



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: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2016.

In continuation of our letter dated 1st August, 2016 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, 2016, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 12th August, 2016. The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 1.30 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
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report

To Board of Directors of Alkem Laboratories Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Alkem Laboratories Limited ('the Company') for the quarter ended 30 June 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 ended 30 June 2015 including the reconciliation of profit under Indian Accounting Standards (Ind AS) of the corresponding quarter with 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 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
12 August 2016

ALKEM LABORATORIES LIMITED

CIN No.:U00305MH1973PLC174201

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 ended 30 June 2016

(₹ in Millions except per share data)

	Particulars	Quarter ended	
		30.06.2016 Unaudited	30.06.2015 Unaudited
1	Income from Operations		
	(a) Net Sales / Income from Operations (Net of Excise Duty)	11,418.7	9,383.8
	(b) Other Operating Income	178.7	113.1
	Total Income from Operations (Net)	11,597.4	9,496.9
2	Expenses		
	(a) Cost of materials consumed	3,019.8	2,676.6
	(b) Purchases of stock-in-trade	1,776.4	1,647.6
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(183.8)	(522.5)
	(d) Employee benefits expense	1,885.7	1,751.1
	(e) Depreciation and amortisation expense	175.2	170.1
	(f) Other expenses	2,624.3	2,291.4
	Total Expenses	9,297.6	8,014.3
3	Profit from Operations before Other Income, Finance Costs and Exceptional Item (1-2)	2,299.8	1,482.6
4	Other Income	328.2	404.4
5	Profit from ordinary activities before Finance Costs and Exceptional Item (3+4)	2,628.0	1,887.0
6	Finance costs	54.0	196.4
7	Profit from ordinary activities after Finance Costs but before Exceptional Item (5+6)	2,574.0	1,690.6
8	Exceptional item	-	-
9	Profit from ordinary activities before tax (7+8)	2,574.0	1,690.6
10	Tax expense / (Credit)	59.2	(26.1)
11	Net Profit for the period from ordinary activities after tax (9 + 10)	2,514.8	1,716.7
12	Extraordinary items (net of tax expense)	-	-
13	Net Profit for the period (11+12)	2,514.8	1,716.7
14	Other Comprehensive Income (net of tax)	(34.3)	(0.6)
15	Total Comprehensive Income (after tax) (13 + 14)	2,480.5	1,716.1
16	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1
17	Earnings Per Share of ₹ 2 each (not annualised)		
	(a) ₹ (Basic)	21.03	14.36
	(b) ₹ (Diluted)	21.03	14.36

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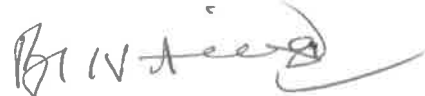
Notes :

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 11 August 2016 and subsequently approved by the Board of Directors at its meeting held on 12 August 2016. The figures for the quarter ended 30 June 2016 have been subjected to limited review by the auditors.
- 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 ended 30 June 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 Income from operations has been presented in accordance with the format prescribed by SEBI. Accordingly, Income from operation is net of excise duty.
- 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 Reconciliation between financial results under previous Indian GAAP and Ind AS for the quarter ended 30 June 2015 is as under:

Particulars	(₹ in Millions)
	Quarter Ended
	30.06.2015 Unaudited
Net Profit (after tax) under previous Indian GAAP	1,630.7
Add/ (less) : Adjustments for GAAP Differences	68.0
Net gain arising on fair value accounting of financial assets	0.9
Net Actuarial loss on employee defined benefit plan reclassified to other comprehensive income	51.5
Restatement of provision for compensated absences	3.9
Others	(38.3)
Deferred Tax on above adjustments	1,716.7
Net Profit before Other Comprehensive Income/ Reserve as per Ind AS	1,716.7

- 7 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
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 12 August 2016

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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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 ended 30 June 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 ended 30 June 2015 including the reconciliation of profit under Indian Accounting Standards (Ind AS) of the corresponding quarter with 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 and total profit after tax of Rs 1,504.3 million and Rs. 64.3 million respectively for the quarter ended 30 June 2016, 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 and total loss after tax of Rs. 760.2 million and Rs. 392.6 million respectively for the quarter ended 30 June 2016, 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
12 August 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



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Statement of Unaudited Consolidated Financial Results for the Quarter ended 30 June 2016

(₹ in Millions except per share data)

	Particulars	Quarter ended	
		30.06.2016 Unaudited	30.06.2015 Unaudited
1	Income from Operations		
	(a) Net Sales / Income from Operations (Net of Excise Duty)	14,393.6	11,960.3
	(b) Other Operating Income	185.0	115.1
	Total Income from Operations (Net)	14,578.6	12,075.4
2	Expenses		
	(a) Cost of materials consumed	3,411.8	3,253.2
	(b) Purchases of stock-in-trade	3,176.4	2,563.2
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(799.4)	(1,071.5)
	(d) Employee benefits expense	2,540.6	2,282.2
	(e) Depreciation and amortisation expense	229.5	206.1
	(f) Other expenses	3,538.2	2,986.2
	Total Expenses	12,097.1	10,219.4
3	Profit from Operations before Other Income, Finance Costs and Exceptional Item (1-2)	2,481.5	1,856.0
4	Other Income	280.7	475.4
	Profit from ordinary activities before Finance Costs and Exceptional Item (3+4)	2,762.2	2,331.4
5			
6	Finance costs	99.6	224.6
7	Profit from ordinary activities after Finance Costs but before Exceptional Item (5+6)	2,662.6	2,106.8
8	Exceptional item	-	-
9	Profit from ordinary activities before tax (7+8)	2,662.6	2,106.8
10	Tax expense / (Credit)	229.6	68.1
11	Net Profit for the period from ordinary activities after tax (9 + 10)	2,433.0	2,038.7
12	Extraordinary items (net of tax expense)	-	-
13	Net Profit for the period (11+12)	2,433.0	2,038.7
14	Minority Interest	(45.1)	(27.7)
15	Net Profit after taxes and minority interest (13+14)	2,387.9	2,011.0
16	Other Comprehensive Income (net of tax)	46.2	32.0
17	Total Comprehensive Income (after tax) (15 + 16)	2,434.1	2,043.0
18	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1
19	Earnings Per Share of ₹2 each (not annualised)		
	(a) ₹ (Basic)	19.97	16.82
	(b) ₹ (Diluted)	19.97	16.82

B. N. A. ...

Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 11 August 2016 and subsequently approved by the Board of Directors at its meeting held on 12 August 2016. The figures for the quarter ended 30 June 2016 have been subjected to limited review by the auditors.
- 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 ended 30 June 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 Income from operations has been presented in accordance with the format prescribed by SEBI. Accordingly, Income from operation is net of excise duty.
- 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 Reconciliation between financial results under previous Indian GAAP and Ind AS for the quarter ended 30 June 2015 is as under:

Particulars	(₹ in Millions)	
	Quarter Ended	
	30.06.2015	
	Unaudited	
Net Profit (after tax) and minority interest under previous Indian GAAP	1,805.5	
Add/ (less) : Adjustments for GAAP Differences		
Profit on consolidation of Aveune Venture Real Estate Fund where control exists	96.2	
Net loss arising on fair value accounting of financial assets	(3.1)	
Net Actuarial loss on employee defined benefit plan reclassified to other comprehensive income	0.1	
Restatement of provision for compensated absences	51.5	
Reversal of Goodwill amortised under previous Indian GAAP	18.1	
Others	7.9	
Deferred Tax on above adjustments	(13.9)	
Deferred tax on unrealised inventory reserve	48.7	
Net Profit before Other Comprehensive Income/ Reserve as per Ind AS	2,011.0	

- 7 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
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 12 August 2016