



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 :- U00305MH1973PLC174201



12th August, 2016

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

Sub: Intimation under Regulation 30 of SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015

This is to inform you that the Board of Directors of the Company at its meeting held today, i.e. on 12th August, 2016 approved further investment upto Rs. 250 Million, in Equity shares of Cachet Pharmaceuticals Private Limited, subsidiary of the Company. Details required to be submitted under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are enclosed herewith.

Kindly take note of the same.

Sincerely,
For Alkem Laboratories Limited


Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl: a/a



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Details under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

<p>Name of the Target Entity and its brief details</p>	<p>Cachet Pharmaceuticals Private Limited (hereinafter referred to as "Cachet");</p> <p>Existing Paid-up Equity Share Capital – Rs. 1.5 Million (before further investment);</p> <p>Turnover as per last audited financial statements (FY 2015-2016) – Rs. 3,141.6 Million;</p> <p>Market Size (based on the valuation report dated 8th August, 2016) – Rs. 1,323.0 Million.</p>
<p>Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"</p>	<p>Yes, the transaction is a related party transaction as Cachet (the investee company) is a subsidiary of Alkem Laboratories Limited (hereinafter referred to as "Alkem").</p> <p>Yes, promoters and promoter group of Alkem are interested in Cachet to the extent of their respective shareholding aggregating to 37.55%. Some of the promoters of Alkem have transactions with Cachet and therefore, they be considered interested in Cachet to the extent of the said transactions</p> <p>The investment proposed to be made is based on valuation report dated 8th August, 2016 issued by Independent Professional Valuer M/s. SSPA & Co. in respect of Cachet's equity shares. As per the valuation report, total value of equity shareholders of Cachet is worked out to Rs. 1,323.0 Million, accordingly, the price at which the shares are to be acquired by Alkem is at Arm's length.</p>
<p>Industry to which the entity being acquired belongs</p>	<p>Pharmaceutical Industry</p>

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Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	To fund Cachet's Manufacturing Facility proposed to be set-up at Sikkim. Post further investment by Alkem, the shareholding of Alkem in Cachet will increase from 51% to 58.79% approximately
Brief details of any governmental or regulatory approvals required for the acquisition	No government or regulatory approval are required for said acquisition
Indicative time period for completion of the acquisition;	Within one year
Nature of consideration - whether cash consideration or share swap and details of the same	Cash
Cost of acquisition or the price at which the shares are acquired	Rs.88,198/- per share, for an amount upto Rs. 250 million.
Percentage of shareholding / control acquired and / or number of shares acquired	2,834 Equity Shares approximately, subject to a maximum amount of Rs. 250 Million.
Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Cachet was incorporated on 25 th April, 1978 and it became subsidiary of Alkem w.e.f 27 th March, 2015. Cachet is engaged in the business of manufacturing, marketing and distribution of inter-alia, pharmaceuticals, cosmetics, surgical equipment and medicinal preparations. It has operations in India and ROW Markets. Turnover details – FY 2015-2016 – Rs. 3141.6 Million FY 2014-2015 – Rs. 2863.9 Million FY 2013-2014 – Rs. 2560.7 Million

These details are being provided in terms Regulation 30 of Listing Regulations.