

# B S R & Co. LLP

Chartered Accountants

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## **Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Alkem Laboratories Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To 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 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (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 SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**BSR & Co. LLP****Limited review report on unaudited quarterly consolidated financial results of Alkem Laboratories Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)****Alkem Laboratories Limited**

4. The Statement includes the results of the following entities:

| <b>Sr. No.</b> | <b>Name of entity</b>  | <b>Relationship</b>                     |
|----------------|--|---|
| 1.             | S & B Holdings B.V., Netherlands (S&B Holdings)  | Wholly Owned Subsidiary                 |
| 2.             | ThePharmaNetwork, LLC, USA (TPN)   | Wholly Owned Subsidiary of S&B Holdings |
| 3.             | Ascend Laboratories LLC, USA   | Wholly Owned Subsidiary of TPN          |
| 4.             | S & B Pharma LLC (w.e.f. 8 April 2020)   | Wholly Owned Subsidiary of TPN          |
| 5.             | S & B Pharma Inc., USA   | Wholly Owned Subsidiary                 |
| 6.             | Pharmacor Pty Limited, Australia   | Wholly Owned Subsidiary                 |
| 7.             | Ascend Laboratories (PTY) Ltd, South Africa (formerly known as Alkem Laboratories (PTY) Ltd) | Wholly Owned Subsidiary                 |
| 8.             | Enzene Biosciences Ltd, India  | 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.            | Alkem Laboratories Korea Inc, Korea  | Wholly Owned Subsidiary                 |
| 17.            | Pharmacor Ltd., Kenya  | Wholly Owned Subsidiary                 |
| 18.            | The Pharma Network, LLP, Kazakhstan  | Wholly Owned Subsidiary                 |
| 19.            | Ascend Laboratories (UK) Ltd., UK  | Wholly Owned Subsidiary                 |
| 20.            | Ascend Laboratories Ltd., Canada   | Wholly Owned Subsidiary                 |
| 21.            | Alkem Foundation, India  | Wholly Owned Subsidiary                 |
| 22.            | Connect 2 Clinic Private Limited (w.e.f. 12 June 2020), India                                | Wholly Owned Subsidiary                 |
| 23.            | Ascend Laboratories S.A.S, Colombia  | Wholly Owned Subsidiary                 |

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 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.

**Limited review report on unaudited quarterly consolidated financial results of Alkem Laboratories Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Alkem Laboratories Limited**

6. We did not review the interim financial results of 6 subsidiaries included in the Statement, whose interim financial results reflect total assets (before consolidation adjustment) of Rs. 17,307 million as at 30 September 2021 and total revenues (before consolidation adjustment) of Rs 4,579 million and Rs. 8,823 million, total net profit after tax (before consolidation adjustment) of Rs 79 million and Rs. 280 million and total comprehensive income (before consolidation adjustment) of Rs 34 million and Rs. 273 million, for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021 respectively, and cash flows (net) of Rs. 934 million for the period from 1 April 2021 to 30 September 2021, as considered in the consolidated unaudited financial results. The interim financial results have been reviewed by other auditors whose reports have been furnished to us.

The interim financial results of 4 of the above subsidiaries are located outside India whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management.

Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these 6 subsidiaries is based solely on the reports of the other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

7. The Statement includes the interim financial information of 13 subsidiaries which have not been reviewed, whose interim financial information reflects total assets (before consolidation adjustment) of 4,256 million as at 30 September 2021 and total revenue (before consolidation adjustment) of Rs. 527 million and Rs. 802 million, total net loss after tax (before consolidation adjustment) of Rs. 21 million and Rs. 20 million and total comprehensive loss (before consolidation adjustment) of Rs. 2 million and Rs. 31 million for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021 respectively, and cash flows (net) of Rs. 21 million for the period 1 April 2021 to 30 September 2021, as considered in the statement. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For **BSR & Co. LLP**

*Chartered Accountants*

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

BALAJIRAO  
VENKATESWAR  
RAO POTHANA

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**Balajirao Pothana**

*Partner*

Membership No: 122632

UDIN No: 21122632AAAACZ5233

Mumbai

Date: 12 November 2021

# ALKEM LABORATORIES LIMITED

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## Unaudited Statement of Consolidated Financial Results for the Quarter and Six months ended 30 September 2021

(₹ in Million except per share data)

| Particulars   | Quarter ended           |                         |                         | Six months ended        |                         | Year ended            |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
|   | 30.09.2021<br>Unaudited | 30.06.2021<br>Unaudited | 30.09.2020<br>Unaudited | 30.09.2021<br>Unaudited | 30.09.2020<br>Unaudited | 31.03.2021<br>Audited |
| <b>1 Income</b>   |                         |                         |                         |                         |                         |                       |
| (a) Revenue from Operations   | 27,999.9                | 27,313.6                | 23,628.0                | 55,313.5                | 43,548.0                | 88,650.1              |
| (b) Other Income  | 419.6                   | 466.5                   | 355.4                   | 886.1                   | 905.3                   | 2,332.1               |
| <b>Total Income</b>   | <b>28,419.5</b>         | <b>27,780.1</b>         | <b>23,983.4</b>         | <b>56,199.6</b>         | <b>44,453.3</b>         | <b>90,982.2</b>       |
| <b>2 Expenses</b>   |                         |                         |                         |                         |                         |                       |
| (a) Cost of materials consumed  | 7,731.6                 | 7,708.2                 | 4,736.9                 | 15,439.8                | 10,123.6                | 23,945.4              |
| (b) Purchases of stock-in-trade   | 4,560.9                 | 3,527.4                 | 3,680.8                 | 8,088.3                 | 7,149.0                 | 14,377.6              |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,717.8)               | (287.7)                 | 921.7                   | (2,005.5)               | (594.6)                 | (3,338.4)             |
| (d) Employee benefits expense   | 4,944.9                 | 5,318.3                 | 4,080.1                 | 10,263.2                | 8,022.4                 | 16,210.3              |
| (e) Finance costs   | 119.7                   | 128.6                   | 180.4                   | 248.3                   | 351.4                   | 589.2                 |
| (f) Depreciation and amortisation expense   | 728.3                   | 705.3                   | 702.4                   | 1,433.6                 | 1,370.7                 | 2,745.8               |
| (g) Other expenses  | 6,236.5                 | 5,118.8                 | 4,203.6                 | 11,355.3                | 7,625.8                 | 18,031.3              |
| <b>Total Expenses</b>   | <b>22,604.1</b>         | <b>22,218.9</b>         | <b>18,505.9</b>         | <b>44,823.0</b>         | <b>34,048.3</b>         | <b>72,561.2</b>       |
| <b>3 Profit before exceptional items and tax (1) - (2)</b>                        | <b>5,815.4</b>          | <b>5,561.2</b>          | <b>5,477.5</b>          | <b>11,376.6</b>         | <b>10,405.0</b>         | <b>18,421.0</b>       |
| <b>4 Exceptional items</b>  | -                       | -                       | -                       | -                       | -                       | -                     |
| <b>5 Profit before tax (3) + (4)</b>  | <b>5,815.4</b>          | <b>5,561.2</b>          | <b>5,477.5</b>          | <b>11,376.6</b>         | <b>10,405.0</b>         | <b>18,421.0</b>       |
| <b>6 Tax expense / (credit)</b>   |                         |                         |                         |                         |                         |                       |
| (a) Current tax   | 1,082.6                 | 1,181.9                 | 1,141.9                 | 2,264.5                 | 2,142.5                 | 3,965.3               |
| (b) Deferred tax  | (852.5)                 | (423.0)                 | (479.5)                 | (1,275.5)               | (784.5)                 | (1,722.0)             |
| <b>Total Tax Expense (a + b)</b>  | <b>230.1</b>            | <b>758.9</b>            | <b>662.4</b>            | <b>989.0</b>            | <b>1,358.0</b>          | <b>2,243.3</b>        |
| <b>7 Profit for the period (5) - (6)</b>  | <b>5,585.3</b>          | <b>4,802.3</b>          | <b>4,815.1</b>          | <b>10,387.6</b>         | <b>9,047.0</b>          | <b>16,177.7</b>       |
| <b>8 Other Comprehensive Income (net of tax)</b>                                  |                         |                         |                         |                         |                         |                       |
| (a) (i) Items that will not be reclassified to profit or loss                     | (36.8)                  | (21.5)                  | 6.9                     | (58.3)                  | (5.7)                   | (89.2)                |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 13.1                    | 8.9                     | (2.1)                   | 22.0                    | 2.1                     | 29.9                  |
| (b) (i) Items that will be reclassified to profit or loss                         | 58.7                    | 15.5                    | (241.1)                 | 74.2                    | (218.6)                 | (283.7)               |
| (ii) Income tax relating to items that will be reclassified to profit or loss     | -                       | -                       | -                       | -                       | -                       | -                     |
| <b>Total other Comprehensive Income (net of tax)</b>                              | <b>35.0</b>             | <b>2.9</b>              | <b>(236.3)</b>          | <b>37.9</b>             | <b>(222.2)</b>          | <b>(343.0)</b>        |
| <b>9 Total Comprehensive Income for the period (7) + (8)</b>                      | <b>5,620.3</b>          | <b>4,805.2</b>          | <b>4,578.8</b>          | <b>10,425.5</b>         | <b>8,824.8</b>          | <b>15,834.7</b>       |
| <b>10 Profit attributable to</b>  |                         |                         |                         |                         |                         |                       |
| a) Owners of the Company  | 5,442.6                 | 4,681.2                 | 4,720.6                 | 10,123.8                | 8,940.7                 | 15,850.2              |
| b) Non-Controlling Interest   | 142.7                   | 121.1                   | 94.5                    | 263.8                   | 106.3                   | 327.5                 |
| <b>11 Other Comprehensive Income attributable to</b>                              |                         |                         |                         |                         |                         |                       |
| a) Owners of the Company  | 41.9                    | 3.9                     | (237.8)                 | 45.8                    | (222.8)                 | (339.6)               |
| b) Non-Controlling Interest   | (6.9)                   | (1.0)                   | 1.5                     | (7.9)                   | 0.6                     | (3.4)                 |
| <b>12 Total Comprehensive Income attributable to</b>                              |                         |                         |                         |                         |                         |                       |
| a) Owners of the Company  | 5,484.5                 | 4,685.1                 | 4,482.8                 | 10,169.6                | 8,717.9                 | 15,510.6              |
| b) Non-Controlling Interest   | 135.8                   | 120.1                   | 96.0                    | 255.9                   | 106.9                   | 324.1                 |
| <b>13 Paid-up Equity Share Capital</b><br>(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>14 Other Equity</b>  |                         |                         |                         |                         |                         | 73,528.2              |
| <b>15 Earnings Per Share (not annualised for the periods)</b>                     |                         |                         |                         |                         |                         |                       |
| (a) Basic (₹)   | 45.52                   | 39.15                   | 39.48                   | 84.67                   | 74.78                   | 132.57                |
| (b) Diluted (₹)   | 45.52                   | 39.15                   | 39.48                   | 84.67                   | 74.78                   | 132.57                |

**Unaudited Statement of Consolidated Assets and Liabilities as at 30 September 2021**

(₹ in Million)

| Particulars  | As at<br>30 September<br>2021<br>(Unaudited) | As at<br>31 March 2021<br>(Audited) |
|--|--|-------------------------------------|
| <b>I. ASSETS</b>   |  |                                     |
| <b>1 Non-current assets</b>                              |  |                                     |
| (a) Property, plant and equipment                        | 23,482.2                                     | 22,339.3                            |
| (b) Capital work-in-progress                             | 3,180.9                                      | 3,932.8                             |
| (c) Goodwill   | 3,976.7                                      | 3,953.9                             |
| (d) Other Intangible assets                              | 1,706.0                                      | 1,636.6                             |
| (e) Financial Assets                                     |  |                                     |
| (i) Investments  | 1,699.0                                      | 1,539.5                             |
| (ii) Loans   | 80.2   | 80.2                                |
| (iii) Others financial assets                            | 2,490.2                                      | 607.9                               |
| (f) Deferred tax assets (net)                            | 12,355.0                                     | 11,079.1                            |
| (g) Non-current tax assets (net)                         | 191.4  | 171.1                               |
| (h) Other non-current assets                             | 769.4  | 564.0                               |
| <b>Total Non-current assets</b>                          | <b>49,931.0</b>                              | <b>45,904.4</b>                     |
| <b>2 Current assets</b>                                  |  |                                     |
| (a) Inventories  | 25,277.3                                     | 23,124.4                            |
| (b) Financial Assets                                     |  |                                     |
| (i) Investments  | 1,752.7                                      | 1,788.3                             |
| (ii) Trade receivables                                   | 18,017.5                                     | 16,072.1                            |
| (iii) Cash and cash equivalents                          | 3,336.0                                      | 1,742.2                             |
| (iv) Bank balances other than (iii) above                | 20,611.0                                     | 18,162.3                            |
| (v) Loans  | 223.8  | 187.3                               |
| (vi) Others financial assets                             | 2,227.6                                      | 2,606.0                             |
| (c) Other current assets                                 | 5,368.6                                      | 5,550.1                             |
| (d) Non-current assets held for sale                     | 48.2   | 55.5                                |
| <b>Total Current assets</b>                              | <b>76,862.7</b>                              | <b>69,288.2</b>                     |
| <b>TOTAL ASSETS</b>                                      | <b>126,793.7</b>                             | <b>115,192.6</b>                    |
| <b>II. EQUITY AND LIABILITIES</b>                        |  |                                     |
| <b>1 Equity</b>  |  |                                     |
| (a) Equity share capital                                 | 239.1  | 239.1                               |
| (b) Other Equity   | 83,099.5                                     | 73,528.2                            |
| <b>Equity attributable to owners of the Company</b>      | <b>83,338.6</b>                              | <b>73,767.3</b>                     |
| (c) Non-controlling interest                             | 1,997.5                                      | 1,812.8                             |
| <b>Total Equity</b>                                      | <b>85,336.1</b>                              | <b>75,580.1</b>                     |
| <b>2 Non-current liabilities</b>                         |  |                                     |
| (a) Financial Liabilities                                |  |                                     |
| (i) Borrowings   | 87.2   | 279.3                               |
| (ia) Lease liabilities                                   | 791.4  | 697.1                               |
| (b) Provisions   | 3,361.5                                      | 2,507.3                             |
| (c) Other non-current liabilities                        | 85.0   | 88.3                                |
| <b>Total Non-Current liabilities</b>                     | <b>4,325.1</b>                               | <b>3,572.0</b>                      |
| <b>3 Current liabilities</b>                             |  |                                     |
| (a) Financial Liabilities                                |  |                                     |
| (i) Borrowings   | 17,001.8                                     | 16,727.9                            |
| (ia) Lease liabilities                                   | 223.5  | 215.5                               |
| (ii) Trade payables                                      |  |                                     |
| Dues of Micro and Small Enterprises                      | 526.7  | 1,189.6                             |
| Dues of Creditors other than Micro and Small Enterprises | 9,013.1                                      | 9,504.5                             |
| (iii) Other financial liabilities                        | 5,579.2                                      | 4,653.9                             |
| (b) Other current liabilities                            | 1,467.1                                      | 1,193.4                             |
| (c) Provisions   | 2,626.8                                      | 2,366.4                             |
| (d) Current tax Liabilities (Net)                        | 694.3  | 189.3                               |
| <b>Total Current liabilities</b>                         | <b>37,132.5</b>                              | <b>36,040.5</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>126,793.7</b>                             | <b>115,192.6</b>                    |

**Unaudited Statement of Consolidated Cash flow for the Six months ended 30 September 2021**

(₹ in million)

| Particulars   | For six months ended<br>30 September 2021<br>(Unaudited) | For six months ended<br>30 September 2020<br>(Unaudited) |
|---|--|--|
| <b>A Cash Flow from Operating Activities:</b>   |  |  |
| Profit before Tax   | 11,376.6   | 10,405.0   |
| <u>Adjustments for:</u>   |  |  |
| Depreciation and amortisation expense   | 1,433.6  | 1,370.7  |
| Liabilities no longer required , written back   | (67.7)   | -  |
| Profit on sale of investments   | (22.8)   | (14.6)   |
| Unrealised gain on fair valuation of investments (net)                                    | (38.7)   | (65.8)   |
| Profit on sale of property plant and equipment (net)                                      | (4.9)  | 4.0  |
| Employee stock compensation expenses  | -  | 0.6  |
| Unrealised foreign currency (gain) / loss on revaluation (net)                            | (48.1)   | 206.4  |
| Dividend Income   | (0.2)  | (0.1)  |
| Recovery of bad debts   | -  | (114.9)  |
| Interest Income   | (547.1)  | (407.5)  |
| Interest expenses   | 248.3  | 351.4  |
| Allowances for doubtful debts   | 26.8   | 52.2   |
| Rent income   | -  | (4.2)  |
| <b>Subtotal of Adjustments</b>  | <b>979.2</b>   | <b>1,378.2</b>   |
| <b>Operating profit before working capital changes</b>                                    | <b>12,355.8</b>  | <b>11,783.2</b>  |
| Adjustments for changes in working capital:   |  |  |
| Increase in trade receivables   | (1,795.0)  | (114.7)  |
| (Increase) / Decrease in loans, other financial assets and other assets                   | 744.3  | (280.3)  |
| Increase in inventories   | (2,167.7)  | (1,698.0)  |
| Increase / (Decrease) in trade payable, other financial liabilities and other liabilities | 160.3  | (1,038.3)  |
| Increase in provisions  | 783.8  | 625.2  |
| <b>Subtotal of adjustments</b>  | <b>(2,274.3)</b>   | <b>(2,506.1)</b>   |
| <b>Cash generated from operations</b>   | <b>10,081.5</b>  | <b>9,277.1</b>   |
| Less: Income taxes paid (net of refund)   | (1,760.3)  | (1,520.2)  |
| <b>Net Cash generated from operating activities</b>                                       | <b>8,321.2</b>   | <b>7,756.9</b>   |
| <b>B Cash Flow from Investing Activities:</b>   |  |  |
| Purchases of property, plant and equipment  | (1,813.9)  | (676.7)  |
| Sale of property, plant and equipment   | 19.0   | 5.9  |
| (Purchase of) / Proceeds from sale of investments (net)                                   | (58.6)   | 3.4  |
| Investment made in bank deposits having maturity of more than 3 months (net)              | (4,306.9)  | (4,994.2)  |
| Dividend received   | 0.2  | 0.1  |
| Interest received   | 389.7  | 318.3  |
| Rent received   | -  | 4.2  |
| <b>Net cash used in investing activities</b>  | <b>(5,770.5)</b>   | <b>(5,339.0)</b>   |
| <b>C Cash Flow from Financing Activities:</b>   |  |  |
| Repayment of non-current borrowings (net)   | (192.8)  | (262.5)  |
| (Repayment of) / Proceeds from current borrowings (net)                                   | 225.8  | (1,437.3)  |
| Dividends paid  | (632.1)  | (358.7)  |
| Repayment of lease liabilities (net)  | (156.5)  | (101.9)  |
| Interest and bank charges paid  | (208.5)  | (296.8)  |
| <b>Net cash used in financing activities</b>  | <b>(964.1)</b>   | <b>(2,457.2)</b>   |
| <b>D Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)</b>                     | <b>1,586.6</b>   | <b>(39.3)</b>  |
| <b>E Cash &amp; Cash Equivalents as at the beginning of the year</b>                      | <b>1,742.2</b>   | <b>1,759.4</b>   |
| Add/Less: Effect of exchange difference on foreign currency cash and cash equivalents     | 7.2  | 5.5  |
| <b>F Cash &amp; Cash Equivalents as at the end of the period (D+E)</b>                    | <b>3,336.0</b>   | <b>1,725.6</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 11 November 2021 and subsequently approved by the Board of Directors at its meeting held on 12 November 2021. The auditors have issued an unmodified report on the financial results for the quarter and six months ended 30 September 2021.
- 2 The Group 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 Group 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 Group 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 Group will continue to closely monitor any material changes to future economic conditions.
- 3 Pursuant to the Board of Directors approval at its meeting held on 25 May 2021 on the proposed plan for restructuring of the USA business operations by bringing both the subsidiaries namely, S & B Pharma Inc, USA ("S & B") and The PharmaNetwork LLC, USA ("TPNC") under a single umbrella by removing intermediary holding company S & B Holdings BV, Netherlands ("S & B BV"), the Company on 04 October 2021 has consummated the transaction whereby TPNC acquired 100% shares of S&B from the Company in exchange of TPNC's shares.
- 4 During the quarter ended 30 September 2021, the Company paid a final dividend of ₹ 5 (Rupees five only) per equity share (250% on the face value of ₹ 2 each) for the financial year 2020-21.
- 5 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 6 Previous period figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current period.

Place: Mumbai  
Date: 12 November 2021

By Order of the Board  
**For Alkem Laboratories Limited**  
Basudeo Narayan Singh  
Digitally signed by Basudeo Narayan Singh  
Date: 2021.11.12 11:33:59 +05'30'  
**B.N. Singh**  
**Executive Chairman**  
DIN: 00760310