

B S R & Co. LLP

Chartered Accountants

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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 six months ended 30 September 2016 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 corresponding quarter and six months ended 30 September 2015 including the reconciliation of profit under Indian Accounting Standards (Ind AS) of the corresponding quarter and six months with net profit under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review or 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 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 November 2016

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 Standalone Financial Results for the Quarter and Six Months ended 30 September 2016

(₹ in Million except per share data)

| Particulars | Quarter ended | | | Six Month ended | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30.09.2016 Unaudited | 30.06.2016 Unaudited | 30.09.2015 Unaudited | 30.09.2016 Unaudited | 30.09.2015 Unaudited |
| 1 Income from Operations | | | | | |
| (a) Sales / Income from Operations (inclusive of Excise Duty) | 13,056.8 | 11,570.0 | 11,044.6 | 24,626.8 | 20,591.2 |
| (b) Other Operating Income | 215.4 | 178.7 | 173.2 | 394.1 | 286.3 |
| Total Income from Operations (inclusive of Excise Duty) | 13,272.2 | 11,748.7 | 11,217.8 | 25,020.9 | 20,877.5 |
| 2 Expenses | | | | | |
| (a) Cost of materials consumed | 3,152.4 | 3,019.8 | 2,327.2 | 6,172.2 | 5,003.8 |
| (b) Purchases of stock-in-trade | 2,031.3 | 1,776.4 | 1,703.7 | 3,807.7 | 3,351.3 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 43.1 | (183.8) | 479.7 | (140.7) | (42.8) |
| (d) Employee benefits expense | 2,016.8 | 1,885.7 | 1,844.8 | 3,902.5 | 3,595.9 |
| (e) Depreciation and amortisation expense | 192.8 | 175.2 | 206.5 | 368.0 | 376.6 |
| (f) Other expenses | 3,022.8 | 2,775.6 | 2,467.8 | 5,798.4 | 4,922.0 |
| Total Expenses | 10,459.2 | 9,448.9 | 9,029.7 | 19,908.1 | 17,206.8 |
| 3 Profit from Operations before Other Income, Finance Costs and Exceptional Item (1-2) | 2,813.0 | 2,299.8 | 2,188.1 | 5,112.8 | 3,670.7 |
| 4 Other Income | 306.9 | 328.2 | 558.9 | 635.1 | 963.3 |
| 5 Profit from ordinary activities before Finance Costs and Exceptional Item (3+4) | 3,119.9 | 2,628.0 | 2,747.0 | 5,747.9 | 4,634.0 |
| 6 Finance costs | 69.3 | 54.0 | 165.0 | 123.3 | 361.4 |
| 7 Profit from ordinary activities after Finance Costs but before Exceptional Item (5+6) | 3,050.6 | 2,574.0 | 2,582.0 | 5,624.6 | 4,272.6 |
| 8 Exceptional item | - | - | - | - | - |
| 9 Profit from ordinary activities before tax (7+8) | 3,050.6 | 2,574.0 | 2,582.0 | 5,624.6 | 4,272.6 |
| 10 Tax expense / (Credit) | 99.2 | 59.2 | 97.4 | 158.4 | 71.3 |
| 11 Net Profit for the period from ordinary activities after tax (9 + 10) | 2,951.4 | 2,514.8 | 2,484.6 | 5,466.2 | 4,201.3 |
| 12 Extraordinary items (net of tax expense) | - | - | - | - | - |
| 13 Net Profit for the period (11+12) | 2,951.4 | 2,514.8 | 2,484.6 | 5,466.2 | 4,201.3 |
| 14 Other Comprehensive Income (net of tax) | (8.3) | (34.3) | (0.7) | (42.6) | (1.3) |
| 15 Total Comprehensive Income (after tax) (13 + 14) | 2,943.1 | 2,480.5 | 2,483.9 | 5,423.6 | 4,200.0 |
| 16 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up) | 239.1 | 239.1 | 239.1 | 239.1 | 239.1 |
| 17 Earnings Per Share of ₹ 2 each (not annualised) | | | | | |
| (a) ₹ (Basic) | 24.68 | 21.03 | 20.78 | 45.72 | 35.14 |
| (b) ₹ (Diluted) | 24.68 | 21.03 | 20.78 | 45.72 | 35.14 |

Basudeo Narain Singh

Statement of Assets and Liabilities As at 30 September 2016

(₹ in Million)

| Particulars | As at 30 September 2016 Unaudited |
|---|---|
| I. ASSETS | |
| 1 Non-current assets | |
| (a) Property, plant and equipment | 8,924.1 |
| (b) Capital work-in-progress | 1,877.5 |
| (c) Other Intangible assets | 249.1 |
| (d) Financial Assets | |
| (i) Investments | 11,204.9 |
| (ii) Loans | 474.5 |
| (iii) Others financial assets | 1,466.6 |
| (e) Deferred tax assets (net) | 6,086.5 |
| (f) Other non-current assets | 1,414.2 |
| Sub total - Non-current assets | 31,697.4 |
| 2 Current assets | |
| (a) Inventories | 6,062.0 |
| (b) Financial Assets | |
| (i) Investments | 3,544.5 |
| (ii) Trade receivables | 6,576.7 |
| (iii) Cash and cash equivalents | 41.8 |
| (iv) Bank balances other than (iii) above | 5,333.3 |
| (v) Loans | 108.9 |
| (vi) Others financial assets | 709.9 |
| (c) Other current assets | 1,896.1 |
| Sub total - Current assets | 24,273.2 |
| TOTAL ASSETS | 55,970.6 |
| II. EQUITY AND LIABILITIES | |
| 1 Equity | |
| (a) Equity share capital | 239.1 |
| (b) Other Equity | 41,179.7 |
| Sub total- Shareholders' Funds | 41,418.8 |
| 2 Non-current liabilities | |
| (a) Provisions | 860.3 |
| (b) Deferred tax liabilities (Net) | 970.4 |
| (c) Other non-current liabilities | 24.3 |
| Sub total- Non-Current liabilities | 1,855.0 |
| 3 Current liabilities | |
| (a) Financial Liabilities | |
| (i) Borrowings | 4,200.0 |
| (ii) Trade payables | 4,117.5 |
| (iii) Other financial liabilities | 2,269.5 |
| (b) Other current liabilities | 710.9 |
| (c) Provisions | 1,006.1 |
| (d) Current tax Liabilities (Net) | 392.8 |
| Sub total - Current liabilities | 12,696.8 |
| TOTAL EQUITY AND LIABILITIES | 55,970.6 |

Basudeo Narain Singh

Notes :

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 10 November 2016 and subsequently approved by the Board of Directors at its meeting held on 11 November 2016. The figures for the quarter and six months ended 30 September 2016 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the limited review report for the quarter and six months ended 30 September 2016.
- 2 Beginning 1 April 2016, the Company has for the first time adopted Indian Accounting Standard (Ind AS) with a transition date of 1 April 2015. Accordingly, these financial results have been prepared in compliance with Ind AS as notified by the Ministry of Corporate Affairs and prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting pronouncements generally accepted in India.
- 3 The figures and the reconciliation for the corresponding quarter and six months ended 30 September 2015 are not subjected to limited review by the auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs in accordance with Ind AS.
- 4 During the quarter ended 30 September 2015, the Company had sold brands and trademarks relating to its In Vitro Fertilisation (IVF) formulations for a total consideration of ₹ 205 million. The same is disclosed under 'Other income' in the results for the quarter and six months ended 30 September 2015.
- 5 The Company's management, pursuant to Ind AS 108 - Operating Segments, has concluded that the Company has only one reportable segment which is Pharmaceuticals. Accordingly, no separate disclosures of segment information have been made.
- 6 During the quarter ended 30 September 2016, the Company has made further investment of ₹ 250 million in equity shares of Cachet Pharmaceuticals Private Limited, a subsidiary of the Company, resulting into increase of the Company's stake in the subsidiary from 51.0% to 58.8%.
- 7 The Board of Directors in its meeting held on 11 November 2016 have declared an interim dividend of ₹ 6 (Rupees six only) per equity share of the face value of ₹ 2 each (300%).
- 8 Reconciliation between financial results under previous Indian GAAP and Ind AS is as under:

(₹ in Million)

| Particulars | Profit Reconciliation | |
|--|-------------------------|-------------------------|
| | Quarter Ended | Six Month Ended |
| | 30.09.2015 Unaudited | 30.09.2015 Unaudited |
| Net Profit (after tax) under previous Indian GAAP | 2,477.8 | 4,108.5 |
| Add/ (less) : Adjustments for GAAP Differences | | |
| Net (loss)/gain arising on fair value accounting of financial assets | (1.5) | 66.5 |
| Net Actuarial loss on employee defined benefit plan reclassified to other comprehensive income | 1.0 | 1.9 |
| Restatement of provision for compensated absences | - | 51.5 |
| Others | 10.4 | 14.4 |
| Deferred Tax on above adjustments | (3.1) | (41.5) |
| Net Profit before Other Comprehensive Income as per Ind AS | 2,484.6 | 4,201.3 |

- 9 Previous periods' figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current periods.

By Order of the Board
For Alkem Laboratories Limited

B.N. Singh

B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 11 November 2016

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Fax +91 (22) 4345 5399

Review report

To Board of Directors of Alkem Laboratories Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Alkem Laboratories Limited ('the Company') and its subsidiaries listed in Annexure I (the Company and its subsidiaries constitute 'the Group') for the quarter and six months ended 30 September 2016 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 corresponding quarter and six months ended 30 September 2015 including the reconciliation of profit under Indian Accounting Standards (Ind AS) of the corresponding quarter and six months with net profit under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review or 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 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.

We did not review the interim financial results of two subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 2,014.8 million and Rs. 3,519.1 million for the quarter and six months ended 30 September 2016 respectively and total profit after tax of Rs 63.6 million and Rs. 127.9 million for the quarter and six months ended 30 September 2016 respectively, as considered in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

The unaudited consolidated financial results includes the interim financial results of fourteen subsidiaries which have not been subjected to limited review by their auditors and have been presented based on the financial information compiled by the Company's management. Interim financial results of these subsidiaries reflect total revenues of Rs. 720.8 million and Rs. 1,481.0 million for the quarter and six months ended 30 September 2016 respectively and total loss after tax of Rs 247.4 million and Rs. 640.0 million for the quarter and six months ended 30 September 2016 respectively, as considered in the unaudited consolidated financial results.



Review report (*Continued*)

Alkem Laboratories Limited

Based on our review conducted as above and based on the consideration of the reports of other auditors as highlighted 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 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 Registration No. 101248W/W-100022



Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

11 November 2016

Alkem Laboratories Limited

Annexure I to the Review report

1. List of Subsidiaries

| Sr. No. | Name of Subsidiaries |
|---------|--|
| 1. | ThePharmaNetwork, LLC, USA |
| 2. | S & B Pharma Inc., USA |
| 3. | Alkem Laboratories (NIG) Limited, Nigeria |
| 4. | Pharmacor Pty Limited, Australia |
| 5. | Alkem Laboratories (PTY) Ltd, South Africa |
| 6. | Enzene Biosciences Limited, India |
| 7. | Cachet Pharmaceuticals Private Limited, India |
| 8. | Indchemie Health Specialities Private Limited, India |
| 9. | Alkem Laboratories Corporation, Philippines |
| 10. | Alkem Pharma GmbH, Germany |
| 11. | S & B Holdings B.V., Netherlands |
| 12. | Ascends Laboratories SDN BHD., Malaysia |
| 13. | Ascends Laboratories SpA, Chile |
| 14. | Alkem Laboratories Korea Inc, Korea |
| 15. | Pharmacor Ltd., Kenya |
| 16. | The PharmaNetwork, LLP, Kazakhstan |
| 17. | Ascend Laboratories (UK) Ltd., UK |



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 and Six months ended 30 September 2016

(₹ in Million except per share data)

| Particulars | Quarter ended | | | Six Month ended | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30.09.2016 Unaudited | 30.06.2016 Unaudited | 30.09.2015 Unaudited | 30.09.2016 Unaudited | 30.09.2015 Unaudited |
| 1 Income from Operations | | | | | |
| (a) Sales / Income from Operations (Inclusive of Excise Duty) | 16,150.1 | 14,623.4 | 13,618.8 | 30,773.5 | 25,799.6 |
| (b) Other Operating Income | 233.3 | 185.0 | 200.7 | 418.3 | 315.8 |
| Total Income from Operations (Inclusive of Excise Duty) | 16,383.4 | 14,808.4 | 13,819.5 | 31,191.8 | 26,115.4 |
| 2 Expenses | | | | | |
| (a) Cost of materials consumed | 3,685.5 | 3,411.8 | 2,751.1 | 7,097.3 | 6,004.3 |
| (b) Purchases of stock-in-trade | 2,942.5 | 3,176.4 | 2,463.6 | 6,118.9 | 5,026.8 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (214.3) | (799.4) | 278.8 | (1,013.7) | (792.7) |
| (d) Employee benefits expense | 2,760.1 | 2,540.6 | 2,398.4 | 5,300.7 | 4,680.6 |
| (e) Depreciation and amortisation expense | 254.8 | 229.5 | 259.2 | 484.3 | 465.3 |
| (f) Other expenses | 4,104.9 | 3,768.0 | 3,373.2 | 7,672.9 | 6,579.9 |
| Total Expenses | 13,533.5 | 12,326.9 | 11,524.3 | 26,860.4 | 21,964.2 |
| Profit from Operations before Other Income, Finance Costs and Exceptional Item (1-2) | 2,849.9 | 2,481.5 | 2,295.2 | 5,331.4 | 4,151.2 |
| 3 Other Income | 339.3 | 280.7 | 704.3 | 620.0 | 1,179.7 |
| Profit from ordinary activities before Finance Costs and Exceptional Item (3+4) | 3,189.2 | 2,762.2 | 2,999.5 | 5,951.4 | 5,330.9 |
| 5 Finance costs | 120.3 | 99.6 | 202.6 | 219.9 | 427.2 |
| Profit from ordinary activities after Finance Costs but before Exceptional Item (5+6) | 3,068.9 | 2,662.6 | 2,796.9 | 5,731.5 | 4,903.7 |
| 8 Exceptional item | - | - | - | - | - |
| 9 Profit from ordinary activities before tax (7+8) | 3,068.9 | 2,662.6 | 2,796.9 | 5,731.5 | 4,903.7 |
| 10 Tax expense / (Credit) | 167.4 | 229.6 | 81.2 | 417.0 | 149.3 |
| 11 Net Profit for the period from ordinary activities after tax (9 + 10) | 2,881.5 | 2,433.0 | 2,715.7 | 5,314.5 | 4,754.4 |
| 12 Extraordinary Items (net of tax expense) | - | - | - | - | - |
| 13 Net Profit for the period (11+12) | 2,881.5 | 2,433.0 | 2,715.7 | 5,314.5 | 4,754.4 |
| 14 Minority Interest | (53.2) | (45.1) | (46.5) | (98.3) | (74.2) |
| 15 Net Profit after taxes and minority interest (13+14) | 2,828.3 | 2,387.9 | 2,669.2 | 5,216.2 | 4,680.2 |
| 16 Other Comprehensive Income (net of tax) | (62.0) | 46.2 | 117.3 | (15.8) | 149.3 |
| 17 Total Comprehensive Income (after tax) (15 + 16) | 2,766.3 | 2,434.1 | 2,786.5 | 5,200.4 | 4,829.5 |
| 18 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up) | 239.1 | 239.1 | 239.1 | 239.1 | 239.1 |
| 19 Earnings Per Share of ₹2 each (not annualised) | | | | | |
| (a) ₹ (Basic) | 23.65 | 19.97 | 22.32 | 43.63 | 39.14 |
| (b) ₹ (Diluted) | 23.65 | 19.97 | 22.32 | 43.63 | 39.14 |

Basudev Narain Singh

Consolidated Statement of Assets and Liabilities As at 30 September 2016

(₹ in Million)

| Particulars | As at 30 September 2016 unaudited |
|--|---|
| I. ASSETS | |
| 1 Non-current assets | 11,145.7 |
| (a) Property, plant and equipment | 2,508.0 |
| (b) Capital work-in-progress | 3,504.4 |
| (c) Goodwill on consolidation | 647.4 |
| (d) Other Intangible assets | |
| (e) Financial Assets | 2,168.0 |
| (i) Investments | 101.6 |
| (ii) Loans | 2,056.8 |
| (iii) Others financial assets | 7,096.9 |
| (f) Deferred tax assets (net) | 1,593.0 |
| (g) Other non-current assets | |
| Sub total - Non-current assets | 30,821.8 |
| 2 Current assets | 9,625.3 |
| (a) Inventories | |
| (b) Financial Assets | 3,557.1 |
| (i) Investments | 8,296.9 |
| (ii) Trade receivables | 1,405.5 |
| (iii) Cash and cash equivalents | 6,696.7 |
| (iv) Bank balances other than (ii) above | 212.7 |
| (v) Loans | 968.9 |
| (vi) Others financial assets | 2,111.6 |
| (c) Other current assets | |
| Sub total - Current assets | 32,874.7 |
| TOTAL ASSETS | 63,696.5 |
| II. EQUITY AND LIABILITIES | |
| 1 Equity | 239.1 |
| (a) Equity share capital | 41,700.4 |
| (b) Other Equity | |
| Sub total- Shareholders' Funds | 41,939.5 |
| 2 Non-controlling Interest | 1,125.7 |
| 3 Non-current liabilities | |
| (a) Financial Liabilities | 1,311.4 |
| (i) Borrowings | 39.7 |
| (ii) Other financial liabilities | 1,002.7 |
| (b) Provisions | 1,015.3 |
| (c) Deferred tax liabilities (Net) | 24.3 |
| (d) Other non-current liabilities | |
| Sub total- Non-Current liabilities | 3,393.4 |
| 4 Current liabilities | |
| (a) Financial Liabilities | 5,360.8 |
| (i) Borrowings | 5,351.1 |
| (ii) Trade payables | 3,899.3 |
| (iii) Other financial liabilities | 812.1 |
| (b) Other current liabilities | 1,213.5 |
| (c) Provisions | 601.1 |
| (d) Current tax Liabilities (Net) | |
| Sub total - Current liabilities | 17,237.9 |
| TOTAL EQUITY AND LIABILITIES | 63,696.5 |

Basudeo Narain Singh

Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 10 November 2016 and subsequently approved by the Board of Directors at its meeting held on 11 November 2016. The figures for the quarter and six months ended 30 September 2016 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the limited review report for the quarter and six months ended 30 September 2016.
- 2 Beginning 1 April 2016, the Company has for the first time adopted Indian Accounting Standard (Ind AS) with a transition date of 1 April 2015. Accordingly, these financial results have been prepared in compliance with Ind AS as notified by the Ministry of Corporate Affairs and prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting pronouncements generally accepted in India.
- 3 The figures and the reconciliation for the corresponding quarter and six months ended 30 September 2015 are not subjected to limited review by the auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs in accordance with Ind AS.
- 4 During the quarter ended 30 September 2015, the Company had sold brands and trademarks relating to its In Vitro Fertilisation (IVF) formulations for a total consideration of ₹ 205 million. The same is disclosed under 'Other income' in the results for the quarter and six months ended 30 September 2015.
- 5 The Company's management, pursuant to Ind AS 108 - Operating Segments, has concluded that the Company has only one reportable segment which is Pharmaceuticals. Accordingly, no separate disclosures of segment information have been made.
- 6 During the quarter ended 30 September 2016, the Company has made further investment of ₹ 250 million in equity shares of Cachet Pharmaceuticals Private Limited, a subsidiary of the Company, resulting into increase of the Company's stake in the subsidiary from 51.0% to 58.8%.
- 7 The Board of Directors in its meeting held on 11 November 2016 have declared an interim dividend of ₹ 6 (Rupees six only) per equity share of the face value of ₹ 2 each (300%).
- 8 Reconciliation between financial results under previous Indian GAAP and Ind AS is as under:

(₹ in Million)

| Particulars | Profit Reconciliation | |
|--|-------------------------|-------------------------|
| | Quarter Ended | Six Month Ended |
| | 30.09.2015 Unaudited | 30.09.2015 Unaudited |
| Net Profit (after tax) and minority interest under previous Indian GAAP | 2,469.1 | 4,274.6 |
| Add/ (less) : Adjustments for GAAP Differences | | |
| Profit on consolidation of Aveune Venture Real Estate Fund where control exists | 145.9 | 242.1 |
| Net gain arising on fair value accounting of financial assets | 11.2 | 8.1 |
| Net Actuarial loss on employee defined benefit plan reclassified to other comprehensive income | 4.1 | 4.2 |
| Restatement of provision for compensated absences | 0.0 | 51.5 |
| Reversal of Goodwill amortised under previous Indian GAAP | 18.0 | 36.1 |
| Others | 11.3 | 19.1 |
| Deferred Tax on above adjustments | (9.5) | (23.3) |
| Deferred tax on unrealised inventory reserve | 19.1 | 67.8 |
| Net Profit before Other Comprehensive Income as per Ind AS | 2,669.2 | 4,680.2 |

- 9 Previous periods' figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current periods.

By Order of the Board
For Alkem Laboratories Limited

Bansdeo Waman Singh

B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 11 November 2016