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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 September 2018 and the year-to-date results for the period from 1 April 2018 to 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 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' specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone 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. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies 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.

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

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



Sadashiv Shetty
Partner

Membership No: 048648

Mumbai
2 November 2018

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Statement of Unaudited Standalone Financial Results for the Quarter and Six months ended 30 September 2018

(₹ in Million except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30.09.2018 Unaudited	30.06.2018 Unaudited	30.09.2017 Unaudited	30.09.2018 Unaudited	30.09.2017 Unaudited	31.03.2018 Audited
1 Income						
(a) Revenue from Operations	14,402.2	12,700.0	15,617.3	27,102.2	27,030.0	52,817.8
(b) Other Income	234.3	193.3	265.9	427.6	535.4	1,001.4
Total Income	14,636.5	12,893.3	15,883.2	27,529.8	27,565.4	53,819.2
2 Expenses						
(a) Cost of materials consumed	3,710.5	3,037.0	2,339.6	6,747.5	6,107.9	13,276.9
(b) Purchases of stock-in-trade	1,261.6	1,896.3	1,471.1	3,157.9	3,311.4	8,389.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	568.2	11.2	2,045.1	579.4	1,453.1	(914.2)
(d) Employee benefits expense	2,283.5	2,427.6	2,221.1	4,711.1	4,188.1	8,616.3
(e) Finance costs	89.4	104.2	113.0	193.6	188.3	323.7
(f) Depreciation and amortisation expense	333.7	316.1	257.5	649.8	491.7	1,076.5
(g) Other expenses	3,541.9	3,524.7	3,178.7	7,066.6	6,125.3	13,707.6
Total Expenses	11,788.8	11,317.1	11,626.1	23,105.9	21,865.8	44,476.3
3 Profit before exceptional item and tax (1) - (2)	2,847.7	1,576.2	4,257.1	4,423.9	5,699.6	9,342.9
4 Exceptional item	-	-	-	-	-	-
5 Profit before tax (3) - (4)	2,847.7	1,576.2	4,257.1	4,423.9	5,699.6	9,342.9
6 Tax expense / (credit)						
Current tax	620.3	340.0	905.2	960.3	1,204.2	2,016.6
Deferred tax	(155.6)	(58.7)	44.3	(214.3)	66.6	167.9
Total Tax expense	464.7	281.3	949.5	746.0	1,270.8	2,184.5
7 Profit for the period after tax (5 - 6)	2,383.0	1,294.9	3,307.6	3,677.9	4,428.8	7,158.4
8 Other Comprehensive Income (net of tax)						
Items that will not be reclassified to profit or loss	3.1	3.1	(6.2)	6.2	(12.4)	(111.1)
Income tax relating to items that will not be reclassified to profit or loss	(1.0)	(1.1)	2.2	(2.1)	4.3	38.4
Items that will be reclassified to profit or loss	-	-	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive Income (net of tax)	2.1	2.0	(4.0)	4.1	(8.1)	(72.7)
9 Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	2,385.1	1,296.9	3,303.6	3,682.0	4,420.7	7,085.7
10 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1	239.1
11 Other equity						48,614.5
12 Earnings Per Share of ₹ 2 each (not annualised for the quarters)						
(a) ₹ (Basic)	19.93	10.83	27.66	30.76	37.04	59.87
(b) ₹ (Diluted)	19.93	10.83	27.66	30.76	37.04	59.87

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Statement of Assets and Liabilities as at 30 September 2018

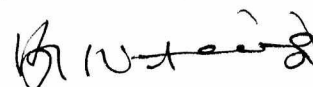
(₹ in Million)

Particulars	As at 30 September 2018 (Unaudited)	As at 31 March 2018 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	14,894.0	14,398.5
(b) Capital work-in-progress	4,284.6	2,989.2
(c) Intangible assets	278.5	311.4
(d) Financial Assets		
(i) Investments	13,405.5	13,014.4
(ii) Loans	478.9	1,074.9
(iii) Others financial assets	406.2	253.0
(e) Deferred tax assets (net)	5,992.6	5,780.5
(f) Non current tax assets (net)	238.0	237.0
(g) Other non-current assets	636.6	746.1
Total Non-current assets	40,614.9	38,805.0
2 Current assets		
(a) Inventories	9,943.4	10,241.6
(b) Financial Assets		
(i) Investments	2,423.6	2,430.6
(ii) Trade receivables	9,326.2	8,750.0
(iii) Cash and cash equivalents	267.7	51.6
(iv) Bank balances other than (iii) above	1,140.0	2,731.4
(v) Loans	340.7	343.8
(vi) Others financial assets	783.9	1,316.3
(c) Other current assets	3,516.7	3,471.4
Total Current assets	27,742.2	29,336.7
TOTAL ASSETS	68,357.1	68,141.7
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	51,287.4	48,614.5
Total Equity	51,526.5	48,853.6
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	63.3	63.3
(b) Provisions	1,615.2	1,260.3
(c) Other non-current liabilities	95.3	97.7
Total Non-Current liabilities	1,773.8	1,421.3
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	5,385.3	5,411.9
(ii) Trade payables	5,031.6	8,185.6
(iii) Other financial liabilities	3,038.6	2,525.6
(b) Other current liabilities	633.5	719.1
(c) Provisions	962.4	1,024.6
(d) Current tax Liabilities (Net)	5.4	-
Total Current liabilities	15,056.8	17,866.8
TOTAL EQUITY AND LIABILITIES	68,357.1	68,141.7

Notes :

- The above unaudited financial results of the Company were reviewed and recommended by the Audit Committee on 1 November 2018 and subsequently approved by the Board of Directors at its meeting held on 2 November 2018. The figures for the quarter and six months ended 30 September 2018 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter and six months ended 30 September 2018.
- The Company operates in one reportable business segment i.e. "Pharmaceuticals".
- Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017, Revenue from operations is disclosed net of GST. Revenue from operations for the period prior to 1 July 2017 included excise duty which is now subsumed under GST. Accordingly, revenue from operations for the six months ended 30 September 2018 are not strictly comparable with those of the previous corresponding period presented.
- 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: 2 November 2018