

**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

07th November, 2023

To,

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

Dear Sirs,

Sub: Press Release and Analyst Presentation on Q2FY24 Results and H1FY24 Results

With reference to relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the press release and analyst presentation on Q2FY24 and H1FY24 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 Digitally signed by
MANISH NARANG
NARANG Date: 2023.11.07
13:45:16 +05'30'

Manish Narang

President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

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Press Release**Alkem reports Q2FY24 and H1FY24 results**

Mumbai, November 7, 2023: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the second quarter ended September 30, 2023. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q2FY24 financial performance

- Total Revenue from Operations was ₹ 34,402 million, year-on-year growth of 11.7%
 - India sales were ₹ 23,278 million, year-on-year growth of 5%
 - International sales were ₹ 10,542 million, year-on-year growth of 27.1%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 7,467 million, resulting in EBITDA margin of 21.7% vs. 14.7% in Q2FY23. EBITDA increased by 64.5% YoY
- R&D expenses for the quarter was ₹ 1,158 million, or 3.4% of total revenue from operations compared to ₹ 1,305 million in Q2FY23 at 4.2% of total revenue from operations
- Profit before tax (PBT) after exceptional item was ₹ 6,480 million, a growth of 61.1% compared to Q2FY23
 - Exceptional item of ₹ 577 million debit was on account of impairment of fixed assets
- Net Profit (after Minority Interest) was ₹ 6,205 million, year-on-year growth of 87.6%

Key highlights of H1FY24 financial performance

- Total Revenue from Operations was ₹ 64,079 million, year-on-year growth of 13.3%
 - India sales were ₹ 42,285 million, year-on-year growth of 5.8%
 - International sales were ₹ 20,688 million, year-on-year growth of 30.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 11,359 million, resulting in EBITDA margin of 17.7% vs. 11.6% in H1FY23. EBITDA increased by 72.9% YoY
- R&D expenses for H1FY24 was ₹ 2,360 million, or 3.7% of total revenue from operations compared to ₹ 2,625 million in H1FY23 at 4.6% of total revenue from operations
- Profit before tax (PBT) after exceptional item was ₹ 10,009 million, a growth of 80.6% compared to H1FY23
 - Exceptional item of ₹ 577 million debit was on account of impairment of fixed assets
- Net Profit (after Minority Interest) was ₹ 9,073 million, year-on-year growth of 97.9%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said " *Continuing our trend of improved performance, Q2 builds on the momentum gained in Q1 with significant gross margin enhancements backed by lower raw material cost and lower intensity of price erosion in US market and increased operating leverage, resulting in improved EBITDA margins. Domestic growth for the quarter remained subdued due to sporadic monsoon. However, we observed significant traction in the domestic market during the month of September and anticipate continued momentum in the coming quarter. Our international business, both US and Non-US market maintains its robust performance, which was evident in Q1 and continues to flourish. Our biosimilars portfolio is performing impressively, with Enzene's latest product addition (Ranibizumab), taking the product suite to 7, and witnessing significant traction in the domestic biosimilars market. We are committed to carrying forward the momentum of better operational performance, building on our recent successes.*"



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Operational Highlights

Domestic Business

In Q2FY24, the Company's India sales increased by 5.0% YoY, recording sales of ₹ 23,278 million as compared to ₹ 22,161 million in Q2FY23. For H1FY24, the Company's India sales was ₹ 42,285 million compared to ₹ 39,976 million in H1FY23 – growth of 5.8% YoY.

As per secondary sales data by IQVIA for the quarter ended September 30, 2023, the Company delivered a YoY growth of 6.5% compared to Indian Pharmaceutical Market (IPM) growth of 7.0% YoY. The acute segment experienced a modest uptick in activity during the quarter, with intermittent monsoons initially impacting growth. However, as the quarter drew to a close, particularly in September, the market gained momentum. The company remains on a steady course in chronic therapies, achieving a year-on-year growth of 11.7%, surpassing the Indian Pharmaceutical Market (IPM) growth of 9.1% year-on-year. Chronic therapies such as Anti-Diabetic, Neuro/CNS, and Cardiac are outpacing the market, thereby increasing their market share. The company continues to rank among the top five companies in the Indian pharmaceutical market and maintains its leading position in the anti-infective segment. The company has 19 brands which features among top 300 brands and annual sales of over ₹ 1 bn.

The performance highlights of the key therapeutic segments in Q2FY24 and H1FY24 are as shown below:

| Key Therapy segment | Q2FY24 | | | | H1FY24 | | | |
|---------------------|------------|---------------------|--------------------|------------------|------------|---------------------|--------------------|------------------|
| | 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 | 1.3% | 1.7% | 1 | Unchanged | 3.7% | 5.7% |
| Gastro Intestinal | 3 | Unchanged | 14.7% | 8.4% | 3 | Unchanged | 9.9% | 6.9% |
| Pain / Analgesics | 3 | Unchanged | 6.0% | 7.3% | 3 | Unchanged | 8.1% | 9.0% |
| VMN** | 2 | Unchanged | 7.9% | 6.9% | 2 | Unchanged | 6.3% | 6.8% |
| Neuro / CNS | 7 | +1 | 9.1% | 7.9% | 7 | +1 | 10.6% | 8.5% |
| Derma | 19 | -1 | 4.9% | 5.5% | 19 | Unchanged | 12.3% | 6.9% |
| Cardiac | 27 | +1 | 9.6% | 9.4% | 27 | +1 | 8.5% | 9.7% |
| Respiratory | 14 | Unchanged | -4.6% | -0.2% | 15 | -1 | 1.6% | 4.9% |
| Anti-Diabetic | 15 | +2 | 23.3% | 4.9% | 15 | +1 | 26.5% | 5.9% |
| Total | 5 | Unchanged | 6.5% | 7.0% | 5 | Unchanged | 7.2% | 8.1% |

*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 Q2FY24, the Company's International sales grew by 27.1% YoY, recording sales of ₹ 10,542 million as compared to ₹ 8,291 million in Q2FY23. For H1FY24, the Company's International sales grew by 30.2% to ₹ 20,688 million compared to ₹ 15,895 million in H1FY23.

- **US sales** for the quarter was ₹ 7,675 million, recording a year-on-year growth of 27.1%. For H1FY24, US sales was ₹ 14,630 million, compared to ₹ 11,605 million in H1FY23, a growth of 26.1% YoY.
- **Other International Markets sales** for the quarter was ₹ 2,866 million, recording a year-on-year growth of 27.3%. For H1FY24, Other International Markets sales was ₹ 6,058 million compared to ₹ 4,290 million in H1FY23 - a growth of 41.2% YoY.

R&D Investments

During the quarter, the Company received 4 ANDA approvals (including 1 tentative approval) from USFDA. For H1FY24, the Company filed 1 ANDA with the US FDA and received 11 approvals (including 2 tentative approvals).

As on September 30, 2023, the Company filed a total of 174 ANDAs and 2 new drug applications (NDA) with the USFDA. Of these, it has received approvals for 140 ANDAs (including 15 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

| Facility | Capability | Last inspection | Status post last inspection |
|--------------------|-----------------------|-----------------|--|
| Ankleshwar (India) | API | April 2023 | Inspection is closed. EIR [#] received in July 2023 |
| St. Louis (US) | Formulations | November 2022 | Inspection is closed. EIR [#] received in December 2022 |
| Taloja (India) | Bioequivalence Centre | October 2022 | Successfully closed without any observations |
| Indore (India) | Formulations | July 2022 | Inspection is closed. EIR [#] received in February 2023 |
| Baddi (India) | Formulations | February 2020 | Inspection is closed. EIR [#] received in March 2020 |
| Daman (India) | Formulations | August 2019 | Inspection is closed. EIR [#] received in October 2019 |
| California (US) | API | August 2018 | Inspection is closed. EIR [#] received in October 2018 |
| Mandva (India) | API | September 2015 | Inspection is closed. EIR [#] received in March 2016 |

EIR – Establishment Inspection Report

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Q2FY24 and H1FY24 Conference Call at 5:30 pm IST, November 7, 2023

Alkem will organize a conference call for investors and analysts on Tuesday, November 7, 2023 from 5:30pm to 6:30pm IST to discuss its Q2FY24 financial results.

Alkem will be represented on the call by Mr. Vikas Gupta, Chief Executive Officer and the senior management team.

Motilal Oswal Securities Ltd. will host the call.

Details of the conference call are as under:

Time: 5:30 pm IST (GMT + 5:30) on Tuesday, November 7, 2023

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=5999224&linkSecurityString=2230867398>

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 2023). 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

VP Finance

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

E-mail: amit.khandelia@alkem.com



Alkem Laboratories Ltd.

Investor Presentation Q2FY24

November 7, 2023

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.

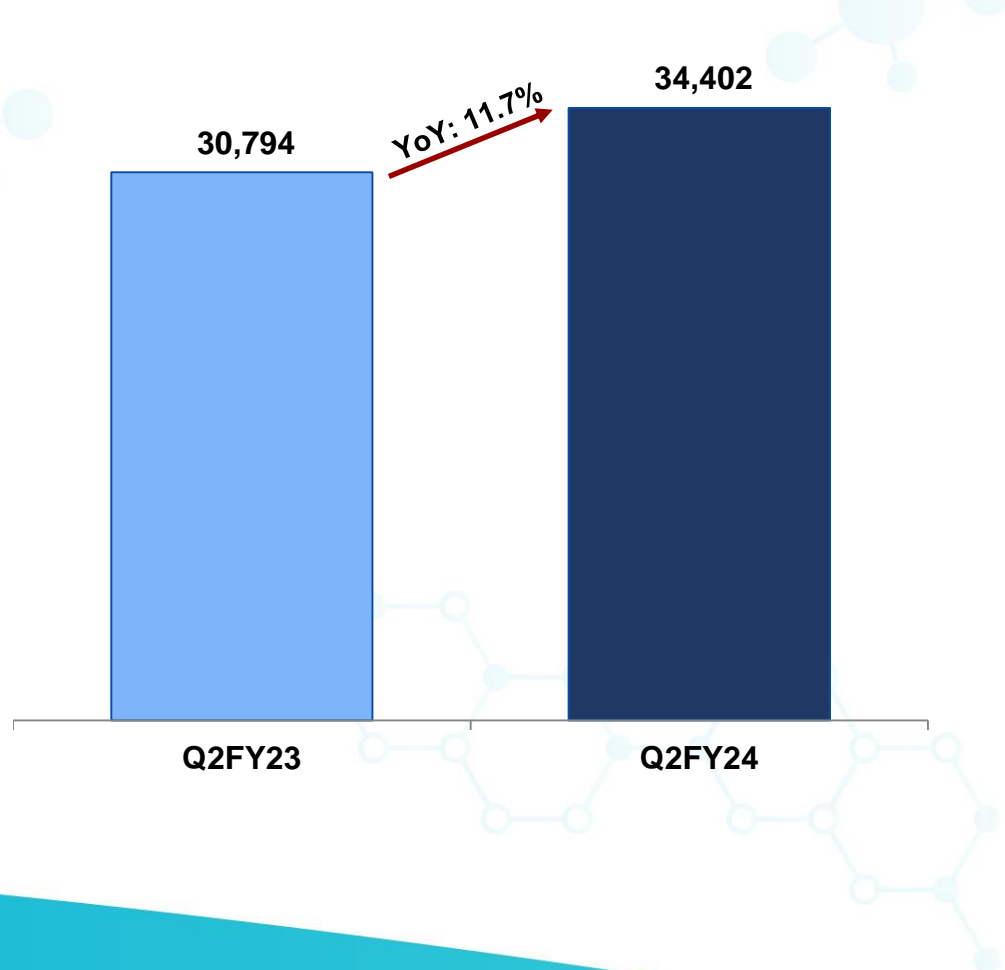
Key Highlights of Q2FY24

- **Revenue from Operation** grew by 11.7% YoY during the quarter, with EBITDA margin of 21.7% and Net Profit margin of 18.0%
- **India Business:** As per IQVIA, Company's sales in Q2FY24 registered growth of 6.5% compared to IPM growth of 7.0%
 - Domestic market displayed moderate growth during the quarter due to sporadic monsoon. However, the market gained momentum towards end, particularly in the month of September.
 - Chronic therapies are outpacing market growth. Gained two ranks in Anti-Diabetic and one rank each in Neuro/CNS and Cardiac therapy.
- **US Business** witnessed strong growth of 27.1% YoY compared to Q2FY23.
- **Non US Business** also saw strong growth of 27.3% YoY compared to Q2FY23.
- **R&D expenses** for the quarter was ₹1.16 billion at 3.4% of revenue from operations
 - The company received 4 approvals (including 1 tentative approval) from USFDA during the quarter
- **Enzene Bio-sciences**
 - 7th product (Ranibizumab) approved in the domestic market enhancing our presence in biosimilar market. All the products launched are demonstrating impressive market traction.
- **Healthy balance sheet with net cash of ₹29.0 billion** as on September 30, 2023.

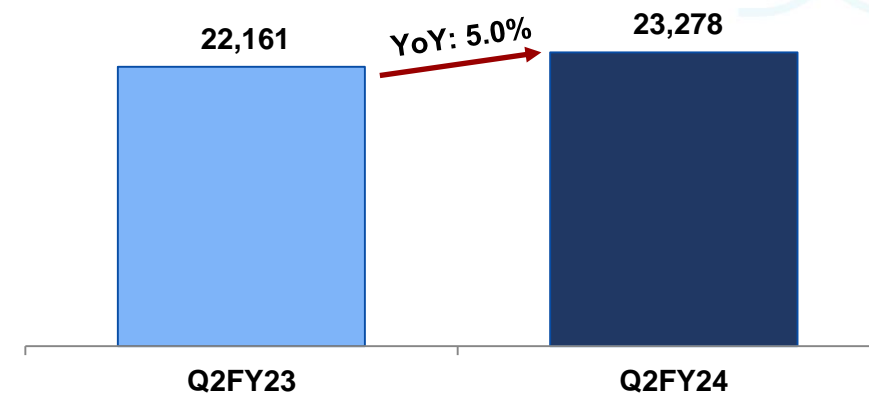
Key Financial Highlights – Q2FY24 (Consolidated)

All figures in ₹ mn

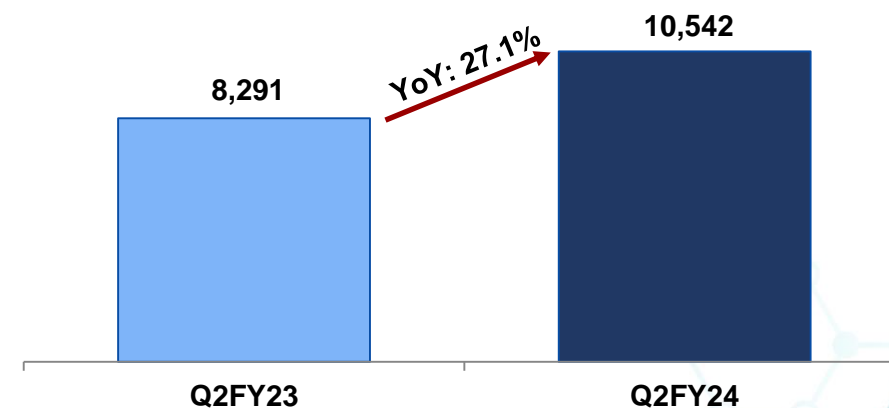
Revenue from Operations



India sales



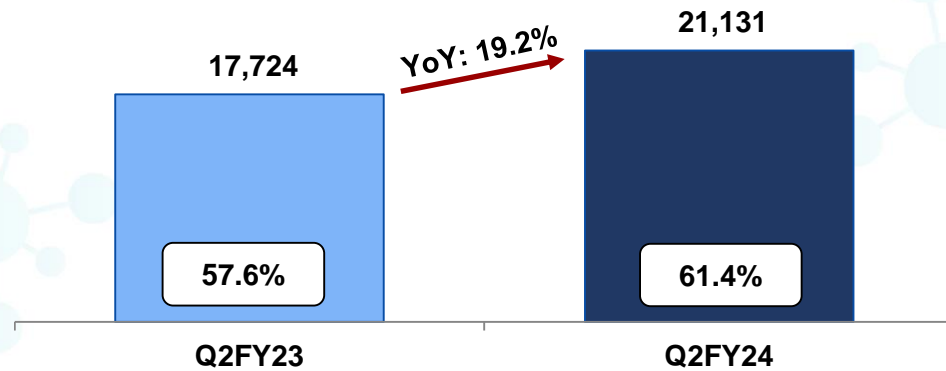
International sales



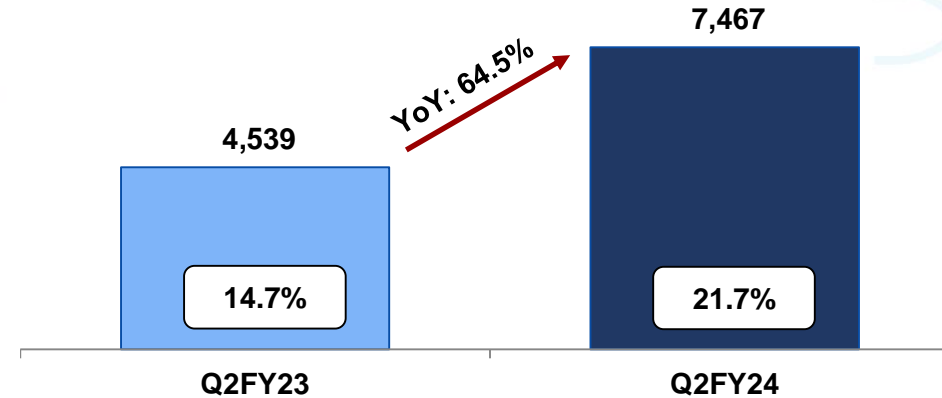
Key Financial Highlights – Q2FY24 (Consolidated)

All figures in ₹ mn

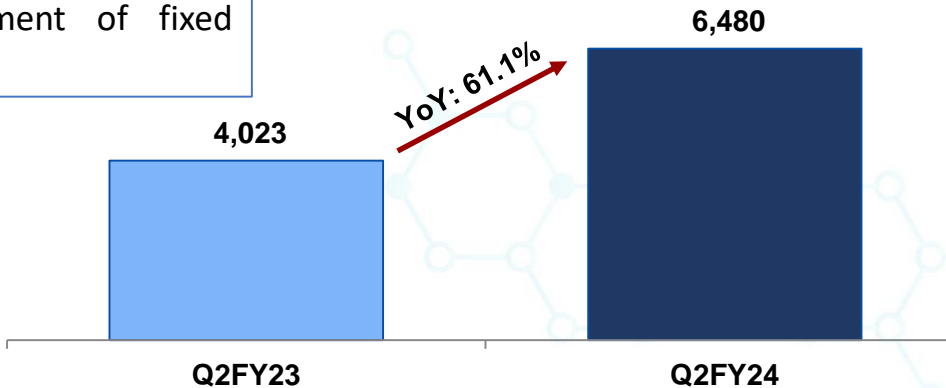
Gross Profit and Gross Margin



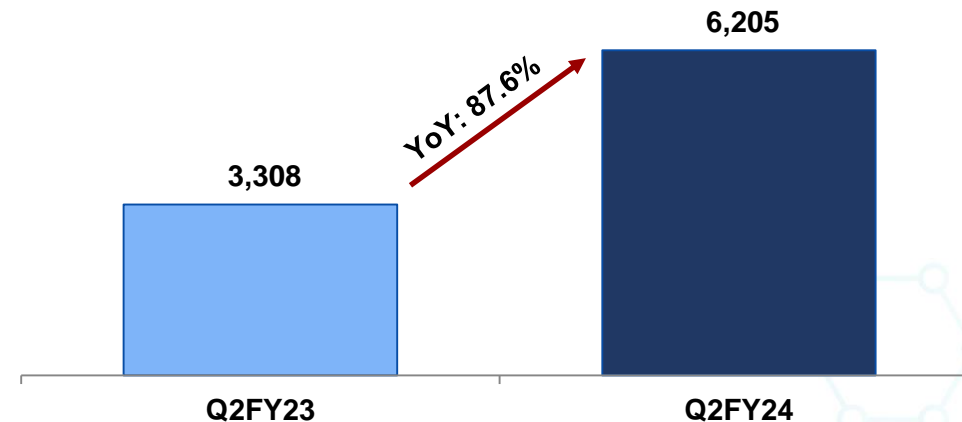
EBITDA and EBITDA Margin



PBT (after exceptional item)



PAT (after Minority Interest)



Q2FY24 was impacted by exceptional item on account of impairment of fixed assets.

Key Financial Highlights – H1FY24 (Consolidated)

All figures in ₹ mn

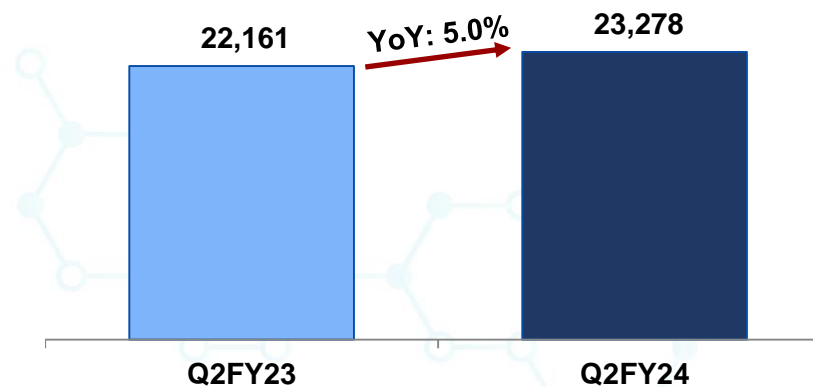
| Particulars | H1FY24 | H1FY23 | YoY growth |
|-------------------------------|--------|--------|------------|
| Revenue from Operations | 64,079 | 56,558 | 13.3% |
| Gross Profit | 38,823 | 32,534 | 19.3% |
| Gross Profit Margin | 60.6% | 57.5% | |
| EBITDA | 11,359 | 6,572 | 72.9% |
| EBITDA Margin | 17.7% | 11.6% | |
| PBT (before exceptional item) | 10,586 | 5,542 | 91.0% |
| Exceptional item | (577) | - | |
| PBT (after exceptional item) | 10,009 | 5,542 | 80.6% |
| PBT Margin | 15.6% | 9.8% | |
| PAT (after Minority interest) | 9,073 | 4,585 | 97.9% |
| PAT Margin | 14.2% | 8.1% | |
| EPS (₹ / share) | 75.88 | 38.35 | 97.9% |

India Business

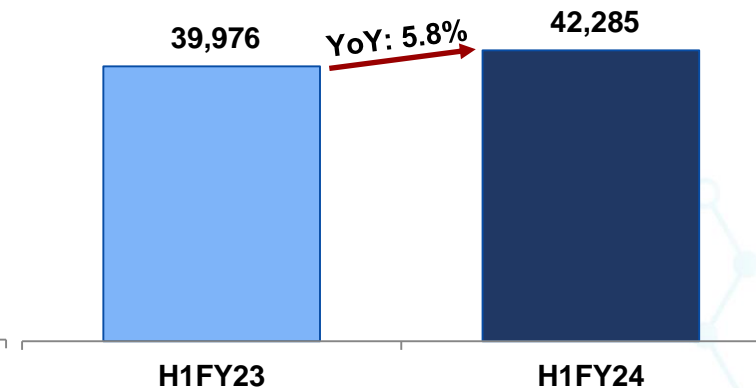
India Business: Q2FY24 Sales of ₹ 23,278 million (5.0% YoY growth)

- Contribution of domestic sales to total sales in Q2 FY24 was 68.8%
- As per IQVIA, in Q2FY24, the Company's secondary sales grew by 6.5% compared to IPM growth of 7.0% YoY.
- Although there has been subdued growth in the anti-infective sector due to sporadic rainfall, the other acute businesses continue to perform well.
- Anti-diabetic continues market beating performance gaining 2 ranks during the quarter. Dapanorm Trio is second best new introduction in industry in last 12 months.
- Trade generic has registered good growth during the quarter.

Q2FY24 – India Sales (₹ mn)



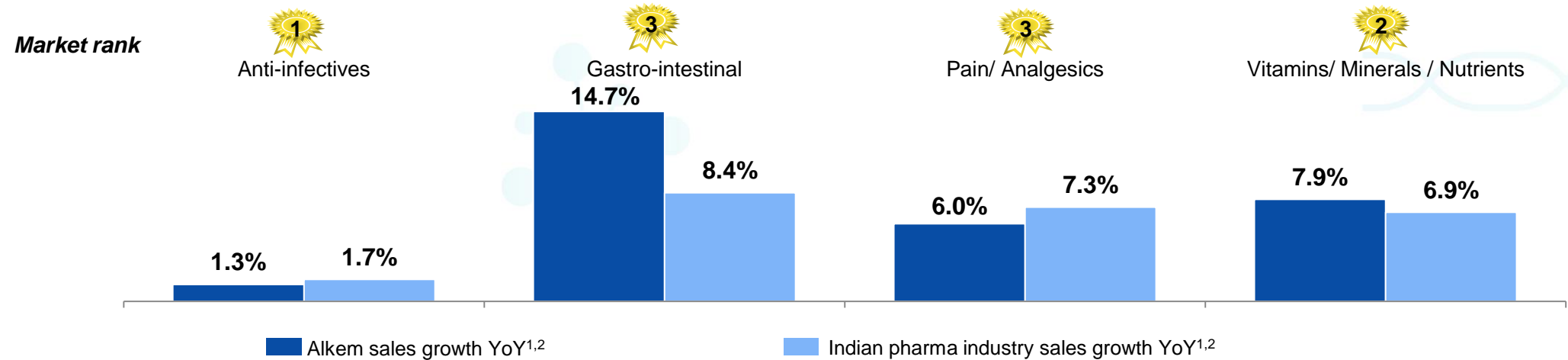
H1FY24 – India Sales (₹ mn)



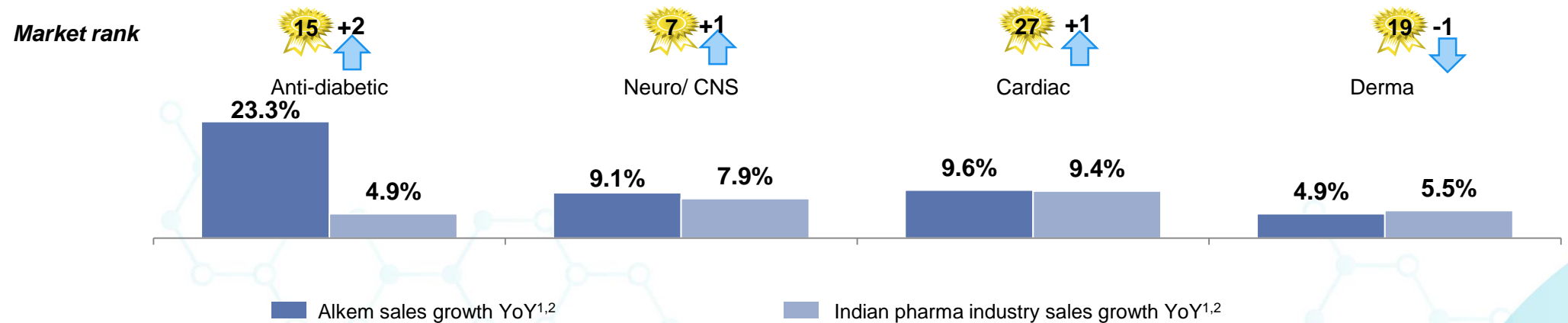
Secondary Sales Performance

Mixed performance across all major therapeutic segments in Q2FY24

Acute Therapies



Chronic Therapies

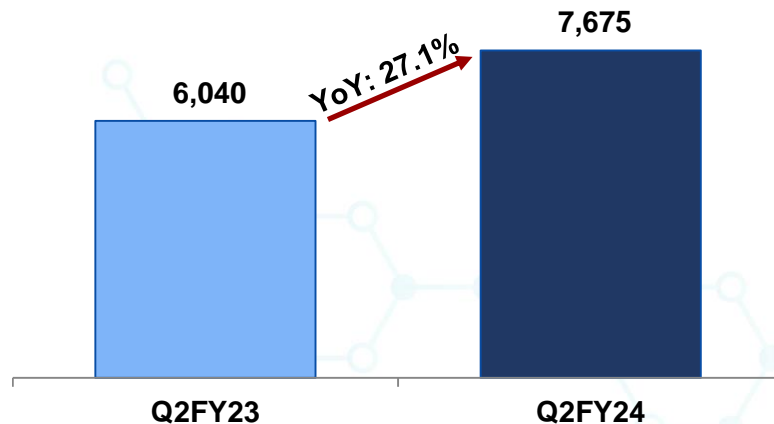


Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended September 30, 2023

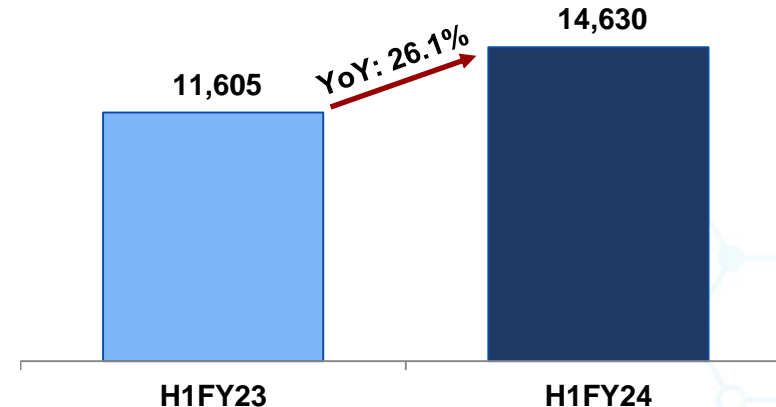
US Business: Q2FY24 Sales of ₹ 7,675 million (27.1% YoY growth)

- Overall contribution of US sales to total sales was 22.7% in Q2FY24
- During the quarter, the US business registered strong growth of 27.1% YoY and 10.4% QoQ.
- During Q2FY24, the Company received 4 ANDA approvals (including 1 tentative approvals) from USFDA.
- As on September 30, 2023, the Company filed a total of 174 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 140 ANDAs (including 15 tentative approvals) and 2 NDAs.

Q2FY24 – US Sales (₹ mn)



H1FY24 – US Sales (₹ mn)



US Business

Update on US FDA inspections

| Facility | Capability | Last inspection | Status post last inspection |
|---------------------------|-----------------------|-----------------|---|
| Ankleshwar (India) | API | April 2023 | Inspection is closed. EIR# received in July 2023 |
| St. Louis (US) | Formulations | November 2022 | Inspection is closed. EIR# received in December 2022 |
| Taloja (India) | Bioequivalence Centre | October 2022 | Successfully closed inspection without any observations |
| Indore | Formulations | July 2022 | Inspection is closed. EIR# received in February 2023 |
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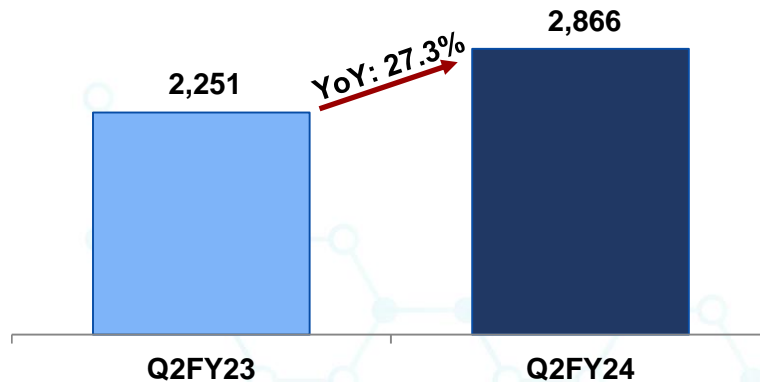
EIR – Establishment Inspection Report indicating successful closure of inspection

Other International Business

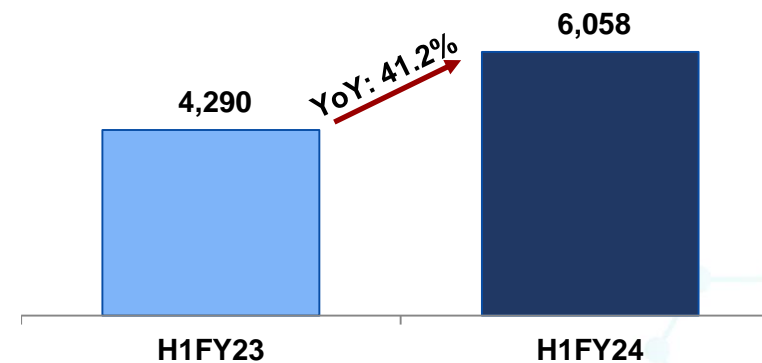
Other International Business: Q2FY24 Sales of ₹ 2,866 million (27.3% YoY growth)

- Other International Market sales contributed 8.5% to total sales in Q2FY24
- The Company has presence mainly in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- All our major markets like Chile, UK, Kazak and Philippines have registered very strong growth during Q2FY24.

**Q2FY24 – Other International Sales
(₹ mn)**

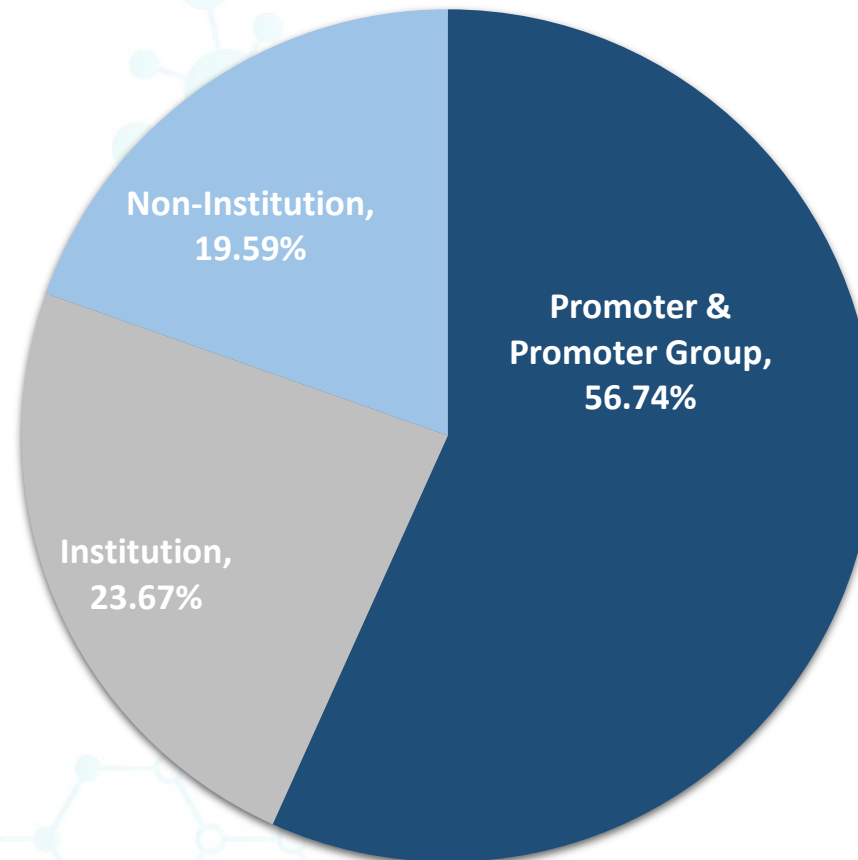


**H1FY24 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on September 30, 2023



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

A light blue molecular structure icon with a central circle and several smaller circles connected by lines.

Thank You

For further information or queries, please contact

Amit Kumar Khandelia

VP Finance

Tel: +91 22 3982 9999

E-mail: amit.khandelia@alkem.com

A light blue molecular structure icon consisting of several interconnected hexagonal rings.A light blue molecular structure icon consisting of several interconnected hexagonal rings.

Limited Review Report on unaudited consolidated financial results of Alkem Laboratories Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 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 (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September ("the Statement") (in which are included 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 and 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.

SRM

Limited Review Report (Continued)

Alkem Laboratories Limited

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. 8,715 million as at 30 September 2023 and total revenues (before consolidation adjustments) of Rs. 3,103 million and Rs. 5,624 million, total net loss after tax (before consolidation adjustments) of Rs. 123 million and Rs. 95 million and total comprehensive loss (before consolidation adjustments) of Rs. 127 million and Rs. 109 million, for the quarter ended 30 September 2023 and for the period from 1 April 2023 to 30 September 2023 respectively, and cash flows (net) (before consolidation adjustments) of Rs. 134 million for the period from 1 April 2023 to 30 September 2023 as considered in the Statement. These interim financial results have been reviewed by other auditor whose reports have 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 auditor 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



Sreeja Marar

Partner

Mumbai

07 November 2023

Membership No.: 111410

UDIN:23111410BGYAWS6042

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 | The Pharma Network LLC, USA (TPN) | Wholly Owned Subsidiary |
| 4 | Ascend Laboratories LLC, USA | Wholly Owned Subsidiary of TPN |
| 5 | S & B Pharma LLC | Wholly Owned Subsidiary of TPN |
| 6 | Pharmacor Pty Limited, Australia | Wholly Owned Subsidiary |
| 7 | Enzene Biosciences Ltd, India | Subsidiary |
| 8 | Ascend Laboratories (PTY) Ltd, South Africa | 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 |

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Limited Review Report (Continued)

Alkem Laboratories Limited

| | | |
|----|---|---|
| 18 | Pharmacor Ltd , Kenya | Wholly Owned Subsidiary |
| 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 SAS, Colombia | Wholly Owned Subsidiary |
| 25 | Pharmacor Limited, New Zealand | Wholly Owned Subsidiary of Pharmacor Pty Limited, Australia |
| 26 | Enzene Inc., USA | Wholly Owned Subsidiary of Enzene Biosciences Ltd, India |

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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 2023

(₹ in Million except per share data)

| | Particulars | Quarter ended | | | Six months ended | | Year ended |
|-----------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| | | 30.09.2023 Unaudited | 30.06.2023 Unaudited | 30.09.2022 Unaudited | 30.09.2023 Unaudited | 30.09.2022 Unaudited | 31.03.2023 Audited |
| 1 | Income | | | | | | |
| | (a) Revenue from Operations | 34,401.7 | 29,677.2 | 30,793.7 | 64,078.9 | 56,557.5 | 115,992.6 |
| | (b) Other Income | 631.9 | 658.4 | 506.7 | 1,290.3 | 1,020.8 | 2,160.8 |
| | Total Income | 35,033.6 | 30,335.6 | 31,300.4 | 65,369.2 | 57,578.3 | 118,153.4 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 8,247.1 | 8,325.8 | 8,155.2 | 16,572.9 | 15,079.3 | 30,569.2 |
| | (b) Purchases of stock-in-trade | 4,318.9 | 3,554.7 | 3,412.5 | 7,873.6 | 6,393.3 | 13,875.5 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 704.7 | 105.2 | 1,501.8 | 809.9 | 2,551.2 | 4,623.7 |
| | (d) Employee benefits expense | 5,553.8 | 5,676.5 | 5,708.5 | 11,230.3 | 11,030.0 | 21,313.5 |
| | (e) Finance costs | 303.2 | 297.7 | 248.5 | 600.9 | 513.5 | 1,073.6 |
| | (f) Depreciation and amortisation expense | 739.0 | 724.1 | 774.0 | 1,463.1 | 1,536.6 | 3,104.2 |
| | (g) Other expenses | 8,109.9 | 8,123.1 | 7,476.6 | 16,233.0 | 14,932.2 | 29,516.2 |
| | Total Expenses | 27,976.6 | 26,807.1 | 27,277.1 | 54,783.7 | 52,036.1 | 104,075.9 |
| 3 | Profit before exceptional items and tax (1) - (2) | 7,057.0 | 3,528.5 | 4,023.3 | 10,585.5 | 5,542.2 | 14,077.5 |
| 4 | Exceptional items (refer note 2) | (576.6) | - | - | (576.6) | - | (1,029.8) |
| 5 | Profit before tax (3) + (4) | 6,480.4 | 3,528.5 | 4,023.3 | 10,008.9 | 5,542.2 | 13,047.7 |
| 6 | Tax expense / (credit) | | | | | | |
| | (a) Current tax | 1,590.5 | 657.8 | 869.8 | 2,248.3 | 1,219.0 | 2,739.0 |
| | (b) Deferred tax | (1,259.0) | (7.4) | (323.7) | (1,266.4) | (468.5) | 240.6 |
| | Total Tax Expense (a + b) | 331.5 | 650.4 | 546.1 | 981.9 | 750.5 | 2,979.6 |
| 7 | Profit for the period (5) - (6) | 6,148.9 | 2,878.1 | 3,477.2 | 9,027.0 | 4,791.7 | 10,068.1 |
| 8 | Other Comprehensive Income (net of tax) | | | | | | |
| | (a) (i) Items that will not be reclassified to profit or loss | (29.8) | (39.5) | (25.4) | (69.3) | (27.1) | (48.7) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 10.6 | 13.1 | 8.9 | 23.7 | 9.2 | 16.1 |
| | (b) (i) Items that will be reclassified to profit or loss | 129.1 | 138.6 | 422.1 | 267.7 | 945.7 | 1,181.6 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Total Other Comprehensive Income (net of tax) | 109.9 | 112.2 | 405.6 | 222.1 | 927.8 | 1,149.0 |
| 9 | Total Comprehensive Income for the period (7) + (8) | 6,258.8 | 2,990.3 | 3,882.8 | 9,249.1 | 5,719.5 | 11,217.1 |
| 10 | Profit attributable to | | | | | | |
| | a) Owners of the Company | 6,205.2 | 2,867.3 | 3,308.4 | 9,072.5 | 4,584.8 | 9,841.7 |
| | b) Non-Controlling Interest | (56.3) | 10.8 | 168.8 | (45.5) | 206.9 | 226.4 |
| 11 | Other Comprehensive Income attributable to | | | | | | |
| | a) Owners of the Company | 111.8 | 116.9 | 411.6 | 228.7 | 932.2 | 1,153.1 |
| | b) Non-Controlling Interest | (1.9) | (4.7) | (6.0) | (6.6) | (4.4) | (4.1) |
| 12 | Total Comprehensive Income attributable to | | | | | | |
| | a) Owners of the Company | 6,317.0 | 2,984.2 | 3,720.0 | 9,301.2 | 5,517.0 | 10,994.8 |
| | b) Non-Controlling Interest | (58.2) | 6.1 | 162.8 | (52.1) | 202.5 | 222.3 |
| 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 | | | | | | 90,213.8 |
| 15 | Earnings Per Share (not annualised) | | | | | | |
| | (a) Basic (₹) | 51.90 | 23.98 | 27.67 | 75.88 | 38.35 | 82.31 |
| | (b) Diluted (₹) | 51.90 | 23.98 | 27.67 | 75.88 | 38.35 | 82.31 |

A

Statement of Unaudited Consolidated Assets and Liabilities as at 30 September 2023

(₹ in Million)

| Particulars | As at 30 September 2023 (Unaudited) | As at 31 March 2023 (Audited) |
|--|--|--|
| I. ASSETS | | |
| 1 Non-current assets | | |
| (a) Property, plant and equipment | 21,483.9 | 20,654.0 |
| (b) Right of use assets | 2,552.4 | 1,378.6 |
| (c) Capital work-in-progress | 1,808.2 | 3,102.7 |
| (d) Goodwill | 4,155.6 | 4,131.7 |
| (e) Other Intangible assets | 728.8 | 664.2 |
| (f) Intangible assets under development | 129.7 | 129.7 |
| (g) Financial Assets | | |
| (i) Investments | 3,164.3 | 3,046.1 |
| (ii) Loans | 80.2 | 80.2 |
| (iii) Other financial assets | 2,872.1 | 2,952.5 |
| (h) Deferred tax assets (net) | 14,315.8 | 13,025.0 |
| (i) Non-current tax assets (net) | 646.0 | 575.4 |
| (j) Other non-current assets | 699.2 | 529.6 |
| Total Non-current assets | 52,636.2 | 50,269.7 |
| 2 Current assets | | |
| (a) Inventories | 25,414.6 | 26,075.3 |
| (b) Financial Assets | | |
| (i) Investments | 3,091.1 | 3,172.1 |
| (ii) Trade receivables | 24,478.2 | 21,321.8 |
| (iii) Cash and cash equivalents | 3,208.2 | 2,738.0 |
| (iv) Bank balances other than (iii) above | 29,798.6 | 23,430.9 |
| (v) Loans | 102.9 | 67.7 |
| (vi) Other financial assets | 2,251.6 | 1,897.5 |
| (c) Other current assets | 7,611.0 | 7,360.9 |
| (d) Non-current assets held for sale | 664.4 | 1,232.6 |
| Total Current assets | 96,620.6 | 87,296.8 |
| TOTAL ASSETS | 149,256.8 | 137,566.5 |
| II. EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share capital | 239.1 | 239.1 |
| (b) Other Equity | 98,185.8 | 90,213.8 |
| Equity attributable to owners of the Company | 98,424.9 | 90,452.9 |
| (c) Non-controlling interest | 3,820.5 | 3,897.1 |
| Total Equity | 102,245.4 | 94,350.0 |
| 2 Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Lease liabilities | 1,810.0 | 703.3 |
| (ii) Other financial liabilities | 1,793.7 | 1,660.1 |
| (b) Provisions | 4,008.1 | 3,693.6 |
| (c) Other non-current liabilities | 278.4 | 88.0 |
| Total Non-Current liabilities | 7,890.2 | 6,145.0 |
| 3 Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 12,412.2 | 13,071.5 |
| (ii) Lease liabilities | 207.4 | 192.0 |
| (iii) Trade payables | | |
| Dues of Micro and Small Enterprises | 1,904.1 | 1,104.6 |
| Dues of Creditors other than Micro and Small Enterprises | 9,816.6 | 10,545.7 |
| (iv) Other financial liabilities | 8,153.9 | 6,326.9 |
| (b) Other current liabilities | 1,999.1 | 1,868.9 |
| (c) Provisions | 4,022.0 | 3,727.5 |
| (d) Current tax Liabilities (Net) | 605.9 | 234.4 |
| Total Current liabilities | 39,121.2 | 37,071.5 |
| TOTAL EQUITY AND LIABILITIES | 149,256.8 | 137,566.5 |

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Statement of Unaudited Consolidated Cash flow for the period ended 30 September 2023

(₹ in million)

| Particulars | For the period ended 30 September 2023 (Unaudited) | For the period ended 30 September 2022 (Unaudited) |
|--|--|--|
| A Cash Flow from Operating Activities: | | |
| Profit before Tax | 10,008.9 | 5,542.2 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation expense | 1,463.1 | 1,536.6 |
| Liabilities no longer required written back | - | (0.4) |
| Profit on sale of investments | (24.1) | (22.2) |
| Unrealised gain on fair valuation of investments (net) | (75.2) | (11.7) |
| Loss on sale / write off of property plant and equipment (net) | 13.2 | 48.5 |
| Employee stock compensation expenses | 49.2 | - |
| Unrealised foreign currency (gain) / loss on revaluation (net) | 645.6 | (293.7) |
| Dividend Income | (1.2) | (1.4) |
| Interest Income | (1,164.6) | (794.9) |
| Impairment loss on property, plant and equipment | 576.6 | - |
| Interest expenses | 600.9 | 513.5 |
| Allowances for doubtful debts | 328.4 | 9.1 |
| Subtotal of Adjustments | 2,411.9 | 983.4 |
| Operating profit before working capital changes | 12,420.8 | 6,525.6 |
| Adjustments for changes in working capital: | | |
| Increase in trade receivables | (3,680.6) | (1,219.7) |
| Increase in loans, other financial assets and other assets | (762.4) | (647.5) |
| Decrease in inventories | 542.8 | 2,584.5 |
| Increase / (Decrease) in trade payable, other financial liabilities and other liabilities | 2,406.2 | (868.6) |
| Increase in provisions | 359.9 | 431.5 |
| Subtotal of adjustments | (1,134.1) | 280.2 |
| Cash generated from operations | 11,286.7 | 6,805.8 |
| Less: Income taxes paid (net of refund) | (1,937.5) | (1,168.5) |
| Net Cash generated from operating activities | 9,349.2 | 5,637.3 |
| B Cash Flow from Investing Activities: | | |
| Purchases of property, plant and equipment | (1,163.0) | (1,324.8) |
| Sale of property, plant and equipment | 20.2 | 10.1 |
| (Purchase of) / Proceeds from sale of investments (net) | 66.3 | (436.4) |
| (Investment made in) / Redemption of bank deposits having maturity of more than 3 months (net) | (6,298.0) | 4,526.3 |
| Dividend received | 1.2 | 1.4 |
| Interest received | 1,121.3 | 609.7 |
| Net cash generated from / (used in) investing activities | (6,252.0) | 3,386.3 |
| C Cash Flow from Financing Activities: | | |
| Proceeds from non-current borrowings (net) | - | 100.0 |
| Repayment of current borrowings (net) | (735.3) | (7,930.1) |
| Dividends paid | (1,220.2) | (512.6) |
| Repayment of lease liabilities (net) | (162.3) | (113.4) |
| Interest paid | (499.4) | (429.5) |
| Net cash used in financing activities | (2,617.2) | (8,885.6) |
| D Net (decrease)/increase in Cash and Cash Equivalents (A+B+C) | 480.0 | 138.0 |
| E Cash & Cash Equivalents as at the beginning of the year | 2,738.0 | 2,321.8 |
| Add/Less: Effect of exchange difference on foreign currency cash and cash equivalents | (9.8) | (47.8) |
| F Cash & Cash Equivalents as at the end of the Year (D+E) | 3,208.2 | 2,412.0 |

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:

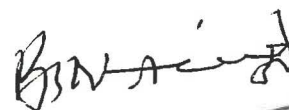
1 The above unaudited consolidated financial results of the Group were reviewed and recommended by the Audit Committee on 6 November 2023 and subsequently approved by the Board of Directors at its meeting held on 7 November 2023. The auditors have issued an unmodified report on the financial results for the quarter and six months ended 30 September 2023.

2 During the previous year ended 31 March 2023, the Group had considered indicators of impairment of its cash-generating units 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 St. Louis under S & B Pharma LLC, USA, a step-down subsidiary of the Holding Company, where indicators of impairment were identified and estimated the recoverable amount of the assets based on the fair value less costs to sell. The outcome of this exercise as on 31 March 2023 had resulted in the Group recognizing an impairment loss of Rs 1,029.8 Million in the consolidated financial results under 'Exceptional items'. Consequently, deferred tax assets pertaining to the above assets were no longer available for utilisation, and had been derecognised in the consolidated financial statements amounting to Rs. 1,197.2 mn.

Based on developments in the current quarter, the Group has recognized an additional impairment loss of Rs. 576.6 Million towards the above in the consolidated financial results under 'Exceptional items'.

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

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 07 November 2023



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
Fax: +91 (22) 6257 1010

Limited Review Report on unaudited standalone financial results of Alkem Laboratories Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 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 standalone financial results of Alkem Laboratories Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement") in which are included financial information of one branch.
2. This Statement, which is the responsibility of the Company's management and approved by its 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, as amended ("Listing Regulations"). 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. 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.
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 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.

For B S R & Co. LLP

Chartered Accountants

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

Sreeja Marar

Partner

Mumbai

07 November 2023

Membership No.: 111410

UDIN: 23111410BGYAWR1001

Registered Office

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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 Standalone Financial Results for the Quarter and Six months ended 30 September 2023

(₹ in Million except per share data)

| | Particulars | Quarter ended | | | Six months ended | | Year ended |
|----|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| | | 30.09.2023 Unaudited | 30.06.2023 Unaudited | 30.09.2022 Unaudited | 30.09.2023 Unaudited | 30.09.2022 Unaudited | 31.03.2023 Audited |
| 1 | Income | | | | | | |
| | (a) Revenue from Operations | 26,345.9 | 22,531.7 | 24,614.9 | 48,877.6 | 45,198.4 | 90,545.5 |
| | (b) Other Income | 618.4 | 647.0 | 736.4 | 1,265.4 | 1,289.5 | 2,662.9 |
| | Total Income | 26,964.3 | 23,178.7 | 25,351.3 | 50,143.0 | 46,487.9 | 93,208.4 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 7,071.2 | 6,893.7 | 6,748.1 | 13,964.9 | 12,821.2 | 26,297.8 |
| | (b) Purchases of stock-in-trade | 2,823.9 | 2,451.7 | 2,553.5 | 5,275.6 | 4,392.6 | 9,431.3 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 106.6 | (632.3) | 1,243.8 | (525.7) | 2,511.5 | 2,577.3 |
| | (d) Employee benefits expense | 3,951.8 | 4,140.6 | 4,129.7 | 8,092.4 | 8,000.0 | 15,162.2 |
| | (e) Finance costs | 187.0 | 214.2 | 200.2 | 401.2 | 420.4 | 864.0 |
| | (f) Depreciation and amortisation expense | 590.2 | 581.1 | 577.4 | 1,171.3 | 1,145.5 | 2,298.5 |
| | (g) Other expenses | 5,846.4 | 6,340.5 | 5,883.0 | 12,186.9 | 11,583.2 | 23,307.4 |
| | Total Expenses | 20,577.1 | 19,989.5 | 21,335.7 | 40,566.6 | 40,874.4 | 79,938.5 |
| 3 | Profit before exceptional items and tax (1) - (2) | 6,387.2 | 3,189.2 | 4,015.6 | 9,576.4 | 5,613.5 | 13,269.9 |
| 4 | Exceptional items | - | - | - | - | - | - |
| 5 | Profit before tax (3) + (4) | 6,387.2 | 3,189.2 | 4,015.6 | 9,576.4 | 5,613.5 | 13,269.9 |
| 6 | Tax expense / (credit) | | | | | | |
| | (a) Current tax | 1,114.8 | 539.3 | 699.8 | 1,654.1 | 974.9 | 2,275.2 |
| | (b) Deferred tax | (1,192.7) | (64.5) | (191.1) | (1,257.2) | (269.3) | (350.0) |
| | Total Tax Expense (a + b) | (77.9) | 474.8 | 508.7 | 396.9 | 705.6 | 1,925.2 |
| 7 | Profit for the period after tax (5 - 6) | 6,465.1 | 2,714.4 | 3,506.9 | 9,179.5 | 4,907.9 | 11,344.7 |
| 8 | Other Comprehensive Income (net of tax) | | | | | | |
| | (a) (i) Items that will not be reclassified to profit or loss | (24.1) | (24.1) | (6.3) | (48.2) | (12.6) | (33.7) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 8.4 | 8.4 | 2.2 | 16.8 | 4.4 | 11.8 |
| | (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) | (15.7) | (15.7) | (4.1) | (31.4) | (8.2) | (21.9) |
| 9 | Total Comprehensive Income for the period (7) + (8) | 6,449.4 | 2,698.7 | 3,502.8 | 9,148.1 | 4,899.7 | 11,322.8 |
| 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 | | | | | | 93,259.4 |
| 12 | Earnings Per Share (not annualised) | | | | | | |
| | (a) Basic (₹) | 54.07 | 22.70 | 29.33 | 76.77 | 41.05 | 94.88 |
| | (b) Diluted (₹) | 54.07 | 22.70 | 29.33 | 76.77 | 41.05 | 94.88 |

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Statement of Unaudited Standalone Assets and Liabilities as at 30 September 2023

(₹ in Million)

| Particulars | As at 30 September 2023 (Unaudited) | As at 31 March 2023 (Audited) |
|--|-------------------------------------|-------------------------------|
| I. ASSETS | | |
| 1 Non-current assets | | |
| (a) Property, plant and equipment | 17,270.5 | 16,725.2 |
| (b) Right of use assets | 945.1 | 959.9 |
| (c) Capital work-in-progress | 770.9 | 1,851.0 |
| (d) Other Intangible assets | 588.2 | 565.8 |
| (e) Intangible assets under development | 436.5 | 436.5 |
| (f) Investment in subsidiaries | 25,502.6 | 25,502.6 |
| (g) Financial Assets | | |
| (i) Investments | 1,477.7 | 1,427.0 |
| (ii) Loans | 83.6 | 83.4 |
| (iii) Other financial assets | 2,141.7 | 309.4 |
| (h) Deferred tax assets (net) | 12,123.3 | 10,849.2 |
| (i) Non current tax assets (net) | 394.0 | 381.9 |
| (j) Other non-current assets | 552.2 | 498.2 |
| Total Non-current assets | 62,286.3 | 59,590.1 |
| 2 Current assets | | |
| (a) Inventories | 17,806.4 | 17,246.6 |
| (b) Financial Assets | | |
| (i) Investments | 3,039.0 | 3,125.9 |
| (ii) Trade receivables | 16,806.4 | 17,683.4 |
| (iii) Cash and cash equivalents | 182.3 | 50.1 |
| (iv) Bank balances other than (iii) above | 25,905.4 | 21,588.6 |
| (v) Loans | 29.0 | 16.8 |
| (vi) Other financial assets | 1,913.0 | 1,683.6 |
| (c) Other current assets | 6,299.8 | 6,327.1 |
| Total Current assets | 71,981.3 | 67,722.1 |
| TOTAL ASSETS | 134,267.6 | 127,312.2 |
| II. EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share capital | 239.1 | 239.1 |
| (b) Other Equity | 101,211.8 | 93,259.4 |
| Total Equity | 101,450.9 | 93,498.5 |
| 2 Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Lease liabilities | 414.2 | 450.6 |
| (b) Provisions | 3,100.3 | 2,841.7 |
| (c) Other non-current liabilities | 264.5 | 73.1 |
| Total Non-Current liabilities | 3,779.0 | 3,365.4 |
| 3 Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 8,106.4 | 11,258.9 |
| (ia) Lease liabilities | 123.2 | 107.4 |
| (ii) Trade payables | | |
| Dues of Micro and Small Enterprises | 1,806.8 | 980.1 |
| Dues of creditors other than Micro and Small Enterprises | 9,076.8 | 9,783.3 |
| (iii) Other financial liabilities | 6,563.8 | 4,904.2 |
| (b) Other current liabilities | 1,127.2 | 1,170.0 |
| (c) Provisions | 2,125.6 | 2,159.4 |
| (d) Current tax Liabilities (Net) | 107.9 | 85.0 |
| Total Current liabilities | 29,037.7 | 30,448.3 |
| TOTAL EQUITY AND LIABILITIES | 134,267.6 | 127,312.2 |

A

Statement of Unaudited Standalone Cash Flow for the period ended 30 September 2023

(₹ in million)

| Particulars | For six months ended 30 September 2023 (Unaudited) | For six months ended 30 September 2022 (Unaudited) |
|--|--|--|
| A. Cash Flow from Operating Activities: | | |
| Profit before tax | 9,576.4 | 5,613.5 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation | 1,171.3 | 1,145.5 |
| Unrealised (gain) / loss on fair valuation of investments (net) | (74.8) | (20.4) |
| Profit on sale of investments (net) | (19.3) | (19.8) |
| Loss on sale / write off of property plant and equipment (net) | 14.0 | 47.8 |
| Dividend income | (26.1) | (36.3) |
| Interest income | (942.0) | (704.1) |
| Interest expenses | 401.2 | 420.4 |
| Allowances for doubtful debts | 257.6 | 24.2 |
| Unrealised foreign currency (gain) / loss on revaluation (net) | 403.9 | (335.0) |
| Subtotal of Adjustments | 1,185.8 | 522.3 |
| Operating profit before working capital changes | 10,762.2 | 6,135.8 |
| Adjustments for changes in working capital: | | |
| (Increase) / Decrease in trade receivables | 511.7 | (1,859.8) |
| Increase in loans, other financial assets and other assets | (420.6) | (407.7) |
| (Increase) / Decrease in inventories | (559.8) | 2,405.4 |
| Increase / (Decrease) in trade payable, other financial liabilities and other liabilities | 1,863.3 | (1,541.0) |
| Increase in provisions | 77.7 | 340.7 |
| Subtotal of Adjustments | 1,472.3 | (1,062.4) |
| Cash generated from operations | 12,234.5 | 5,073.4 |
| Less: Income taxes paid (net of refund) | (1,643.4) | (982.7) |
| Net cash generated from operating activities | 10,591.1 | 4,090.7 |
| B. Cash Flow from Investing Activities: | | |
| Purchases of property, plant and equipment | (609.5) | (881.0) |
| Sale of property, plant and equipment | 16.1 | 7.8 |
| Proceeds from sale of / (Purchase of) investments (net) | 130.4 | (336.1) |
| Investments in subsidiaries | - | (232.4) |
| (Investment made in) / Redemption of bank deposits having maturity of more than 3 months (net) | (6,119.6) | 4,468.0 |
| Dividend received | 26.1 | 36.3 |
| Interest received | 899.5 | 519.1 |
| Net cash generated from / (used in) investing activities | (5,657.0) | 3,581.7 |
| C. Cash Flow from Financing Activities: | | |
| Repayment of current borrowings (net) | (3,231.5) | (7,372.0) |
| Repayment of lease liabilities (net) | (72.4) | (62.2) |
| Dividends paid | (1,195.7) | (478.3) |
| Interest paid | (302.3) | (336.5) |
| Net cash used in financing activities | (4,801.9) | (8,249.0) |
| D Net (decrease)/increase in cash and cash equivalents (A+B+C) | 132.2 | (576.6) |
| E Cash and cash equivalents as at beginning of the year | 50.1 | 818.2 |
| F Cash and cash equivalents as at end of the period (D+E) | 182.3 | 241.6 |

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 6 November 2023 and subsequently approved by the Board of Directors at its meeting held on 7 November 2023. The auditors have issued an unmodified report on the financial results for the quarter and six months ended 30 September 2023.
- 2 During the current quarter, the Company has paid a final dividend of ₹ 10 (Rupees Ten only) per equity share (500% on the face value of ₹ 2 each) for the financial year 2022-23.
- 3 The Company operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 07 November 2023

