

**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

12th August, 2019

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

**Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended
30th June, 2019.**

In continuation of our letter dated 1st August, 2019 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, 2019, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 12th August, 2019. The meeting of the Board of Directors of the Company commenced at 12.00 noon and concluded at 2.00 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
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India

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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 "the Group") for the quarter ended 30 June 2019 ("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 Inc., USA	Wholly Owned Subsidiary
5.	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary

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

Sr. No.	Name of entity	Relationship
6.	Alkem Laboratories (NIG) Limited, Nigeria	Wholly Owned Subsidiary (Upto 6 May 2018)
7.	Alkem Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary
8.	Enzene Biosciences Ltd, India	Wholly Owned 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.	Ascends Laboratories SDN BHD., Malaysia	Wholly Owned Subsidiary
14.	Ascends 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.	Alkem 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 2019 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 the other auditors referred to in paragraph 8 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 two subsidiaries included in the Statement, whose interim financial results reflect total revenues of Rs. 1,859.7 million, total net profit after tax of Rs. 34.2 million and total comprehensive loss of Rs. 5.5 million for the quarter ended 30 June 2019, 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 in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report 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.

Limited review report (*Continued*)

Alkem Laboratories Limited

8. The Statement includes the interim financial statements / financial information / financial results of seventeen subsidiaries which have not been reviewed, whose interim financial statements / financial information / financial results reflect total revenues of Rs. 1,261.3 million, total net loss after tax of Rs. 396.9 million and total comprehensive loss of Rs. 26.5 million for the quarter ended 30 June 2019, as considered in the Statement. 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 matter.

For **BSR & Co. LLP**

Chartered Accountants

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



Sadashiv Shetty

Partner

Membership No: 048648

UDIN: 19048648AAAABG5070

Mumbai
12 August 2019



Alkem Laboratories Limited

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CIN: L00305MH1973PLC174201

Extract of Unaudited Consolidated Financial Results for the Quarter ended 30 June 2019

(₹ in Million except per share data)

Sr.No	Particulars	Quarter Ended	Quarter Ended	Year Ended
		30.06.2019	30.06.2018	31.03.2019
1	Total Income from Operations	18,495.0	16,589.4	73,571.9
2	Net Profit for the period (before tax and exceptional items)	2,100.2	1,717.7	9,546.6
3	Net Profit for the period before tax (after exceptional items)	2,100.2	1,717.7	9,546.6
4	Net Profit for the period after tax (after exceptional items) attributable to the owners of the Company	1,854.7	1,361.5	7,605.1
5	Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)) attributable to the owners of the Company	1,716.5	1,646.0	7,916.2
6	Paid-up equity Share Capital (Face Value per Share: ₹ 2)	239.1	239.1	239.1
7	Other Equity			54,154.3
8	Earnings Per Share (Face Value per share: ₹ 2 /- (not annualised for quarters)			
a	Basic (in ₹) :	15.51	11.39	63.61
b	Diluted (in ₹) :	15.51	11.39	63.61

Notes:

1 Key numbers of Standalone Financial Results

a. Total Income from Operations	14,985.1	12,699.0	57,140.9
b. Profit Before Tax	2,285.6	1,576.2	9,439.6
c. Profit After Tax	2,106.2	1,294.9	7,998.4

2 The above unaudited financial results of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 12 August 2019. The figures for the quarter ended 30 June 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2019.

3 The above is an extract of the detailed format of Quarterly/Year ended Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Year ended Financial Results are available on the Stock Exchange websites viz. www.bseindia.com and www.nseindia.com. The same is also available on the company website viz. www.alkemlabs.com

Place: Mumbai
Date: 12 August 2019

By Order of the Board
For Alkem Laboratories Limited


B. N. Singh
Executive Chairman
DIN: 00760310

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 2019

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended
	30.06.2019 Unaudited	31.03.2019 Audited	30.06.2018 Unaudited	31.03.2019 Audited
1 Income				
(a) Revenue from operations	18,495.0	18,542.0	16,589.4	73,571.9
(b) Other income	174.7	276.6	267.7	877.0
Total Income	18,669.7	18,818.6	16,857.1	74,448.9
2 Expenses				
(a) Cost of materials consumed	5,453.7	5,100.8	3,839.1	18,111.4
(b) Purchases of stock-in-trade	3,443.9	3,213.3	2,776.0	11,301.9
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,779.4)	(558.3)	(311.2)	36.4
(d) Employee benefits expense	3,903.2	3,488.0	3,394.5	13,624.6
(e) Finance costs	161.2	65.9	162.6	546.3
(f) Depreciation and amortisation expense	558.3	572.7	424.5	1,931.8
(g) Other expenses	4,828.6	4,948.1	4,853.9	19,349.9
Total Expenses	16,569.5	16,830.5	15,139.4	64,902.3
3 Profit before exceptional items and tax (1) - (2)	2,100.2	1,988.1	1,717.7	9,546.6
4 Exceptional items	-	-	-	-
5 Profit before tax (3) - (4)	2,100.2	1,988.1	1,717.7	9,546.6
6 Tax expense / (credit)				
Current tax	634.8	501.1	395.8	2,291.7
Deferred tax	(407.5)	(218.0)	(50.8)	(481.5)
Total Tax Expense	227.3	283.1	345.0	1,810.2
7 Profit for the period (5) - (6)	1,872.9	1,705.0	1,372.7	7,736.4
8 Other Comprehensive Income (net of tax)				
Items that will not be reclassified to profit or loss	(12.6)	(78.6)	10.9	(69.4)
Income tax relating to items that will not be reclassified to profit or loss	3.3	27.2	(3.6)	23.7
Items that will be reclassified to profit or loss	(131.4)	13.7	279.5	355.7
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income (net of tax)	(140.7)	(37.7)	286.8	310.0
9 Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	1,732.2	1,667.3	1,659.5	8,046.4
10 Profit attributable to				
a) Owners of the Company	1,854.7	1,673.6	1,361.5	7,605.1
b) Non-Controlling Interest	18.2	31.4	11.2	131.3
11 Other Comprehensive Income attributable to				
a) Owners of the Company	(138.2)	(36.6)	284.5	311.1
b) Non-Controlling Interest	(2.5)	(1.1)	2.3	(1.1)
12 Total Comprehensive Income attributable to				
a) Owners of the Company	1,716.5	1,637.0	1,646.0	7,916.2
b) Non-Controlling Interest	15.7	30.3	13.5	130.2
13 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
14 Other Equity				54,154.3
15 Earnings Per Share of ₹2 each (not annualised for the quarters)				
(a) ₹ (Basic)	15.51	14.00	11.39	63.61
(b) ₹ (Diluted)	15.51	14.00	11.39	63.61

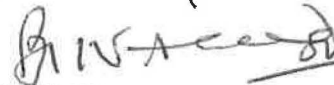
B. N. A. S.

Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 12 August 2019. The figures for the quarter ended 30 June 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2019. The figures for the quarter ended 31 March 2019 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 2018, which were subjected to limited review and not subjected to audit.
- 2 Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" applicable to all contracts having lease components existing on 1 April 2019 using modified retrospective approach. This has resulted in recognising right of use asset and a corresponding lease liability of **Rs.947.2 million** as at 1 April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the quarter ended 30 June 2019 is lower by **Rs.5.6 million**. Consequent to adoption of Ind AS 116, there is no impact on retained earnings as on 1 April 2019 resulting in no restatement in results of comparative period.
- 3 The Group operates in one reportable business segment i.e. "Pharmaceuticals".

Place: Mumbai
Date: 12 August 2019

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
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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 2019 ('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 2019 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



Sadashiv Shetty
Partner

Membership No: 048648

UDIN: 19048648AAAABH3980

Mumbai
12 August 2019

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2019

(₹ in Million except per share data)

	Particulars	Quarter ended			Year ended
		30.06.2019 Unaudited	31.03.2019 Audited	30.06.2018 Unaudited	31.03.2019 Audited
1	Income				
	(a) Revenue from operations	14,985.1	14,678.4	12,699.0	57,140.9
	(b) Other income	127.2	190.7	194.3	675.8
	Total Income	15,112.3	14,869.1	12,893.3	57,816.7
2	Expenses				
	(a) Cost of materials consumed	4,633.7	4,261.0	3,037.0	14,972.2
	(b) Purchases of stock-in-trade	2,017.0	1,901.6	1,896.3	6,880.9
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(937.6)	(103.2)	11.2	865.6
	(d) Employee benefits expense	2,835.8	2,449.5	2,427.6	9,600.9
	(e) Finance costs	91.5	14.5	104.2	282.6
	(f) Depreciation and amortisation expense	401.3	409.8	316.1	1,410.7
	(g) Other expenses	3,785.0	3,789.4	3,524.7	14,364.2
	Total Expenses	12,826.7	12,722.6	11,317.1	48,377.1
3	Profit before exceptional item and tax (1) - (2)	2,285.6	2,146.5	1,576.2	9,439.6
4	Exceptional item	-	-	-	-
5	Profit before tax (3) - (4)	2,285.6	2,146.5	1,576.2	9,439.6
6	Tax expense / (credit)				
	Current tax	532.3	457.7	340.0	2,004.1
	Deferred tax	(352.9)	(219.4)	(58.7)	(562.9)
	Total Tax Expense	179.4	238.3	281.3	1,441.2
7	Profit for the period after tax (5 - 6)	2,106.2	1,908.2	1,294.9	7,998.4
8	Other Comprehensive Income (net of tax)				
	Items that will not be reclassified to profit or loss	(5.8)	(73.5)	3.1	(64.3)
	Income tax relating to items that will not be reclassified to profit or loss	2.0	25.7	(1.1)	22.5
	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)	(3.8)	(47.8)	2.0	(41.8)
9	Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	2,102.4	1,860.4	1,296.9	7,956.6
10	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
11	Other Equity				54,413.0
12	Earnings Per Share of ₹ 2 each (not annualised for the quarters)				
	(a) ₹ (Basic)	17.62	15.96	10.83	66.90
	(b) ₹ (Diluted)	17.62	15.96	10.83	66.90

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Notes :

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 12 August 2019. The figures for the quarter ended 30 June 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2019. The figures for the quarter ended 31 March 2019 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 2018, which were subjected to limited review and not subjected to audit.
- 2 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" applicable to all contracts having lease components existing on 1 April 2019 using modified retrospective approach. This has resulted in recognising right of use asset and a corresponding lease liability of **Rs.646.2 million** as at 1 April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the quarter ended 30 June 2019 is lower by **Rs.5.4 million**. Consequent to adoption of Ind AS 116, there is no impact on retained earnings as on 1 April 2019 resulting in no restatement in results of comparative period.
- 3 The Company operates in one reportable business segment i.e. "Pharmaceuticals".

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 12 August 2019