise in specific functional areas	Pharmaceutical (Business Development & Strategy and Production Planning, Marketing and Sales for domestic business), Risk Management and Supply Chain.	Research & Development, Marketing & Sales and Generics in the pharmaceutical industry.
Brief Profile	Mr. Mritunjay Kumar Singh has been on the Board of the Company since 1988 and has been associated with the management of the Company for over 35 years. Additionally, he is also the Managing Director of M/s Indchemie Health Specialities Private Limited, a subsidiary of the Company in India. Mr. Mritunjay Kumar Singh's expertise in Strategy & Business Development and Procurement functions along with development, implementation and evaluation of a brand strategy for the Company has led to the growth and expansion of the Company's domestic business. He plays an instrumental role in driving the Company's domestic business growth through his innovative initiatives contributing to the long term vision of the Company. He is skilled in leading cross functional teams of various divisions of the Company's domestic business namely Aura Magna, Aura Suprema, Nexa, Nexgen, Ascenda, Altron, Alpha Max, Diabetology, Metabolics, Metanext, Imperia, Hospicare, Eyecare and GI Task Force, thereby enabling a competitive advantage for the Company.	Mr. Srinivas Singh has been associated with the Company since 2012 and joined the Board in 2022. He holds a Bachelor's Degree in Science and has over 12 years of experience in the pharmaceutical industry. His key accountabilities include managing R&D projects, generics portfolio, cost optimization and saving, new product launches in Global Markets & Alternate Vendor Development, digitalization of sales team and also ensuring risk assessment of to be launched products.
Date of appointment on the Board	Original Appointment: 11 February, 2008 Appointment at current designation: 01 April, 2008	Original Appointment: 14 September, 2022
Terms and conditions of appointment	On such terms and conditions as mentioned in the resolution passed on 05 January, 2023 through Postal Ballot.	On such terms and conditions as mentioned in the resolution passed on 05 November, 2022 through Postal Ballot.
Remuneration drawn during FY 2024-25	₹123.6 Million	₹106.1 Million

Name of Director	Mr. Mritunjay Kumar Singh	Mr. Srinivas Singh
Number of shares held in the Company as on 31 March, 2025	76,82,000 Equity Shares of ₹2/- each	1,02,695 Equity Shares of ₹2/- each
List of Directorships held in other listed companies	NIL	NIL
List of Directorships in listed companies from which the person has resigned in the past three years	NIL	NIL
Chairmanship/Membership of Audit and Stakeholders' Relationship Committees across Public Companies including Alkem Laboratories Limited	1. Member of the Audit Committee and Stakeholders' Relationship Committee of Alkem Laboratories Limited. 2. Member of the Audit Committee of Indchemie Health Specialities Private Limited	Member of Stakeholders' Relationship Committee of Alkem Laboratories Limited.
Relationship between Directors inter se	Son of Mr. Basudeo N. Singh, Executive Chairman of the Company.	Not related to any directors of the Company.
Number of Board Meetings attended during the year 2024-25 (out of total 05 Board Meetings held)	05	04

ALKEM

Registered Office
Alkem House, Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013, Maharashtra, India.

CIN: L00305MH1973PLC174201
Telephone: +91 22 3982 9999
Fax: +91 22 2495 2955

Website: www.alkemlabs.com