

**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](mailto:contact@alkem.com) • Website: [www.alkemlabs.com](http://www.alkemlabs.com)
- CIN: L00305MH1973PLC174201

07<sup>th</sup> August, 2020

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

Dear Sirs,

**Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended  
30<sup>th</sup> June, 2020.**

In continuation of our letter dated 27<sup>th</sup> July, 2020 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 30<sup>th</sup> June, 2020, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 07<sup>th</sup> August, 2020. The meeting of the Board of Directors of the Company commenced at 11.00 A.M and concluded at 01.20 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

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Limited review Report

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

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Alkem Laboratories Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), for the quarter ended 30 June 2020 (“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.

B S R & Co (a partnership firm with  
Registration No. BA61223) converted into  
B S R & Co. LLP (a Limited Liability, Partnership  
with LLP Registration No. AAB-8181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011 India

**Limited review Report (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 Inc., USA	Wholly Owned Subsidiary
5.	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary
6.	S & B Pharma LLC	Wholly owned by ThePharmanetwork, LLC (w.e.f 8 April 2020)
7.	Alkem Laboratories (PTY) Ltd, South Africa	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 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	Wholly Owned Subsidiary
22.	Connect 2 Clinic Private Limited	Wholly Owned Subsidiary (w.e.f 12 June 2020)
23.	Ascend Laboratories S.A.S, Colombia	Wholly Owned Subsidiary (w.e.f. 4 June 2019)

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 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.
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.

## Limited review Report (*Continued*)

### Alkem Laboratories Limited

7. We did not review the interim financial statements / financial information / financial results of two subsidiaries included in the Statement, whose interim financial statements / financial information / financial results reflect total revenues (before consolidation adjustments) of Rs 1,439.9 million total net profit after tax (before consolidation adjustments) of Rs 25.4 million and total comprehensive income (before consolidation adjustments) of Rs 23.5 million, for the quarter ended 30 June 2020, as considered in the consolidated unaudited financial results. These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

8. The Statement includes the interim financial statements/ financial information/ financial results of eighteen subsidiaries which have not been reviewed whose interim financial statements/ financial information/ financial results reflect total revenue (before consolidation adjustments) of Rs. 1,274.6 million, total net (loss) after tax (before consolidation adjustments) of Rs. 562.0 million and total comprehensive loss (before consolidation adjustments) of Rs. 540.3 million for the quarter ended 30 June 2020. According to the information and explanations given to us by the management, these interim financial statements / financial information / financial results are not material to the Group.

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

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

*Chartered Accountants*

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

SADASHIV  
SHANKAR SHETTY

Digitally signed by SADASHIV  
SHANKAR SHETTY  
Date: 2020.08.07 13:20:11 +05'30'

**Sadashiv Shetty**

*Partner*

Membership No: 048648

ICAI UDIN: 20048648AAAABT7184

Mumbai  
7 August 2020

# 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 Consolidated Financial Results for the Quarter ended 30 June 2020

(₹ in Million except per share data)

	Particulars	Quarter ended			Year ended
		30.06.2020 Unaudited	31.03.2020 Audited (Refer Note 1)	30.06.2019 Unaudited	31.03.2020 Audited
<b>1</b>	<b>Income</b>				
	(a) Revenue from Operations	20,034.9	20,489.9	18,495.0	83,443.6
	(b) Other Income	435.0	274.7	174.7	1,042.2
	<b>Total Income</b>	<b>20,469.9</b>	<b>20,764.6</b>	<b>18,669.7</b>	<b>84,485.8</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	5,386.7	5,085.7	5,453.7	21,318.3
	(b) Purchases of stock-in-trade	3,468.2	3,484.2	3,443.9	14,430.6
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,516.3)	374.0	(1,779.4)	(2,299.5)
	(d) Employee benefits expense	3,942.3	3,299.2	3,903.2	15,054.9
	(e) Finance costs	171.0	141.5	161.2	650.6
	(f) Depreciation and amortisation expense	668.3	810.5	558.3	2,527.6
	(g) Other expenses	3,422.2	5,216.5	4,828.6	20,205.4
	<b>Total Expenses</b>	<b>15,542.4</b>	<b>18,411.6</b>	<b>16,569.5</b>	<b>71,887.9</b>
<b>3</b>	<b>Profit before exceptional items and tax (1) - (2)</b>	<b>4,927.5</b>	<b>2,353.0</b>	<b>2,100.2</b>	<b>12,597.9</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-
<b>5</b>	<b>Profit before tax (3) - (4)</b>	<b>4,927.5</b>	<b>2,353.0</b>	<b>2,100.2</b>	<b>12,597.9</b>
<b>6</b>	<b>Tax expense / (credit)</b>				
	(a) Current tax	1,000.6	1,390.8	634.8	3,542.5
	(b) Deferred tax	(305.0)	(992.4)	(407.5)	(2,123.9)
	<b>Sub-total (a + b)</b>	<b>695.6</b>	<b>398.4</b>	<b>227.3</b>	<b>1,418.6</b>
	(c) Tax adjustment of earlier periods	-	39.2	-	(313.8)
	<b>Total Tax Expense (a + b + c)</b>	<b>695.6</b>	<b>437.6</b>	<b>227.3</b>	<b>1,104.8</b>
<b>7</b>	<b>Profit for the period (5) - (6)</b>	<b>4,231.9</b>	<b>1,915.4</b>	<b>1,872.9</b>	<b>11,493.1</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>				
	(a) Items that will not be reclassified to profit or loss				
	(i) Remeasurements of defined benefit plans	(12.6)	(234.0)	(12.6)	(280.9)
	(ii) Tax on remeasurements of defined benefit plans	4.2	82.7	3.3	96.5
	(b) Items that will be reclassified to profit or loss				
	(i) Foreign currency translation difference of foreign operations	22.5	365.8	(131.4)	453.0
	(ii) Tax on remeasurements of foreign currency translation difference of foreign operations	-	-	-	-
	<b>Total other Comprehensive Income (net of tax)</b>	<b>14.1</b>	<b>214.5</b>	<b>(140.7)</b>	<b>268.6</b>
<b>9</b>	<b>Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)</b>	<b>4,246.0</b>	<b>2,129.9</b>	<b>1,732.2</b>	<b>11,761.7</b>
<b>10</b>	<b>Profit attributable to</b>				
	a) Owners of the Company	4,220.1	1,887.7	1,854.7	11,270.7
	b) Non-Controlling Interest	11.8	27.7	18.2	222.4
<b>11</b>	<b>Other Comprehensive Income attributable to</b>				
	a) Owners of the Company	15.0	209.8	(138.2)	274.0
	b) Non-Controlling Interest	(0.9)	4.7	(2.5)	(5.4)
<b>12</b>	<b>Total Comprehensive Income attributable to</b>				
	a) Owners of the Company	4,235.1	2,097.5	1,716.5	11,544.7
	b) Non-Controlling Interest	10.9	32.4	15.7	217.0
<b>13</b>	<b>Paid-up Equity Share Capital</b> (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
<b>14</b>	<b>Other Equity</b>				61,367.6
<b>15</b>	<b>Earnings Per Share of ₹2 each (not annualised for</b>				
	(a) ₹ (Basic)	35.30	15.79	15.51	94.26
	(b) ₹ (Diluted)	35.30	15.79	15.51	94.26

**Notes :**

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 6 August 2020 and subsequently approved by the Board of Directors at its meeting held on 7 August 2020. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2020. The figures for the quarter ended 31 March 2020 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 2019, 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.

**Place: Mumbai**  
**Date: 7 August 2020**

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

BASUDEO  
NARAIN  
SINGH

Digitally signed by  
BASUDEO NARAIN  
SINGH  
Date: 2020.08.07  
12:47:21 +05'30'

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

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Limited review Report

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

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Alkem Laboratories Limited (“the Company”) for the quarter ended 30 June 2020 (“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 2020 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.

**Limited review Report (Continued)**

**Alkem Laboratories Limited**

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

SADASHIV  
SHANKAR SHETTY

Digitally signed by SADASHIV  
SHANKAR SHETTY  
Date: 2020.08.07 13:19:35  
+05'30'

**Sadashiv Shetty**

*Partner*

Membership No: 048648

ICAI UDIN: 20048648AAAABS5517

Mumbai  
7 August 2020



**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 2020**

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended
	30.06.2020 Unaudited	31.03.2020 Audited (Refer Note 1)	30.06.2019 Unaudited	31.03.2020 Audited
<b>1 Income</b>				
(a) Revenue from Operations	15,508.5	16,875.2	14,985.1	66,770.8
(b) Other Income	324.5	259.2	127.2	959.8
<b>Total Income</b>	<b>15,833.0</b>	<b>17,134.4</b>	<b>15,112.3</b>	<b>67,730.6</b>
<b>2 Expenses</b>				
(a) Cost of materials consumed	4,664.0	4,263.7	4,633.7	17,998.7
(b) Purchases of stock-in-trade	2,101.8	1,786.0	2,017.0	7,843.8
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,834.1)	775.8	(937.6)	(336.9)
(d) Employee benefits expense	2,844.3	2,255.5	2,835.8	10,667.6
(e) Finance costs	120.4	95.1	91.5	387.1
(f) Depreciation and amortisation expense	478.5	637.6	401.3	1,868.4
(g) Other expenses	2,666.8	4,256.4	3,785.0	15,921.1
<b>Total Expenses</b>	<b>11,041.7</b>	<b>14,070.1</b>	<b>12,826.7</b>	<b>54,349.8</b>
<b>3 Profit before exceptional item and tax (1) - (2)</b>	<b>4,791.3</b>	<b>3,064.3</b>	<b>2,285.6</b>	<b>13,380.8</b>
<b>4 Exceptional item</b>	-	-	-	-
<b>5 Profit before tax (3) - (4)</b>	<b>4,791.3</b>	<b>3,064.3</b>	<b>2,285.6</b>	<b>13,380.8</b>
<b>6 Tax expense / (credit)</b>				
(a) Current tax	833.3	942.0	532.3	2,783.3
(b) Deferred tax	(303.6)	(629.0)	(352.9)	(1,732.9)
<b>Sub-total (a + b)</b>	<b>529.7</b>	<b>313.0</b>	<b>179.4</b>	<b>1,050.4</b>
(c) Tax adjustment of earlier periods	-	39.2	-	(313.8)
<b>Total Tax Expense (a + b + c)</b>	<b>529.7</b>	<b>352.2</b>	<b>179.4</b>	<b>736.6</b>
<b>7 Profit for the period after tax (5 - 6)</b>	<b>4,261.6</b>	<b>2,712.1</b>	<b>2,106.2</b>	<b>12,644.2</b>
<b>8 Other Comprehensive Income (net of tax)</b>				
(a) Items that will not be reclassified to profit or loss				
(i) Remeasurements of defined benefit plans	(9.8)	(248.1)	(5.8)	(265.6)
(ii) Tax on remeasurements of defined benefit plans	3.4	86.7	2.0	92.8
(b) Items that will be reclassified to profit or loss				
(i) Foreign currency translation difference of foreign operations	-	-	-	-
(ii) Tax on remeasurements of foreign currency translation difference of foreign operations	-	-	-	-
<b>Total Other Comprehensive Income (net of tax)</b>	<b>(6.4)</b>	<b>(161.4)</b>	<b>(3.8)</b>	<b>(172.8)</b>
<b>9 Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)</b>	<b>4,255.2</b>	<b>2,550.7</b>	<b>2,102.4</b>	<b>12,471.4</b>
<b>10 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)</b>	<b>239.1</b>	239.1	239.1	239.1
<b>11 Other Equity</b>				62,565.3
<b>12 Earnings Per Share of ₹ 2 each (not annualised for the quarters)</b>				
(a) ₹ (Basic)	35.64	22.68	17.62	105.75
(b) ₹ (Diluted)	35.64	22.68	17.62	105.75

## Notes

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 6 August 2020 and subsequently approved by the Board of Directors at its meeting held on 7 August 2020. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2020. The figures for the quarter ended 31 March 2020 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 2019, 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 operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

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

**BASUDEO** Digitally signed  
by BASUDEO  
**NARAIN** NARAIN SINGH  
**SINGH** Date: 2020.08.07  
12:46:19 +05'30'

Place: Mumbai  
Date: 7 August 2020

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