

# 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

Telephone: +91 22 6257 1000  
Fax: +91 22 6257 1010

## Limited review report

### To 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 June 2021 (“the Statement”).
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 Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. 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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. 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 SEBI (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** Digitally signed by  
BALAJIRAO POTHANA  
**POTHANA** Date: 2021.08.06  
12:43:34 +05'30'

**Balajirao Pothana**

*Partner*

Membership No: 122632

UDIN No: 21122632AAAABS4247

Mumbai  
6 August 2021

Registered Office:

**ALKEM LABORATORIES LIMITED**

CIN No.:L00305MH1973PLC174201

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

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

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

**Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2021**

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended
	30.06.2021 Unaudited	31.03.2021 Audited (Refer Note 1)	30.06.2020 Unaudited	31.03.2021 Audited
<b>1 Income</b>				
(a) Revenue from Operations	22,786.7	19,174.7	15,393.6	72,196.8
(b) Other Income	392.1	487.7	439.4	1,900.1
<b>Total Income</b>	<b>23,178.8</b>	19,662.4	15,833.0	74,096.9
<b>2 Expenses</b>				
(a) Cost of materials consumed	6,538.1	5,765.9	4,664.0	20,465.2
(b) Purchases of stock-in-trade	2,629.7	2,073.9	2,101.8	9,197.9
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(41.6)	(200.8)	(1,834.1)	(3,012.9)
(d) Employee benefits expense	4,022.3	2,909.6	2,844.3	11,587.2
(e) Finance costs	90.6	73.6	120.4	429.3
(f) Depreciation and amortisation expense	517.2	493.8	478.5	1,989.3
(g) Other expenses	4,132.5	4,462.0	2,666.8	14,470.1
<b>Total Expenses</b>	<b>17,888.8</b>	15,578.0	11,041.7	55,126.1
<b>3 Profit before exceptional items and tax (1) - (2)</b>	<b>5,290.0</b>	4,084.4	4,791.3	18,970.8
<b>4 Exceptional items (Refer Note 3)</b>	-	(127.8)	-	(127.8)
<b>5 Profit before tax (3) + (4)</b>	<b>5,290.0</b>	3,956.6	4,791.3	18,843.0
<b>6 Tax expense / (credit)</b>				
(a) Current tax	916.2	709.4	833.3	3,318.3
(b) Deferred tax	(318.9)	(380.2)	(303.6)	(1,326.1)
<b>Total Tax Expense (a + b)</b>	<b>597.3</b>	329.2	529.7	1,992.2
<b>7 Profit for the period after tax (5 - 6)</b>	<b>4,692.7</b>	3,627.4	4,261.6	16,850.8
<b>8 Other Comprehensive Income (net of tax)</b>				
(a) (i) Items that will not be reclassified to profit or loss	(16.0)	(65.7)	(9.8)	(76.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.6	22.9	3.4	26.8
(b) (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
<b>Total Other Comprehensive Income (net of tax)</b>	<b>(10.4)</b>	(42.8)	(6.4)	(49.9)
<b>9 Total Comprehensive Income for the period (7) + (8)</b>	<b>4,682.3</b>	3,584.6	4,255.2	16,800.9
<b>10 Paid-up Equity Share Capital</b> (Face Value ₹ 2 each fully paid up)	<b>239.1</b>	239.1	239.1	239.1
<b>11 Other Equity</b>				76,018.4
<b>12 Earnings Per Share (not annualised for the quarters)</b>				
(a) Basic (₹)	<b>39.25</b>	30.34	35.64	140.93
(b) Diluted (₹)	<b>39.25</b>	30.34	35.64	140.93

**Notes :**

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 5 August 2021 and subsequently approved by the Board of Directors at its meeting held on 6 August 2021. The auditors have issued an unmodified report on the financial results for the quarter ended 30 June 2021. The figures for the quarter ended 31 March 2021 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 2020, which were subjected to limited review.
- 2 The Company has considered internal and external information while assessing recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 3 The Company has made an assessment of the recoverable value of investment in its subsidiaries taking into account the decline in operational performance, changes in the outlook of future profitability, weaker market conditions, among other potential indicators. Accordingly, during the quarter ended 31 March 2021, an impairment loss of Rs. **127.8 Million** has been recognised towards investment in Alkem Laboratories Corporation, Philippines, a wholly owned subsidiary of the Company in accordance with IND AS 36 'Impairment of assets' and the same has been disclosed as an 'Exceptional item'.
- 4 The Company operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 5 Previous period figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current period.

Place: Mumbai  
Date: 6 August 2021

By Order of the Board  
**For Alkem Laboratories Limited**

Basudeo  
Narayan  
Singh



Digitally signed  
by Basudeo  
Narayan Singh  
Date: 2021.08.06  
12:08:22 +05'30'

**B.N. Singh**  
**Executive Chairman**  
DIN: 00760310