

B S R & Co. LLP

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Review report

To Board of Directors of Alkem Laboratories Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Alkem Laboratories Limited ('the Company') for the quarter ended 30 June 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 as reported in these standalone financial results are the balancing figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the previous financial year. Also, the year to date figures for the period from 1 April 2016 to 31 December 2016 have only been reviewed and not subjected to audit.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are 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.

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 i.e. Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July, 2016 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 Shetty

Partner

Membership No: 048648

Mumbai

11 August 2017

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2017

(₹ in Million except per share data)

Particulars	Quarter ended		Year ended	
	30.06.2017 Unaudited	31.03.2017 Audited	30.06.2016 Unaudited	31.03.2017 Audited
1 Revenue from Operations	11,271.5	10,057.3	11,748.7	46,684.5
2 Other Income	237.7	299.7	328.2	1,166.0
3 Total Income (1) + (2)	11,509.2	10,357.0	12,076.9	47,850.5
4 Expenses				
(a) Cost of materials consumed	3,768.3	3,070.7	3,019.8	12,322.6
(b) Purchases of stock-in-trade	1,840.3	2,234.8	1,776.4	7,750.4
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(592.0)	(1,469.2)	(183.8)	(2,119.2)
(d) Employee benefits expense	1,967.0	1,590.0	1,764.5	7,222.5
(e) Finance costs	75.3	47.1	54.0	236.8
(f) Depreciation and amortisation expense	234.2	199.5	175.2	764.8
(g) Other expenses	2,773.6	3,538.2	2,896.8	12,728.3
Total Expenses	10,066.7	9,211.1	9,502.9	38,906.2
5 Profit before exceptional item and tax (3) - (4)	1,442.5	1,145.9	2,574.0	8,944.3
6 Exceptional item	-	-	-	-
7 Profit before tax (5) - (6)	1,442.5	1,145.9	2,574.0	8,944.3
8 Tax expense / (Credit)				
Current tax	299.0	282.6	539.9	1,909.4
Deferred tax	22.3	(365.0)	(480.7)	(1,796.7)
Total Tax expense	321.3	(82.4)	59.2	112.7
9 Net Profit for the period after tax (7) - (8)	1,121.2	1,228.3	2,514.8	8,831.6
10 Other Comprehensive Income (net of tax)				
Items that will not be reclassified to profit or loss	(6.2)	21.6	(52.5)	(56.1)
Income tax relating to items that will not be reclassified to profit or loss	2.1	(7.5)	18.2	19.4
Total Other Comprehensive Income	(4.1)	14.1	(34.3)	(36.7)
11 Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period) (9) + (10)	1,117.1	1,242.4	2,480.5	8,794.9
12 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
13 Other equity				43,687.4
14 Earnings Per Share of ₹ 2 each (not annualised for the quarters)				
(a) ₹ (Basic)	9.38	10.27	21.03	73.86
(b) ₹ (Diluted)	9.38	10.27	21.03	73.86

Notes :

- The above unaudited financial results of the Company were reviewed and recommended by the Audit Committee on 10 August 2017 and subsequently approved by the Board of Directors at its meeting held on 11 August 2017. The figures for the quarter ended 30 June 2017 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion in the limited review report for the quarter ended 30 June 2017. The figures for the quarter ended 31 March 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto nine months ended 31 December 2016. Also, the figures up to the end of third quarter were only reviewed and not subjected to audit.
- Financial results for the periods presented 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 (as amended) and the relevant provisions of the Act.
- The Company operates in one reportable business segment i.e. "Pharmaceuticals".
- Previous periods' figures have been regrouped/reclassified, where necessary, to make them comparable with the figures for the current period.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 11 August 2017