

**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

11<sup>th</sup> November, 2022

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

**Sub: Outcome of Board Meeting held on 11<sup>th</sup> November, 2022.**

Kindly refer to our intimation letter dated 02<sup>nd</sup> November, 2022, 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 11<sup>th</sup> November, 2022 to inter alia approve the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2022. The Board of Directors at its meeting held today i.e. 11<sup>th</sup> November, 2022, has, inter alia:

1. approved the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2022.
2. based on recommendation of Nomination and Remuneration Committee, Audit Committee and subject to the approval of shareholders, approved the re-appointment of Mr. Mritunjay Kumar Singh as an Executive Director of the Company for the term of five (5) consecutive years with effect from 1<sup>st</sup> January, 2023 upto 31<sup>st</sup> December, 2027.

Accordingly, we are enclosing herewith Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2022.

A copy of the Limited Review Report of the Statutory Auditors of the Company, as required under Regulation 33 of the Listing Regulations, is also enclosed herewith.

The meeting of the Board of Directors of the Company commenced at 11.00 A.M and concluded at 01.15 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 - 400 063, India

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

### To the Board of Directors of Alkem Laboratories Limited

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

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

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



**B S R & Co. LLP**

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

Our conclusion is not modified in respect of this matter.

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

*Chartered Accountants*

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



**Balajirao Pothana**

*Partner*

Mumbai

11 November 2022

Membership No.: 122632

UDIN:22122632BCUCPK5319



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## Annexure I

List of entities included in unaudited consolidated financial results.

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

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



# ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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

(₹ in Million except per share data)

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

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

(₹ in Million)

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



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

(₹ in million)

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

**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".

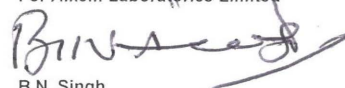


Notes to the Consolidated Financial results:

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

Place: Mumbai  
Date: 11 November 2022

By Order of the Board  
For Alkem Laboratories Limited



B.N. Singh  
Executive Chairman  
DIN: 00760310

# B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,  
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## Limited Review Report on unaudited standalone financial results of Alkem Laboratories Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Alkem Laboratories Limited

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

For B S R & Co. LLP

Chartered Accountants

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



**Balajirao Pothana**

Partner

Mumbai

11 November 2022

Membership No.: 122632

UDIN:22122632BCUCMZ6044

## ALKEM LABORATORIES LIMITED

CIN No.: L00305MH1973PLC174201

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

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

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

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

(₹ in Million)

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



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

(₹ in million)

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

Notes:

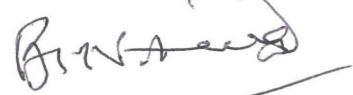
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"

**Notes to the Standalone Financial results:**

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

Place: Mumbai  
Date: 11 November 2022

By Order of the Board  
For Alkem Laboratories Limited



B.N. Singh  
Executive Chairman  
DIN: 00760310