



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- L00305MH1973PLC174201



30th May, 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: Outcome of the Board Meeting held on 30th May, 2019

Kindly refer to our intimation letter dated 21st May, 2019, 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"), regarding holding of Board Meeting on 30th May 2019 to *inter alia* approve the Audited Financial Results for the quarter and financial year ended 31st March 2019 and to recommend dividend, if any. The Board of Directors at its meeting held today i.e. 30th May, 2019, has, *inter alia*:

1. approved the Standalone and Consolidated Audited Financial Statements of the Company for the quarter and financial year ended 31st March, 2019.
2. recommended a final dividend of Rs. 8/- (Rupees Eight only) per equity share of Rs. 2/- each for the financial year ended 31st March, 2019, for the approval of the shareholders of the Company at the ensuing Annual General Meeting.
3. fixed that the 45th Annual General Meeting of the Company shall be held on 27th August, 2019.
4. fixed 20th August, 2019 as the record date for the purposes of the Annual General Meeting and payment of final dividend.
5. recommended re-appointment of M/s BSR & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for a term of five (5) years from the conclusion of 45th Annual General Meeting till the conclusion of 50th Annual General Meeting, for the approval of the shareholders of the Company at the ensuing Annual General Meeting.
6. based on recommendation of Nomination and Remuneration Committee and subject to approval of shareholders at the ensuing Annual General Meeting, approved the re-appointment of Mr. Samprada Singh as Chairman Emeritus and Non-Executive Director of the Company for a period of five (5) consecutive years with effect from 1st April, 2020 upto 31st March, 2025.
7. based on recommendation of Nomination and Remuneration Committee and subject to approval of shareholders at the ensuing Annual General Meeting, approved the re-appointment of Mr. Basudeo N. Singh as Executive Chairman of the Company for a period of one (1) year effective from 1st April, 2019 upto 31st March, 2020.



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8. based on recommendation of Nomination and Remuneration Committee and subject to approval of shareholders at the ensuing Annual General Meeting, appointment of Mr. Basudeo N. Singh as Non-Executive Director designated as Chairman of the Company for a period of five (5) consecutive years effective from 1st April, 2020 upto 31st March, 2025.
9. based on recommendation of Nomination and Remuneration Committee and subject to approval of shareholders at the ensuing Annual General Meeting, approved the re-appointment of Mr. Ranjal Laxmana Shenoy with effect from 16th March, 2020, Mr. Arun Kumar Purwar with effect from 13th July, 2020, Ms. Sangeeta Singh with effect from 13th July, 2020 and Ms. Sudha Ravi with effect from 13th July, 2020 for the second term of five (5) consecutive years pursuant to expiry of their current term as Independent Directors of the Company.

Accordingly, we are enclosing herewith Standalone and Consolidated Audited Financial Results for the quarter and financial year ended 31st March, 2019 and the Auditor's Report thereon.

The Company hereby declares that the Auditors have expressed an unmodified opinion in the Audit Reports on Standalone and Consolidated Financial Results for the quarter and financial year ended 31st March, 2019.

The meeting of the Board of Directors of the Company commenced at 11.30 a.m. and concluded at 2.00 p.m.

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

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Independent Auditor's Report on Consolidated Financial Results of Alkem Laboratories Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Alkem Laboratories Limited

We have audited the accompanying consolidated annual financial results of Alkem Laboratories Limited ('the Company) and its subsidiaries (collectively, 'the Group') as listed in Annexure I, for the year ended 31 March 2019 ('consolidated annual financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter has only been reviewed and not subjected to audit.

These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed consolidated quarterly financial results up to the end of third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per 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.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of nineteen subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 18,208.8 million as at 31 March 2019 as well as the total revenues of Rs. 12,164.5 million for the year ended 31 March 2019, as considered in the consolidated annual financial results. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the reports of such other auditors.



Independent Auditor's Report on Consolidated Financial Results of Alkem Laboratories Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Alkem Laboratories Limited

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries as aforesaid, these consolidated annual financial results:

- (i) include the annual financial results of the entities as listed in Annexure I;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

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

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



Sadashiv Shetty
Partner

Membership No: 048648

Mumbai
30 May 2019

Alkem Laboratories Limited

Annexure I

1. List of Subsidiaries

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.	Alkem Laboratories (NIG) Limited, Nigeria	Wholly Owned Subsidiary
6.	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary
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.	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

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CIN No.:L00305MH1973PLC174201

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Tel No:91 22 3982 9999 Fax No: +91 22 2492 7190

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

Statement of Audited Consolidated Financial Results for the Quarter and Year ended 31 March 2019

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended	
	31.03.2019 Audited	31.12.2018 Unaudited	31.03.2018 Audited	31.03.2019 Audited	31.03.2018 Audited
1 Income					
(a) Revenue from Operations	18,542.0	19,250.3	14,919.8	73,571.9	64,011.7
(b) Other Income	276.6	93.5	285.8	877.0	1,154.2
Total Income	18,818.6	19,343.8	15,205.6	74,448.9	65,165.9
2 Expenses					
(a) Cost of materials consumed	5,100.8	4,687.3	4,395.8	18,111.4	16,515.1
(b) Purchases of stock-in-trade	3,213.3	3,144.7	1,979.6	11,301.9	8,262.3
(c) Changes in inventories of finished goods, work in-progress and stock-in-trade	(558.3)	147.7	(581.3)	36.4	(949.9)
(d) Employee benefits expense	3,488.0	3,463.5	2,986.8	13,624.6	11,916.4
(e) Finance costs	65.9	153.8	104.4	546.3	553.3
(f) Depreciation and amortisation expense	572.7	476.9	403.3	1,931.8	1,430.3
(g) Other expenses	4,948.1	4,689.3	5,108.5	19,349.9	18,178.6
Total Expenses	16,830.5	16,763.2	14,397.1	64,902.3	55,906.1
3 Profit before exceptional items and tax (1) - (2)	1,988.1	2,580.6	808.5	9,546.6	9,259.8
4 Exceptional items	-	-	-	-	-
5 Profit before tax (3) - (4)	1,988.1	2,580.6	808.5	9,546.6	9,259.8
6 Tax expense / (credit)					
Current tax	501.1	692.3	122.2	2,291.7	2,425.2
Deferred tax	(218.0)	(166.2)	23.0	(481.5)	450.4
Total Tax expense	283.1	526.1	145.2	1,810.2	2,875.6
7 Profit for the period (5) - (6)	1,705.0	2,054.5	663.3	7,736.4	6,384.2
8 Other Comprehensive Income (net of tax)					
Items that will not be reclassified to profit or loss	(78.6)	(3.2)	(117.7)	(69.4)	(105.4)
Income tax relating to items that will not be reclassified to profit or loss	27.2	1.1	41.3	23.7	37.1
Items that will be reclassified to profit or loss	13.7	(374.0)	53.2	355.7	(121.3)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total other Comprehensive Income (net of tax)	(37.7)	(376.1)	(23.2)	310.0	(189.6)
9 Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	1,667.3	1,678.4	640.1	8,046.4	6,194.6
10 Profit attributable to					
a) Owners of the Company	1,673.6	2,025.3	670.8	7,605.1	6,309.4
b) Non-Controlling Interest	31.4	29.2	(7.5)	131.3	74.8
11 Other Comprehensive Income attributable to					
a) Owners of the Company	(36.6)	(374.0)	(24.3)	311.1	(190.7)
b) Non-Controlling Interest	(1.1)	(2.1)	1.1	(1.1)	1.1
12 Total Comprehensive Income attributable to					
a) Owners of the Company	1,637.0	1,651.3	646.5	7,916.2	6,118.7
b) Non-Controlling Interest	30.3	27.1	(6.4)	130.2	75.9
13 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1
14 Other Equity				54,154.3	48,398.6
15 Earnings Per Share of ₹2 each (not annualised)					
(a) ₹ (Basic)	14.00	16.94	5.61	63.61	52.77
(b) ₹ (Diluted)	14.00	16.94	5.61	63.61	52.77

B. V. A. S. S.

Consolidated Statement of Assets and Liabilities As at 31 March 2019

(₹ in Million)

Particulars	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	21,056.2	18,733.0
(b) Capital work-in-progress	4,929.6	3,809.7
(c) Goodwill	231.5	210.6
(d) Other Intangible assets	442.6	438.3
(e) Goodwill on consolidation	3,574.1	3,454.0
(f) Financial Assets		
(i) Investments	957.4	984.5
(ii) Loans	136.3	222.2
(iii) Others financial assets	462.0	922.9
(g) Deferred tax assets (net)	7,076.3	6,556.1
(h) Non current tax assets (net)	392.7	292.5
(i) Other non-current assets	661.9	900.3
Total Non-current assets	39,920.6	36,524.1
2 Current assets		
(a) Inventories	14,998.7	14,421.9
(b) Financial Assets		
(i) Investments	2,278.8	3,458.2
(ii) Trade receivables	12,484.1	10,805.0
(iii) Cash and cash equivalents	2,490.5	1,667.1
(iv) Bank balances other than (iii) above	4,125.5	4,100.7
(v) Loans	308.0	379.2
(vi) Others financial assets	1,064.6	1,357.0
(c) Other current assets	4,293.8	3,943.1
(d) Non-current assets held for sale	117.3	-
Total Current assets	42,161.3	40,132.2
TOTAL ASSETS	82,081.9	76,656.3
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	54,154.3	48,398.6
Equity attributable to owners of the Company	54,393.4	48,637.7
(c) Non-controlling interest	1,326.1	1,215.5
Total Equity	55,719.5	49,853.2
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,313.0	1,307.3
(b) Provisions	2,010.3	1,502.7
(c) Deferred tax liabilities (Net)	3.0	16.7
(d) Other non-current liabilities	133.9	143.3
Total Non-Current liabilities	4,460.2	2,970.0
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,712.7	7,612.7
(ii) Trade payables		
Dues of Micro and Small Enterprises	606.3	1,228.7
Dues of Creditors other than Micro and Small Enterprises	9,016.2	8,378.4
(iii) Other financial liabilities	3,428.7	4,344.9
(b) Other current liabilities	852.1	855.5
(c) Provisions	1,265.1	1,239.4
(d) Current tax Liabilities (Net)	21.1	173.5
Total Current liabilities	21,902.2	23,833.1
TOTAL EQUITY AND LIABILITIES	82,081.9	76,656.3

B. N. A. S.

Notes :

- 1 The above audited 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 30 May 2019. The auditors have expressed an unmodified opinion on the financial results for the year ended 31 March 2019. The figures for the quarter ended 31 March 2019 and 31 March 2018 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 and 31 December 2017 respectively, which were subjected to limited review.
- 2 The Group operates in one reportable business segment i.e. "Pharmaceuticals".
- 3 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 year ended 31 March 2019 are not strictly comparable with those of the previous corresponding period presented.
- 4 In the United States of America, The Tax Cuts and Jobs Act of 2017 was approved and enacted in to law on 22 December 2017. The law includes significant changes to the U.S. corporate income tax system, including a reduction in Federal corporate tax rate from 35% to 21%. Consequent to this enactment, the Group had re-measured its deferred tax assets and liabilities pertaining to the US operations based on the new tax law and this resulted in a one time charge of **Rs.448.7 million** for the quarter ended 31 December 2017 and year ended 31 March 2018.
- 5 Other Expenses for the quarter and year ended 31 March 2018 includes **Rs.282.5 million** and **Rs.263.1 million** respectively on account of net loss on fair valuation of current investments, including loss of **Rs.369.1 million** and **Rs.380.1 million** respectively on account of fair valuation of investment in real estate fund as per the report of independent valuers. Corresponding net loss on account of fair valuation of current investments for the quarter and year ended 31 March 2019 amounts to **Rs.22.5 million** and **Rs.45.5 million** respectively.
- 6 During the year ended 31 March 2019, the Company has paid an interim dividend of ₹ 8 (Rupees eight only) per equity share (400.0 % on the face value of ₹ 2 each) for the financial year 2018-19. The Board of Directors at its meeting held on 30 May 2019 has recommended a final dividend of ₹ 8 (Rupees eight only) per equity share (400.0 % on the face value of ₹ 2 each) for the financial year 2018-19.

Place: Mumbai
Date: 30 May 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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India

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Independent Auditor's Report on Standalone Financial Results of Alkem Laboratories Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Alkem Laboratories Limited

We have audited the accompanying standalone annual financial results of Alkem Laboratories Limited ('the Company') for the year ended 31 March 2019 ('standalone annual financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these standalone annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These standalone annual financial results have been prepared on the basis of the annual financial statements and reviewed standalone quarterly financial results upto the end of third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone annual financial results based on our audit of the annual standalone financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per 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.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the financial performance including other comprehensive income and other financial information for the year ended 31 March 2019.

For B S R & Co. LLP
Chartered Accountants

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



Sadashiv Shetty
Partner

Membership No: 048648

Mumbai
30 May 2019

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Tel No:91 22 3982 9999 Fax No: +91 22 2492 7190

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

Statement of Audited Standalone Financial Results for the Quarter and Year ended 31 March 2019

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended	
	31.03.2019 Audited	31.12.2018 Unaudited	31.03.2018 Audited	31.03.2019 Audited	31.03.2018 Audited
1 Income					
(a) Revenue from Operations	14,678.4	15,360.3	11,551.9	57,140.9	52,810.1
(b) Other Income	190.7	57.5	249.8	675.8	1,009.1
Total Income	14,869.1	15,417.8	11,801.7	57,816.7	53,819.2
2 Expenses					
(a) Cost of materials consumed	4,261.0	3,963.7	3,530.2	14,972.2	13,276.9
(b) Purchases of stock-in-trade	1,901.6	1,821.4	2,338.3	6,880.9	8,389.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(103.2)	389.4	(1,078.4)	865.6	(914.2)
(d) Employee benefits expense	2,449.5	2,440.3	2,195.5	9,600.9	8,616.3
(e) Finance costs	14.5	74.5	63.6	282.6	323.7
(f) Depreciation and amortisation expense	409.8	351.1	301.8	1,410.7	1,076.5
(g) Other expenses	3,789.4	3,508.2	3,814.2	14,364.2	13,707.6
Total Expenses	12,722.6	12,548.6	11,165.2	48,377.1	44,476.3
3 Profit before exceptional item and tax (1) - (2)	2,146.5	2,869.2	636.5	9,439.6	9,342.9
4 Exceptional item	-	-	-	-	-
5 Profit before tax (3) - (4)	2,146.5	2,869.2	636.5	9,439.6	9,342.9
6 Tax expense / (credit)					
Current tax	457.7	586.1	(12.1)	2,004.1	2,016.6
Deferred tax	(219.4)	(129.2)	48.7	(562.9)	167.9
Total Tax expense	238.3	456.9	36.6	1,441.2	2,184.5
7 Profit for the period after tax (5 - 6)	1,908.2	2,412.3	599.9	7,998.4	7,158.4
8 Other Comprehensive Income (net of tax)					
Items that will not be reclassified to profit or loss	(73.5)	3.0	(92.5)	(64.3)	(111.1)
Income tax relating to items that will not be reclassified to profit or loss	25.7	(1.1)	32.0	22.5	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)	(47.8)	1.9	(60.5)	(41.8)	(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)	1,860.4	2,414.2	539.4	7,956.6	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
11 Other Equity				54,413.0	48,614.5
12 Earnings Per Share of ₹ 2 each (not annualised for the quarters)					
(a) ₹ (Basic)	15.96	20.18	5.02	66.90	59.87
(b) ₹ (Diluted)	15.96	20.18	5.02	66.90	59.87

B. V. A. S.

Statement of Assets and Liabilities As at 31 March 2019

(₹ in Million)

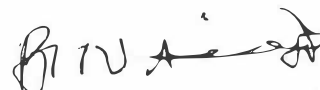
Particulars	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
I. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	15,737.6	14,398.5
(b) Capital work-in-progress	3,815.9	2,989.2
(c) Intangible assets	326.2	311.4
(d) Investment in subsidiaries	13,821.7	11,051.1
(e) Financial Assets		
(i) Investments	942.5	983.1
(ii) Loans	127.3	1,074.9
(iii) Others financial assets	161.2	253.0
(f) Deferred tax assets (net)	6,365.9	5,780.5
(g) Non current tax assets (net)	262.3	237.0
(h) Other non-current assets	554.1	746.1
Total Non-current assets	42,114.7	37,824.8
2 Current assets		
(a) Inventories	9,912.8	10,241.6
(b) Financial Assets		
(i) Investments	2,191.8	3,410.8
(ii) Trade receivables	9,666.4	8,750.0
(iii) Cash and cash equivalents	1,614.4	51.6
(iv) Bank balances other than (iii) above	2,365.0	2,731.4
(v) Loans	262.5	343.8
(vi) Others financial assets	1,010.4	1,316.3
(c) Other current assets	3,603.8	3,471.4
(d) Non-current assets held for sale	179.7	-
Total Current assets	30,806.8	30,316.9
TOTAL ASSETS	72,921.5	68,141.7
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	239.1	239.1
(b) Other Equity	54,413.0	48,614.5
Total Equity	54,652.1	48,853.6
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	63.2	63.3
(b) Provisions	1,688.3	1,260.3
(c) Other non-current liabilities	92.3	97.7
Total Non-Current liabilities	1,843.8	1,421.3
3 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,966.4	5,411.9
(ii) Trade payables		
Dues of Micro and Small Enterprises	346.8	749.1
Dues of creditors other than Micro and Small Enterprises	7,194.1	7,436.5
(iii) Other financial liabilities	2,131.6	2,525.6
(b) Other current liabilities	742.0	719.1
(c) Provisions	1,037.8	1,024.6
(d) Current tax Liabilities (Net)	6.9	-
Total Current liabilities	16,425.6	17,866.8
TOTAL EQUITY AND LIABILITIES	72,921.5	68,141.7

B. W. A. S.

Notes :

- 1 The above audited 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 30 May 2019. The auditors have expressed an unmodified opinion on the financial results for the year ended 31 March 2019. The figures for the quarter ended 31 March 2019 and 31 March 2018 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 and 31 December 2017 respectively, which were subjected to limited review.
- 2 The Company operates in one reportable business segment i.e. "Pharmaceuticals".
- 3 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 year ended 31 March 2019 are not strictly comparable with those of the previous corresponding period presented.
- 4 Other Expenses for the quarter and year ended 31 March 2018 includes **Rs.282.5 million** and **Rs.263.1 million** respectively on account of net loss on fair valuation of current investments, including loss of **Rs.369.1 million** and **Rs.380.1 million** respectively on account of fair valuation of investment in real estate fund as per the report of independent valuers. Corresponding net loss on account of fair valuation of current investments for the quarter and year ended 31 March 2019 amounts to **Rs.22.5 million** and **Rs.43.8 million** respectively.
- 5 During the year ended 31 March 2019, the Company has paid an interim dividend of ₹ 8 (Rupees eight only) per equity share (400.0 % on the face value of ₹ 2 each) for the financial year 2018-19. The Board of Directors at its meeting held on 30 May 2019 has recommended a final dividend of ₹ 8 (Rupees eight only) per equity share (400.0 % on the face value of ₹ 2 each) for the financial year 2018-19.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 30 May 2019



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CIN no.:- L00305MH1973PLC174201



Press Release

Alkem reports Q4FY19 and FY19 Results

Mumbai, May 30, 2019: Alkem Laboratories Ltd (Alkem) today announced its standalone and consolidated financial results for the fourth quarter & full year ending March 31, 2019. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key financial highlights of Q4FY19

- Revenue from Operations was Rs.18,542 million, year-on-year growth of 24.3%
 - India sales were Rs.12,176 million, year-on-year growth of 26.8%
 - International sales were Rs.6,097 million, year-on-year growth of 18.8%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.2,350 million, resulting in EBITDA margin of 12.7% vs. 6.9% in Q4FY18. EBITDA grew by 128.1% YoY
- R&D expenses for the quarter was Rs.1,392 million, or 7.5% of Revenue from Operations compared to Rs.1,117 million in Q4FY18 at 7.5% of Revenue from Operations
- Profit before tax (PBT) was Rs.1,988 million, a growth of 145.9% compared to Q4FY18
- Net Profit (after Minority Interest) was Rs.1,674 million, year-on-year growth of 149.5%

Key financial highlights of FY19

- Revenue from Operations was Rs.73,572 million, year-on-year growth of 14.9%
 - India sales were Rs.48,742 million, year-on-year growth of 8.6%
 - International sales were Rs.23,917 million, year-on-year growth of 31.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.11,148 million, resulting in EBITDA margin of 15.2% vs. 15.8% in FY18. EBITDA grew by 10.5% YoY
- R&D expenses for FY19 was Rs.4,622 million, or 6.3% of Revenue from Operations compared to Rs.3,646 million in FY18 at 5.7% of Revenue from Operations
- Profit before tax (PBT) was Rs.9,547 million, a growth of 3.1% compared to FY18
- Net Profit (after Minority Interest) was Rs.7,605 million, year-on-year growth of 20.5%

At the start of FY19, in order to streamline its distribution process, the Company made changes in its distribution policy which led to shifting of some of its India sales between the quarters and this eventually normalised on the full year basis. Domestic sales growth in Q4FY19 was helped by the change in distribution policy, adjusting for which the growth in YoY Q4FY19 was in early teens.

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, "Financial year 2019 was a mixed year for the company. While the domestic business growth was impacted by FDC ban and relatively weak anti-infective season, the international business registered robust growth on the back of new product launches and market share gains in existing products. Higher API prices weighed on the profit margins during the year. The Company improved its working capital which led to significant improvement in the operating cashflows during the year. With large part of the investments in people and infrastructure already done, we look forward to leveraging them to deliver profitable growth."

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CIN no.:- L00305MH1973PLC174201

**Operational Highlights****India Business**

In Q4FY19, the Company's India sales grew by 26.8% YoY, recording a sales of Rs.12,176 million as compared to Rs.9,602 million in Q4FY18. For FY19, the Company's India sales was Rs.48,742 million compared to Rs.44,899 million in FY18, up 8.6% YoY.

As per IQVIA MAT March 2019, during the quarter, the Company registered value growth of 14.6% YoY, outperforming the Indian Pharmaceutical Market (IPM) growth of 7.7% YoY. Also for the full year, the company registered a growth of 14.3% compared to IPM growth of 10.5%. In its established therapy segments of Anti-Infectives, Gastro Intestinal, Vitamins / Minerals / Nutrients and Pain / Analgesic, the company retained its leading position on the back of strong brands, large field force and robust supply chain and distribution network. In its emerging therapy areas of Neuro / CNS, Derma, Cardiac and Anti-Diabetes, the Company grew significantly ahead of the market growth rate, thereby gaining market share and improving its market ranking. This was a result of its effective sales and marketing strategies and new product launches. Over the last two years, the Company has added more than 2,000 MRs to its field force in order to expand its reach in the India pharma market.

The performance highlights in the key therapeutic segments in Q4FY19 and FY19 is as shown below:

Key Therapy segment	Q4FY19				FY19			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	13.0%	3.0%	1	Unchanged	13.7%	6.6%
Gastro Intestinal	3	Unchanged	18.4%	4.4%	3	Unchanged	17.9%	7.9%
Pain / Analgesics	3	Unchanged	14.3%	8.3%	3	Unchanged	7.7%	9.0%
Vitamins / Minerals / Nutrients	4	+1	20.3%	8.7%	4	Unchanged	15.4%	12.0%
Neuro / CNS	7	+1	11.5%	8.9%	7	+1	13.7%	10.3%
Derma	17	Unchanged	4.7%	8.8%	17	+1	13.0%	13.1%
Anti-Diabetic	22	+2	35.4%	13.8%	22	+3	34.2%	14.9%
Cardiac	26	+1	28.9%	10.7%	26	+2	29.2%	12.0%
Total	6	Unchanged	14.6%	7.7%	6	Unchanged	14.3%	10.5%

*Positive change in rank reflects improvement over same period previous year

Source: IQVIA MAT March 2019

International Business

In Q4FY19, the Company's International sales grew by 18.8% YoY, recording sales of Rs.6,097 million as compared to Rs.5,130 million in Q4FY18. For FY19, the Company's International sales grew by 31.2% to Rs.23,917 million compared to Rs.18,231 million in FY18.

- **US sales** for the quarter was Rs.4,822 million, recording a year-on-year growth of 18.5%. For FY19, US sales was Rs.18,967 million, up 38.8% compared to FY18.



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- **Other International Markets sales** for the quarter was Rs.1,275 million, recording a year-on-year growth of 20.3%. For FY19, Other International Markets sales was Rs.4,950 million, up 8.4% compared to FY18.

R&D Investments

Company's revenue R&D expenses for the quarter was Rs.1,392 million, or 7.5% of revenue from operations. Similarly for FY19, Company's revenue R&D expenses was Rs.4,622 million, or 6.3% of total revenue from operations.

During the quarter, the Company filed 9 abbreviated new drug applications (ANDAs) with the US FDA and received 11 approvals (including 2 tentative approval). For FY19, the Company filed 23 ANDAs with the US FDA and received 21 approvals (including 6 tentative approval).

As on March 31, 2019, the Company has filed a total of 126 ANDAs and 1 new drug application (NDA) with the US FDA. Of these, it has received approvals for 69 ANDAs (including 11 tentative approvals) and 1 NDA.

Update on US FDA inspection

Facility	Capability	Last inspection	Status post last inspection
Baddi (India)	Formulation	May 2019	Received Form 483 with 4 observations
St. Louis (US)	Formulation	February – March 2019	Received Form 483 with 8 observations. Plant classified as OAI*
Daman (India)	Formulation	January 2019	Successfully closed without any observations
California (US)	API	August 2018	Successfully closed without any observations
Ankleshwar (India)	API	December 2016	EIR# received in March 2017, thereby successfully closing the inspection
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*OAI – Official Action Indicated

EIR – Establishment Inspection Report



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Q4FY19 and FY19 Conference Call at 5:30pm IST, May 30, 2019

Alkem Laboratories Ltd. will organize a conference call for investors and analysts on Thursday, May 30, 2019 from 5:30 pm to 6:30 pm IST to discuss its Q4FY19 and FY19 financial results.

Alkem Laboratories Ltd. will be represented on the call by Mr. Sandeep Singh, Managing Director and the senior management team.

Motilal Oswal Securities will host the call.

Details of the conference call are as under:

Time: 5:30 pm to 6:30 pm IST (GMT + 5:30) on Thursday, May 30, 2019.

Dial in Details:

India : +91 22 6280 1149 / +91 22 7115 8050

International Toll Free

USA : 1 866 746 2133

UK : 0 808 101 1573

Singapore : 800 101 2045

Hong Kong : 800 964 448

You are requested to dial in 10 mins ahead of the scheduled start time. A transcript of this conference call will also be available on our website www.alkemlabs.com

About Alkem Laboratories Ltd.

Established in 1973 and headquartered in Mumbai, Alkem (NSE: ALKEM, BSE: 539523, Bloomberg: ALKEM.IN, Reuters: ALKE.NS) is a leading Indian pharmaceutical company with global operations, engaged in the development, manufacture and sale of pharmaceutical and nutraceutical products. The Company produces branded generics, generic drugs, active pharmaceutical ingredients (APIs) and nutraceuticals, which it markets in India and International markets. With a portfolio of more than 800 brands in India, Alkem is ranked the sixth largest pharmaceutical company in India in terms of domestic sales (Source: IQVIA MAT March 2019). The Company also has presence in more than 50 international markets, with the United States being its key focus market.

For more information on Alkem Laboratories Ltd., please visit www.alkemlabs.com

For further information or queries please contact

Gagan Borana

Investor Relations – Alkem Laboratories Ltd.

Tel: +91 22 3982 9960 / Mobile: +91 98190 56333

E-mail: gagan.borana@alkem.com



Alkem Laboratories Ltd

Investor Presentation Q4FY19 – May 30, 2019



Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.



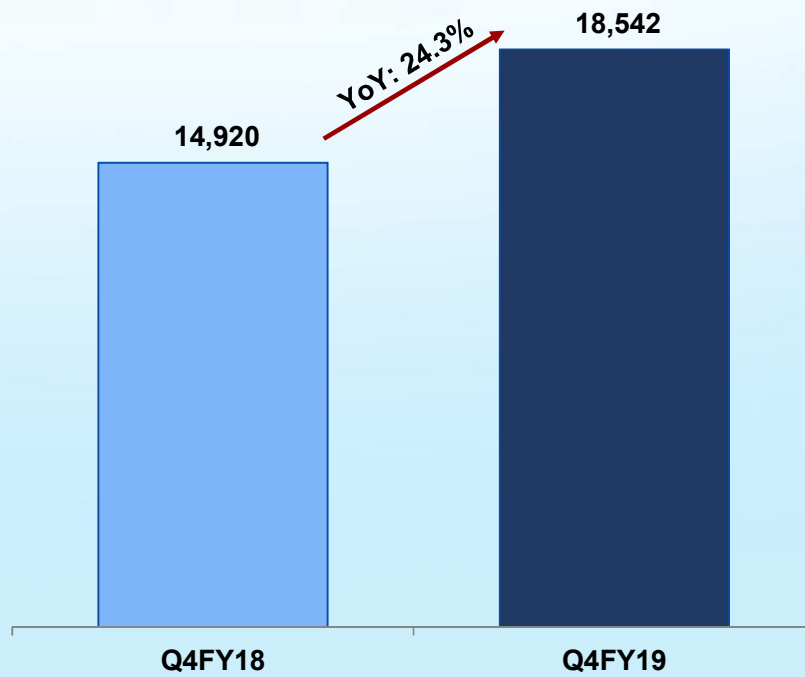
Key Highlights of Q4FY19 and FY19

- **India Business:** Company's India sales registered a growth of 26.8% YoY in Q4FY19 and 8.6% in FY19
 - Company's secondary sales in FY19 grew by 14.3% YoY - higher than IPM growth of 10.5% YoY (Source: IQVIA MAT March 2019)
- **International Business:** Company's International Business comprising of the US and Other International Markets registered a growth of 18.8% in Q4FY19 and 31.2% YoY in FY19
- **US Business** grew by 18.5% YoY in Q4FY19 and 38.8% YoY in FY19, largely driven by new product launches and market share gain in existing products
- **R&D** expenses in FY19 increased by 26.7% YoY and was at 6.3% of revenue from operations compared to 5.7% in FY18
- **ANDA filings:** The Company filed 23 ANDAs and received 21 ANDA approvals (including 6 tentative) from the US FDA in FY19 – highest in any year for the Company
- **Improvement in working capital and operating cashflows:** Better working capital management led to significant improvement in operating cashflows over the previous year

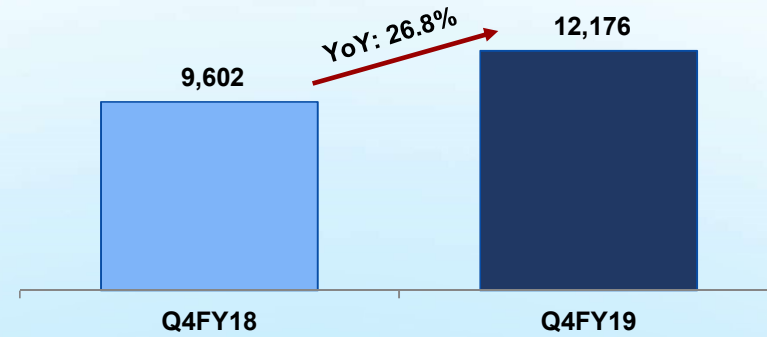
Key Financial Highlights – Q4FY19 (Consolidated)

All figures in Rs mn

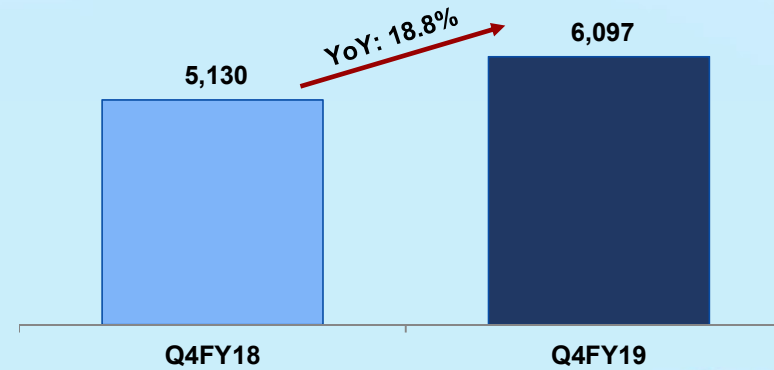
Revenue from Operations



India sales



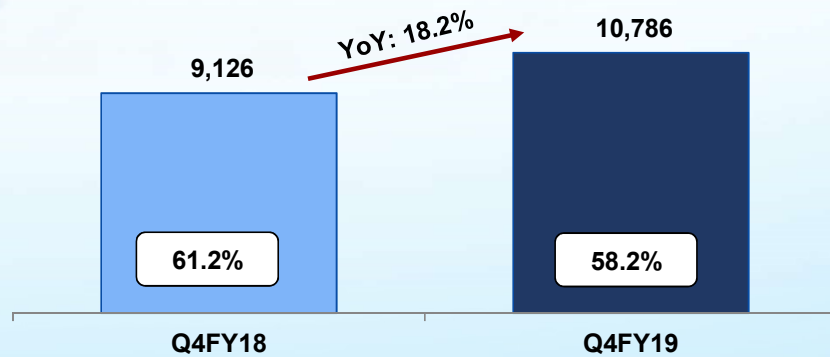
International sales



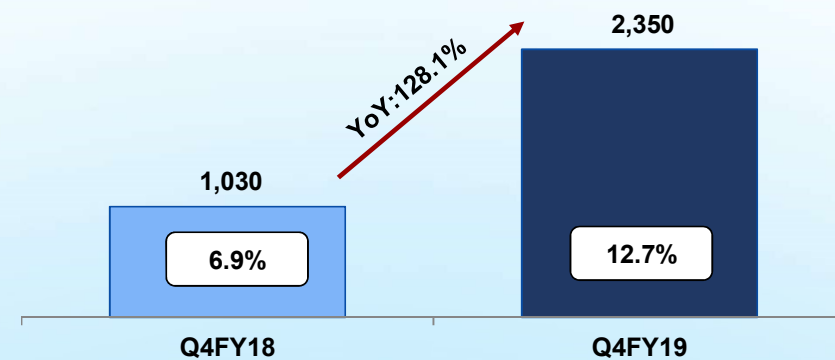
Key Financial Highlights – Q4FY19 (Consolidated)

All figures in Rs mn

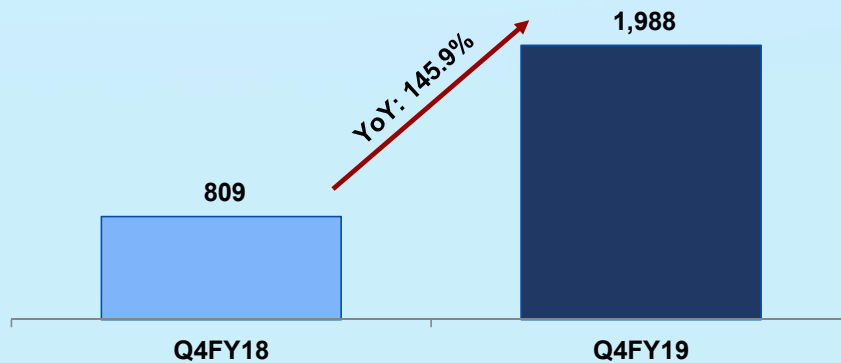
Gross Profit and Gross Margin



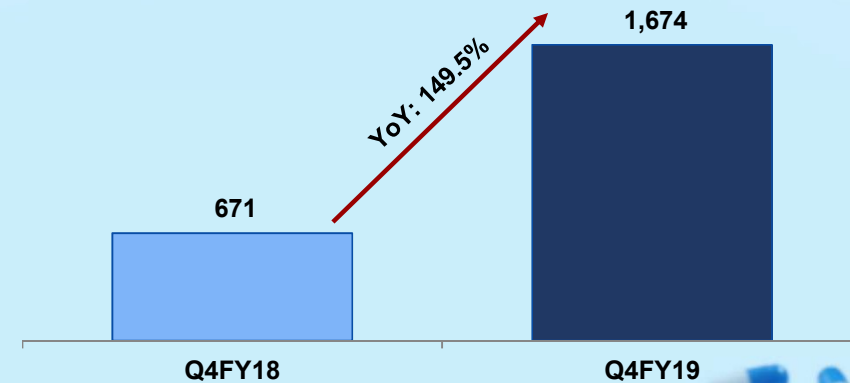
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)



Key Financial Highlights – FY19 (Consolidated)

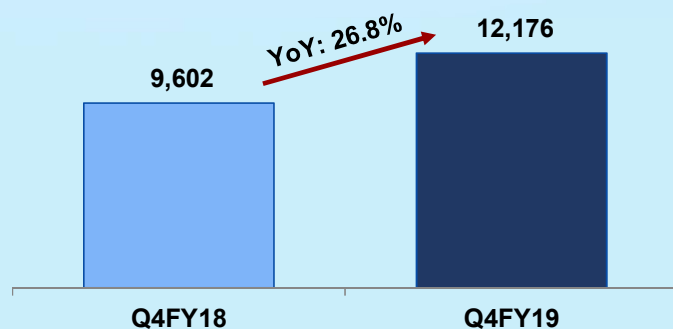
Particulars (Rs mn)	FY19	FY18	YoY growth
Revenue from Operations	73,572	64,012	14.9%
Gross Profit	44,122	40,184	9.8%
Gross Profit margin	60.0%	62.8%	
EBITDA	11,148	10,089	10.5%
EBITDA margin	15.2%	15.8%	
PBT	9,547	9,260	3.1%
PBT margin	13.0%	14.5%	
PAT (After Minority Interest)	7,605	6,309	20.5%
PAT margin	10.3%	9.9%	
EPS (Rs / share)	63.61	52.77	20.5%

India Business

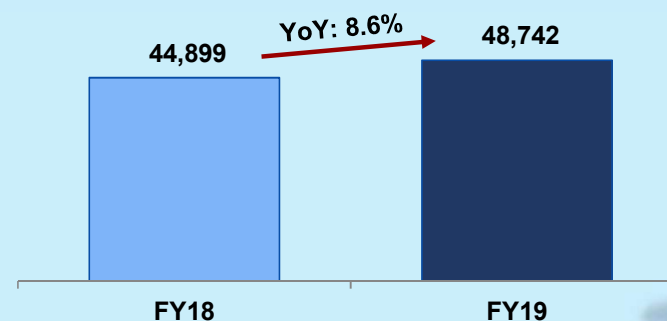
India Business: Q4FY19 Sales of Rs.12,176 million (26.8% YoY growth)

- India sales contributed 66.6% to total sales in Q4FY19
- Adjusting for the impact of change in distribution policy, the YoY growth in domestic business in Q4FY19 was in early teens
- In Q4FY19, Company's secondary sales grew by 14.6%, outperforming the IPM growth of 7.7% (Source: IQVIA data)
- The Company grew ahead of the market in its established therapy areas of Anti-infectives, Gastro-intestinal, Pain / Analgesic and Vitamins / Minerals / Nutrients, thereby retaining its leading position in acute therapies (Source: IQVIA data)
- In the chronic therapy areas of Cardiac, Anti-diabetes, Neuro / CNS and Derma, the Company continued to build on its base and improve its market share. Company also improved its market ranking in therapy areas of Cardiac, Anti-diabetes and Neuro / CNS (Source: IQVIA data)

Q4FY19 – India Sales (Rs mn)



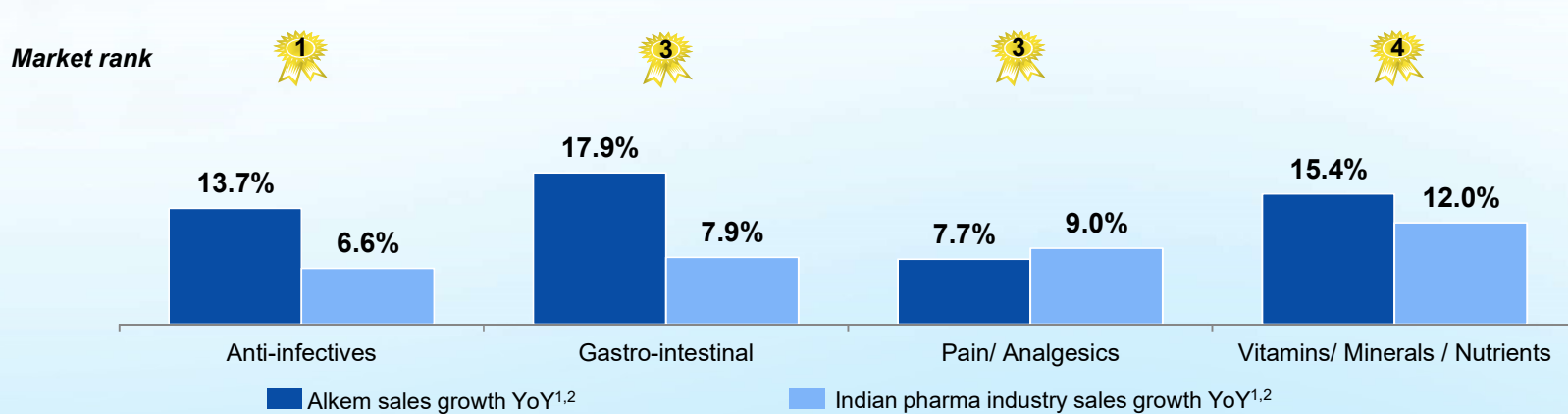
FY19 – India Sales (Rs mn)



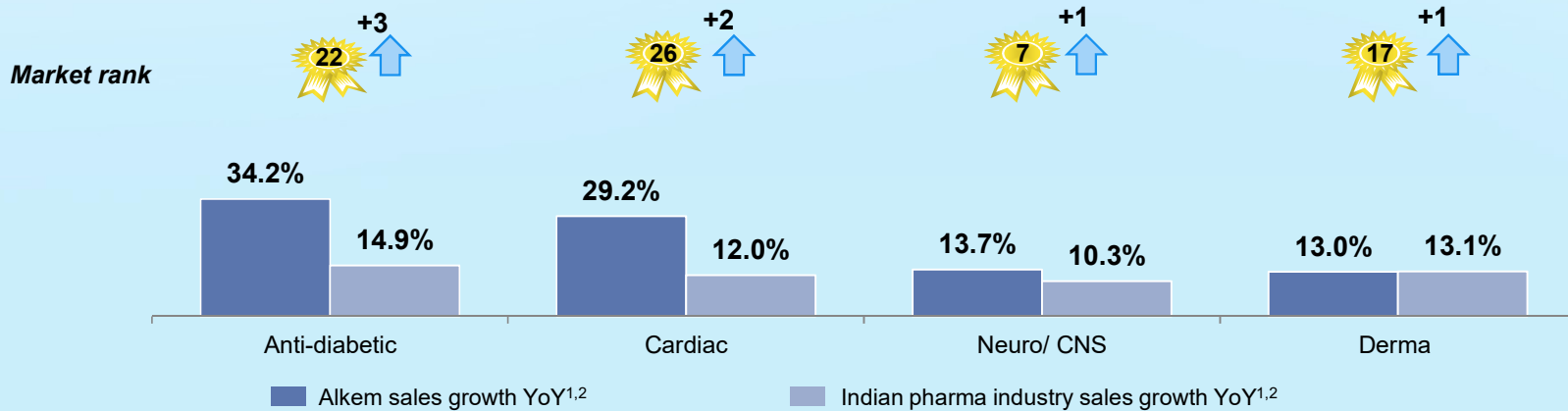
India Business – Secondary Sales Performance

Outperformance across most of the major therapeutic areas in FY19

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem



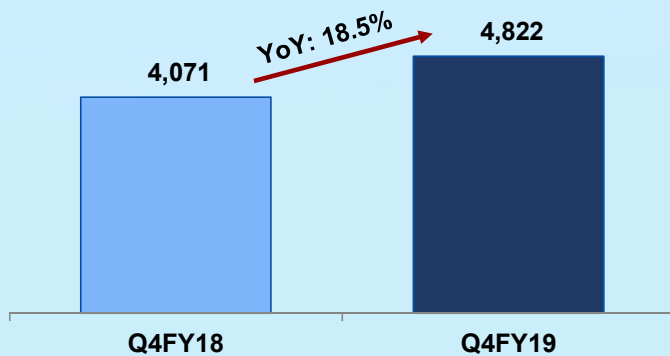
Source: IQVIA data ¹ Domestic formulations sales; ² For 12 months ended March 31, 2019

US Business

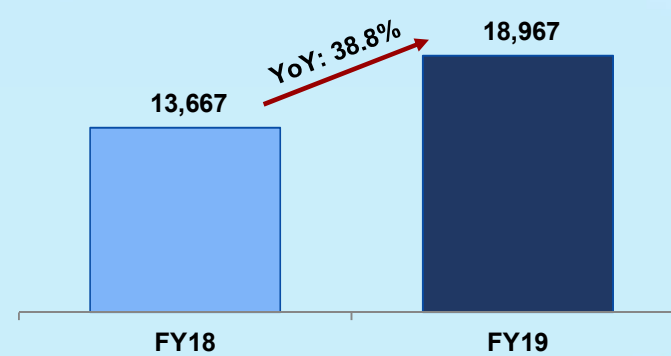
US Business: Q4FY19 Sales of Rs.4,822 million (18.5% growth YoY)

- US sales contributed 26.4% to total sales in Q4FY19
- In Q4FY19, the Company filed 9 ANDAs with the US FDA and received 11 approvals (including 2 tentative approval)
- In FY19, the Company filed 23 ANDAs with the US FDA and received 21 approvals (including 6 tentative approval) – highest in any year by the company
- As on March 31, 2019, the Company has filed a total of 127 ANDAs (including 1 NDA) with the US FDA and has received 70 approvals (including 11 tentative approvals and 1 NDA)

Q4FY19 – US Sales (Rs mn)



FY19 – US Sales (Rs mn)



Update on the US FDA inspection

Facility	Scope	Last inspection	Status post last inspection
Baddi (India)	Formulation	May 2019	Received Form 483 with 4 observations
St. Louis (US)	Formulation	February – March 2019	Received Form 483 with 8 observations. Plant classified as OAI*
Daman (India)	Formulation	January 2019	Successfully closed without any observations
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Mandva (India)	API	September 2015	EIR# received in March 2016, thereby successfully closing the inspection

*OAI – Official Action Indicated

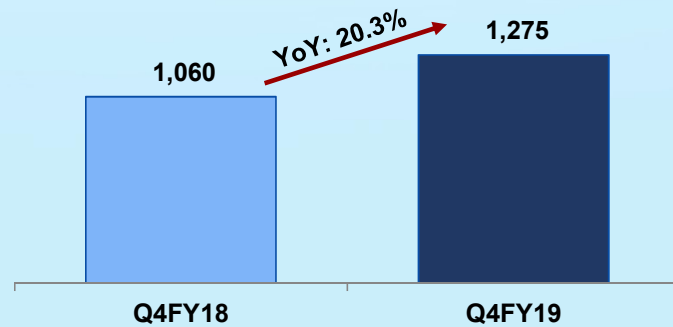
EIR – Establishment Inspection Report

Other International Business

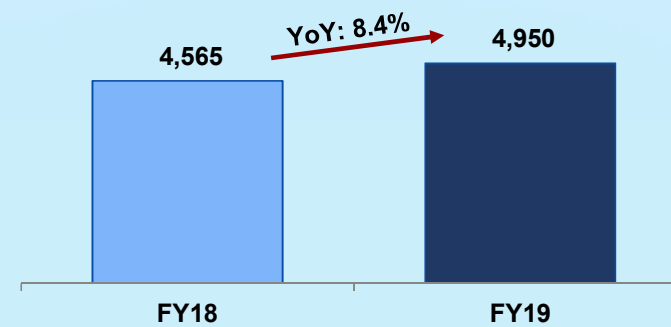
Other International Business: Q4FY19 Sales of Rs.1,275 million (20.3% YoY growth)

- Other International Market sales contributed 7.0% to total sales in Q4FY19
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Chile and Philippines registered healthy growth during the quarter

**Q4FY19 – Other International Sales
(Rs mn)**

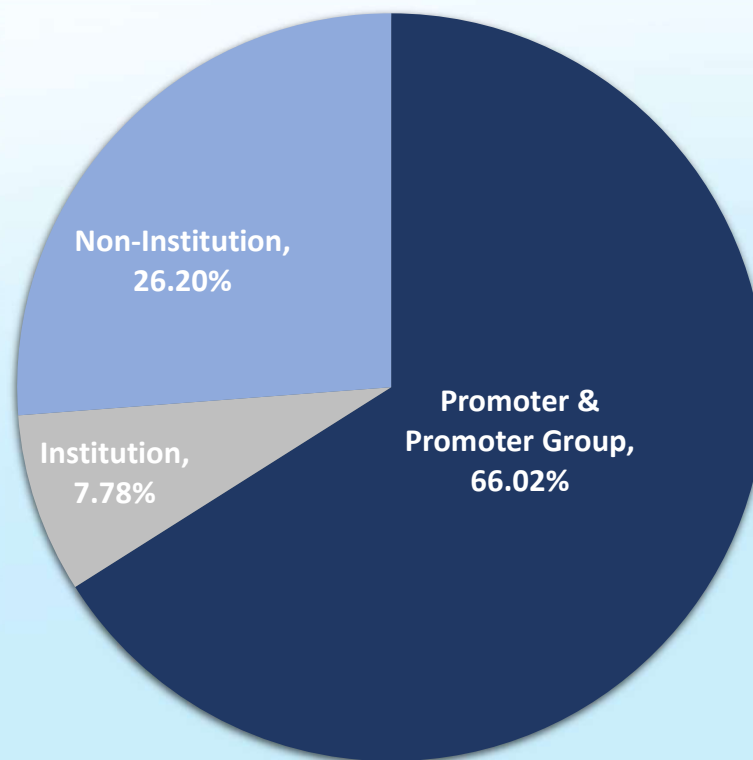


**FY19 – Other International Sales
(Rs mn)**



Latest Shareholding Pattern

Shareholding pattern as on March 31, 2019



Institution – Mutual Funds, Alternate Investment Funds, Foreign Portfolio Investors, Financial Institutions / Banks

Non-Institution – Public, Other Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts

The background of the slide is a light blue gradient. In the top left corner, there is a semi-transparent image of a person wearing a white surgical mask and clear safety goggles. In the bottom right corner, there is a small cluster of white and blue capsules or pills.

Thank You