

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited standalone financial results of Alkem Laboratories Limited for the quarter ended 31 December 2022 and year to date results for the period from 01 April 2022 to 31 December 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 standalone financial results of Alkem Laboratories Limited (hereinafter referred to as "the Company") for the quarter ended 31 December 2022 and year to date results for the period from 01 April 2022 to 31 December 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 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



Balajirao Pothana

Partner

Mumbai

10 February 2023

Membership No.: 122632

UDIN: 23122632BGZFBO8483

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

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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 Standalone Financial Results for the Quarter and Nine months ended 31 December 2022

(₹ in Million except per share data)

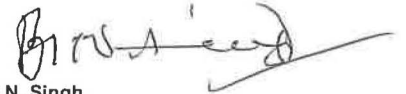
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022 Unaudited	30.09.2022 Unaudited	31.12.2021 Unaudited	31.12.2022 Unaudited	31.12.2021 Unaudited	31.03.2022 Audited
1 Income						
(a) Revenue from Operations	22,967.2	24,614.9	21,808.4	68,165.6	68,235.0	88,298.1
(b) Other Income	607.4	736.4	632.4	1,896.9	1,456.6	1,998.9
Total Income	23,574.6	25,351.3	22,440.8	70,062.5	69,691.6	90,297.0
2 Expenses						
(a) Cost of materials consumed	6,887.8	6,748.1	7,331.9	19,709.0	20,837.5	28,497.5
(b) Purchases of stock-in-trade	2,688.9	2,553.5	2,694.6	7,081.5	8,311.5	10,770.4
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(383.4)	1,243.8	(1,748.2)	2,128.1	(2,460.3)	(3,609.0)
(d) Employee benefits expense	3,698.2	4,129.7	3,400.8	11,698.2	11,038.1	14,344.9
(e) Finance costs	226.2	200.2	72.6	646.6	248.2	379.0
(f) Depreciation and amortisation expense	581.4	577.4	584.3	1,726.9	1,639.7	2,189.8
(g) Other expenses	5,516.0	5,883.0	5,406.7	17,099.2	14,401.5	20,190.7
Total Expenses	19,215.1	21,335.7	17,742.7	60,089.5	54,016.2	72,763.3
3 Profit before exceptional items and tax (1) - (2)	4,359.5	4,015.6	4,698.1	9,973.0	15,675.4	17,533.7
4 Exceptional items	-	-	-	-	-	-
5 Profit before tax (3) + (4)	4,359.5	4,015.6	4,698.1	9,973.0	15,675.4	17,533.7
6 Tax expense / (credit)						
(a) Current tax	764.0	699.8	808.3	1,738.9	2,714.1	3,038.2
(b) Deferred tax	(293.4)	(191.1)	(481.1)	(562.7)	(1,682.4)	(917.0)
Total Tax Expense (a + b)	470.6	508.7	327.2	1,176.2	1,031.7	2,121.2
7 Profit for the period after tax (5 - 6)	3,888.9	3,506.9	4,370.9	8,796.8	14,643.7	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)	(16.0)	(18.9)	(47.9)	(74.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	2.2	2.2	5.5	6.6	16.7	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)	(10.5)	(12.3)	(31.2)	(48.6)
9 Total Comprehensive Income for the period (7) + (8)	3,884.8	3,502.8	4,360.4	8,784.5	14,612.5	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 (₹)	32.53	29.33	36.56	73.57	122.47	128.90
(b) Diluted (₹)	32.53	29.33	36.56	73.57	122.47	128.90

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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 9 February 2023 and subsequently approved by the Board of Directors at its meeting held on 10 February 2023. The auditors have issued an unmodified report on the financial results for the quarter and nine months ended 31 December 2022.
- 2 The Company has entered into a Securities Subscription Agreement and Shareholders' Agreement dated 23 December 2022 with Enzene Biosciences Limited, a subsidiary of the Company ("Enzene"), Eight Roads Ventures India Healthcare IV, L.P. ("Eight Roads Ventures") and F-Prime Capital Partners Life Sciences Fund VI LP ("F-Prime Capital") towards subscription of Compulsorily Convertible Preference Shares ('CCPS') by Eight Roads Ventures and F-Prime Capital in Enzene for a consideration of Rs.1,614.8 million which is equivalent to 8% of the subsidiary's equity valuation.
- 3 This being the 50th year of incorporation of the Company, the Board of Directors at its meeting held on 10 February 2023 have declared a Special Dividend of ₹ 25 (Rupees Twenty five only) per equity share. In addition to the Special Dividend, the Board have also declared an interim dividend of ₹ 15 (Rupees Fifteen only) per equity share amounting to a total interim dividend of ₹ 40 (Rupees Forty only) per equity share (2000% on the face value of ₹ 2 each) for the financial year ending 31 March 2023.
- 4 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: 10 February 2023