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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 and nine months ended 31 December 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. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 February 2018. Our responsibility is to issue a report on the Statement 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 results 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 BSR & Co. LLP

Chartered Accountants

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



Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

9 February 2018

ALKEM LABORATORIES LIMITED
CIN No.:L00305MH1973PLC174201

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Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended 31 December 2017

(₹ in Million except per share data)

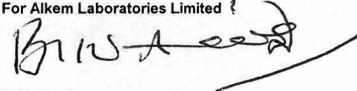
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2017 Unaudited	30.09.2017 Unaudited	31.12.2016 Unaudited	31.12.2017 Unaudited	31.12.2016 Unaudited	31.03.2017 Audited
1 Revenue from Operations	14,225.2	15,680.2	11,606.3	41,349.9	36,627.2	46,684.5
2 Other Income	226.9	203.0	231.2	667.6	866.3	1,166.0
3 Total Income (1) + (2)	14,452.1	15,883.2	11,837.5	42,017.5	37,493.5	47,850.5
4 Expenses						
(a) Cost of materials consumed	3,638.8	2,339.6	3,079.7	9,746.7	9,251.9	12,322.6
(b) Purchases of stock-in-trade	2,739.8	1,471.1	1,707.9	6,051.2	5,515.6	7,750.4
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,288.9)	2,045.1	(509.3)	164.2	(650.0)	(2,119.2)
(d) Employee benefits expense	2,232.7	2,221.1	1,987.1	6,420.8	5,632.5	7,222.5
(e) Finance costs	71.8	113.0	66.4	260.1	189.7	236.8
(f) Depreciation and amortisation expense	283.0	257.5	197.3	774.7	565.3	764.8
(g) Other expenses	3,768.1	3,178.7	3,134.6	9,893.4	9,190.1	12,728.3
Total Expenses	11,445.3	11,626.1	9,663.7	33,311.1	29,695.1	38,906.2
5 Profit before exceptional item and tax (3) - (4)	3,006.8	4,257.1	2,173.8	8,706.4	7,798.4	8,944.3
6 Exceptional item	-	-	-	-	-	-
7 Profit before tax (5) - (6)	3,006.8	4,257.1	2,173.8	8,706.4	7,798.4	8,944.3
8 Tax expense / (Credit)						
Current tax	824.5	905.2	(975.8)	2,028.7	182.3	1,909.4
Deferred tax	52.6	44.3	1,012.5	119.2	12.8	(1,796.7)
Total Tax expense	877.1	949.5	36.7	2,147.9	195.1	112.7
9 Net Profit for the period after tax (7) - (8)	2,129.7	3,307.6	2,137.1	6,558.5	7,603.3	8,831.6
10 Other Comprehensive Income (net of tax)						
Items that will not be reclassified to profit or loss	(6.2)	(6.2)	(12.6)	(18.6)	(77.7)	(56.1)
Income tax relating to items that will not be reclassified to profit or loss	2.1	2.2	4.4	6.4	26.9	19.4
Total Other Comprehensive Income	(4.1)	(4.0)	(8.2)	(12.2)	(50.8)	(36.7)
11 Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)	2,125.6	3,303.6	2,128.9	6,546.3	7,552.5	8,794.9
12 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1	239.1
13 Other equity						43,687.4
14 Earnings Per Share of ₹ 2 each (not annualised for the quarters)						
(a) ₹ (Basic)	17.81	27.66	17.87	54.85	63.59	73.86
(b) ₹ (Diluted)	17.81	27.66	17.87	54.85	63.59	73.86

B. W. A. [Signature]

Notes :

- 1 The above unaudited financial results of the Company were reviewed and recommended by the Audit Committee on 8 February 2018 and subsequently approved by the Board of Directors at its meeting held on 9 February 2018. The figures for the quarter and nine months ended 31 December 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 and nine months ended 31 December 2017.
- 2 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.
- 3 The Company operates in one reportable business segment i.e. "Pharmaceuticals".
- 4 Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017 and as per Ind AS 18, Revenue from operations is disclosed net of GST. Revenue from operations for the quarter and nine months ended 31 December 2018 and for the year ended 31 March 2017 included excise duty which is now subsumed under GST. Revenue from operations for the nine months ended 31 December 2017 includes excise duty up to 30 June 2017. Accordingly, revenue from operations for the quarter and nine months ended 31 December 2017 are not comparable with those of the previous periods presented.
- 5 The Board of Directors in its meeting held on 9 February 2018 have declared an interim dividend of ₹ 6 (Rupees six only) per equity share of the face value of ₹ 2 each (300%).
- 6 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: 9 February 2018