

**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

06th August, 2021

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

**Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended
30th June, 2021.**

In continuation of our letter dated 26th July, 2021 and 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"), we are enclosing the Standalone and Consolidated Unaudited Financial Results for the quarter ended 30th June, 2021, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 06th August, 2021. The meeting of the Board of Directors of the Company commenced at 11.00 A.M and concluded at 01.30 P.M.

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.

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

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Limited review report

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 June 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.

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

Sr. No.	Name of entity	Relationship
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

Registered Office:

Limited review report (Continued)**Alkem Laboratories Limited**

Sr. No.	Name of entity	Relationship
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 PharmaNetwork, 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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these consolidated 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.
6. 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 7 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.
7. We did not review the interim financial results of 6 subsidiaries included in the Statement, whose interim financial results reflect total revenues (before consolidation adjustment) of Rs 4,244 million, total net profit after tax (before consolidation adjustment) of Rs 201 million and total comprehensive income (before consolidation adjustment) of Rs 239 million, for the quarter ended 30 June 2021, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us 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.

Limited review report (Continued)

Alkem Laboratories Limited

4 of these subsidiaries are located outside India whose interim financial results 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 in so far as it relates to the balance subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

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

8. The Statement includes the interim financial information of 13 subsidiaries which have not been reviewed, whose interim financial information reflect total revenue (before consolidation adjustment) of Rs. 275 million, total net profit after tax (before consolidation adjustment) of Rs. 1 million and total comprehensive loss (before consolidation adjustment) of Rs. 29 million for the quarter ended 30 June 2021. 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 B S R & Co. LLP

Chartered Accountants

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

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Balajirao Pothana

Partner

Membership No: 122632

UDIN No: 21122632AAAABT1366

Mumbai
6 August 2021

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 Consolidated 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
1 Income				
(a) Revenue from Operations	27,313.6	21,921.6	19,920.0	88,650.1
(b) Other Income	466.5	462.8	549.9	2,332.1
Total Income	27,780.1	22,384.4	20,469.9	90,982.2
2 Expenses				
(a) Cost of materials consumed	7,708.2	6,633.7	5,386.7	23,945.4
(b) Purchases of stock-in-trade	3,527.4	3,456.0	3,468.2	14,377.6
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(287.7)	(659.9)	(1,516.3)	(3,338.4)
(d) Employee benefits expense	5,318.3	4,090.4	3,942.3	16,210.3
(e) Finance costs	128.6	107.1	171.0	589.2
(f) Depreciation and amortisation expense	705.3	685.1	668.3	2,745.8
(g) Other expenses	5,118.8	5,490.4	3,422.2	18,031.3
Total Expenses	22,218.9	19,802.8	15,542.4	72,561.2
3 Profit before exceptional items and tax (1) - (2)	5,561.2	2,581.6	4,927.5	18,421.0
4 Exceptional items	-	-	-	-
5 Profit before tax (3) - (4)	5,561.2	2,581.6	4,927.5	18,421.0
6 Tax expense / (credit)				
(a) Current tax	1,181.9	811.1	1,000.6	3,965.3
(b) Deferred tax	(423.0)	(721.7)	(305.0)	(1,722.0)
Total Tax Expense (a + b)	758.9	89.4	695.6	2,243.3
7 Profit for the period after tax (5) - (6)	4,802.3	2,492.2	4,231.9	16,177.7
8 Other Comprehensive Income (net of tax)				
(a) (i) Items that will not be reclassified to profit or loss	(21.5)	(57.1)	(12.6)	(89.2)
(ii) Income tax relating to items that will not be reclassified to profit or loss	8.9	20.3	4.2	29.9
(b) (i) Items that will be reclassified to profit or loss	15.5	38.1	22.5	(283.7)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other Comprehensive Income (net of tax)	2.9	1.3	14.1	(343.0)
9 Total Comprehensive Income for the period (7) + (8)	4,805.2	2,493.5	4,246.0	15,834.7
10 Profit attributable to				
a) Owners of the Company	4,681.2	2,399.9	4,220.1	15,850.2
b) Non-Controlling Interest	121.1	92.3	11.8	327.5
11 Other Comprehensive Income attributable to				
a) Owners of the Company	3.9	(1.5)	15.0	(339.6)
b) Non-Controlling Interest	(1.0)	2.8	(0.9)	(3.4)
12 Total Comprehensive Income attributable to				
a) Owners of the Company	4,685.1	2,398.4	4,235.1	15,510.6
b) Non-Controlling Interest	120.1	95.1	10.9	324.1
13 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
14 Other Equity				73,528.2
15 Earnings Per Share (not annualised for the quarters)				
(a) Basic (₹)	39.15	20.07	35.30	132.57
(b) Diluted (₹)	39.15	20.07	35.30	132.57

Notes :

- 1 The above unaudited consolidated 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 31 December 2020, which were subjected to limited review.
- 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 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 4 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

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Narayan
Singh

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B.N. Singh
Executive Chairman
DIN: 00760310

B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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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

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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
1	Income				
	(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
	Total Income	23,178.8	19,662.4	15,833.0	74,096.9
2	Expenses				
	(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
	Total Expenses	17,888.8	15,578.0	11,041.7	55,126.1
3	Profit before exceptional items and tax (1) - (2)	5,290.0	4,084.4	4,791.3	18,970.8
4	Exceptional items (Refer Note 3)	-	(127.8)	-	(127.8)
5	Profit before tax (3) + (4)	5,290.0	3,956.6	4,791.3	18,843.0
6	Tax expense / (credit)				
	(a) Current tax	916.2	709.4	833.3	3,318.3
	(b) Deferred tax	(318.9)	(380.2)	(303.6)	(1,326.1)
	Total Tax Expense (a + b)	597.3	329.2	529.7	1,992.2
7	Profit for the period after tax (5 - 6)	4,692.7	3,627.4	4,261.6	16,850.8
8	Other Comprehensive Income (net of tax)				
	(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	-	-	-	-
	Total Other Comprehensive Income (net of tax)	(10.4)	(42.8)	(6.4)	(49.9)
9	Total Comprehensive Income for the period (7) + (8)	4,682.3	3,584.6	4,255.2	16,800.9
10	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
11	Other Equity				76,018.4
12	Earnings Per Share (not annualised for the quarters)				
	(a) Basic (₹)	39.25	30.34	35.64	140.93
	(b) Diluted (₹)	39.25	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



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Narayan Singh
Date: 2021.08.06
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B.N. Singh
Executive Chairman
DIN: 00760310