

**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

11th November, 2022

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

Dear Sir(s),

Sub: Press Release and Analyst Presentation on Q2FY23 Results and H1FY23 Results

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q2FY23 and H1FY23 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take note of the same.

Sincerely,
For **Alkem Laboratories Limited**

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

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Press Release**Alkem reports Q2FY23 and H1FY23 results**

Mumbai, November 11, 2022: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the second quarter and six months ended September 30, 2022. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q2FY23 financial performance

- Total Revenue from Operations was ₹ 30,793 million, year-on-year growth of 10.0%
 - India sales were ₹ 22,161 million, year-on-year growth of 13.0%
 - International sales were ₹ 8,291 million, year-on-year growth of 3.0%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 4,539 million, resulting in EBITDA margin of 14.7% vs. 22.3% in Q2FY22. EBITDA declined by 27.3% YoY
- R&D expenses for the quarter was ₹ 1,305 million, or 4.2% of total revenue from operations compared to ₹ 1,407 million in Q2FY22 at 5.0% of total revenue from operations
- Profit before tax (PBT) was ₹ 4,023 million, a decline of 30.8% compared to Q2FY22
- Net Profit (after Minority Interest) was ₹ 3,308 million, year-on-year decline of 39.2%

Key highlights of H1FY23 financial performance

- Total Revenue from Operations was ₹ 56,558 million, year-on-year growth of 2.2%
 - India sales were ₹ 39,976 million, year-on-year growth of 3.3%
 - International sales were ₹ 15,895 million, year-on-year decline of 0.4%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 6,572 million, resulting in EBITDA margin of 11.6% vs. 22.0% in H1FY23. EBITDA declined by 46.0% YoY
- R&D expenses for H1FY23 was ₹ 2,625 million, or 4.6% of total revenue from operations compared to ₹ 2,590 million in H1FY22 at 4.7% of total revenue from operations
- Profit before tax (PBT) was ₹ 5,542 million, a decline of 51.3% compared to H1FY22
- Net Profit (after Minority Interest) was ₹ 4,585 million, year-on-year decline of 54.7%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *"After a market beating performance in Q1, our domestic franchise has significantly outperformed IPM even in Q2. We increased market share across all acute therapies, anti-diabetic and urology during this quarter. While our US business continues to face significant pricing pressure, our other international business is growing at a healthy pace. Various cost optimization initiatives are underway which should help in building sustainable and profitable business and also drive margin expansion. We are receiving encouraging response for our biosimilar and CDMO franchise."*



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Operational Highlights

Domestic Business

In Q2FY23, the Company's India sales grew by 13.0% YoY, recording sales of ₹ 22,161 million as compared to ₹ 19,605 million in Q2FY22. For H1FY23, the Company's India sales was ₹ 39,976 million compared to ₹ 38,702 million in H1FY22 – growth of 3.3% YoY.

As per secondary sales data by IQVIA for the quarter ended September 30, 2022, the Company sales grew ahead of Indian Pharmaceutical Market (IPM) with growth of 13.2% YoY compared to IPM growth of 8.2% YoY. Even for H1FY23, the Company outperformed the IPM with growth of 6.9% YoY compared to IPM growth of 3.3% YoY. This outperformance was driven by all round strong outperformance across acute therapies like anti-infective, gastrointestinal, vitamins/minerals/nutrients and pain management. The company demonstrated leadership across all acute therapies gaining market share in all of them. Company's chronic therapies like anti-diabetes is growing at more than 3X the segment growth rate on the back of new launches and strong execution, thereby gaining market share and improving market ranking. The Company continues to feature amongst the top five companies in the Indian pharmaceutical market. The Company has 19 brands which features among top 300 brands in IPM and have 18 brands with annual sales of over ₹ 1 bn.

The performance highlights of the key therapeutic segments in Q2FY23 and H1FY23 are as shown in the table below:

| Key Therapy segment | Q2FY23 | | | | H1FY23 | | | |
|---------------------|------------|---------------------|--------------------|------------------|------------|---------------------|--------------------|------------------|
| | Alkem Rank | YoY change in Rank* | YoY growth (Alkem) | YoY growth (IPM) | Alkem Rank | YoY change in Rank* | YoY growth (Alkem) | YoY growth (IPM) |
| Anti-infectives | 1 | Unchanged | 7.8% | 7.2% | 1 | Unchanged | -1.9% | -4.9% |
| Gastro Intestinal | 3 | Unchanged | 22.7% | 12.5% | 3 | Unchanged | 21.0% | 12.9% |
| Pain / Analgesics | 3 | Unchanged | 19.2% | 11.6% | 3 | +1 | 14.9% | 11.0% |
| VMN** | 2 | Unchanged | 11.5% | 6.4% | 2 | Unchanged | -0.5% | -0.9% |
| Neuro / CNS | 8 | Unchanged | 5.4% | 9.8% | 8 | Unchanged | 8.1% | 11.1% |
| Derma | 17 | -3 | 0.1% | 4.5% | 18 | +1 | 6.1% | 3.9% |
| Cardiac | 28 | -1 | -1.4% | 10.4% | 28 | -1 | -4.8% | 5.1% |
| Anti-Diabetic | 17 | +2 | 29.5% | 7.8% | 16 | +4 | 24.5% | 5.9% |
| Total | 4 | Unchanged | 13.2% | 8.2% | 5 | Unchanged | 6.9% | 3.3% |

*Positive change in rank reflects improvement over same period previous year

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

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International Business

In Q2FY23, the Company's International sales grew by 3.0% YoY, recording sales of ₹ 8,291 million as compared to ₹ 8,052 million in Q2FY22. For H1FY23, the Company's International sales declined by 0.4% to ₹ 15,895 million compared to ₹ 15,955 million in H1FY22.

- **US sales** for the quarter was ₹ 6,040 million, recording a year-on-year decline of 0.9%. For H1FY23, US sales was ₹ 11,605 million, compared to ₹ 12,140 million in H1FY22 - a decline of 4.4% YoY.
- **Other International Markets sales** for the quarter was ₹ 2,251 million, recording a year-on-year growth of 15.2%. For H1FY23, Other International Markets sales was ₹ 4,290 million compared to ₹ 3,815 million in H1FY22 - a growth of 12.5% YoY.

R&D Investments

During the quarter, the Company filed 3 abbreviated new drug applications (ANDAs) with the US FDA and received 4 approvals (including 2 tentative approvals). For H1FY23, the Company filed 6 abbreviated new drug applications (ANDAs) with the US FDA and received 8 approvals (including 3 tentative approvals).

As on September 30, 2022, the Company filed a total of 167 ANDAs and 2 new drug applications (NDA) with the USFDA. Of these, it has received approvals for 128 ANDAs (including 15 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

| Facility | Capability | Last inspection | Status post last inspection |
|--------------------|-----------------------|-----------------|--|
| Indore (India) | Formulations | July 2022 | Received 1 observation. The Company has already submitted a detailed response to the US FDA on the corrective and preventive actions it is taking to address them. |
| St. Louis (US) | Formulations | November 2022 | Received 3 new observations. The Company is preparing the response for USFDA. |
| Taloja (India) | Bioequivalence Centre | April 2022 | Successfully closed without any observations. |
| Baddi (India) | Formulations | February 2020 | EIR [#] received in March 2020, thereby successfully closing the inspection. |
| Daman (India) | Formulations | August 2019 | EIR [#] received in October 2019, thereby successfully closing the inspection. |
| California (US) | APIs | August 2018 | Successfully closed without any observations. EIR received in October 2018. |
| Ankleshwar (India) | APIs | December 2016 | EIR [#] received in March 2017, thereby successfully closing the inspection. |
| Mandva (India) | APIs | September 2015 | EIR [#] received in March 2016, thereby successfully closing the inspection. |

EIR – Establishment Inspection Report

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Q2FY23 and H1FY23 Conference Call at 5:00pm IST, November 11, 2022

Alkem will organize a conference call for investors and analysts on Friday, November 11, 2022 from 5:00 pm to 6:00 pm IST to discuss its Q2FY23 and H1FY23 financial results.

Alkem will be represented on the call by Mr. Sandeep Singh, Managing Director and the senior management team.

Motilal Oswal Securities Ltd. will host the call.

Details of the conference call are as under:

Time: 5:00 pm IST (GMT + 5:30) on Friday, November 11, 2022

Dial in Details:

India : +91 22 6280 1149 / +91 22 7115 8050

International Toll Free

USA : 1 866 746 2133

UK : 0 808 101 1573

Singapore : 800 101 2045

Hong Kong : 800 964 448

Express Join with Diamond Pass

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=7969718&linkSecurityString=25aba0ffbe>

You are requested to dial in 10 mins ahead of the scheduled start time. A transcript of this conference call will also be available on our website www.alkemlabs.com

About Alkem Laboratories Ltd.

Established in 1973 and headquartered in Mumbai, Alkem (NSE: ALKEM, BSE: 539523, Bloomberg: ALKEM.IN, Reuters: ALKE.NS) is a leading Indian pharmaceutical company with global operations, engaged in the development, manufacture and sale of pharmaceutical and nutraceutical products. The Company produces branded generics, generic drugs, active pharmaceutical ingredients (APIs) and nutraceuticals, which it markets in India and International markets. With a portfolio of more than 800 brands in India, Alkem is ranked the fifth largest pharmaceutical company in India in terms of domestic sales (Source: IQVIA March 2021). The Company also has presence in more than 40 international markets, with the United States being its key focus market.

For more information on Alkem Laboratories Ltd., please visit www.alkemlabs.com

For further information or queries, please contact

Amit Kumar Khandelia

AVP Finance

Tel: +91 22 3982 9999 / Mobile: +91 99309 70362

E-mail: amit.khandelia@alkem.com

Alkem Laboratories Ltd.

Investor Presentation Q2FY23
November 11, 2022



Safe Harbor Statement



This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.

Key Highlights of Q2FY23

- **Revenue from Operations** grew by 10.0% YoY during the quarter, with EBITDA margin of 14.7% and Net Profit margin of 10.7%
- **India Business:** As per IQVIA, Company's sales in Q2FY23 registered growth of 13.2% YoY compared to IPM growth of 8.2% YoY
 - Market beating performance in domestic business
 - Volume and new launches led growth in domestic market
 - More than 3X market growth in anti-diabetic therapy supported by good launches
- **US Business** posted sequential growth of 8.5% QoQ compared to Q1FY23 and decline 0.9% YoY compared to Q2FY22
- **Non US Business** posted sequential growth of 10.4% QoQ compared to Q1FY23 and 15.2.% YoY compared to Q2FY22
- **R&D expenses** in the quarter was ₹1.3 billion at 4.2 % of revenue from operations
 - The Company filed 3 ANDAs with the US FDA and received 4 approvals (including 2 tentative approval) in Q2FY23
- **Healthy Balance Sheet** with net cash of ₹ 13.5 billion as on September 30, 2022

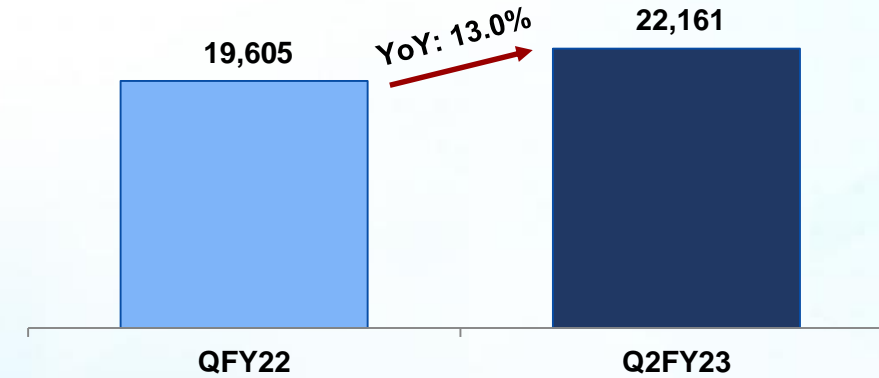
Key Financial Highlights – Q2FY23 (Consolidated)

All figures in ₹ mn

Revenue from Operations



India sales



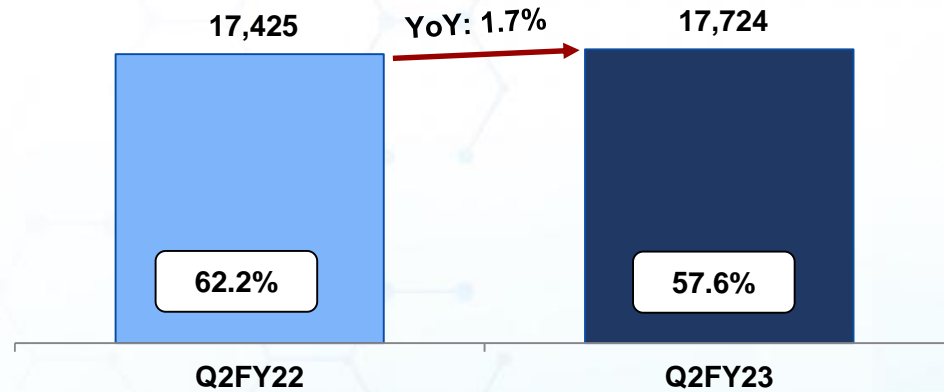
International sales



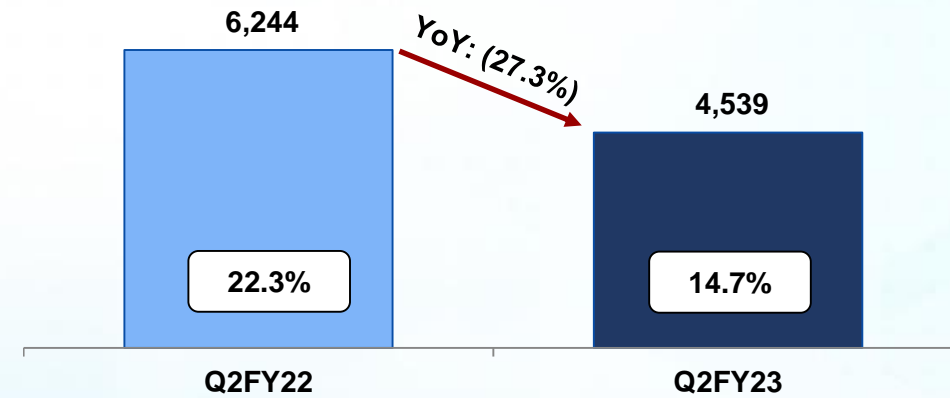
Key Financial Highlights – Q2FY23 (Consolidated)

All figures in ₹ mn

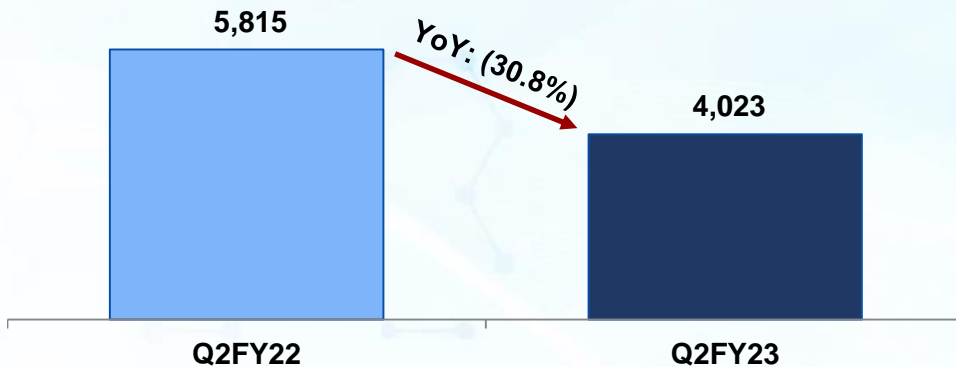
Gross Profit and Gross Margin



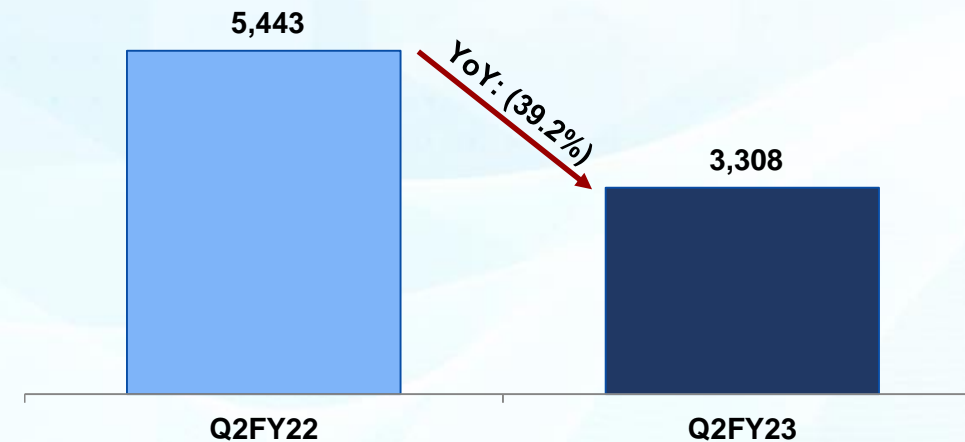
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)



Key Financial Highlights – H1FY23 (Consolidated)

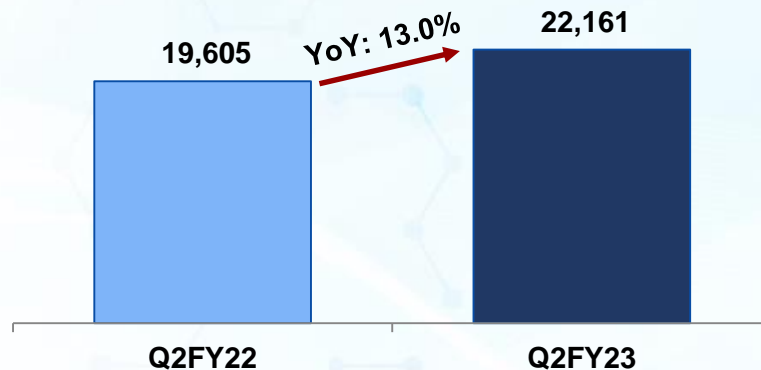
All figures in ₹ mn

| Particulars (₹ mn) | H1FY23 | H1FY22 | YoY growth |
|-------------------------------|--------|--------|------------|
| Revenue from Operations | 56,558 | 55,314 | 2.2% |
| Gross Profit | 32,534 | 33,791 | -3.7% |
| Gross Profit margin | 57.5% | 61.1% | |
| EBITDA | 6,572 | 12,172 | -46.0% |
| EBITDA margin | 11.6% | 22.0% | |
| PBT | 5,542 | 11,377 | -51.3% |
| PBT margin | 9.8% | 20.6% | |
| PAT (After Minority Interest) | 4,585 | 10,124 | -54.7% |
| PAT margin | 8.1% | 18.3% | |
| EPS (₹ / share) | 38.35 | 84.67 | -54.7% |

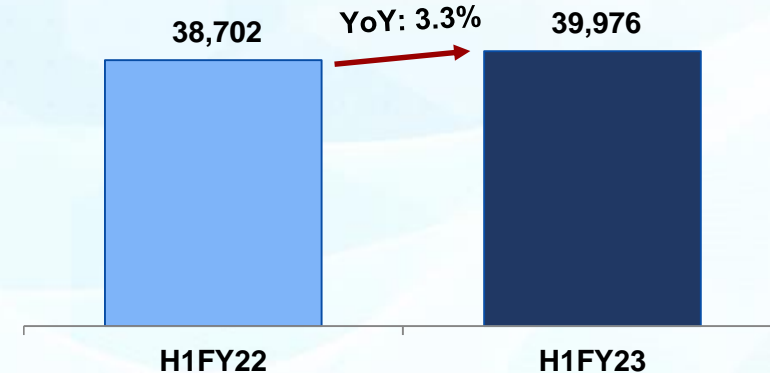
India Business: Q2FY23 Sales of ₹ 22,161 million (13.0% YoY growth)

- India sales contributed 72.8% to total sales in Q2FY23
- As per IQVIA, In Q2FY23, the Company's secondary sales grew by 13.2% compared to IPM growth of 8.2% YoY.
- Outperformance in acute therapies was mainly led by anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment.
- Outperformance in the chronic therapies was driven by anti-diabetes and urology during the quarter.
- Trade Generic continues to play an important role in growth of the company.

Q2FY23 – India Sales (₹ mn)

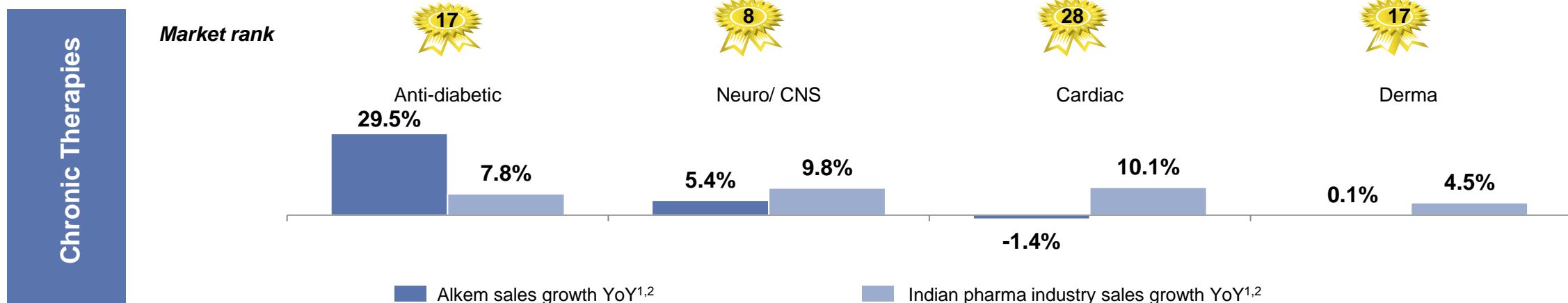
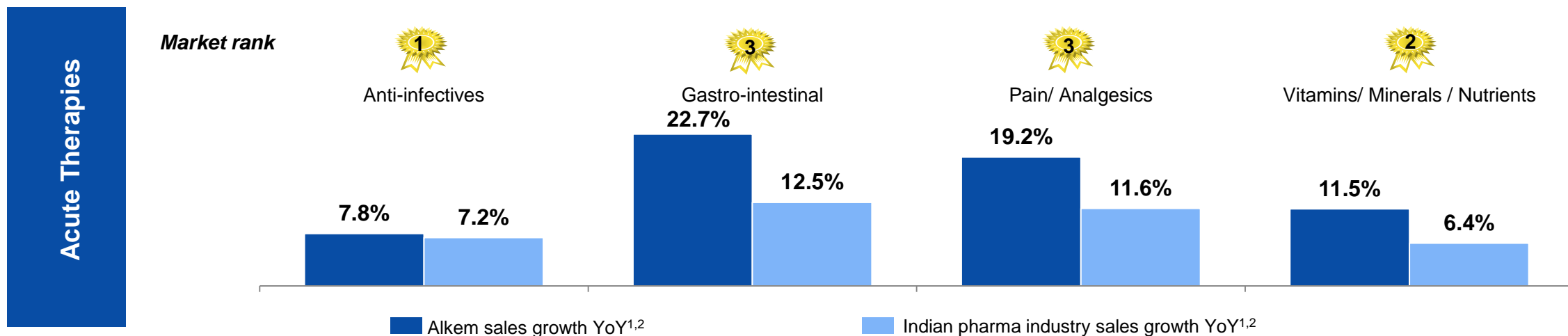


H1FY23 – India Sales (₹ mn)



Secondary Sales Performance

Market beating performance across major therapeutic segments in Q2FY23



US Business: Q2FY23 Sales of ₹ 6,040 million (YoY decline of 0.9%)

- US sales contributed 19.8% to total sales in Q2FY23
- During the quarter, the US business registered sequential growth of 8.5% over Q1FY23
- In Q2FY23, the Company filed 3 ANDAs with the US FDA and received 4 approvals (including 2 tentative approvals)
- As on September 30, 2022, the Company filed a total of 167 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 128 ANDAs (including 15 tentative approvals) and 2 NDAs.

Q2FY23 – US Sales (₹ mn)



H1FY23 – US Sales (₹ mn)



US Business

Update on US FDA inspections

| Facility | Capability | Last inspection | Status post last inspection |
|---------------------------|-----------------------|-----------------|--|
| Indore | Formulations | July 2022 | Received 1 observation. The Company has already submitted a detailed response to the US FDA on the corrective and preventive actions it is taking to address them. |
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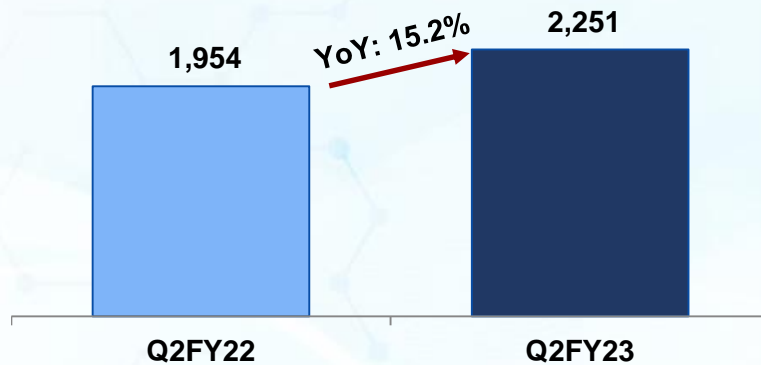
EIR – Establishment Inspection Report

Other International Business

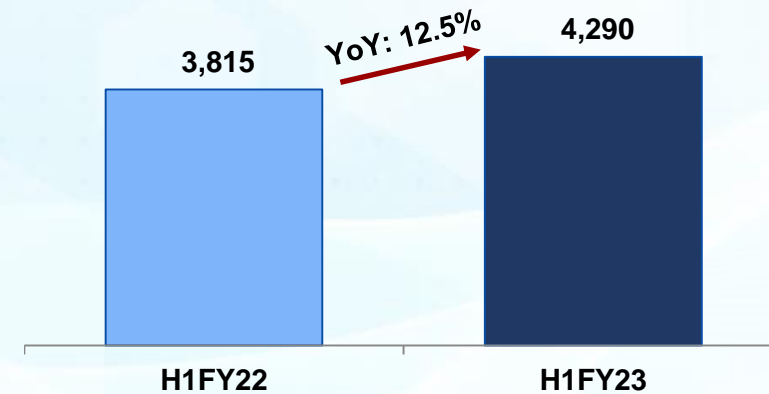
Other International Business: Q2FY23 Sales of ₹ 2,251 million (15.2% YoY growth)

- Other International Market sales contributed 7.4 % to total sales in Q2FY23
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia and UK registered healthy growth during Q2FY23.

**Q2FY23 – Other International Sales
(₹ mn)**

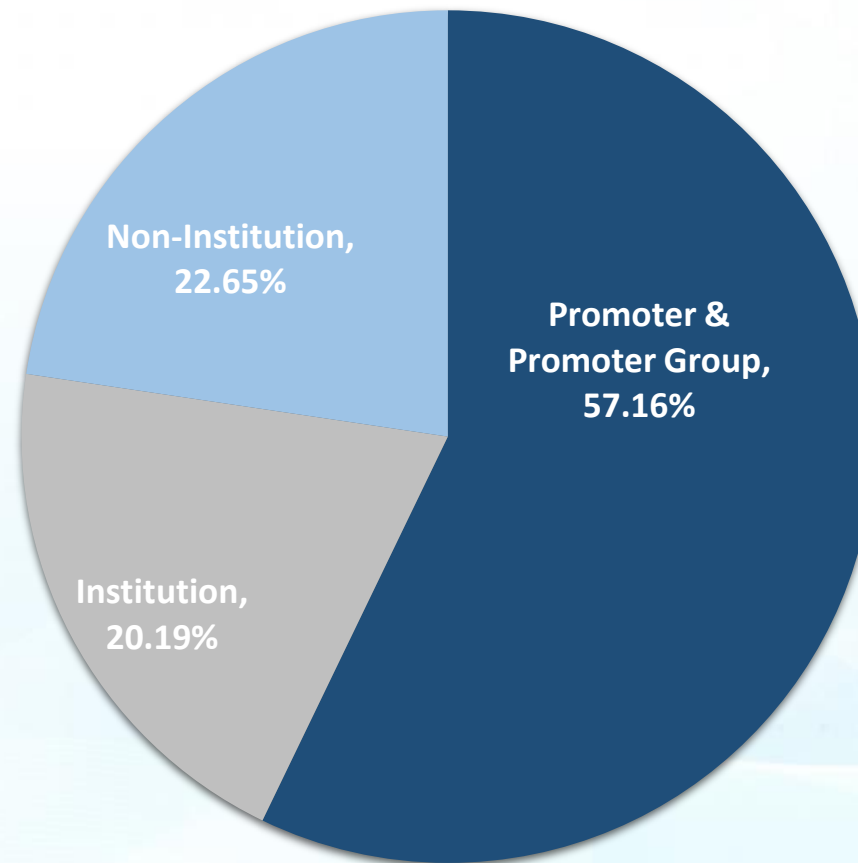


**H1FY23 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on September 30, 2022



Institution – Mutual Funds, Alternate Investment Funds, Foreign Portfolio Investors, Financial Institutions / Banks

Non-Institution – Public, Other Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts

Thank You

For further information or queries, please contact

Amit Kumar Khandelia

AVP Finance

Tel: +91 22 3982 9999

E-mail: amit.khandelia@alkem.com

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

Telephone: +91 22 6257 1000
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Limited Review Report on unaudited standalone financial results of Alkem Laboratories Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Alkem Laboratories Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Alkem Laboratories Limited ("the Company") for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 ("the Statement"), which includes financial information of one branch.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Balajirao Pothana

Partner

Mumbai

11 November 2022

Membership No.: 122632

UDIN: 22122632BCUCMZ6044

ALKEM LABORATORIES LIMITED

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Tel No 91 22 3982 9999 Fax No +91 22 2492 7190

Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Unaudited Standalone Financial Results for the Quarter and Six months ended 30 September 2022

(₹ in Million except per share data)

| Particulars | Quarter ended | | | Six months ended | | Year ended |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| | 30.09.2022 Unaudited | 30.06.2022 Unaudited | 30.09.2021 Unaudited | 30.09.2022 Unaudited | 30.09.2021 Audited | 31.03.2022 Audited |
| 1 Income | | | | | | |
| (a) Revenue from Operations | 24,614.9 | 20,583.5 | 23,639.9 | 45,198.4 | 46,426.6 | 88,298.1 |
| (b) Other Income | 736.4 | 553.1 | 432.1 | 1,289.5 | 824.2 | 1,998.9 |
| Total Income | 25,351.3 | 21,136.6 | 24,072.0 | 46,487.9 | 47,250.8 | 90,297.0 |
| 2 Expenses | | | | | | |
| (a) Cost of materials consumed | 6,748.1 | 6,073.1 | 6,967.5 | 12,821.2 | 13,505.6 | 28,497.5 |
| (b) Purchases of stock-in-trade | 2,553.5 | 1,839.1 | 2,987.2 | 4,392.6 | 5,616.9 | 10,770.4 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 1,243.8 | 1,267.7 | (670.5) | 2,511.5 | (712.1) | (3,609.0) |
| (d) Employee benefits expense | 4,129.7 | 3,870.3 | 3,615.0 | 8,000.0 | 7,637.3 | 14,344.9 |
| (e) Finance costs | 200.2 | 220.2 | 85.0 | 420.4 | 175.6 | 379.0 |
| (f) Depreciation and amortisation expense | 577.4 | 568.1 | 538.2 | 1,145.5 | 1,055.4 | 2,189.8 |
| (g) Other expenses | 5,883.0 | 5,700.2 | 4,862.3 | 11,583.2 | 8,994.8 | 20,190.7 |
| Total Expenses | 21,335.7 | 19,538.7 | 18,384.7 | 40,874.4 | 36,273.5 | 72,763.3 |
| 3 Profit before exceptional items and tax (1) - (2) | 4,015.6 | 1,597.9 | 5,687.3 | 5,613.5 | 10,977.3 | 17,533.7 |
| 4 Exceptional items | - | - | - | - | - | - |
| 5 Profit before tax (3) + (4) | 4,015.6 | 1,597.9 | 5,687.3 | 5,613.5 | 10,977.3 | 17,533.7 |
| 6 Tax expense / (credit) | | | | | | |
| (a) Current tax | 699.8 | 275.1 | 989.6 | 974.9 | 1,905.8 | 3,038.2 |
| (b) Deferred tax | (191.1) | (78.2) | (882.4) | (269.3) | (1,201.3) | (917.0) |
| Total Tax Expense (a + b) | 508.7 | 196.9 | 107.2 | 705.6 | 704.5 | 2,121.2 |
| 7 Profit for the period after tax (5 - 6) | 3,506.9 | 1,401.0 | 5,580.1 | 4,907.9 | 10,272.8 | 15,412.5 |
| 8 Other Comprehensive Income (net of tax) | | | | | | |
| (a) (i) Items that will not be reclassified to profit or loss | (6.3) | (6.3) | (15.9) | (12.6) | (31.9) | (74.7) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 2.2 | 2.2 | 5.6 | 4.4 | 11.2 | 26.1 |
| (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 Other Comprehensive Income (net of tax) | (4.1) | (4.1) | (10.3) | (8.2) | (20.7) | (48.6) |
| 9 Total Comprehensive Income for the period (7) + (8) | 3,502.8 | 1,396.9 | 5,569.8 | 4,899.7 | 10,252.1 | 15,363.9 |
| 10 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up) | 239.1 | 239.1 | 239.1 | 239.1 | 239.1 | 239.1 |
| 11 Other Equity | | | | | | 87,197.5 |
| 12 Earnings Per Share (not annualised for the periods) | | | | | | |
| (a) Basic (₹) | 29.33 | 11.72 | 46.67 | 41.05 | 85.92 | 128.90 |
| (b) Diluted (₹) | 29.33 | 11.72 | 46.67 | 41.05 | 85.92 | 128.90 |

Statement of Unaudited Standalone Assets and Liabilities as at 30 September 2022

(₹ in Million)

| Particulars | As at 30 September 2022 (Unaudited) | As at 31 March 2022 (Audited) |
|--|--|-------------------------------------|
| I. ASSETS | | |
| 1 Non-current assets | | |
| (a) Property, plant and equipment | 16,841.8 | 17,312.2 |
| (b) Right of use assets | 986.8 | 913.9 |
| (c) Capital work-in-progress | 2,756.9 | 2,324.5 |
| (d) Other Intangible assets | 590.1 | 594.6 |
| (e) Investment in subsidiaries | 23,002.6 | 22,770.2 |
| (f) Financial Assets | | |
| (i) Investments | 1,700.7 | 1,164.3 |
| (ii) Loans | 83.3 | 178.5 |
| (iii) Other financial assets | 1,213.0 | 6,282.1 |
| (g) Deferred tax assets (net) | 10,761.0 | 10,487.4 |
| (h) Non current tax assets (net) | 338.3 | 330.5 |
| (i) Other non-current assets | 540.7 | 727.4 |
| Total Non-current assets | 58,815.2 | 63,085.6 |
| 2 Current assets | | |
| (a) Inventories | 17,351.9 | 19,757.3 |
| (b) Financial Assets | | |
| (i) Investments | 1,191.5 | 1,351.6 |
| (ii) Trade receivables | 20,185.8 | 17,682.2 |
| (iii) Cash and cash equivalents | 241.6 | 818.2 |
| (iv) Bank balances other than (iii) above | 22,744.0 | 22,153.9 |
| (v) Loans | 195.0 | 145.3 |
| (vi) Other financial assets | 1,890.2 | 1,542.2 |
| (c) Other current assets | 5,434.5 | 5,138.1 |
| (d) Non-current assets held for sale | - | 17.3 |
| Total Current assets | 69,234.5 | 68,606.1 |
| TOTAL ASSETS | 128,049.7 | 131,691.7 |
| II. EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share capital | 239.1 | 239.1 |
| (b) Other Equity | 91,619.0 | 87,197.5 |
| Total Equity | 91,858.1 | 87,436.6 |
| 2 Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Lease liabilities | 474.0 | 378.4 |
| (b) Provisions | 3,537.5 | 2,576.3 |
| (c) Other non-current liabilities | 61.7 | 62.8 |
| Total Non-Current liabilities | 4,073.2 | 3,017.5 |
| 3 Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 15,373.1 | 22,455.2 |
| (ia) Lease liabilities | 94.1 | 104.2 |
| (ii) Trade payables | | |
| Dues of Micro and Small Enterprises | 883.7 | 794.4 |
| Dues of creditors other than Micro and Small Enterprises | 8,584.6 | 10,315.8 |
| (iii) Other financial liabilities | 4,515.2 | 4,799.1 |
| (b) Other current liabilities | 1,251.4 | 828.7 |
| (c) Provisions | 1,416.3 | 1,940.2 |
| (d) Current tax Liabilities (Net) | - | - |
| Total Current liabilities | 32,118.4 | 41,237.6 |
| TOTAL EQUITY AND LIABILITIES | 128,049.7 | 131,691.7 |

Statement of Unaudited Standalone Cash Flow for the period ended 30 September 2022

(₹ in million)

| Particulars | For six months ended 30 September 2022 (Unaudited) | For six months ended 30 September 2021 (Unaudited) |
|---|--|--|
| A. Cash Flow from Operating Activities: | | |
| Profit before tax | 5,613.5 | 10,977.3 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation | 1,145.5 | 1,055.4 |
| Unrealised (gain) / loss on fair valuation of investments (net) | (20.4) | (38.7) |
| Profit on sale of investments (net) | (19.8) | (19.1) |
| Loss on sale / write off of property plant and equipment (net) | 47.8 | (4.9) |
| Dividend income | (36.3) | (35.7) |
| Interest income | (704.1) | (491.9) |
| Interest expenses | 420.4 | 175.6 |
| Allowances for doubtful debts | 24.2 | 4.1 |
| Liabilities no longer required written back | - | (67.7) |
| Unrealised foreign currency (gain) / loss on revaluation (net) | (335.0) | (93.5) |
| Subtotal of Adjustments | 522.3 | 483.6 |
| Operating profit before working capital changes | 6,135.8 | 11,460.9 |
| Adjustments for changes in working capital: | | |
| (Increase) in trade receivables | (1,859.8) | (3,306.6) |
| (Increase) / Decrease in loans, other financial assets and other assets | (407.7) | 968.4 |
| (Increase) / Decrease in inventories | 2,405.4 | (724.5) |
| Increase / (Decrease) in trade payable, other financial liabilities and other liabilities | (1,541.0) | 36.2 |
| Increase in provisions | 340.7 | 684.8 |
| Subtotal of Adjustments | (1,062.4) | (2,341.7) |
| Cash generated from operations | 5,073.4 | 9,119.2 |
| Less: Income taxes paid (net of refund) | (982.7) | (1,408.8) |
| Net cash generated from operating activities | 4,090.7 | 7,710.4 |
| B. Cash Flow from Investing Activities: | | |
| Purchases of property, plant and equipment | (881.0) | (1,168.3) |
| Sale of property, plant and equipment | 7.8 | 18.0 |
| Proceeds from sale of / (Purchase of) investments (net) | (336.1) | 145.9 |
| Investments in subsidiaries | (232.4) | (3,985.0) |
| Investment made in bank deposits having maturity of more than 3 months (net) | 4,468.0 | (4,444.1) |
| Dividend received | 36.3 | 35.7 |
| Interest received | 519.1 | 334.4 |
| Net cash generated from / (used in) investing activities | 3,581.7 | (9,063.4) |
| C. Cash Flow from Financing Activities: | | |
| (Repayment of) / Proceeds from current borrowings (net) | (7,372.0) | 2,906.6 |
| Repayment of lease liabilities (net) | (62.2) | (80.0) |
| Dividends paid | (478.3) | (597.8) |
| Interest paid | (336.5) | (154.9) |
| Net cash (used in)/generated from financing activities | (8,249.0) | 2,073.9 |
| D Net (decrease)/increase in cash and cash equivalents (A+B+C) | (576.6) | 720.9 |
| E Cash and cash equivalents as at beginning of the year | 818.2 | 152.2 |
| F Cash and cash equivalents as at end of the period (D+E) | 241.6 | 873.1 |

Notes:

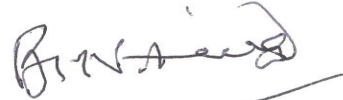
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"

Notes to the Standalone Financial results:

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 10 November 2022 and subsequently approved by the Board of Directors at its meeting held on 11 November 2022. The auditors have issued an unmodified report on the financial results for the quarter and six months ended 30 September 2022.
- 2 During the quarter ended 30 September 2022, the Company paid a final dividend of ₹ 4 (Rupees four only) per equity share (200% on the face value of ₹ 2 each) for the financial year 2021-22.
- 3 The Company operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

Place: Mumbai
Date: 11 November 2022

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

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Limited Review Report on unaudited consolidated financial results of Alkem Laboratories Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Alkem Laboratories Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Alkem Laboratories Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 ("the Statement"), which includes financial information of one branch, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



B S R & Co. LLP

6. We did not review the interim financial results of 2 subsidiaries included in the Statement, whose interim financial results reflects total assets (before consolidation adjustments) of Rs. 8,048 million as at 30 September 2022 and total revenues (before consolidation adjustments) of Rs. 3,040 million and Rs. 5,302 million, total net profit after tax (before consolidation adjustments) of Rs. 362 million and Rs. 444 million and total comprehensive income (before consolidation adjustments) of Rs. 349 million and Rs. 434 million, for the quarter ended 30 September 2022 and for the period from 01 April 2022 to 30 September 2022 respectively, and cash outflow of Rs. 10 million for the period from 01 April 2022 to 30 September 2022, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by other auditors whose reports has been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Balajirao Pothana

Partner

Mumbai

11 November 2022

Membership No.: 122632

UDIN:22122632BCUCPK5319

B S R & Co. LLP

Annexure I

List of entities included in unaudited consolidated financial results.

| Sr. No | Name of component | Relationship |
|--------|--|---|
| 1. | Alkem Laboratories Limited | Parent |
| 2. | S & B Holdings B.V., Netherlands (S&B Holdings) | Wholly Owned Subsidiary |
| 3. | ThePharmaNetwork, LLC, USA (TPN) | Wholly Owned Subsidiary |
| 4. | Ascend Laboratories LLC, USA | Wholly Owned Subsidiary of TPN |
| 5. | S & B Pharma LLC | Wholly owned Subsidiary of TPN |
| 6. | Pharmacor Pty Limited, Australia | Wholly Owned Subsidiary |
| 7. | Enzene Biosciences Ltd, India | Subsidiary |
| 8. | Ascend Laboratories (PTY) Ltd, South Africa (formerly known as Alkem Laboratories (PTY) Ltd) | Wholly Owned Subsidiary |
| 9. | Cachet Pharmaceuticals Pvt Ltd, India | Subsidiary |
| 10. | Indchemie Health Specialities Pvt Ltd, India | Subsidiary |
| 11. | Alkem Laboratories Corporation, Philippines | Wholly Owned Subsidiary |
| 12. | Ascend GmbH, Germany | Wholly Owned Subsidiary |
| 13. | Ascend Laboratories SDN BHD., Malaysia | Wholly Owned Subsidiary |
| 14. | Ascend Laboratories SpA, Chile (Ascend Chile) | Wholly Owned Subsidiary |
| 15. | Pharma Network SpA, Chile | Wholly Owned Subsidiary of Ascend Chile |
| 16. | Ascend Laboratories S.A. DE C.V., Mexico | Wholly Owned Subsidiary of Ascend Chile |
| 17. | Alkem Laboratories Korea Inc, Korea | Wholly Owned Subsidiary |
| 18. | Pharmacor Ltd., Kenya | Wholly Owned Subsidiary |



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| | | |
|-----|---|---|
| 19. | The Pharma Network, LLP, Kazakhstan | Wholly Owned Subsidiary |
| 20. | Ascend Laboratories (UK) Ltd., UK | Wholly Owned Subsidiary |
| 21. | Ascend Laboratories Ltd., Canada | Wholly Owned Subsidiary |
| 22. | Alkem Foundation, India | Wholly Owned Subsidiary |
| 23. | Connect 2 Clinic Private Limited, India | Wholly Owned Subsidiary |
| 24. | Ascend Laboratories S.A.S, Colombia | Wholly Owned Subsidiary |
| 25. | S & B Pharma Inc., USA | Wholly Owned Subsidiary of TPN (upto 05 January 2022) |
| 26. | Pharmacor Limited, New Zealand | Wholly Owned Subsidiary of Pharmacor Pty Limited, Australia |
| 27. | Enzene Inc., USA | Wholly Owned Subsidiary of Enzene Biosciences Ltd, India |



ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

Regd. Office and Corporate Office: Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India.

Tel No:91 22 3982 9999 Fax No: +91 22 2492 7190

Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Six months ended 30 September 2022

(₹ in Million except per share data)

| | Particulars | Quarter ended | | | Six months ended | | Year ended |
|----|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| | | 30.09.2022 Unaudited | 30.06.2022 Unaudited | 30.09.2021 Unaudited | 30.09.2022 Unaudited | 30.09.2021 Unaudited | 31.03.2022 Audited |
| 1 | Income | | | | | | |
| | (a) Revenue from Operations | 30,793.7 | 25,763.8 | 27,999.9 | 56,557.5 | 55,313.5 | 106,341.9 |
| | (b) Other Income | 506.7 | 514.1 | 419.6 | 1,020.8 | 886.1 | 1,626.5 |
| | Total Income | 31,300.4 | 26,277.9 | 28,419.5 | 57,578.3 | 56,199.6 | 107,968.4 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 8,155.2 | 6,924.1 | 7,731.6 | 15,079.3 | 15,439.8 | 32,260.6 |
| | (b) Purchases of stock-in-trade | 3,412.5 | 2,980.8 | 4,560.9 | 6,393.3 | 8,088.3 | 14,897.1 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 1,501.8 | 1,049.4 | (1,717.8) | 2,551.2 | (2,005.5) | (5,354.8) |
| | (d) Employee benefits expense | 5,708.5 | 5,321.5 | 4,944.9 | 11,030.0 | 10,263.2 | 19,627.1 |
| | (e) Finance costs | 248.5 | 265.0 | 119.7 | 513.5 | 248.3 | 523.7 |
| | (f) Depreciation and amortisation expense | 774.0 | 762.6 | 728.3 | 1,536.6 | 1,433.6 | 3,039.6 |
| | (g) Other expenses | 7,476.6 | 7,455.6 | 6,236.5 | 14,932.2 | 11,355.3 | 24,382.7 |
| | Total Expenses | 27,277.1 | 24,759.0 | 22,604.1 | 52,036.1 | 44,823.0 | 89,376.0 |
| 3 | Profit before exceptional items and tax (1) - (2) | 4,023.3 | 1,518.9 | 5,815.4 | 5,542.2 | 11,376.6 | 18,592.4 |
| 4 | Exceptional items (refer note 2) | - | - | - | - | - | (149.6) |
| 5 | Profit before tax (3) + (4) | 4,023.3 | 1,518.9 | 5,815.4 | 5,542.2 | 11,376.6 | 18,442.8 |
| 6 | Tax expense / (credit) | | | | | | |
| | (a) Current tax | 869.8 | 349.2 | 1,082.6 | 1,219.0 | 2,264.5 | 3,619.8 |
| | (b) Deferred tax | (323.7) | (144.8) | (852.5) | (468.5) | (1,275.5) | (1,980.2) |
| | Total Tax Expense (a + b) | 546.1 | 204.4 | 230.1 | 750.5 | 989.0 | 1,639.6 |
| 7 | Profit for the period (5) - (6) | 3,477.2 | 1,314.5 | 5,585.3 | 4,791.7 | 10,387.6 | 16,803.2 |
| 8 | Other Comprehensive Income (net of tax) | | | | | | |
| | (a) (i) Items that will not be reclassified to profit or loss | (25.4) | (1.7) | (36.8) | (27.1) | (58.3) | (90.9) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 8.9 | 0.3 | 13.1 | 9.2 | 22.0 | 33.2 |
| | (b) (i) Items that will be reclassified to profit or loss | 422.1 | 523.6 | 58.7 | 945.7 | 74.2 | 399.1 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Total Other Comprehensive Income (net of tax) | 405.6 | 522.2 | 35.0 | 927.8 | 37.9 | 341.4 |
| 9 | Total Comprehensive Income for the period (7) + (8) | 3,882.8 | 1,836.7 | 5,620.3 | 5,719.5 | 10,425.5 | 17,144.6 |
| 10 | Profit attributable to | | | | | | |
| | a) Owners of the Company | 3,308.4 | 1,276.4 | 5,442.6 | 4,584.8 | 10,123.8 | 16,456.2 |
| | b) Non-Controlling Interest | 168.8 | 38.1 | 142.7 | 206.9 | 263.8 | 347.0 |
| 11 | Other Comprehensive Income attributable to | | | | | | |
| | a) Owners of the Company | 411.6 | 520.6 | 41.9 | 932.2 | 45.8 | 345.5 |
| | b) Non-Controlling Interest | (6.0) | 1.6 | (6.9) | (4.4) | (7.9) | (4.1) |
| 12 | Total Comprehensive Income attributable to | | | | | | |
| | a) Owners of the Company | 3,720.0 | 1,797.0 | 5,484.5 | 5,517.0 | 10,169.6 | 16,801.7 |
| | b) Non-Controlling Interest | 162.8 | 39.7 | 135.8 | 202.5 | 255.9 | 342.9 |
| 13 | Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up) | 239.1 | 239.1 | 239.1 | 239.1 | 239.1 | 239.1 |
| 14 | Other Equity | | | | | | 86,139.9 |
| 15 | Earnings Per Share (not annualised for the periods) | | | | | | |
| | (a) Basic (₹) | 27.67 | 10.68 | 45.52 | 38.35 | 84.67 | 137.63 |
| | (b) Diluted (₹) | 27.67 | 10.68 | 45.52 | 38.35 | 84.67 | 137.63 |

Statement of Unaudited Consolidated Assets and Liabilities as at 30 September 2022

(₹ in Million)

| Particulars | As at 30 September 2022 (Unaudited) | As at 31 March 2022 (Audited) |
|--|--|--|
| I. ASSETS | | |
| 1 Non-current assets | | |
| (a) Property, plant and equipment | 22,567.3 | 22,871.0 |
| (b) Right of use assets | 1,337.0 | 1,393.5 |
| (c) Capital work-in-progress | 4,018.6 | 3,394.8 |
| (d) Goodwill | 4,208.7 | 4,030.9 |
| (e) Other Intangible assets | 674.1 | 721.9 |
| (f) Financial Assets | | |
| (i) Investments | 2,974.8 | 2,316.7 |
| (ii) Loans | 80.2 | 80.2 |
| (iii) Other financial assets | 2,115.3 | 7,106.7 |
| (g) Deferred tax assets (net) | 13,699.6 | 13,092.6 |
| (h) Non-current tax assets (net) | 499.0 | 533.1 |
| (i) Other non-current assets | 591.2 | 796.2 |
| Total Non-current assets | 52,765.8 | 56,337.6 |
| 2 Current assets | | |
| (a) Inventories | 27,850.9 | 30,055.3 |
| (b) Financial Assets | | |
| (i) Investments | 1,228.1 | 1,393.1 |
| (ii) Trade receivables | 21,467.3 | 18,846.0 |
| (iii) Cash and cash equivalents | 2,412.0 | 2,321.8 |
| (iv) Bank balances other than (iii) above | 23,911.0 | 23,464.0 |
| (v) Loans | 266.2 | 202.5 |
| (vi) Other financial assets | 2,058.6 | 1,731.5 |
| (c) Other current assets | 6,732.4 | 6,322.8 |
| (d) Non-current assets held for sale | - | 17.3 |
| Total Current assets | 85,926.5 | 84,354.3 |
| TOTAL ASSETS | 138,692.3 | 140,691.9 |
| II. EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share capital | 239.1 | 239.1 |
| (b) Other Equity | 91,177.9 | 86,139.9 |
| Equity attributable to owners of the Company | 91,417.0 | 86,379.0 |
| (c) Non-controlling interest | 2,262.5 | 2,094.3 |
| Total Equity | 93,679.5 | 88,473.3 |
| 2 Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 96.1 | 93.8 |
| (ia) Lease liabilities | 726.2 | 664.7 |
| (b) Provisions | 4,367.7 | 3,327.5 |
| (c) Other non-current liabilities | 76.8 | 79.2 |
| Total Non-Current liabilities | 5,266.8 | 4,165.2 |
| 3 Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 18,267.8 | 25,707.4 |
| (ia) Lease liabilities | 182.0 | 216.0 |
| (ii) Trade payables | | |
| Dues of Micro and Small Enterprises | 972.7 | 924.2 |
| Dues of Creditors other than Micro and Small Enterprises | 9,714.8 | 10,809.6 |
| (iii) Other financial liabilities | 5,852.5 | 5,993.8 |
| (b) Other current liabilities | 2,057.7 | 1,503.2 |
| (c) Provisions | 2,527.5 | 2,736.0 |
| (d) Current tax Liabilities (Net) | 171.0 | 163.2 |
| Total Current liabilities | 39,746.0 | 48,053.4 |
| TOTAL EQUITY AND LIABILITIES | 138,692.3 | 140,691.9 |

Statement of Unaudited Consolidated Cash flow for the Period ended 30 September 2022

(₹ in million)

| Particulars | For the period ended 30 September 2022 (Unaudited) | For the period ended 30 September 2021 (Unaudited) |
|--|--|--|
| A Cash Flow from Operating Activities: | | |
| Profit before Tax | 5,542.2 | 11,376.6 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation expense | 1,536.6 | 1,433.6 |
| Liabilities no longer required written back | (0.4) | (67.7) |
| Profit on sale of investments | (22.2) | (22.8) |
| Unrealised gain on fair valuation of investments (net) | (11.7) | (38.7) |
| Profit / loss on sale / write off of property plant and equipment (net) | 48.5 | (4.9) |
| Unrealised foreign currency (gain) / loss on revaluation (net) | (293.7) | (48.1) |
| Dividend Income | (1.4) | (0.2) |
| Interest Income | (794.9) | (547.1) |
| Interest expenses | 513.5 | 248.3 |
| Allowances for doubtful debts | 9.1 | 26.8 |
| Subtotal of Adjustments | 983.4 | 979.2 |
| Operating profit before working capital changes | 6,525.6 | 12,355.8 |
| <u>Adjustments for changes in working capital:</u> | | |
| (Increase) in trade receivables | (1,219.7) | (1,795.0) |
| (Increase) / Decrease in loans, other financial assets and other assets | (647.5) | 744.3 |
| (Increase) Decrease in inventories | 2,584.5 | (2,167.7) |
| Increase / (Decrease) in trade payable, other financial liabilities and other liabilities | (868.6) | 160.3 |
| Increase in provisions | 431.5 | 783.8 |
| Subtotal of adjustments | 280.2 | (2,274.3) |
| Cash generated from operations | 6,805.8 | 10,081.5 |
| Less: Income taxes paid (net of refund) | (1,168.5) | (1,760.3) |
| Net Cash generated from operating activities | 5,637.3 | 8,321.2 |
| B Cash Flow from Investing Activities: | | |
| Purchases of property, plant and equipment | (1,324.8) | (1,813.9) |
| Sale of property, plant and equipment | 10.1 | 19.0 |
| (Purchase of) / Proceeds from sale of investments (net) | (436.4) | (58.6) |
| Investment made in / Redemption of bank deposits having maturity of more than 3 months (net) | 4,526.3 | (4,306.9) |
| Dividend received | 1.4 | 0.2 |
| Interest received | 609.7 | 389.7 |
| Net cash generated from / (used in) investing activities | 3,386.3 | (5,770.5) |
| C Cash Flow from Financing Activities: | | |
| (Repayment of) / Proceeds from non-current borrowings (net) | 100.0 | (192.8) |
| (Repayment of) / Proceeds from current borrowings (net) | (7,930.1) | 225.8 |
| Dividends paid | (512.6) | (632.1) |
| Repayment of lease liabilities (net) | (113.4) | (156.5) |
| Interest and bank charges paid | (429.5) | (208.5) |
| Net cash used in financing activities | (8,885.6) | (964.1) |
| D Net (decrease)/increase in Cash and Cash Equivalents (A+B+C) | 138.0 | 1,586.6 |
| E Cash & Cash Equivalents as at the beginning of the year | 2,321.8 | 1,742.2 |
| Add/Less: Effect of exchange difference on foreign currency cash and cash equivalents | (47.8) | 7.2 |
| F Cash & Cash Equivalents as at the end of the period (D+E) | 2,412.0 | 3,336.0 |

Notes:

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

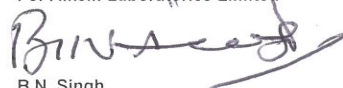
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Notes to the Consolidated Financial results:

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 10 November 2022 and subsequently approved by the Board of Directors at its meeting held on 11 November 2022. The auditors have issued an unmodified report on the financial results for the quarter and six months ended 30 September 2022.
- 2 During the previous year, the Group has fair valued one of its investments in the USA and considering the contingencies on business projections of the investee company an amount of Rs. 149.6 million has been debited to the Statement of Profit and Loss and disclosed as an exceptional item.
- 3 During the current period, Enzene Biosciences Limited, India incorporated a wholly owned subsidiary, Enzene Inc. in USA.
- 4 During the current period, Pharmacor Pty Limited, Australia incorporated a wholly owned subsidiary, Pharmacor Limited in New Zealand.
- 5 During the quarter ended 30 September 2022, the Company paid a final dividend of ₹ 4 (Rupees four only) per equity share (200% on the face value of ₹ 2 each) for the financial year 2021-22.
- 6 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

Place: Mumbai
Date: 11 November 2022

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310