

**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



19th May, 2023

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>
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Dear Sirs,

Sub: Outcome of the Board Meeting held on 19th May, 2023

Kindly refer to our intimation letter dated 09th May, 2023, pursuant to Regulation 30 read with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), regarding holding of Board Meeting on 19th May, 2023 to *inter alia* approve the Audited Financial Results for the quarter and financial year ended 31st March 2023 and to recommend dividend, if any. The Board of Directors at its meeting held today i.e. 19th May, 2023, has, *inter alia*:

1. approved the Standalone and Consolidated Audited Financial Statements of the Company for the quarter and financial year ended 31st March, 2023.
2. recommended a final dividend of Rs. 10/- (Rupees Ten only) per equity share of Rs. 2/- each for financial year ended 31st March, 2023, for the approval of the shareholders of the Company at the ensuing Annual General Meeting.
3. fixed that the 49th Annual General Meeting of the Company shall be held on 25th August, 2023 and the cut-off date for the purpose of the said Annual General Meeting has been fixed as 18th August, 2023.
4. fixed 10th August, 2023 as the record date for the purpose of payment of final dividend. The dividend, if declared by the shareholders, shall be paid on and from 30th August, 2023.
5. approved the alteration of Articles of Association ("AOA") of the Company, subject to the approval of the shareholders at the ensuing Annual General Meeting, to include Dhananjay and Madhurima Singh Trust as a member of Shareholders' Group II and to update the list of members in Shareholders' Group I and Shareholders' Group II to reflect the changes in the constituents thereof since the date of the Amended and Restated Shareholders Agreement dated 29th March, 2017.

Accordingly, we are enclosing herewith Standalone and Consolidated Audited Financial Results for the quarter and financial year ended 31st March, 2023 and the Auditor's Report thereon.



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The Company hereby declares that the Auditors have expressed an unmodified opinion in the Audit Reports on Standalone and Consolidated Financial Results for the quarter and financial year ended 31st March, 2023.

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 01.30 p.m.

Kindly take the same on record.

Sincerely,
For **Alkem Laboratories Limited**

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

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 – 400063, India
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Independent Auditor's Report

To the Board of Directors of Alkem Laboratories Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Alkem Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2023, attached herewith, (in which are included financial information from one branch) being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities mentioned in Annexure I to the Statement;
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results/financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

- a. The consolidated annual financial results include the audited financial results of 20 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 18,031 million as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 18,365 million and total net profit after tax (before consolidation adjustments) of Rs. 843 million and net cash inflows (before consolidation adjustments) of Rs 600 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The consolidated annual financial results include the results for the quarter ended 31 March 2023 being

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

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



Sreeja Marar

Partner

Mumbai

19 May 2023

Membership No.: 111410

UDIN:23111410BGYAUN6691

Independent Auditor's Report (Continued)
Alkem Laboratories Limited

Annexure I

List of entities included in consolidated annual financial results.

Sr. No	Name of component	Relationship
1.	Alkem Laboratories Limited	Parent
2.	S & B Holdings 8.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	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
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

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

Sr. No	Name of component	Relationship
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

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ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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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 Audited Consolidated Financial Results for the Quarter and Year ended 31 March 2023

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended	
	31.03.2023 Audited (Refer Note 1)	31.12.2022 Unaudited	31.03.2022 Audited (Refer Note 1)	31.03.2023 Audited	31.03.2022 Audited
1 Income					
(a) Revenue from Operations	29,026.0	30,409.1	24,838.6	115,992.6	106,341.9
(b) Other Income	686.7	453.3	205.2	2,160.8	1,626.5
Total Income	29,712.7	30,862.4	25,043.8	118,153.4	107,968.4
2 Expenses					
(a) Cost of materials consumed	7,706.2	7,783.7	9,011.7	30,569.2	32,260.6
(b) Purchases of stock-in-trade	3,466.8	4,015.4	3,020.0	13,875.5	14,897.1
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,382.2	690.3	(1,718.2)	4,623.7	(5,354.8)
(d) Employee benefits expense	5,029.8	5,253.7	4,654.9	21,313.5	19,627.1
(e) Finance costs	289.6	270.5	169.7	1,073.6	523.7
(f) Depreciation and amortisation expense	783.2	784.4	831.4	3,104.2	3,039.6
(g) Other expenses	7,908.5	6,675.5	6,497.9	29,516.2	24,382.7
Total Expenses	26,566.3	25,473.5	22,467.4	104,075.9	89,376.0
3 Profit before exceptional items and tax (1) - (2)	3,146.4	5,388.9	2,576.4	14,077.5	18,592.4
4 Exceptional items (refer note 3)	(1,029.8)	-	(149.6)	(1,029.8)	(149.6)
5 Profit before tax (3) + (4)	2,116.6	5,388.9	2,426.8	13,047.7	18,442.8
6 Tax expense / (credit)					
(a) Current tax	628.6	891.4	433.5	2,739.0	3,619.8
(b) Deferred tax	811.2	(102.1)	911.2	240.6	(1,980.2)
Total Tax Expense (a + b)	1,439.8	789.3	1,344.7	2,979.6	1,639.6
7 Profit for the period (5) - (6)	676.8	4,599.6	1,082.1	10,068.1	16,803.2
8 Other Comprehensive Income (net of tax)					
(a) (i) Items that will not be reclassified to profit or loss	(13.8)	(7.8)	(18.0)	(48.7)	(90.9)
(ii) Income tax relating to items that will not be reclassified to profit or loss	4.3	2.6	6.7	16.1	33.2
(b) (i) Items that will be reclassified to profit or loss	(93.5)	329.4	272.2	1,181.6	399.1
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total Other Comprehensive Income (net of tax)	(103.0)	324.2	260.9	1,149.0	341.4
9 Total Comprehensive Income for the period (7) + (8)	573.8	4,923.8	1,343.0	11,217.1	17,144.6
10 Profit attributable to					
a) Owners of the Company	709.8	4,547.1	1,075.8	9,841.7	16,456.2
b) Non-Controlling Interest	(33.0)	52.5	6.3	226.4	347.0
11 Other Comprehensive Income attributable to					
a) Owners of the Company	(103.9)	324.8	258.0	1,153.1	345.5
b) Non-Controlling Interest	0.9	(0.6)	2.9	(4.1)	(4.1)
12 Total Comprehensive Income attributable to					
a) Owners of the Company	605.9	4,871.9	1,333.8	10,994.8	16,801.7
b) Non-Controlling Interest	(32.1)	51.9	9.2	222.3	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
14 Other Equity				90,213.8	86,139.9
15 Earnings Per Share (not annualised for the Quarters)					
(a) Basic (₹)	5.94	38.03	9.00	82.31	137.63
(b) Diluted (₹)	5.94	38.03	9.00	82.31	137.63

Statement of Audited Consolidated Assets and Liabilities as at 31 March 2023

(₹ in Million)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	20,654.0	22,871.0
(b) Right of use assets	1,378.6	1,393.5
(c) Capital work-in-progress	3,102.7	3,394.8
(d) Goodwill	4,131.7	4,030.9
(e) Other Intangible assets	664.2	721.9
(f) Intangible assets under development	129.7	-
(g) Financial Assets		
(i) Investments	3,046.1	2,316.7
(ii) Loans	80.2	80.2
(iii) Other financial assets	2,952.5	7,106.7
(h) Deferred tax assets (net)	13,025.0	13,092.6
(i) Non-current tax assets (net)	575.4	533.1
(j) Other non-current assets	529.6	796.2
Total Non-current assets	50,269.7	56,337.6
2 Current assets		
(a) Inventories	26,075.3	30,055.3
(b) Financial Assets		
(i) Investments	3,172.1	1,393.1
(ii) Trade receivables	21,321.8	18,846.0
(iii) Cash and cash equivalents	2,738.0	2,321.8
(iv) Bank balances other than (iii) above	23,430.9	23,464.0
(v) Loans	67.7	202.5
(vi) Other financial assets	1,897.5	1,731.5
(c) Other current assets	7,360.9	6,322.8
(d) Non-current assets held for sale	1,232.6	17.3
Total Current assets	87,296.8	84,354.3
TOTAL ASSETS	137,566.5	140,691.9
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	90,213.8	86,139.9
Equity attributable to owners of the Company	90,452.9	86,379.0
(c) Non-controlling interest	3,897.1	2,094.3
Total Equity	94,350.0	88,473.3
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	93.8
(ia) Lease liabilities	703.3	664.7
(ii) Other financial liabilities	1,660.1	-
(b) Provisions	3,693.6	3,327.5
(c) Other non-current liabilities	88.0	79.2
Total Non-Current liabilities	6,145.0	4,165.2
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	13,071.5	25,707.4
(ia) Lease liabilities	192.0	216.0
(ii) Trade payables		
Dues of Micro and Small Enterprises	1,104.6	924.2
Dues of Creditors other than Micro and Small Enterprises	10,545.7	10,809.6
(iii) Other financial liabilities	6,326.9	5,993.8
(b) Other current liabilities	1,868.9	1,503.2
(c) Provisions	3,727.5	2,736.0
(d) Current tax Liabilities (Net)	234.4	163.2
Total Current liabilities	37,071.5	48,053.4
TOTAL EQUITY AND LIABILITIES	137,566.5	140,691.9

Statement of Audited Consolidated Cash Flow for the year ended 31 March 2023

(₹ in million)

Particulars	For the Year ended 31 March 2023 (Audited)	For the Year ended 31 March 2022 (Audited)
A		
Cash Flow from Operating Activities:		
Profit before Tax	13,047.7	18,442.8
<u>Adjustments for:</u>		
Depreciation and amortisation expense	3,104.2	3,039.6
Liabilities no longer required written back	(17.5)	(160.1)
Profit on sale of investments	(21.6)	(33.8)
Unrealised gain on fair valuation of investments (net)	(287.0)	69.0
Profit / loss on sale / write off of property plant and equipment (net)	123.6	14.3
Unrealised foreign currency (gain) / loss on revaluation (net)	(118.8)	(177.0)
Dividend Income	(1.9)	(1.9)
Interest Income	(1,711.4)	(1,226.8)
Impairment loss on property, plant and equipment	1,051.5	11.2
Interest expenses	1,073.6	523.7
Allowances for doubtful debts	48.8	27.8
Subtotal of Adjustments	3,243.5	2,086.0
Operating profit before working capital changes	16,291.2	20,528.8
Adjustments for changes in working capital:		
(Increase) in trade receivables	(1,347.1)	(2,217.5)
(Increase) / Decrease in loans, other financial assets and other assets	(770.1)	(435.8)
(Increase) Decrease in inventories	4,734.1	(6,731.4)
Increase / (Decrease) in trade payable, other financial liabilities and other liabilities	145.1	3,344.9
Increase in provisions	505.7	590.2
Subtotal of adjustments	3,267.7	(5,449.6)
Cash generated from operations	19,558.9	15,079.2
Less: Income taxes paid (net of refund)	(2,733.9)	(3,969.0)
Net Cash generated from operating activities	16,825.0	11,110.2
B		
Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(2,329.1)	(3,388.8)
Sale of property, plant and equipment	32.0	109.0
(Purchase of) / Proceeds from sale of investments (net)	(2,175.3)	(409.3)
(Investment made in) / Redemption of bank deposits having maturity of more than 3 months (net)	4,129.8	(11,641.8)
Dividend received	1.9	1.9
Interest received	1,469.1	977.7
Net cash generated from / (used in) investing activities	1,128.4	(14,351.3)
C		
Cash Flow from Financing Activities:		
(Repayment of) / Proceeds from non-current borrowings (net)	(95.0)	(192.9)
(Repayment of) / Proceeds from current borrowings (net)	(12,689.8)	8,820.7
Proceeds from issue of compulsory convertible preference shares	1,614.8	-
Dividends paid	(5,295.2)	(4,219.1)
Repayment of lease liabilities (net)	(238.4)	(211.7)
Interest paid	(904.6)	(401.3)
Net cash (used in) / generated from financing activities	(17,608.2)	3,795.7
D		
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)	345.2	554.6
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	71.0	25.0
F		
Cash & Cash Equivalents as at the end of the Year (D+E)	2,738.0	2,321.8

Notes:


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

Notes to the Consolidated Financial results:

- 1 The above audited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 18 May 2023 and subsequently approved by the Board of Directors at its meeting held on 19 May 2023. The auditors have expressed an unmodified opinion on the financial results for the year ended 31 March 2023. The figures for the quarter ended 31 March 2023 and 31 March 2022 are balancing figures between audited figures in respect of full financial year and the unaudited published year-to-date figures up to 31 December 2022 and 31 December 2021 respectively, which were subjected to limited review.
- 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 The Group has 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 Company, where indicators of impairment were identified, the Group 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 resulted in the Group recognizing an impairment loss of Rs 1,029.8 Million in the consolidated financial results under 'Exceptional item'. Consequently, deferred tax assets pertaining to the above assets are no longer available for utilisation, have been derecognised in the consolidated financial statements amounting to Rs. 1,197.2 mn

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'.
- 4 During the quarter ended 31 March 2023, the Company has paid a Special Dividend of ₹ 25 (Rupees Twenty five only) per equity share. In addition to the Special Dividend, the Company has also paid 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 ended 31 March 2023. The Board of Directors at its meeting held on 19 May 2023 has recommended 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.
- 5 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: 19 May 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 – 400063, India
Telephone: +91 (22) 6257 1000
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Independent Auditor's Report

To the Board of Directors of Alkem Laboratories Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Alkem Laboratories Limited (hereinafter referred to as the "Company") for the year ended 31 March 2023, attached herewith, (in which are included financial information from one branch) being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended 31 March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the

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Independent Auditor's Report (Continued)

Alkem Laboratories Limited

underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

The standalone annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

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



Sreeja Marar

Partner

Mumbai

19 May 2023

Membership No.: 111410

UDIN:23111410BGYAUM1079

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 Audited Standalone Financial Results for the Quarter and Year ended 31 March 2023

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended	
	31.03.2023 Audited (Refer Note 1)	31.12.2022 Unaudited	31.03.2022 Audited (Refer Note 1)	31.03.2023 Audited	31.03.2022 Audited
1 Income					
(a) Revenue from Operations	22,379.9	22,967.2	20,063.1	90,545.5	88,298.1
(b) Other Income	766.0	607.4	542.3	2,662.9	1,998.9
Total Income	23,145.9	23,574.6	20,605.4	93,208.4	90,297.0
2 Expenses					
(a) Cost of materials consumed	6,588.8	6,887.8	7,660.0	26,297.8	28,497.5
(b) Purchases of stock-in-trade	2,349.8	2,688.9	2,458.9	9,431.3	10,770.4
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	449.2	(383.4)	(1,148.7)	2,577.3	(3,609.0)
(d) Employee benefits expense	3,464.0	3,698.2	3,306.8	15,162.2	14,344.9
(e) Finance costs	217.4	226.2	130.8	864.0	379.0
(f) Depreciation and amortisation expense	571.6	581.4	550.1	2,298.5	2,189.8
(g) Other expenses	6,208.2	5,516.0	5,789.2	23,307.4	20,190.7
Total Expenses	19,849.0	19,215.1	18,747.1	79,938.5	72,763.3
3 Profit before exceptional items and tax (1) - (2)	3,296.9	4,359.5	1,858.3	13,269.9	17,533.7
4 Exceptional items	-	-	-	-	-
5 Profit before tax (3) + (4)	3,296.9	4,359.5	1,858.3	13,269.9	17,533.7
6 Tax expense / (credit)					
(a) Current tax	536.3	764.0	324.1	2,275.2	3,038.2
(b) Deferred tax	212.7	(293.4)	765.4	(350.0)	(917.0)
Total Tax Expense (a + b)	749.0	470.6	1,089.5	1,925.2	2,121.2
7 Profit for the period after tax (5 - 6)	2,547.9	3,888.9	768.8	11,344.7	15,412.5
8 Other Comprehensive Income (net of tax)					
(a) (i) Items that will not be reclassified to profit or loss	(14.8)	(6.3)	(26.8)	(33.7)	(74.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.2	2.2	9.4	11.8	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)	(9.6)	(4.1)	(17.4)	(21.9)	(48.6)
9 Total Comprehensive Income for the period (7) + (8)	2,538.3	3,884.8	751.4	11,322.8	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
11 Other Equity				93,259.4	87,197.5
12 Earnings Per Share (not annualised for the quarters)					
(a) Basic (₹)	21.31	32.53	6.43	94.88	128.90
(b) Diluted (₹)	21.31	32.53	6.43	94.88	128.90

Statement of Audited Standalone Assets and Liabilities as at 31 March 2023

(₹ in Million)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	16,725.2	17,312.2
(b) Right of use assets	959.9	913.9
(c) Capital work-in-progress	1,851.0	2,324.5
(d) Other Intangible assets	565.8	594.6
(e) Intangible assets under development	436.5	-
(f) Investment in subsidiaries	25,502.6	22,770.2
(g) Financial Assets		
(i) Investments	1,427.0	1,164.3
(ii) Loans	83.4	178.5
(iii) Other financial assets	309.4	6,282.1
(h) Deferred tax assets (net)	10,849.2	10,487.4
(i) Non current tax assets (net)	381.9	330.5
(j) Other non-current assets	498.2	727.4
Total Non-current assets	59,590.1	63,085.6
2 Current assets		
(a) Inventories	17,246.6	19,757.3
(b) Financial Assets		
(i) Investments	3,125.9	1,351.6
(ii) Trade receivables	17,683.4	17,682.2
(iii) Cash and cash equivalents	50.1	818.2
(iv) Bank balances other than (iii) above	21,588.6	22,153.9
(v) Loans	16.8	145.3
(vi) Other financial assets	1,683.6	1,542.2
(c) Other current assets	6,327.1	5,138.1
(d) Non-current assets held for sale	-	17.3
Total Current assets	67,722.1	68,606.1
TOTAL ASSETS	127,312.2	131,691.7
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	93,259.4	87,197.5
Total Equity	93,498.5	87,436.6
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Lease liabilities	450.6	378.4
(b) Provisions	2,841.7	2,576.3
(c) Other non-current liabilities	73.1	62.8
Total Non-Current liabilities	3,365.4	3,017.5
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	11,258.9	22,455.2
(ii) Trade payables	107.4	104.2
Dues of Micro and Small Enterprises	980.1	794.4
Dues of creditors other than Micro and Small Enterprises	9,783.3	10,315.8
(iii) Other financial liabilities	4,904.2	4,799.1
(b) Other current liabilities	1,170.0	828.7
(c) Provisions	2,159.4	1,940.2
(d) Current tax Liabilities (Net)	85.0	-
Total Current liabilities	30,448.3	41,237.6
TOTAL EQUITY AND LIABILITIES	127,312.2	131,691.7

Statement of Audited Standalone Cash Flow for the year ended 31 March 2023

(₹ in million)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
A. <u>Cash Flow from Operating Activities:</u>		
Profit before tax	13,269.9	17,533.7
<u>Adjustments for:</u>		
Depreciation and amortisation	2,298.5	2,189.8
Unrealised (gain) / loss on fair valuation of investments (net)	(329.8)	(37.6)
Profit on sale of investments (net)	(19.3)	(28.8)
Loss on sale / write off of property plant and equipment (net)	123.6	12.0
Dividend income	(36.3)	(36.8)
Interest income	(1,471.8)	(1,095.9)
Interest expenses	864.0	379.0
Allowances for doubtful debts	26.1	1.1
Liabilities no longer required written back	(10.7)	(140.8)
Unrealised foreign currency (gain) / loss on revaluation (net)	(155.4)	(162.1)
Subtotal of Adjustments	1,288.9	1,079.9
Operating profit before working capital changes	14,558.8	18,613.6
Adjustments for changes in working capital:		
(Increase) / Decrease in trade receivables	19.2	(1,728.6)
(Increase) / Decrease in loans, other financial assets and other assets	(838.5)	407.9
(Increase) / Decrease in inventories	2,510.7	(4,624.8)
Increase / (Decrease) in trade payable, other financial liabilities and other liabilities	82.6	3,195.0
Increase in provisions	283.0	478.8
Subtotal of Adjustments	2,057.0	(2,271.7)
Cash generated from operations	16,615.8	16,341.9
Less: Income taxes paid (net of refund)	(2,241.6)	(3,348.5)
Net cash generated from operating activities	14,374.2	12,993.4
B. <u>Cash Flow from Investing Activities:</u>		
Purchases of property, plant and equipment	(1,417.8)	(2,448.7)
Sale of property, plant and equipment	27.6	105.9
Proceeds from sale of / (Purchase of) investments (net)	(1,687.9)	304.0
Investments in subsidiaries	(2,732.4)	(3,999.8)
(Investment made in) / Redemption of bank deposits having maturity of more than 3 months (net)	6,515.1	(11,538.2)
Dividend received	36.3	36.8
Interest received	1,229.5	846.7
Net cash generated from / (used in) investing activities	1,970.4	(16,693.3)
C. <u>Cash Flow from Financing Activities:</u>		
(Repayment of) / Proceeds from current borrowings (net)	(11,029.5)	8,929.0
Repayment of lease liabilities (net)	(126.2)	(121.5)
Dividends paid	(5,260.9)	(4,184.8)
Interest paid	(696.1)	(256.8)
Net cash (used in)/generated from financing activities	(17,112.7)	4,365.9
D Net (decrease)/increase in cash and cash equivalents (A+B+C)	(768.1)	666.0
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)	50.1	818.2

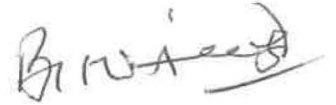
Notes:

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 audited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 18 May 2023 and subsequently approved by the Board of Directors at its meeting held on 19 May 2023. The auditors have expressed an unmodified opinion on the financial results for the year ended 31 March 2023. The figures for the quarter ended 31 March 2023 and 31 March 2022 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to the third quarter ended 31 December 2022 and 31 December 2021 respectively, which were subjected to limited review.
- 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 During the quarter ended 31 March 2023, the Company has paid a Special Dividend of ₹ 25 (Rupees Twenty five only) per equity share. In addition to the Special Dividend, the Company has also paid 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 ended 31 March 2023. The Board of Directors at its meeting held on 19 May 2023 has recommended 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.
- 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: 19 May 2023



ALKEM LABORATORIES LTD.

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- CIN: L00305MH1973PLC174201

Press Release

Alkem reports Q4FY23 and FY23 results

Mumbai, May 19, 2023: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the fourth quarter and twelve months ended March 31, 2023. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q4FY23 financial performance

- Total Revenue from Operations was ₹ 29,026 million, year-on-year growth of 16.9%
 - India sales were ₹ 20,113 million, year-on-year growth of 17.0%
 - International sales were ₹ 8,570 million, year-on-year growth of 15.6%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 3,533 million, resulting in EBITDA margin of 12.2% vs. 13.6% in Q4FY22. EBITDA grew by 4.8% YoY
- R&D expenses for the quarter was ₹ 1,472 million, or 5.1% of total revenue from operations compared to ₹ 1,635 million in Q4FY22 at 6.6% of total revenue from operations
- Profit before tax (PBT) was ₹ 2,117 million, a decline of 12.8% compared to Q4FY22
 - Exceptional Item of ₹ 1,030 million debit was on account of impairment of fixed assets.
- Net Profit (after Minority Interest) was ₹ 710 million, year-on-year decline of 34.0%

Key highlights of FY23 financial performance

- Total Revenue from Operations was ₹ 115,993 million, year-on-year growth of 9.1%
 - India sales were ₹ 80,011 million, year-on-year growth of 8.1%
 - International sales were ₹ 34,393 million, year-on-year growth of 10.7%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 16,095 million, resulting in EBITDA margin of 13.9% vs. 19.3% in FY22. EBITDA declined by 21.6% YoY
- R&D expenses for FY23 was ₹ 5,394 million, or 4.7% of total revenue from operations compared to ₹ 5,674 million in FY22 at 5.3% of total revenue from operations
- Profit before tax (PBT) was ₹ 13,048 million, a decline of 29.3% compared to FY22
 - Exceptional Item of ₹ 1,030 million debit was on account of impairment of fixed assets.
- Net Profit (after Minority Interest) was ₹ 9,842 million, year-on-year decline of 40.2%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *“In FY23, India business outperformed the market with exceptional performance surpassing industry benchmarks and achieved good growth on a large base while our US performance was impacted due to significant pricing pressure. Our biotech franchise, Enzene raised funds from Eight Roads Ventures and F-Prime Capital during the year. Enzene also received approval for launch of 3 more mAbs in Indian market and made significant strides in conducting global trials for launch of select biosimilars in regulated markets. While we are very confident about growth, our primary focus going forward is to drive profitability and operational efficiency through cost optimization, process improvements, and streamlining operations thereby maximizing value for our stakeholders.”*



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Operational Highlights

Domestic Business

In Q4FY23, the Company's India sales grew by 17.0% YoY, recording sales of ₹ 20,113 million as compared to ₹ 17,187 million in Q4FY22. For FY23, the Company's India sales was ₹ 80,011 million compared to ₹ 74,045 million in FY22 – growth of 8.1% YoY.

As per secondary sales data by IQVIA, for the quarter ended March 31, 2023, the Company grew ahead of Indian Pharmaceutical Market (IPM) with growth of 22.5% YoY compared to IPM growth of 14.9% YoY. Even for the full year FY23, the Company outperformed the IPM with growth of 12.8% YoY compared to IPM growth of 7.9% YoY. The contribution of new introductions to our growth was 3.1% significantly surpassing IPM at 2.3%, underscoring our exceptional ability to introduce and successfully commercialize new products. Acute therapies like Anti-infectives, gastro intestinal, and pain management outperformed the market both in Q4 and FY23 thereby increasing the market share and maintaining its leadership position. The Company also significantly outperformed the IPM in the chronic therapy areas of neuro / CNS, anti-diabetes and derma. Company gained 2 ranks each in both anti-diabetic segment and Neuro / CNS segment in FY23. Company's trade generic business delivered steady incremental growth in FY23 despite large base of last year.

The performance highlights of the key therapeutic segments in Q4FY23 and FY23 are as shown in the table below:

Key Therapy segment	Q4FY23				FY23			
	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	29.7%	28.2%	1	Unchanged	8.6%	6.2%
Gastro Intestinal	3	Unchanged	14.6%	14.5%	3	Unchanged	17.5%	12.3%
Pain / Analgesics	3	Unchanged	23.4%	15.3%	3	Unchanged	18.4%	12.4%
VMN**	2	Unchanged	2.2%	8.7%	2	Unchanged	2.5%	3.5%
Neuro / CNS	7	+2	35.7%	12.8%	7	+2	19.8%	11.5%
Derma	19	+1	34.2%	9.3%	19	Unchanged	16.0%	6.2%
Cardiac	28	-1	8.4%	13.1%	28	-1	1.3%	8.7%
Anti-Diabetic	15	+4	37.2%	9.3%	16	+2	29.4%	6.8%
Respiratory	18	-1	27.0%	25.2%	17	Unchanged	14.8%	7.0%
Total	5	Unchanged	22.5%	14.9%	5	Unchanged	12.8%	7.9%

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

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data



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

International Business

In Q4FY23, the Company's International sales grew by 15.6% YoY, recording sales of ₹ 8,570 million as compared to ₹ 7,411 million in Q4FY22. For FY23, the Company's International sales grew by 10.7% to ₹ 34,393 million compared to ₹ 31,075 million in FY22.

- **US sales** for the quarter was ₹ 5,916 million compared to ₹ 5,419 million in Q4FY22, recording a year-on-year growth of 9.2 %. For FY23, US sales was ₹ 25,134 million, compared to ₹ 23,291 million in FY22 - a year-on-year growth of 7.9% YoY.
- **Other International Markets sales** for the quarter was ₹ 2,654 million compared to ₹ 1,991 million in Q4FY22, recording a year-on-year growth of 33.3%. For FY23, Other International Markets sales was ₹ 9,259 million compared to ₹ 7,785 million in FY22 - a year-on-year growth of 18.9% YoY.

R&D Investments

During the quarter, the Company filed 4 abbreviated new drug applications (ANDAs) with the US FDA and received 3 tentative approvals. For FY23, the Company filed 12 ANDAs with the US FDA and received 14 approvals (including 7 tentative approvals).

As on March 31, 2023, the Company has filed a total of 173 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 132 ANDAs (including 17 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Successfully closed without any observations.
St. Louis (US)	Formulations	November 2022	EIR# received in December 2022, thereby successfully closing the inspection.
Taloja (India)	Bioequivalence Centre	October 2022	Successfully closed without any observations.
Indore (India)	Formulations	July 2022	EIR# received in February 2023, thereby successfully closing the inspection.
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)	API	August 2018	Successfully closed without any observations. EIR received in October 2018.

EIR – Establishment Inspection Report

**ALKEM LABORATORIES LTD.**

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
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Q4FY23 and FY23 Conference Call at 4:00pm IST, May 19, 2023

Alkem will organize a conference call for investors and analysts on Friday, May 19, 2023 from 4:00 pm to 5:00 pm IST to discuss its Q4FY23 and FY23 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: 4:00 pm IST (GMT + 5:30) on Friday, May 19, 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

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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 2022). 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 – Alkem Laboratories Ltd.

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Alkem Laboratories Ltd.

Investor Presentation Q4FY23
May 19, 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 FY23

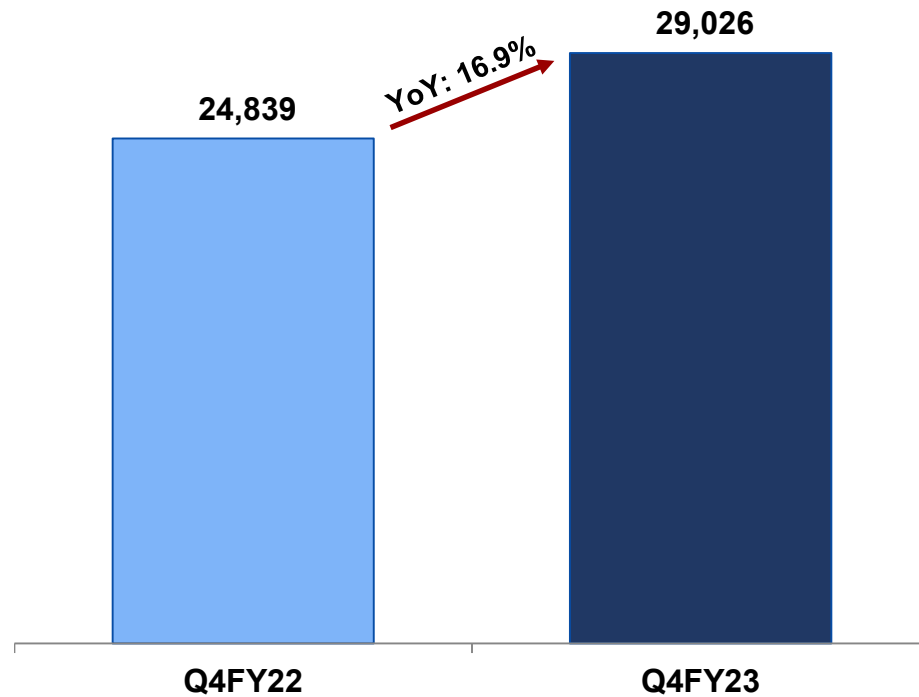
- **Revenue from Operation** grew by 9.1% during FY23, with EBITDA margin of 13.9% and Net Profit margin of 8.5%
- **India Business:** As per IQVIA, Company's sales in FY23 registered growth of 12.8% compared to IPM growth of 7.9%
 - Outperformed IPM growth by 498 basis points in FY23 gaining 18 basis points in market share [4.08% from 3.90%].
 - Unmatched leadership driving market share expansion across all acute therapies in FY23.
 - Prominent growth in anti-diabetic, CNS and urology gaining two rank in these therapies in FY23.
 - Trade generic business delivered incremental growth despite a large base.
- **US Business** saw significant pricing pressure during the year leading to marginal de-growth in term of constant currency.
- **R&D expenses** for FY23 was ₹5.4 billion at 4.7% of revenue from operations
- **Enzene Bio-sciences**
 - Increased offtake in already launched product due to market expansion and addition of commercialisation Partners.
 - Received approval for 3 mAbs in FY 23 - Adalimumab, Cetuximab and Bevacizumab.
- **Generated significant cash flow of ₹11.8 billion** resulting in net cash of ₹21.4 billion as on March 31, 2023.

Key Financial Highlights – Q4FY23 (Consolidated)

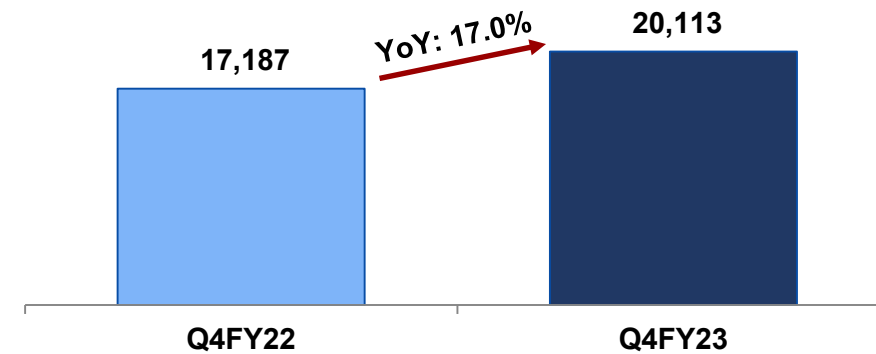


All figures in ₹ mn

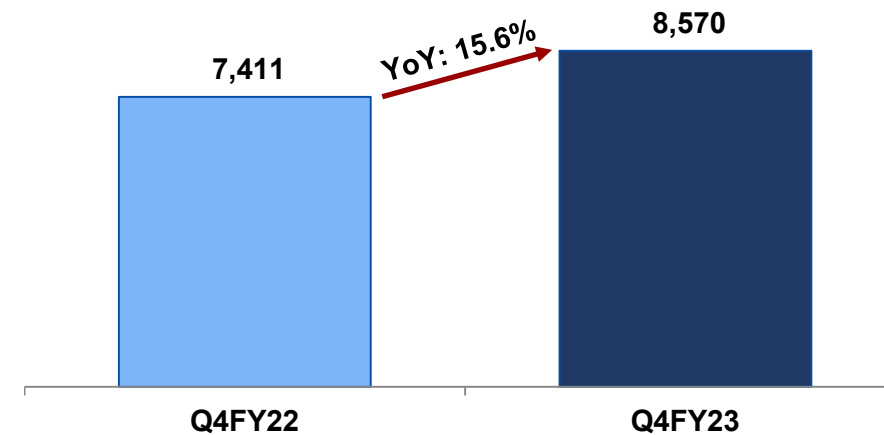
Revenue from Operations



India sales



International sales

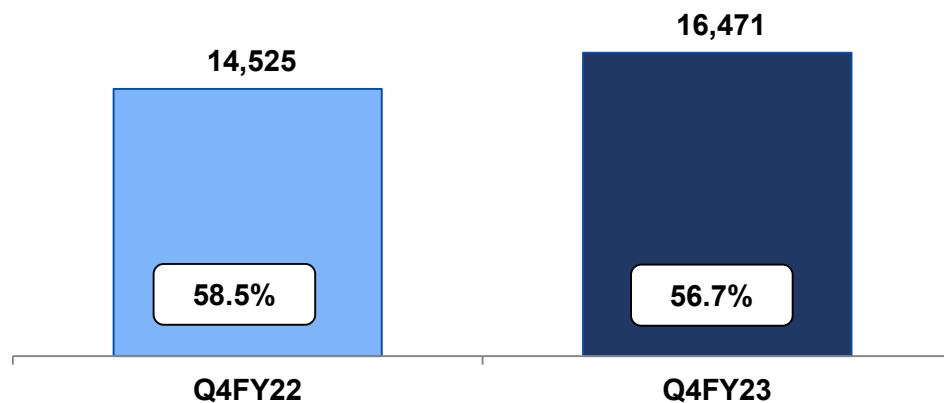


Key Financial Highlights – Q4FY23 (Consolidated)

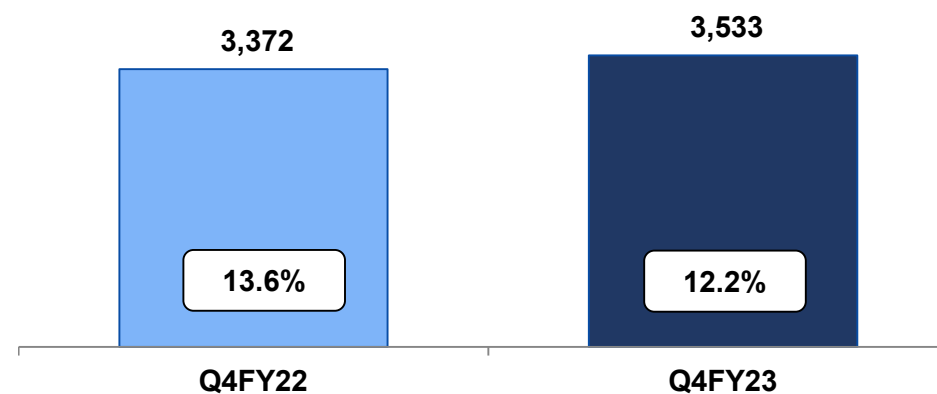


All figures in ₹ mn

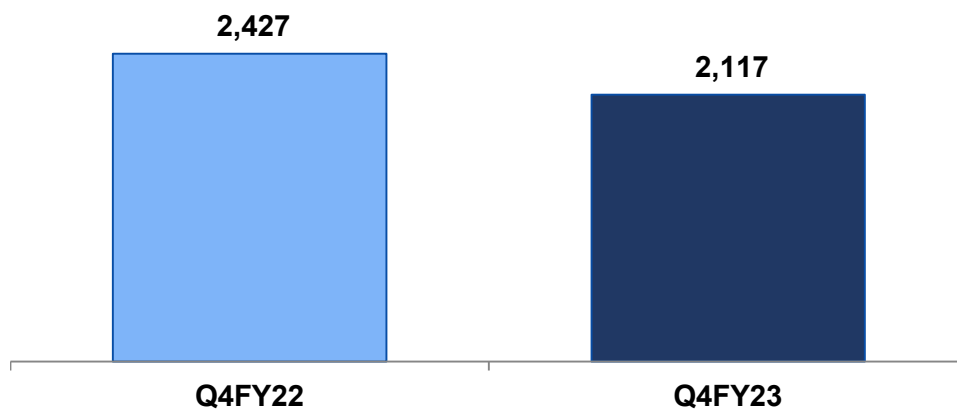
Gross Profit and Gross Margin



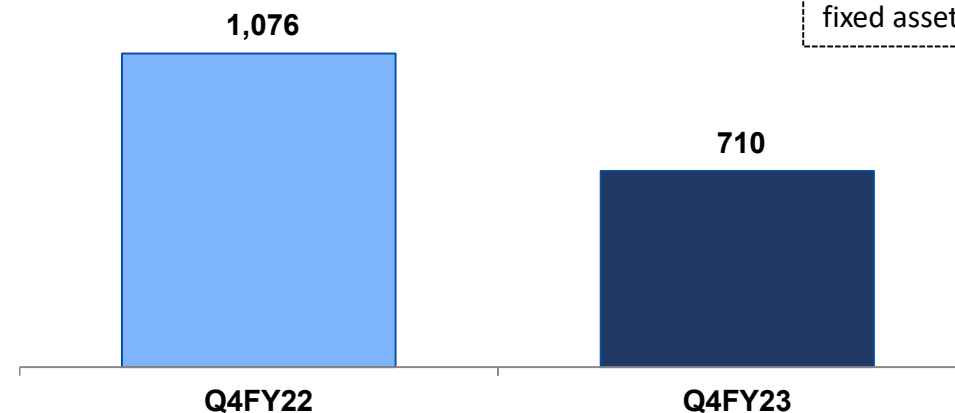
EBITDA and EBITDA Margin



PBT (after exceptional item)



PAT (after Minority Interest)



Q4FY23 was impacted by exceptional item on account of impairment of fixed assets.

Key Financial Highlights – FY23 (Consolidated)



All figures in ₹ mn

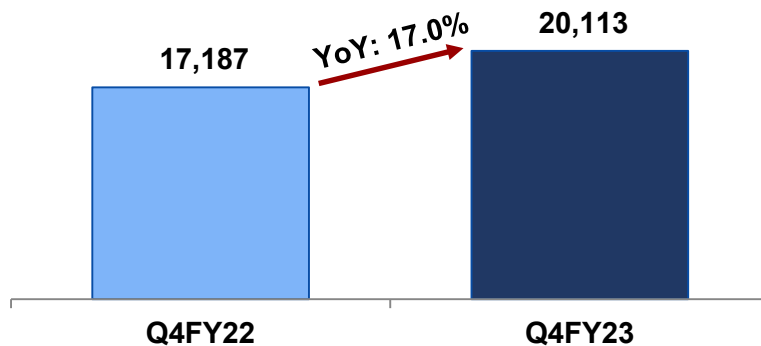
Particulars (₹ mn)	FY23	FY22	YoY growth
Revenue from Operations	115,993	106,342	9.1%
Gross Profit	66,924	64,539	3.7%
Gross Profit margin	57.7%	60.7%	
EBITDA	16,095	20,529	-21.6%
EBITDA margin	13.9%	19.3%	
PBT before exceptional item	14,078	18,592	-24.3%
Exceptional Item	(1,030)	(150)	
PBT after exceptional item	13,048	18,443	-29.3%
PBT margin	11.2%	17.3%	
PAT (After Minority Interest)	9,842	16,456	-40.2%
PAT margin	8.5%	15.5%	
EPS (₹ / share)	82.31	137.63	-40.2%

India Business

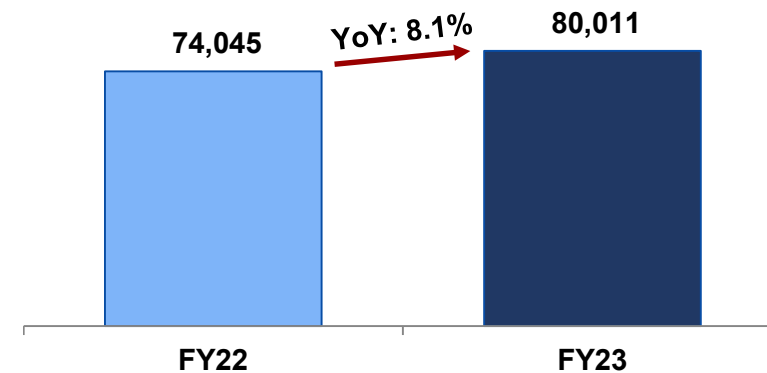
India Business: Q4FY23 Sales of ₹ 20,113 million (17.0% YoY growth)

- India sales contributed 70.1% to total sales in Q4FY23
- As per IQVIA, In Q4FY23, the Company's secondary sales grew by 22.5% significantly outperforming IPM growth of 14.9% YoY.
- Exceptional performance across all major acute therapies in Q4FY23 led by anti-infectives, gastrointestinal and pain management segment.
- Moved up 4 ranks in anti-diabetic, 3 ranks in urology, 2 ranks in Neuro / CNS and 1 rank in Derma growing in excess of 3X market growth.
- Trade Generic business delivered good growth despite large base of last year.

Q4FY23 – India Sales (₹ mn)



FY23 – India Sales (₹ mn)

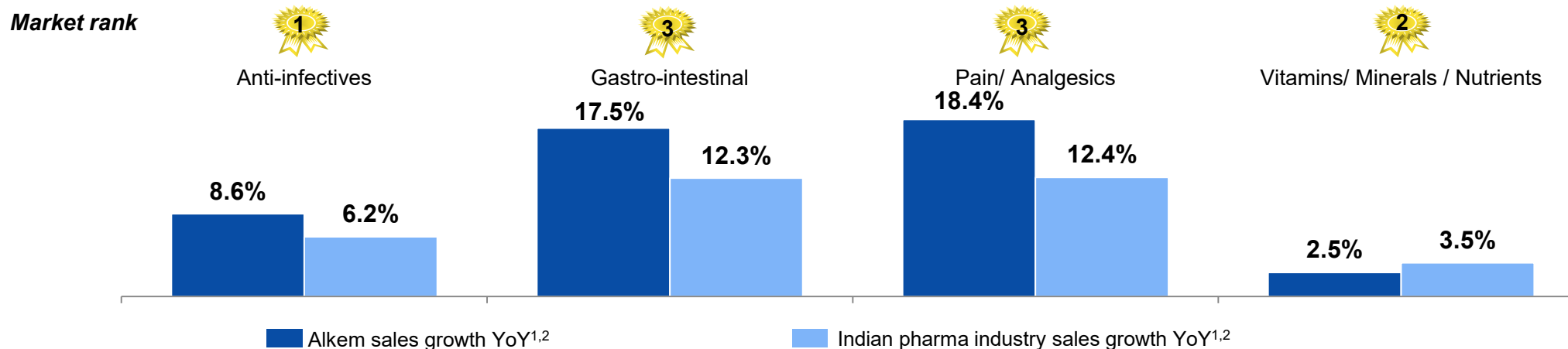


Secondary Sales Performance

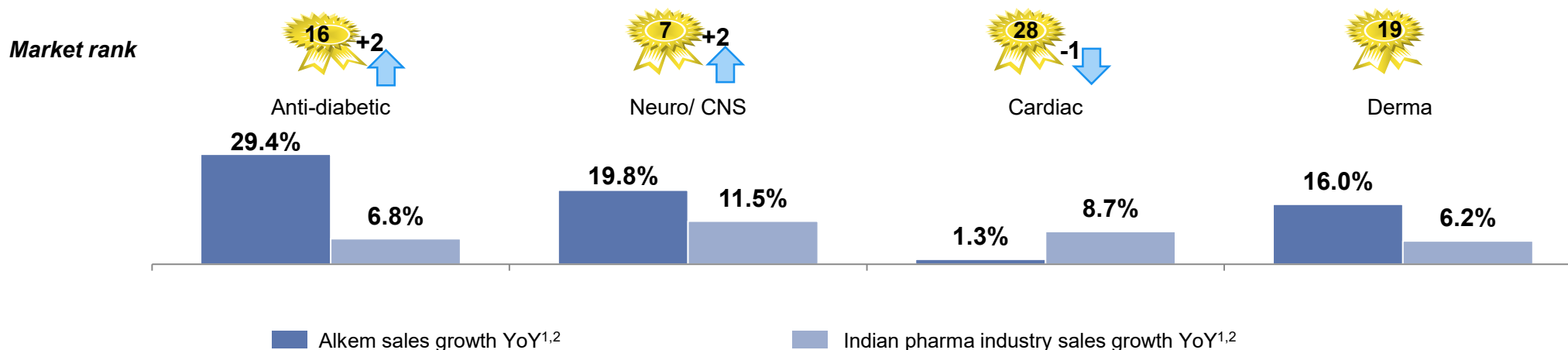


Exemplary Performance in Almost Every Therapy in FY23

Acute Therapies



Chronic Therapies



Source: IQVIA data ¹ Domestic formulations sales; ² For 12 months ended March 31, 2023

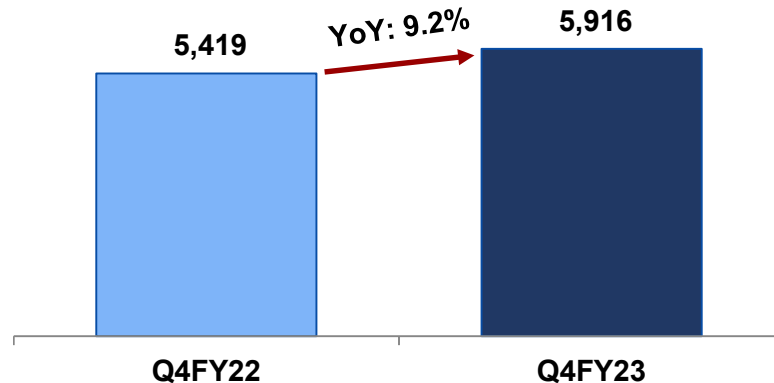
US Business



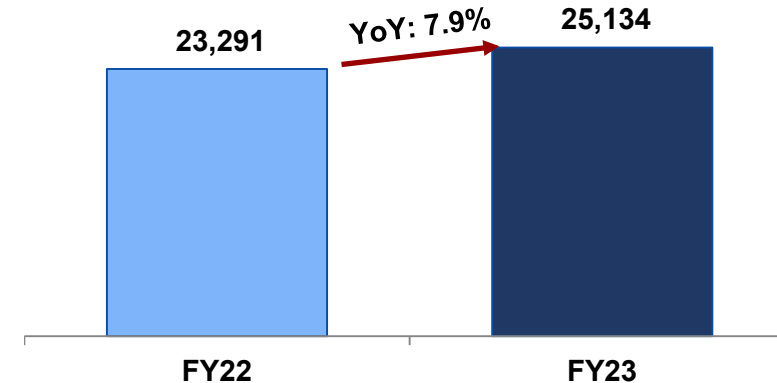
US Business: Q4FY23 Sales of ₹ 5,916 million (9.2% YoY growth)

- US sales contributed 20.6% to total sales in Q4FY23
- During the quarter, the US business registered growth in ₹ terms mainly on account of currency depreciation.
- In Q4FY23, the Company filed 4 ANDAs with the US FDA and received 3 tentative approvals.
- As on March 31, 2023, the Company filed a total of 173 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 132 ANDAs (including 17 tentative approvals) and 2 NDAs.

Q4FY23 – US Sales (₹ mn)



FY23 – US Sales (₹ mn)



US Business



Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Successfully closed inspection without any observations.
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
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

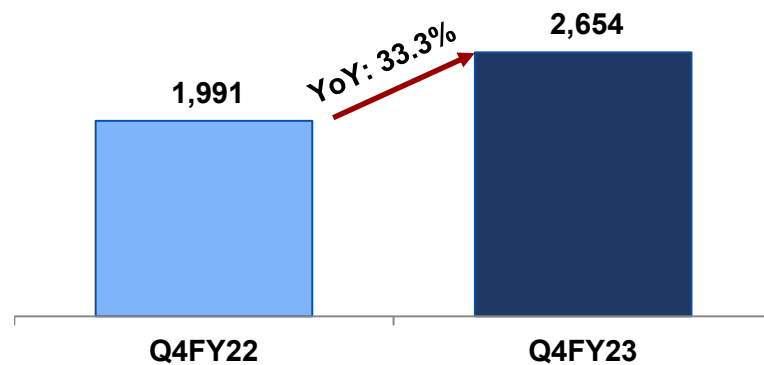
EIR – Establishment Inspection Report

Other International Business

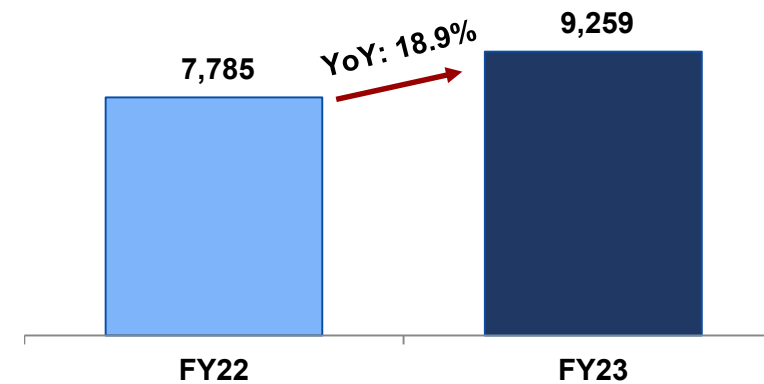
Other International Business: Q4FY23 Sales of ₹ 2,654 million (33.3% YoY growth)

- Other International Market sales contributed 9.3 % to total sales in Q4FY23
- The Company has presence in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- All our major markets like Chile, Philippines, Kazak and UK registered good growth in FY23.

Q4FY23 – Other International Sales
(₹ mn)



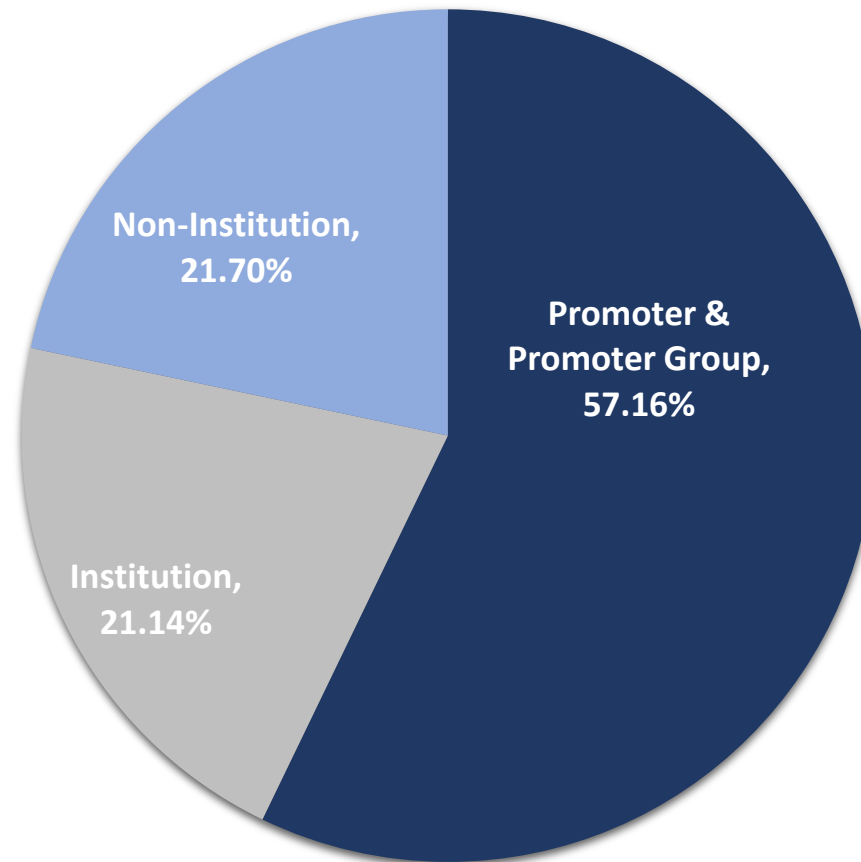
FY23 – Other International Sales
(₹ mn)



Latest Shareholding Pattern



Shareholding pattern as on March 31, 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

Thank You

For further information or queries, please contact

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