

## INDEPENDENT AUDITOR'S REPORT

To the Members of Alkem Foundation

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of **Alkem Foundation** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2022, the statement of income and expenditure (Including Other Comprehensive Income), the statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its excess of income over expenditure, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and Company's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 (Ind AS) of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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 financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

### **Report on Other Legal and Regulatory Requirements**

1. The requirements of the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 are not applicable to the Company in terms of Clause 1(2)(iii) of the said order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the statement of income and expenditure, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 & 4 of the Companies (Indian Accounting Standards) Rules, 2015.

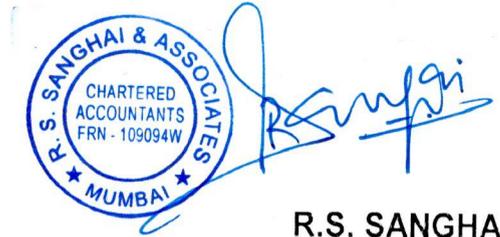


- e) On the basis of the written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year.

For **R.S. SANGHAI & ASSOCIATES**  
**Chartered Accountants**  
Firm's registration number: 109094W



**R.S. SANGHAI**  
Partner  
M. No.: 036931

Place: - Mumbai  
Date: - 3<sup>rd</sup> May, 2022

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**ALKEM FOUNDATION**  
**BALANCE SHEET AS AT 31ST MARCH, 2022**

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I. ASSETS</b>			
(a) Financial Assets	2.1	7,883	1,53,634
(i) Cash and cash equivalents		7,883	1,53,634
<b>Total current assets</b>			
<b>TOTAL ASSETS</b>		<b>7,883</b>	<b>1,53,634</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>	2.2	1,00,000	1,00,000
(a) Equity share capital		(22,55,715)	53,634
(b) Other equity (Refer statement of changes in equity)		(21,55,715)	1,53,634
<b>Total equity</b>			
<b>2 Current liabilities</b>	2.3	19,35,407	-
(a) Financial Liabilities		2,28,191	-
(i) Other financial liabilities	2.4	21,63,598	-
(b) Other current liabilities			
<b>Total Current Liabilities</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,883</b>	<b>1,53,634</b>

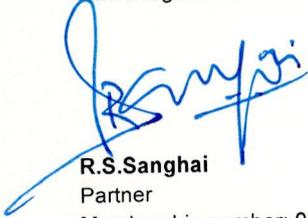
**Significant Accounting Policies**  
**Notes to Accounts**

1B  
2

The accompanying notes are an integral part of the financial statements.

As per our Report of even date  
For **R.S.Sanghai & Associates**  
Chartered Accountants  
Firm's registration number: 109094W

For and on behalf of the Board of  
**Alkem Foundation**  
CIN No: U85100MH2010NPL206161

  
**R.S.Sanghai**  
Partner



Membership number: 036931  
Place: Mumbai  
Date: 3rd May, 2022



**Sandeep Singh**  
Director  
DIN No.: 01277984



**Mritunjay Kumar Singh**  
Director  
DIN No.: 00881412

**ALKEM FOUNDATION**  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2022**

(Amount in Rs.)

Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>1 Income</b>			
(a) Revenue from Operations	2.5	21,44,76,539	4,05,00,000
(b) Other Income	2.6	34,570	-
<b>Total Income</b>		<b>21,45,11,109</b>	<b>4,05,00,000</b>
<b>2 Expenses</b>			
(a) Finance Costs	2.7	5,024	3,009
(b) Corporate Social Responsibility (CSR) expenditure		21,67,78,471	3,96,08,649
(c) Other expenses	2.8	36,962	16,756
<b>Total Expenses</b>		<b>21,68,20,458</b>	<b>3,96,28,414</b>
<b>3 Excess of income over expenditure for the year (1) - (2)</b>		<b>(23,09,349)</b>	<b>8,71,586</b>

Significant Accounting Policies  
Notes to Accounts

1B  
2

The accompanying notes are an integral part of the financial statements.

As per our Report of even date  
For **R.S.Sanghai & Associates**  
Chartered Accountants  
Firm's registration number: 109094W

For and on behalf of the Board of  
**Alkem Foundation**  
CIN No: U85100MH2010NPL206161

**R.S.Sanghai**  
Partner  
Membership number: 036931  
Place: Mumbai  
Date: 3rd May, 2022



**Sandeep Singh**  
Director  
DIN No.: 01277984

**Mritunjay Singh**  
Director  
DIN No.: 00881412

**ALKEM FOUNDATION**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**

(Amount in Rs.)

(a) Equity share capital	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	10,000	1,00,000	10,000	1,00,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	10,000	1,00,000	10,000	1,00,000

**(b) Other equity**

(Amount in Rs.)

Particulars	Retained Earnings	Other comprehensive income	Total
Balance at 1st April, 2020	(8,17,953)	-	(8,17,953)
Excess of income over expenditure	8,71,586	-	8,71,586
<b>Balance at 31st March, 2021</b>	<b>53,634</b>	<b>-</b>	<b>53,634</b>
Excess of income over expenditure	(23,09,349)	-	(23,09,349)
<b>Balance at the end of the reporting period</b>	<b>(22,55,715)</b>	<b>-</b>	<b>(22,55,715)</b>

As per our Report of even date  
For **R.S.Sanghai & Associates**  
Chartered Accountants  
Firm's registration number: 109094W

For and on behalf of the Board of  
**Alkem Foundation**  
CIN No: U85100MH2010NPL206161

**R.S.Sanghai**  
Partner  
Membership number: 036931  
Place: Mumbai  
Date: 3rd May, 2022



*Sandeep Singh*  
**Sandeep Singh**  
Director  
DIN No.: 01277984

*Mritunjay Singh*  
**Mritunjay Kumar Singh**  
Director  
DIN No.: 00881412

**ALKEM FOUNDATION**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	(23,09,349)	8,71,586
<b>Adjustments for :</b>		
Finance Costs	5,024	3,009
Operating profit before working capital changes	(23,04,324)	8,74,595
<b>Adjustments for :</b>		
Increase / (decrease) in Current Liabilities	21,63,598	(12,92,699)
<b>Cash (used in) / generated from operations</b>	(1,40,726)	(4,18,104)
<b>Net cash (used in) /generated from operating activities</b>	(1,40,726)	(4,18,104)
<b>B. Cash flow from investing activities</b>	-	-
<b>Net cash (used in) /generated from investing activities</b>	-	-
<b>C. Cash Flow from financing activities</b>		
Interest Expense	(5,024)	(3,009)
<b>Net cash (used in) /generated from financing activities</b>	(5,024)	(3,009)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(1,45,750)	(4,21,113)
Cash and cash equivalents at the beginning of the year	1,53,634	5,74,746
Cash and cash equivalents at the end of the year	7,883	1,53,634

Notes:

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

As per our Report of even date  
**For R.S.Sanghai & Associates**  
Chartered Accountants  
Firm's registration number: 109094W

For and on behalf of the Board of  
**Alkem Foundation**  
CIN No: U85100MH2010NPL206161

**R.S.Sanghai**  
Partner  
Membership Number: 036931  
Place : Mumbai  
Date: 3rd May, 2022



**Sandeep Singh**  
Director  
DIN No.: 01277984

**Mritunjay Kumar Singh**  
Director  
DIN No.: 00881412

**1A General Information**

Alkem Foundation ('the Company') was incorporated in India on 31st July, 2010 as a limited company under Section 25 of the Companies Act, 1956 (now Section 8 of the Companies Act, 2013). The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) as required by Section 135 read with Schedule VII to the Companies Act, 2013.

The Company is 100% subsidiary of Alkem Laboratories Limited.

**1B SIGNIFICANT ACCOUNTING POLICIES:**

**1.1 Basis of preparation of Financial Statements:**

**a) Statement of compliance**

The financial statements of the Company as at and for the year ended 31st March, 2022 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

The Financial statement are prepared in Indian rupees.

**b) Basis of preparation and presentation**

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period,
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

**1.2 Financial instruments:**

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and cash equivalents:**

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**Financial assets at fair value through other comprehensive income:**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss:**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

**Financial liabilities:**

Financial liabilities are measured at amortized cost using the effective interest method.

**1.3 Revenue Recognition:**

Grants or Donations received towards CSR activities are recognized when the unconditional right to receive contribution is established.

**1.4 Cost recognition:**

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised as grants, project expenses and other operating expenses. Other operating expenses majorly include sub-contracting costs, travel expenses and other expenses. Other expenses is an aggregation of costs which are individually not material such as rates and taxes, bank charges etc.

**1.5 Taxes on Income:**

The Company is registered under section 12AA of the Income tax Act, 1961 which entitles it to claim an exemption from income tax, provided certain conditions laid down in the Income tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfill these conditions. The Company has also obtained a certificate under Section 80 G of the Income tax Act, 1961.

**1.6 Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.



Particulars	(Amount in Rs.)	
	As at 31st March, 2022	As at 31st March, 2021
<b>2.1 : CASH AND CASH EQUIVALENTS:</b>		
Balance with Banks: In Current Accounts		
<b>TOTAL</b>	<b>7,883</b>	<b>1,53,634</b>
<b>2.2 : EQUITY SHARE CAPITAL:</b>		
<b>Authorised:</b> 10,000 equity shares of Rs.10/- each (31st March, 2021: 10,000 equity shares of Rs.10/- each)	<b>1,00,000</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid up:</b> 10,000 equity shares of Rs.10/- each fully paid up (31st March, 2021: 10,000 equity shares of Rs.10/- each fully paid up)	<b>1,00,000</b>	<b>1,00,000</b>
<b>TOTAL</b>	<b>1,00,000</b>	<b>1,00,000</b>

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Rs.	Number of Shares	Rs.
At the commencement of the year			10,000	1,00,000
Add: Shares issued during the year	10,000	1,00,000	-	-
<b>At the end of the year</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

**(b) Rights, preferences and restrictions attached to Equity Shares:**

The Company has issued one class of equity shares with voting rights having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company:**

Name of the shareholders	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Equity Shares of Rs.10 Each (Previous Year Rs.10 Each) held by: Alkem Laboratories Limited (Holding Company)	9,999	99.99%	9,999	99.99%
Sandeep Singh - Nominee of Alkem Laboratories Limited	1	0.01%	1	0.01%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>

**(d) Promoter shareholding as on 31st March, 2022**

Promoter name	No. of shares as at 31 March 2022	No. of shares as at 31 March 2021	% of total shares	% change during the year
Alkem Laboratories Limited	9,999	9,999	100%	0%
Sandeep Singh - Nominee of Alkem Laboratories Limited	1	1	0%	0%
<b>Total</b>	<b>10,000</b>	<b>10,000</b>		

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>OTHER EQUITY</b>		
<b>Retained Earnings:</b>		
At the commencement of the year		(8,17,953)
Add: Excess of income over expenditure	53,634	8,71,587
At the end of the year	<b>(23,09,349)</b>	<b>53,634</b>
<b>2.3 : OTHER CURRENT FINANCIAL LIABILITIES:</b>		
Accrual for Expenses		
<b>TOTAL</b>	<b>19,35,407</b>	<b>-</b>
<b>2.4 : OTHER CURRENT LIABILITIES:</b>		
Due to statutory authorities*		
<b>TOTAL</b>	<b>2,28,191</b>	<b>-</b>

\* Dues to statutory authorities includes TDS payable, PF/ESIC payable



ALKEM FOUNDATION

NOTE 2: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	(Amount in Rs.)	
	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>2.5 : REVENUE FROM OPERATIONS:</b>		
Grants or Donations received towards CSR activities	21,44,76,539	4,05,00,000
<b>TOTAL</b>	<b>21,44,76,539</b>	<b>4,05,00,000</b>
<b>2.6: OTHER INCOME:</b>		
Miscellaneous income	34,570	-
<b>TOTAL</b>	<b>34,570</b>	<b>-</b>
<b>2.7 : FINANCE COST:</b>		
Other borrowing cost	5,024	3,009
<b>TOTAL</b>	<b>5,024</b>	<b>3,009</b>
<b>2.8 : OTHER EXPENSES:</b>		
Legal and professional Fees	36,962	16,756
<b>TOTAL</b>	<b>36,962</b>	<b>16,756</b>



**ALKEM FOUNDATION**

**NOTE 2: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

2.9 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31st March, 2022

**List of related parties and their relationship**

**A Company whose control exists**

Name of the Company	Country of Incorporation
Alkem Laboratories Limited	India

**B Fellow Subsidiaries**

Name of the Companies	Country of Incorporation
Cachet Pharmaceuticals Pvt. Ltd	India
Indchemie Health Specialities Pvt. Ltd.	India
Enzene Biosciences Ltd.	India
Connect 2 Clinic Private Limited (w.e.f. 12th June, 2020)	India
The PharmaNetwork, LLC (subsidiary of S & B Holdings B.V.)	United States of America
Ascend Laboratories, LLC (wholly owned by The PharmaNetwork, LLC)	United States of America
S & B Pharma Inc. (wholly owned subsidiary of The PharmaNetwork, LLC from 4 October 2021 till 5 January 2022), dissolved on 5 January 2022	United States of America
S & B Pharma LLC (wholly owned by The Pharma Network, LLC) (w.e.f. 8th April, 2020)	United States of America
Ascend Laboratories (UK) Ltd.	United Kingdom
S & B Holdings B.V.	Netherlands
Ascend Laboratories (PTY) Limited (formerly known as Alkem Laboratories (PTY) Limited)	South Africa
Pharmacor Pty Limited	Australia
The Pharma Network, LLP	Kazakhstan
Ascend Laboratories SpA	Chile
Pharma Network SpA (Wholly owned by Ascend Laboratories SpA)	Chile
Ascend Laboratories S.A. DE C.V. (wholly owned by Ascend Laboratories SpA) (w.e.f. 2nd Sept, 2021)	Mexico
Alkem Laboratories Corporation	Philippines
Ascend GmbH	Germany
Ascend Laboratories Ltd	Canada
Ascend Laboratories SDN BHD.	Malaysia
Alkem Laboratories Korea Inc	Korea
Pharmacor Ltd.	Kenya
Ascend Laboratories SAS	Colombia

**C Key Managerial Personnel ("KMP")**

Name of KMP	Designation
Balmiki Prasad Singh	Director
Sandeep Singh	Director
Mritunjay Kumar Singh	Director

**Details of transactions with related parties**

Sr. No.	Particulars	Amount in Rs.
1	Grants or Donations received towards CSR Expenses - Holding Company	21,44,76,539 (4,05,00,000)

Figures in the brackets are the corresponding figures of the previous year.



ALKEM FOUNDATION

NOTE 2: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

2.10 Financial Instruments - Fair Value and Risk Management  
A. Accounting classification and fair values

Particulars	As at 31st March, 2022			
	Rs.			
	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	-	7,883	7,883
	-	-	7,883	7,883
<b>Financial liabilities</b>				
Other Current financial liabilities	-	-	19,35,407	19,35,407
	-	-	19,35,407	19,35,407
				Amount in Rs.
Particulars	As at 31st March, 2021			
	Rs.			
	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	-	1,53,634	1,53,634
	-	-	1,53,634	1,53,634
<b>Financial liabilities</b>				
Other Current financial liabilities	-	-	-	-
	-	-	-	-

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk ;

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



2.10 Financial Instruments - Fair Value and Risk Management

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Amount in Rs.

Particulars	Carrying amount	Total	Contractual cash flows				
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
31st March, 2022							
<b>Non-derivative financial liabilities</b>							
Other current financial liabilities	19,35,407	19,35,407	19,35,407	-	-	-	-
31st March, 2021							
Other current financial liabilities	-	-	-	-	-	-	-

2.11: Segment Reporting

The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) in India, which in the context of Ind AS 108 Operating Segments is considered as the only reportable segment. The Company does not have any geographical segments.

2.12: Contingent Liabilities & Commitments

There are no contingent liabilities & commitments as on 31st March, 2022



ALKEM FOUNDATION

NOTE 2: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 2.13: Ratios

Sr. No	Ratios	Numerator	Denominator	Mar-22	Mar-21	% Variance	Reason for variance
a)	Current Ratio	Current Assets	Current liabilities	0.00	0.00	-	
b)	Return on equity Ratio	Net profit after taxes - Preference dividend (if any)	Average shareholder's equity	230.7%	-308.9%	-175%	Due to Excess of expenditure over income during the year
c)	Return on capital employed	Earnings before interest and taxes	Capital employed	106.9%	569.3%	-81%	Due to Excess of expenditure over income during the year

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

As per our Report of even date

For R.S.Sanghai & Associates

Chartered Accountants

Firm's registration number: 109094W

R.S.Sanghai

Partner

Membership number: 036931

Place: Mumbai

Date: 3rd May, 2022



For and on behalf of the Board of

Alkem Foundation

CIN No: U85100MH2010NPL206161

*Sandeep Singh* *Mritunjay Singh*

Sandeep Singh

Director

DIN No.: 01277984

Mritunjay Kumar Singh

Director

DIN No.: 00881412