



**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](mailto:contact@alkem.com) Website : [www.alkemlabs.com](http://www.alkemlabs.com)  
CIN no :- U00305MH1973PLC174201



27<sup>th</sup> May, 2016

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

**Sub: Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31<sup>st</sup> March, 2016.**

In continuation of our letter dated 10<sup>th</sup> May, 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") the Board of Directors at its meeting held today i.e. 27<sup>th</sup> May, 2016, approved the Standalone and Consolidated Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2016.

Accordingly we enclose the following:

- Standalone and Consolidated Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2016.
- Form A (for Audit Report with unmodified opinion) - Standalone and Consolidated
- Auditors Report on Standalone and Consolidated Audited Financial Results

The Company hereby declare that the Auditors report on Standalone and Consolidated Financial Results for FY 2015-16 does not contain any modified opinion(s).

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 3.45 P.M.

Kindly take the same on record.

Sincerely,  
For **Alkem Laboratories Limited**

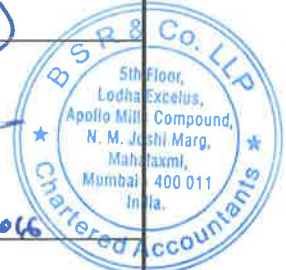
  
**Manish Narang**  
Sr. V.P. Legal, Company Secretary & Compliance Officer

Encl.: a/a

**FORM A (for audit report with unmodified opinion)**

**[Standalone Financial Results]**

1	Name of Company	<b>ALKEM LABORATORIES LIMITED</b>
2	Annual financial statements for the year ended	31st March, 2016
3	Type of Audit observation	Unmodified
4	Frequency of observation	Not Applicable
5	To be signed by -	
	• CEO/Managing Director	<i>Prabhat Agarwal</i> (Prabhat Agarwal)
	• CFO	<i>Rajesh Dubey</i> (Rajesh Dubey)
	• Auditor of the company	<i>[Signature]</i> 22 May 2016
	• Audit Committee Chairman	<i>[Signature]</i> (R.L. Shenoy)



*B.N. Singh*  
Executive chairman

# 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  
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## **Independent Auditor's Report on Quarterly Standalone Financial Results and Standalone Year to Date 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 annual financial results of Alkem Laboratories Limited for the year ended 31 March 2016 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 the figures for the quarter ended 31 March 2016 and the corresponding quarter ended in the previous year as reported in these 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 year to date figures for the period from 1 April 2015 to 31 December 2015 have only been reviewed and not subjected to audit.

#### **Management's Responsibility for the Financial Results**

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results up to the end of third quarter, which is the responsibility of the Company's management and have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed, under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 issued thereunder and other accounting principles generally accepted in India and in compliance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements. 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 is 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.

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

**Alkem Laboratories Limited**

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2016.

**Other matters**

We draw attention to note 3 and 5 to the financial results, which states that the Company got listed in the month of December 2015. Accordingly, the financial results for the quarter and nine months ended 31 December 2015 are drawn up for the first time in accordance with Regulation 33 of the Listing regulations. Therefore, figures for the quarter ended 31 March 2015 were neither subjected to limited review nor subjected to audit and are as prepared by the Company's management.

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

*Chartered Accountants*

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



**Sadashiv Shetty**

*Partner*

Membership No: 048648

Mumbai

27 May 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 Audited Standalone Financial Results for the Quarter and Year ended 31 March 2016**

( ₹ in Million)

Particulars	Quarter ended			Year ended	
	31.03.2016 Audited (Refer Note 2)	31.12.2015 Unaudited	31.03.2015 Unaudited (Refer Note 3)	31.03.2016 Audited	31.03.2015 Audited
<b>1 Income from Operations</b>					
(a) Net Sales / Income from Operations (Net of Excise Duty)	8,259.7	9,753.6	7,431.2	38,143.8	30,577.8
(b) Other Operating Income	302.9	278.9	166.0	1,103.1	797.8
<b>Total Income from Operations (Net)</b>	<b>8,562.6</b>	<b>10,032.5</b>	<b>7,597.2</b>	<b>39,246.9</b>	<b>31,375.6</b>
<b>2 Expenses</b>					
(a) Cost of materials consumed	2,717.4	1,978.9	1,987.1	9,705.3	8,541.1
(b) Purchases of stock-in-trade	1,672.4	1,095.7	1,439.7	6,119.4	5,563.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(862.2)	564.4	(128.9)	(340.6)	(116.2)
(d) Employee benefits expense	1,376.9	1,762.6	1,426.7	6,816.2	5,605.8
(e) Depreciation and amortisation expense	181.1	177.6	166.8	735.3	596.8
(f) Other expenses	2,817.9	2,322.8	1,812.0	9,823.9	8,326.3
<b>Total Expenses</b>	<b>7,903.5</b>	<b>7,902.0</b>	<b>6,703.4</b>	<b>32,859.5</b>	<b>28,517.3</b>
<b>3 Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Item (1-2)</b>	<b>659.1</b>	<b>2,130.5</b>	<b>893.8</b>	<b>6,387.4</b>	<b>2,858.3</b>
4 Other Income	407.3	324.9	508.7	1,605.2	1,821.3
<b>5 Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Item (3+4)</b>	<b>1,066.4</b>	<b>2,455.4</b>	<b>1,402.5</b>	<b>7,992.6</b>	<b>4,679.6</b>
6 Finance costs	63.7	136.8	171.5	533.0	726.3
<b>7 Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Item (5+6)</b>	<b>1,002.7</b>	<b>2,318.6</b>	<b>1,231.0</b>	<b>7,459.6</b>	<b>3,953.3</b>
8 Exceptional item	-	-	-	-	-
<b>9 Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>1,002.7</b>	<b>2,318.6</b>	<b>1,231.0</b>	<b>7,459.6</b>	<b>3,953.3</b>
10 Tax expense / (Credit)	857.6	187.8	6.1	1,075.2	276.4
<b>11 Net Profit / (Loss) for the period from ordinary activities after tax (9 + 10)</b>	<b>145.1</b>	<b>2,130.8</b>	<b>1,224.9</b>	<b>6,384.4</b>	<b>3,676.9</b>
12 Extraordinary Items (net of tax expense)	-	-	-	-	-
<b>13 Net Profit / (Loss) for the period (11+12)</b>	<b>145.1</b>	<b>2,130.8</b>	<b>1,224.9</b>	<b>6,384.4</b>	<b>3,676.9</b>
14 Paid-up Equity Share Capital (Face Value ₹ 2 each)	239.1	239.1	239.1	239.1	239.1
15 Reserves excluding Revaluation Reserve (as per balance sheet)				35,327.9	30,771.1
16 Earnings Per Share of ₹ 2 each (not annualised)					
(a) ₹ (Basic)	1.21	17.82	10.24	53.40	30.75
(b) ₹ (Diluted)	1.21	17.82	10.24	53.40	30.75

*Bansdeo Narain Singh*

## Statement of Assets and Liabilities As at 31 March 2016

(₹ in Million)

Particulars		As at 31 March 2016 Audited	As at 31 March 2015 Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>i</b>	<b>Shareholders' Funds</b>		
	(a) Share Capital	239.1	239.1
	(b) Reserves and Surplus	35,327.9	30,771.1
	Sub total- Shareholders' Funds	35,567.0	31,010.2
<b>ii</b>	<b>Deferred Government Grant</b>	31.0	35.8
<b>iii</b>	<b>Non-current Liabilities</b>		
	(a) Long-term Borrowings	-	281.3
	(b) Deferred Tax Liabilities (Net)	759.2	685.1
	(c) Long-term Provisions	659.7	565.1
	Sub total- Non-current Liabilities	1,418.9	1,531.5
<b>iv</b>	<b>Current Liabilities</b>		
	(a) Short-term Borrowings	3,506.2	10,462.8
	(b) Trade Payables	4,665.0	3,465.3
	(c) Other Current Liabilities	2,448.9	1,435.9
	(d) Short-term Provisions	896.3	666.5
	Sub total- Current Liabilities	11,516.4	16,030.5
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>48,533.3</b>	<b>48,608.0</b>
<b>B</b>	<b>ASSETS</b>		
<b>I</b>	<b>Non-current Assets</b>		
	(a) Fixed Assets	10,212.4	9,663.5
	(b) Non-Current Investments	8,767.1	10,106.5
	(c) Long-term Loans and Advances	7,637.7	6,463.9
	(d) Other Non-current Assets	1,859.7	4,601.2
	Sub total - Non-current Assets	28,476.9	30,835.1
<b>ii</b>	<b>Current Assets</b>		
	(a) Current Investments	1,944.2	599.1
	(b) Inventories	5,900.3	5,482.4
	(c) Trade Receivables	4,804.4	3,750.1
	(d) Cash and Cash Equivalents	5,240.3	6,333.2
	(e) Short-term Loans and Advances	1,368.9	1,194.7
	(f) Other Current Assets	798.3	413.4
	Sub total - Current Assets	20,056.4	17,772.9
	<b>TOTAL - ASSETS</b>	<b>48,533.3</b>	<b>48,608.0</b>

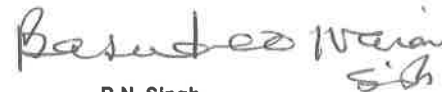
*Basudeo Narain Singh*

**Notes :**

- 1 The above audited financial results of the Company were reviewed and recommended by the Audit Committee on 26 May 2016 and subsequently approved by the Board of Directors at its meeting held on 27 May 2016.
- 2 The figures for the quarter ended 31 March 2016 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 2015, which were subjected to limited review.
- 3 The financial results for the quarter ended 31 March 2015 were not subject to limited review and are as prepared by the management.
- 4 In accordance with Accounting Standard 17 'Segment Reporting', segment information has been given in consolidated financial results of Alkem Laboratories Limited, and therefore, no separate disclosure on segment information is given in these standalone results.
- 5 During the year ended 31 March 2016, the Company completed the Initial Public Offering (IPO) of 12,853,442 equity shares of face value ₹ 2 Each ("Equity Shares") of the Company for cash at a price of ₹ 1,050 per equity share (₹ 950 per equity share for eligible employees) through an offer for sale, by the selling shareholders aggregating upto ₹ 13,477.6 million and the equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited on 23 December 2015. Expenses incurred by the Company in connection with the IPO have been recovered from the selling shareholders.
- 6 During the year ended 31 March 2016, The Company has declared two interim dividends. These two interim dividends constitutes a total payout of ₹ 12.70 per equity share (635.0 % on the face value of ₹ 2 each) for the financial year 2015-16.
- 7 Until 31 March 2014, the Company accounted for sales returns on actual returns. With effect from 1 April 2014, in line with an opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on accounting for sales returns, the company has revised its approach by accounting for anticipated sales returns. Accordingly, the results for the year ended 31 March 2015 include a charge for anticipated sales returns with respect to previous years aggregating ₹ 398.3 million and is adjusted in 'Net Sales'.
- 8 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 year ended 31 March 2016.
- 9 During the quarter ended 31 December 2014, the Company had settled some pending legal matters in relation to product infringement claims on the Company by paying ₹ 262.5 million which is disclosed under 'Other Expenses' in the results for the year ended 31 March 2015.
- 10 During the quarter ended 31 March 2016, considering future growth requirement of domestic business, the Company has commenced construction of new units at Sikkim which will be entitled for fiscal incentives including benefit under income tax. Further, Finance Act 2016 has partially extended income tax benefit on R&D expenditure up to fiscal year 2019-20. These factors may result in to lower utilisation of accumulated MAT credit entitlement to the extent of **Rs.834.1 million** as at 31 March 2016, which has been charged off and included under 'tax expense' in quarter and year ended 31 March 2016.
- 11 In accordance with Accounting Standard (AS)- 20 - Earnings Per Share, for the purposes of earnings per share calculations, the number of equity shares outstanding for the quarter and year ended 31 March 2015 has been adjusted for the following corporate actions which were approved by Shareholders of the Company at the EGM on 16 March 2015,
  - (i) Sub-division of 1 equity shares of face value of ₹ 10/- each into 5 equity shares of ₹ 2/- each and
  - (ii) Issue of 59,782,500 fully paid up bonus shares of (Face value of ₹ 2 per share)
- 12 Previous periods' figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current periods.

Place: Mumbai  
Dated: 27 May 2016


By Order of the Board  
For Alkem Laboratories Limited



**B.N. Singh**  
Executive Chairman  
DIN: 00760310

**FORM A**

**[Consolidated Financial Results]**

1	Name of Company :	<b>ALKEM LABORATORIES LIMITED</b>
2	Annual financial statements for the year ended	31st March 2016
3	Type of Audit observation	Unmodified
4	Frequency of observation	Not Applicable
5	To be signed by -	
	• CEO/Managing Director	<i>[Signature]</i> [Ambhat Agrawal, B. M. Singh] Executive chairman
	• CFO	<i>[Signature]</i> [Rajesh Dubey]
	• Auditor of the company	<i>[Signature]</i> 27 May 2016 
	• Audit Committee Chairman	<i>[Signature]</i> [R. L. Shenoy]



# B S R & Co. LLP

Chartered Accountants

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India

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## **Independent Auditor's Report on Quarterly Consolidated Financial Results and Consolidated Year to Date 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 annual consolidated financial results of Alkem Laboratories Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the year ended 31 March 2016 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 the figures for the quarter ended 31 March 2016 and the corresponding quarter ended in the previous year as reported in these consolidated 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 year to date figures for the period from 1 April 2015 to 31 December 2015 have only been reviewed and not subjected to audit.

### **Management's Responsibility for the Consolidated Financial Results**

These consolidated financial results have been prepared on the basis of the annual consolidated financial statements and reviewed quarterly consolidated financial results up to the end of third quarter, which is the responsibility of the Company's management and have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed, under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 issued thereunder and other accounting principles generally accepted in India and in compliance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements. 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 consolidated financial results is 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.



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

**Alkem Laboratories Limited**

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us these quarterly consolidated financial results as well as the consolidated year to date results:

- (i) includes the financial results of seventeen subsidiaries for the year ended 31 March 2016 (Refer Annexure);
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31 March 2016.

**Other matters**

We did not audit the financial statements / financial information of seventeen subsidiaries included in the consolidated financial results, whose financial statements / financial information reflect total assets of Rs 17,178.1 million as at 31 March 2016 and total revenues of Rs 17,818.1 million for the year ended 31 March 2016, as considered in the consolidated financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, 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.

We draw attention to note 5 and 6 to the consolidated financial results, which states that the Company got listed in the month of December 2015. Accordingly, the consolidated financial results for the quarter and nine months ended 31 December 2015 are drawn up for the first time in accordance with Regulation 33 of the Listing regulations. Therefore, figures for the quarter ended 31 March 2015 were neither subjected to limited review nor subjected to audit and are as prepared by the Company's management.

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

*Chartered Accountants*

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



**Sadashiv Shetty**

*Partner*

Membership No: 048648

Mumbai

27 May 2016

## Annexure

### 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.:U00305MH1973PLC174201

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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, 2016**

(₹ in Million)

Particulars	Quarter ended			Year ended	
	31.03.2016 Audited (Refer Note 4)	31.12.2015 Unaudited	31.03.2015 Unaudited (Refer Note 5)	31.03.2016 Audited	31.03.2015 Audited
<b>1 Income from Operations</b>					
(a) Net Sales / Income from Operations (Net of Excise Duty)	11,109.7	12,459.9	8,933.5	48,768.5	36,615.9
(b) Other Operating Income	316.1	287.4	185.8	1,146.9	817.6
<b>Total Income from Operations (Net)</b>	<b>11,425.8</b>	<b>12,747.3</b>	<b>9,119.3</b>	<b>49,915.4</b>	<b>37,433.5</b>
<b>2 Expenses</b>					
(a) Cost of materials consumed	3,339.3	2,363.9	2,055.3	11,712.7	8,620.3
(b) Purchases of stock-in-trade	1,755.4	2,020.1	2,035.7	8,802.3	8,622.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(815.8)	705.2	(178.4)	(903.3)	(336.8)
(d) Employee benefits expense	2,065.6	2,336.9	1,674.3	9,171.3	6,458.7
(e) Depreciation and amortisation expense	260.0	244.4	181.3	1,005.8	709.4
(f) Other expenses	3,500.9	2,967.4	2,186.1	12,650.1	9,850.5
<b>Total Expenses</b>	<b>10,105.4</b>	<b>10,637.9</b>	<b>7,954.3</b>	<b>42,438.9</b>	<b>33,924.6</b>
<b>3 Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Item (1-2)</b>	<b>1,320.4</b>	<b>2,109.4</b>	<b>1,165.0</b>	<b>7,476.5</b>	<b>3,508.9</b>
4 Other Income	425.9	330.4	505.1	1,645.1	1,810.4
<b>5 Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Item (3+4)</b>	<b>1,746.3</b>	<b>2,439.8</b>	<b>1,670.1</b>	<b>9,121.6</b>	<b>5,319.3</b>
6 Finance costs	107.3	169.9	166.2	670.6	811.1
<b>7 Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Item (5+6)</b>	<b>1,639.0</b>	<b>2,269.9</b>	<b>1,503.9</b>	<b>8,451.0</b>	<b>4,508.2</b>
8 Exceptional item	-	-	-	-	-
<b>9 Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>1,639.0</b>	<b>2,269.9</b>	<b>1,503.9</b>	<b>8,451.0</b>	<b>4,508.2</b>
10 Tax expense / (Credit)	1,065.8	345.4	188.8	1,606.0	592.3
<b>11 Net Profit / (Loss) for the period from ordinary activities after tax (9 + 10)</b>	<b>573.2</b>	<b>1,924.5</b>	<b>1,315.1</b>	<b>6,845.0</b>	<b>3,915.9</b>
12 Extraordinary items ( net of tax expense)	-	-	-	-	-
<b>13 Net Profit / (Loss) for the period (11+12)</b>	<b>573.2</b>	<b>1,924.5</b>	<b>1,315.1</b>	<b>6,845.0</b>	<b>3,915.9</b>
14 Minority Interest	(6.0)	(35.2)	-	(113.8)	-
<b>15 Net Profit / (Loss) after taxes, minority interest (13 +14)</b>	<b>567.2</b>	<b>1,889.3</b>	<b>1,315.1</b>	<b>6,731.2</b>	<b>3,915.9</b>
16 Paid-up Equity Share Capital (Face Value ₹ 2 each)	239.1	239.1	239.1	239.1	239.1
17 Reserves excluding Revaluation Reserve (as per balance sheet)				34,787.4	29,751.4
<b>18 Earnings Per Share of ₹2 each (not annualised)</b>					
(a) ₹ (Basic)	4.74	15.80	11.00	56.30	32.75
(b) ₹ (Diluted)	4.74	15.80	11.00	56.30	32.75

*Baldeo Narain Singh*

**Consolidated Statement of Assets and Liabilities As at 31 March 2016**

( ₹ in Million)

Particulars		As at 31 March 2016 Audited	As at 31 March 2015 Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>i</b>	<b>Shareholders' Funds</b>		
	(a) Share Capital	239.1	239.1
	(b) Reserves and Surplus	34,787.4	29,751.4
	Sub total- Shareholders' Funds	35,026.5	29,990.5
<b>ii</b>	<b>Deferred Government Grant</b>	31.0	35.8
<b>iii</b>	<b>Minority Interest</b>	965.4	856.5
<b>iv</b>	<b>Non-current Liabilities</b>		
	(a) Long-term Borrowings	1,211.6	334.3
	(b) Deferred Tax Liabilities (Net)	1,027.3	963.5
	(c) Other Long term Liabilities	23.0	51.4
	(d) Long-term Provisions	778.4	665.8
	Sub total- Non-current Liabilities	3,040.3	2,015.0
<b>v</b>	<b>Current Liabilities</b>		
	(a) Short-term Borrowings	4,642.5	11,285.7
	(b) Trade Payables	5,792.8	4,659.3
	(c) Other Current Liabilities	3,671.3	3,270.6
	(d) Short-term Provisions	1,216.9	844.2
	Sub total- Current Liabilities	15,323.5	20,059.8
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>54,386.7</b>	<b>52,957.6</b>
<b>B</b>	<b>ASSETS</b>		
<b>i</b>	<b>Non-current Assets</b>		
	(a) Fixed Assets	12,609.5	11,429.3
	(b) Goodwill on Consolidation	3,530.6	3,421.0
	(c) Non-Current Investments	2,263.4	4,197.3
	(d) Deferred Tax Assets (net)	82.3	44.8
	(e) Long-term Loans and Advances	6,440.0	5,421.7
	(f) Other Non-current Assets	2,399.3	5,063.0
	Sub total - Non-current Assets	27,325.1	29,577.1
<b>ii</b>	<b>Current Assets</b>		
	(a) Current Investments	1,956.7	610.5
	(b) Inventories	9,094.3	7,842.3
	(c) Trade Receivables	5,645.1	5,270.8
	(d) Cash and Cash Equivalents	7,964.3	7,907.6
	(e) Short-term Loans and Advances	1,563.9	1,296.3
	(f) Other Current Assets	837.3	453.0
	Sub total - Current Assets	27,061.6	23,380.5
	<b>TOTAL - ASSETS</b>	<b>54,386.7</b>	<b>52,957.6</b>

*[Handwritten Signature]*

**Notes :**

- 1 The company has two segments i.e pharmaceuticals and investing.

Particulars	Quarter ended			Year ended	
	31.03.16	31.12.15	31.03.15	31.03.16	31.03.15
	Audited (Refer Note 4)	Unaudited	Unaudited (Refer Note 5)	Audited	Audited
<b>Segment Revenue</b>					
Pharma Business	11,425.8	12,747.3	9,119.3	49,915.4	37,433.5
Investing #	398.6	327.3	475.8	1,395.9	1,761.2
Unallocated	-	-	-	-	-
<b>Total</b>	<b>11,824.4</b>	<b>13,074.6</b>	<b>9,595.1</b>	<b>51,311.3</b>	<b>39,194.7</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Sales/ Income from Operation #</b>	<b>11,824.4</b>	<b>13,074.6</b>	<b>9,595.1</b>	<b>51,311.3</b>	<b>39,194.7</b>
<b>Segment Results before, tax and Interest</b>					
Pharma Business	1,347.9	2,112.2	1,195.0	7,726.0	3,558.7
Investing *	366.8	261.0	443.8	1,153.0	1,422.9
Unallocated	-	-	-	-	-
<b>Total</b>	<b>1,714.7</b>	<b>2,373.2</b>	<b>1,638.8</b>	<b>8,879.0</b>	<b>4,981.6</b>
Less :i) Interest*	75.7	103.3	134.9	428.0	473.4
ii) Other Unallocable Expenditure net off	-	-	-	-	-
iii) Unallocable income	-	-	-	-	-
<b>Total Profit Before Tax</b>	<b>1,639.0</b>	<b>2,269.9</b>	<b>1,503.9</b>	<b>8,451.0</b>	<b>4,508.2</b>
<b>Capital Employed (Segment Asset - Segment Liabilities)</b>					
Pharma Business	24,351.7	26,002.7	23,275.8	24,351.7	23,275.8
Investing	13,804.2	15,574.6	16,604.2	13,804.2	16,604.2
Unallocated	(3,129.4)	(5,697.5)	(9,889.5)	(3,129.4)	(9,889.5)
<b>Total</b>	<b>35,026.5</b>	<b>35,879.8</b>	<b>29,990.5</b>	<b>35,026.5</b>	<b>29,990.5</b>

# Revenue from investing segment forms part of 'Other income' in the results.

\* Interest is allocated to the investing segment on the basis of net assets

- 2 Net Sales / Income from Operation by geographical segment is as shown below :

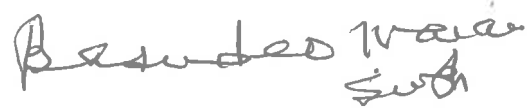
Particulars	Quarter ended			Year ended	
	31.03.16	31.12.15	31.03.15	31.03.16	31.03.15
	Audited (Refer Note 4)	Unaudited	Unaudited (Refer Note 5)	Audited	Audited
Revenue within India	8,172.6	8,929.6	6,952.4	37,051.1	29,582.4
Revenue outside India	3,651.8	4,145.0	2,642.7	14,260.2	9,612.3

- 3 The above audited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 26 May 2016 and subsequently approved by the Board of Directors at its meeting held on 27 May 2016.
- 4 The figures for the quarter ended 31 March 2016 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 2015, which were subjected to limited review.
- 5 The financial results for the quarter ended 31 March 2015 were not subject to limited review and are as prepared by the management.
- 6 During the year ended 31 March 2016, the Company completed the Initial Public Offering (IPO) of 12,853,442 equity shares of face value ₹ 2 Each ("Equity Shares") of the Company for cash at a price of ₹ 1,050 per equity share (₹ 950 per equity share for eligible employees) through an offer for sale, by the selling shareholders aggregating upto ₹ 13,477.6 million and the equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited on 23 December 2015. Expenses incurred by the Company in connection with the IPO have been recovered from the selling shareholders.
- 7 During the year ended 31 March 2016, The Company has declared two interim dividends. These two interim dividends constitutes a total payout of ₹ 12.70 per equity share (635% on the face value of ₹ 2 each) for the financial year 2015-16.
- 8 The above results include the results of Indchemie Health Specialities Private Limited and Cachet Pharmaceuticals Private Limited in which the Company acquired 51% stake on 30 March 2015 and 27 March 2015 respectively. Accordingly, the results for the quarter and year ended 31 March 2016 are not strictly comparable with the corresponding previous periods.
- 9 On 5 June 2015, S&B Pharma Inc. USA, a wholly owned subsidiary consummated the acquisition of substantially, all the assets of Long Pharmaceuticals ("Long"), a Missouri Limited Liability Company in USA. The total net consideration paid was US \$ 6.8 million, equivalent to ₹ 434.8 million .
- 10 Until 31 March 2014, the Company accounted for sales returns on actual returns. With effect from 1 April 2014, in line with an opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on accounting for sales returns, the company has revised its approach by accounting for anticipated sales returns. Accordingly, the results for the year ended 31 March 2015 include a charge for anticipated sales returns with respect to previous years aggregating ₹ 398.3 million and is adjusted in 'Net Sales'.
- 11 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 year ended 31 March 2016.
- 12 During the quarter ended 31 December 2014, the Company had settled some pending legal matters in relation to product infringement claims on the Company by paying ₹ 262.5 million which is disclosed under 'Other Expenses' in the results for the year ended 31 March 2015.
- 13 In accordance with Accounting Standard (AS)- 20 - Earnings Per Share, for the purposes of earnings per share calculations, the number of equity shares outstanding for the quarter and year ended 31 March 2015 has been adjusted for the following corporate actions which were approved by Shareholders of the Company at the EGM on 16 March 2015.
- (i) Sub-division of one equity shares of face value of ₹ 10/- each into 5 equity shares of ₹ 2/- each and
- (ii) Issue of 59,782,500 fully paid up bonus shares of (Face value of ₹ 2 per share)

*Basundhar Wadai Singh*

- 14 During the quarter ended 31 March 2016, considering future growth requirement of domestic business, the Company has commenced construction of new units at Sikkim which will be entitled for fiscal incentives including benefit under Income tax. Further, Finance Act 2016 has partially extended income tax benefit on R&D expenditure up to fiscal year 2019-20. These factors may result in to lower utilisation of accumulated MAT credit entitlement to the extent of Rs. 834.1 million as at 31 March 2016, which has been charged off and included under tax expense in current quarter and year ended 31 March 2016
- 15 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 Aikem Laboratories Limited



**B.N. Singh**  
Executive Chairman  
DIN: 00760310

Place: Mumbai  
Dated: 27 May 2016



**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



27<sup>th</sup> May, 2016

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

**Sub: Press Release and Analyst presentation on Q4 & FY16 Results**

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q4 & FY16 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take note of the same.

Sincerely,  
For Alkem Laboratories Limited

  
Manish Narang  
Sr. V.P. Legal, Company Secretary & Compliance Officer





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**Press Release**

**Alkem reports Q4FY16 and FY16 Results**

**Mumbai, May 27, 2016:** Alkem Labs Ltd (Alkem) today announced its consolidated financial results for fourth quarter & twelve months ending March 31<sup>st</sup>, 2016. These results were taken on record by the Board of Directors at a Meeting held in Mumbai today.

**Key highlights of Q4FY16 financial performance**

- Net Income from Operations was Rs.11,426 million, year-on-year growth of 25.3%
  - India sales were Rs.7,748 million, year-on-year growth of 22.8%
  - International sales were Rs.3,361 million, year-on-year growth of 28.1%
- Gross Margin improved to 62.6% compared to 57.1% in Q4FY15
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.1,580 million, resulting in EBITDA margin of 13.8% vs. 14.8% in Q4FY15. EBITDA grew by 17.4% YoY
- R&D expenses for the quarter was Rs.870 million, or 7.6% of net operating income compared to Rs.666 million in Q4FY15 at 7.3% of net operating income. R&D expenses for the year was Rs.2,149 million, or 4.3% of net operating income
- Profit before tax (PBT) was Rs.1,639 million, a growth of 9.0% compared to Q4FY15
- Net Profit (after Minority Interest) was Rs.567 million, year-on-year de-growth of 56.9%. The decline in the Net Profit was primarily on account of MAT credit entitlement write-off of Rs.834 million, included under tax expense in the current quarter

**Key highlights of FY16 financial performance**

- Net Income from Operations was Rs.49,915 million, year-on-year growth of 33.3%
  - India sales were Rs.35,362 million, year-on-year growth of 30.4%.
  - International sales were Rs.13,407 million, year-on-year growth of 41.3%
- Gross Margin improved to 60.7% compared to 54.8% in FY15
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.8,482 million, resulting in EBITDA margin of 17.0% vs. 11.3% in FY15. EBITDA grew by 101.1% YoY
- Profit before tax (PBT) was Rs.8,451 million, a growth of 87.5% compared to FY15
- Net Profit (after Minority Interest) was Rs.6,731 million, year-on-year growth of 71.9%
- Net cash generation for the year was Rs.3,780 million

*Commenting on the results, Prabhat Agrawal, CEO, Alkem said, "Fiscal year 2016 has been a satisfying year for the company with good all-round performance. The Company not only delivered robust revenue growth but also healthy margin improvement and strong cash generation. We would continue to drive our performance in fiscal 2017 and deliver shareholder value through growth in our key markets, cost optimisation and focus on executional excellence inspite of certain Industry headwinds."*



## ALKEM LABORATORIES LTD.

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CIN no :- U00305MH1973PLC174201



### Operational Highlights

#### Domestic Business

Our Domestic sales for Q4FY16 grew by 22.8% YoY, recording a sales of Rs.7,748 million as compared to Rs.6,309 million for Q4FY15. For FY16, our Domestic sales grew by 30.4% YoY to Rs.35,362 million compared to Rs.27,127 million in FY15. The sales numbers are after consolidation of Indchemie and Cachet's results in the current financial year.

As per IMS SSA MAT March 2016, during the quarter we registered value growth of 13.2% YoY, outperforming the Indian Pharmaceutical Market (IPM) which grew by 12.1% YoY. Also for twelve months ending March 2016, we grew ahead of IPM with YoY growth of 14.4% compared to IPM growth of 13.5%. The outperformance during the quarter and the year was driven by continued market share gain in our established therapy segments of Anti-Infectives, Gastro Intestinal, Pain / Analgesic and Vitamins / Minerals / Nutrients, as well as robust growth in our emerging therapy segments of Neuro / CNS, Derma, Cardiac and Anti-Diabetes.

The performance highlights of the key therapeutic segments in Q4FY16 and FY16 are as shown in the table below:

Key Therapy segment	Q4FY16				FY16			
	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	9.4%	4.9%	1	Unchanged	10.3%	6.4%
Gastro Intestinal	3	Unchanged	20.6%	12.5%	3	Unchanged	19.0%	15.1%
Pain / Analgesics	3	+1	12.2%	8.0%	3	Unchanged	14.2%	11.2%
Vitamins / Minerals / Nutrients	5	+2	17.4%	15.9%	5	+1	16.2%	15.0%
Respiratory	20	Unchanged	12.1%	10.0%	19	-1	16.5%	10.7%
Neuro / CNS	14	+2	28.6%	15.0%	14	+2	23.5%	15.1%
Derma	17	-2	9.8%	15.5%	15	Unchanged	18.8%	17.0%
Cardiac	30	+1	19.9%	12.5%	30	+1	33.7%	14.2%
Anti-Diabetic	28	+1	22.8%	17.5%	28	+1	31.2%	19.8%
<b>Total</b>	<b>6</b>	<b>2</b>	<b>13.2%</b>	<b>12.1%</b>	<b>5</b>	<b>+1</b>	<b>14.4%</b>	<b>13.5%</b>

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

Source: IMS SSA MAT March 2016



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*To achieve value driven leadership in  
Indian Health Care Industry and beyond...  
Through*

*Quality that is infinite  
Service that cares  
Hardwork that endures*

### **International Business**

Our International sales for Q4FY16 grew by 28.1% YoY, recording sales of Rs.3,361 million as compared to Rs.2,624 million for Q4FY15. For FY16, our International sales grew by 41.3% to Rs.13,407 million compared to Rs.9,489 million in FY15.

- **US sales** for the quarter was Rs.2,434 million, recording a year-on-year growth of 17.9%. For FY16, US sales was Rs.9,907 million, up 39.3% compared to FY15.
- **Other International Markets sales** for the quarter were Rs.927 million, recording a year-on-year growth of 65.8%. For FY16, Other International Markets sales were Rs.3,500 million, up 47.2% compared to FY15.

### **R&D Investments**

Our Revenue R&D expenses for the quarter were Rs.870 million, or 7.6% of net operating income. Similarly for FY16, our Revenue R&D expenses were Rs.2,149 million, or 4.3% of net operating income.

During the quarter, we filed 6 abbreviated new drug applications (ANDAs) with the US FDA and received 3 approvals (including 1 tentative approvals). For FY16, we filed 12 ANDAs with the US FDA and received 12 approvals (including 4 tentative approvals).

As on 31<sup>st</sup> March 2016, we have filed a total of 76 ANDAs and 1 new drug application (NDA) with the US FDA of which 31 are Para IV filings including first-to-files (FTFs). Of these, we have received approvals for 30 ANDAs (including 4 tentative approvals) and 1 NDA.

### **Write-off of MAT credit entitlement during the quarter**

During the quarter, considering future growth requirement of domestic business, the company has commenced construction of new units at Sikkim which will be entitled for fiscal incentives including benefit under income tax. Further, Finance Act 2016 has partially extended income tax benefit on R&D expenditure up to fiscal year 2019-20. These factors may result into lower utilisation of accumulated MAT credit entitlement to the extent of Rs.834 million as at 31 March 2016, which has been charged off and included under tax expense in current quarter and year ended 31 March 2016.



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**Q4FY16 Conference Call at 6:00pm IST, May 27th, 2016**

Alkem Laboratories Ltd. will organize a conference call for investors and analysts on Friday, May 27th, 2016 from 6:00 pm to 7:00 pm IST to discuss its Q4FY16 & FY16 financial results.

Alkem Laboratories Ltd. will be represented on the call by Mr. Sandeep Singh, Joint Managing Director, Mr. Prabhat Agrawal, Chief Executive Officer and the senior management team.

Edelweiss Securities will host the call.

**Details of the conference call are as under:**

**Time:** 6:00 pm to 7:00 pm IST (GMT + 5:30) on Friday, May 27th, 2016.

**Dial in Details:**

India : +91 22 6746 8328 / 3938 1028

**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](http://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 700 brands in India, Alkem is ranked the fifth largest pharmaceutical company in India in terms of domestic sales (Source: IMS SSA MAT March 2016). 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](http://www.alkemlabs.com)

**For further information or queries please contact**

**Gagan Borana**

Investor Relations – Alkem Laboratories Ltd.

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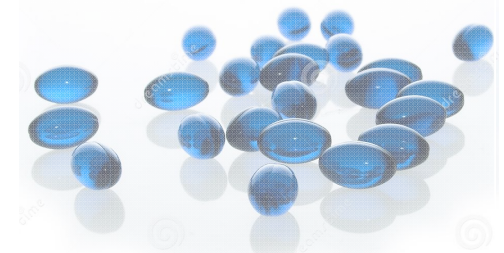
E-mail: [gagan.borana@alkem.com](mailto:gagan.borana@alkem.com)



# **Alkem Laboratories Limited**

**Investor Presentation Q4FY16**

**27<sup>th</sup> May 2016**



# 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.



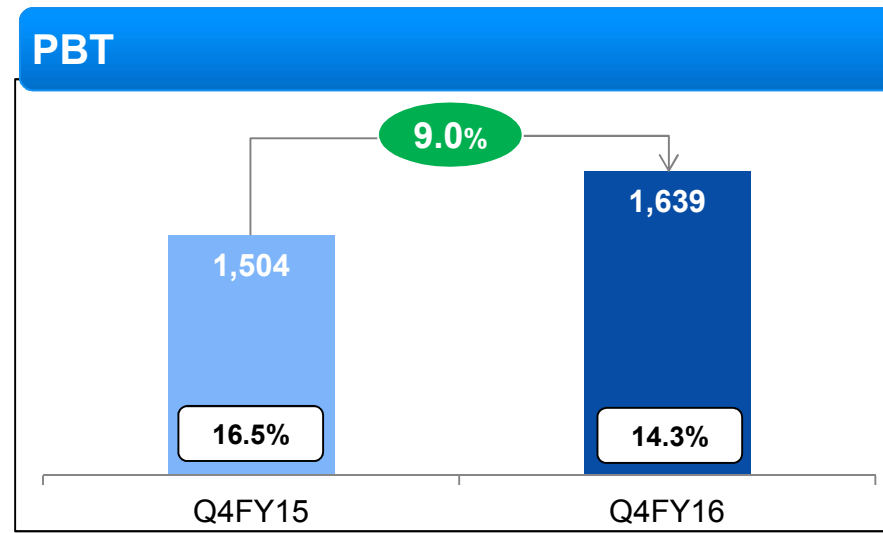
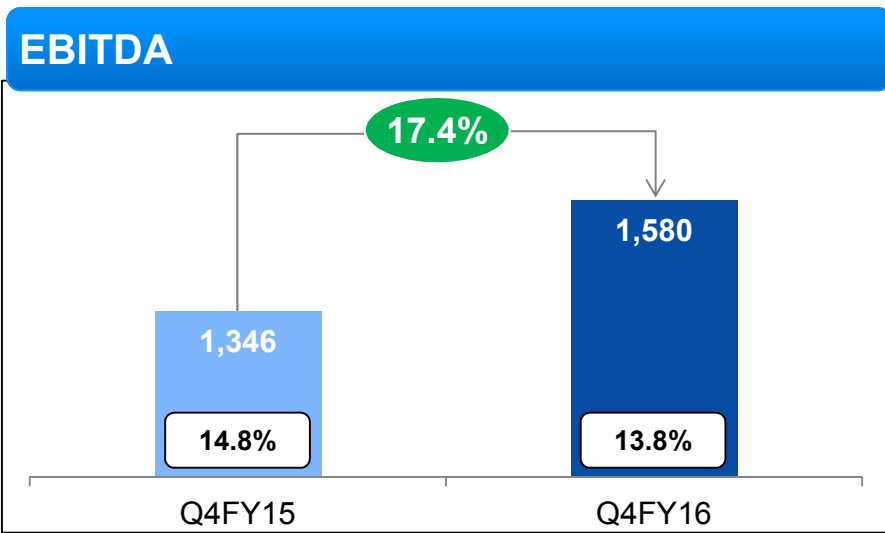
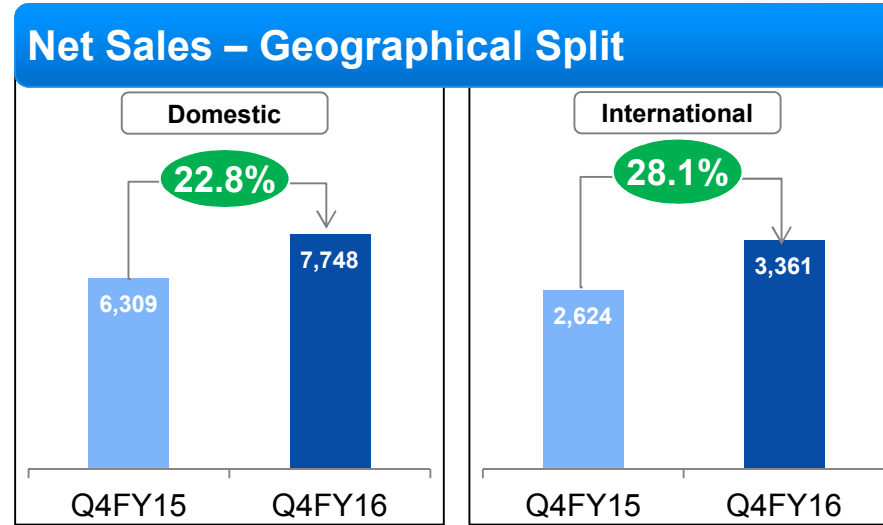
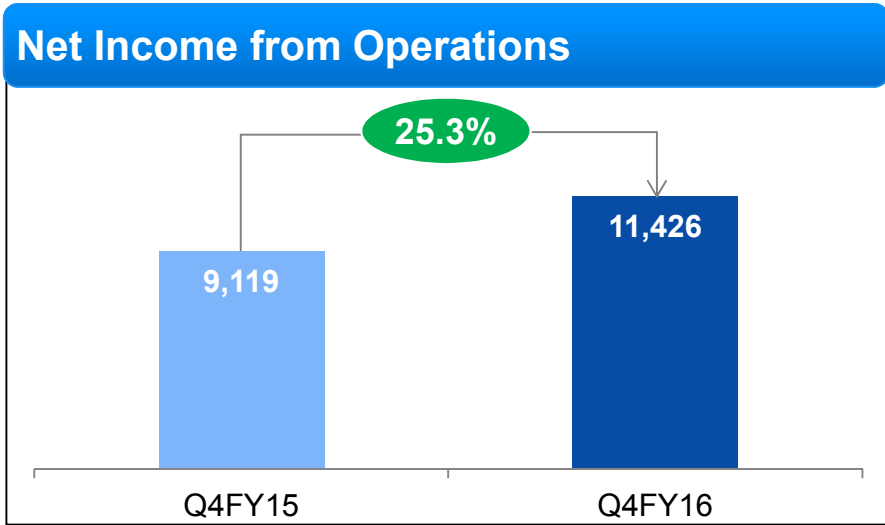
## FY16 – A Satisfying Year For The Company

- **Successful IPO Listing** – The Company got listed on the NSE and the BSE in December 2015 with its IPO book getting subscribed over 40 times
- **Profitable Growth** - Net operating income during the year grew by 33.3%\* with more than 500bps year-on-year improvement in Gross margin and EBITDA margin
- **Healthy Balance Sheet** – The Company generated net cash of Rs.3,780 million during the year
- **Outperformance in the India market** – The company grew ahead of the IPM, primarily driven by its leading position in key therapies areas, market share gains and new product launches
- **Uptick in ANDA approvals** - Company received 12 ANDA approvals in FY16 – highest so far in a year by the company
- **Successful USFDA inspections** - Formulation facilities at Baddi (India) and St. Louis (US), as well API facility at California (US) went through successful inspection from the USFDA. Further our API facility at Mandva received USFDA approval, making it our sixth USFDA approved facility
- **Acquired a formulation manufacturing facility in the US** to build capabilities in the areas of liquids, semi-solids and nasal sprays

\* includes consolidation of Indchemie and Cachet's financial results in FY16

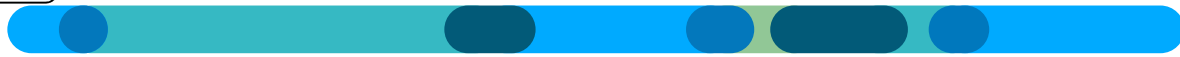
# Financial Highlights – Q4FY16 Consolidated

All figures in INR mn



% of total income from operations

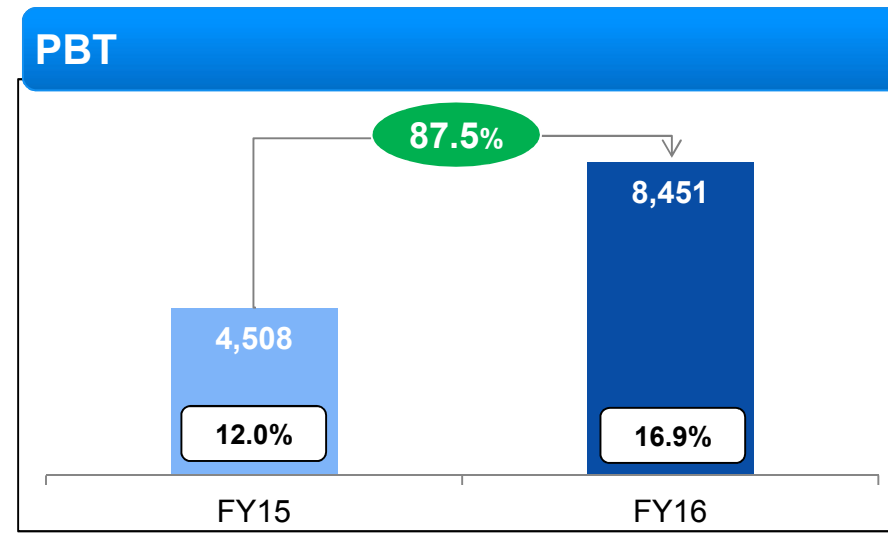
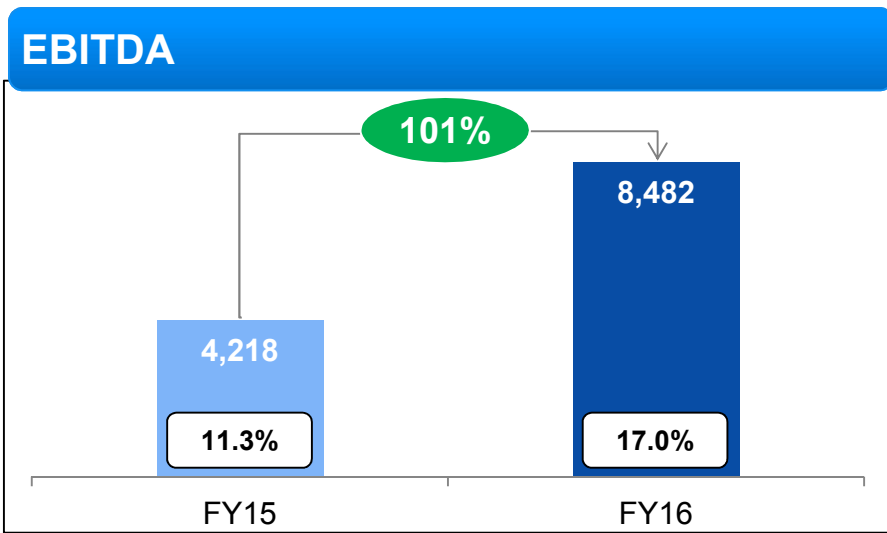
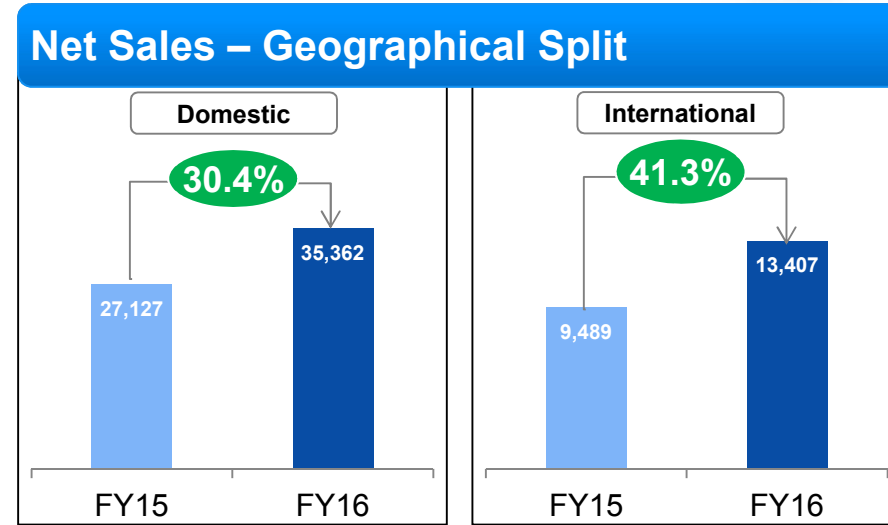
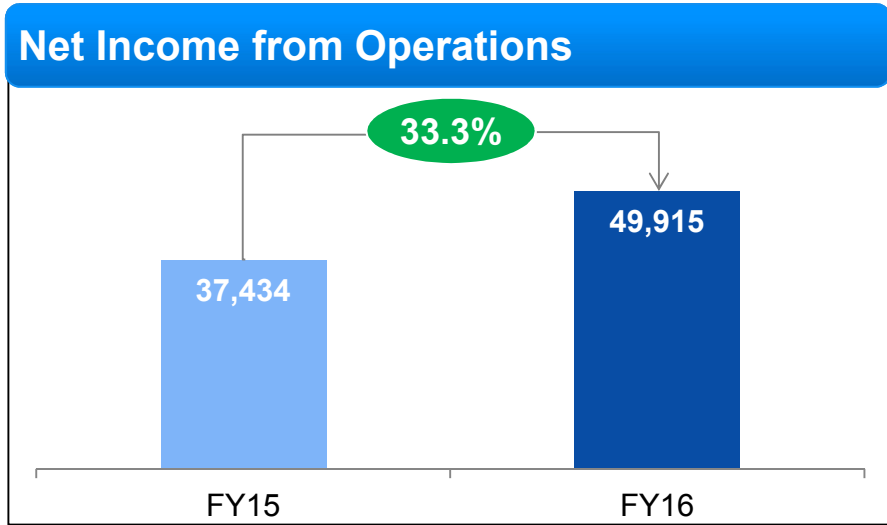
YoY Growth%





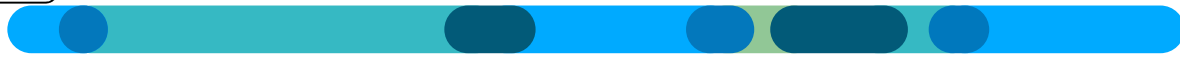
# Financial Highlights – FY16 Consolidated

All figures in INR mn



% of total income from operations

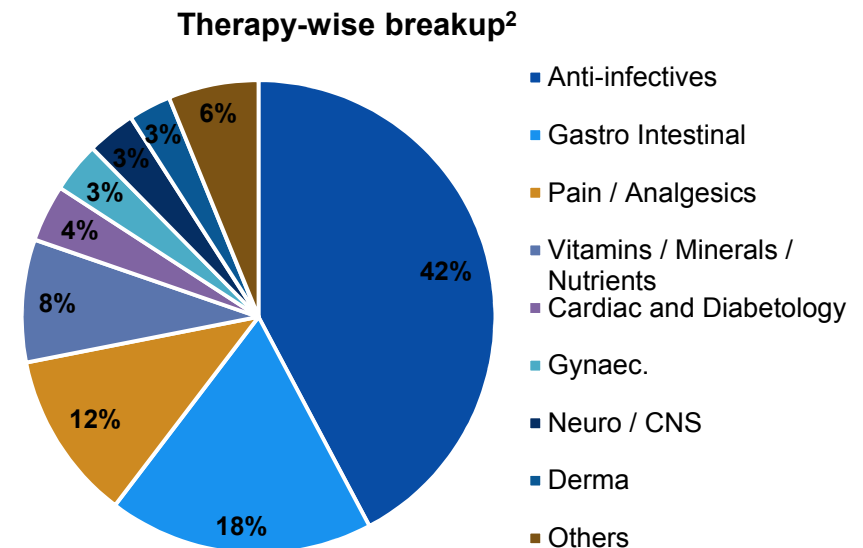
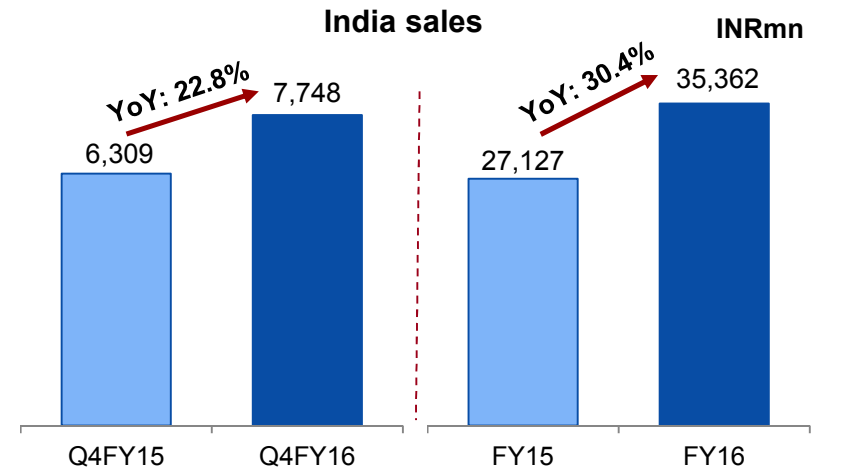
YoY Growth%



# Business Highlight Q4FY16

## India Business: Q4FY16 Net Sales of Rs.7,748 million (22.8% growth<sup>1</sup> YoY)

- India sales contributed 69.7% to total net sales for Q4FY16
- During the quarter and the year, our secondary sales<sup>2</sup> grew by 13.2% and 14.4% respectively – higher than corresponding IPM growth of 12.1% and 13.5%
- Company continued its outperformance with market share gain in established therapies of Anti-infectives, Gastro Intestinal, Pain / Analgesics and Vitamins / Minerals / Nutrients
- Company delivered robust growth in emerging therapies of Neuro / CNS, Cardiac and Anti-Diabetic and resultant improvement in market ranking
- Our brand Uprise-D3 entered the top 300 brands in India. We now have 14 brands among top 300 brands in India (Source: IMS SSA MAT Mar'16)



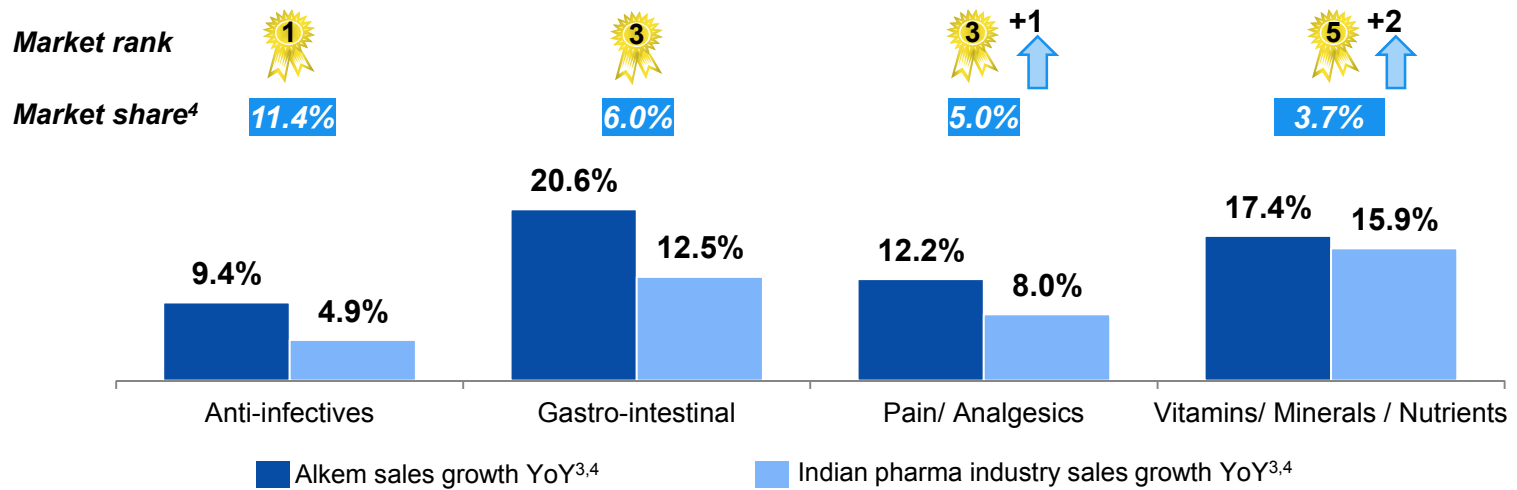
1. Growth after consolidation of Indchemie and Cachet's results in the current financial year

2. Source: IMS SSA MAT March 2016

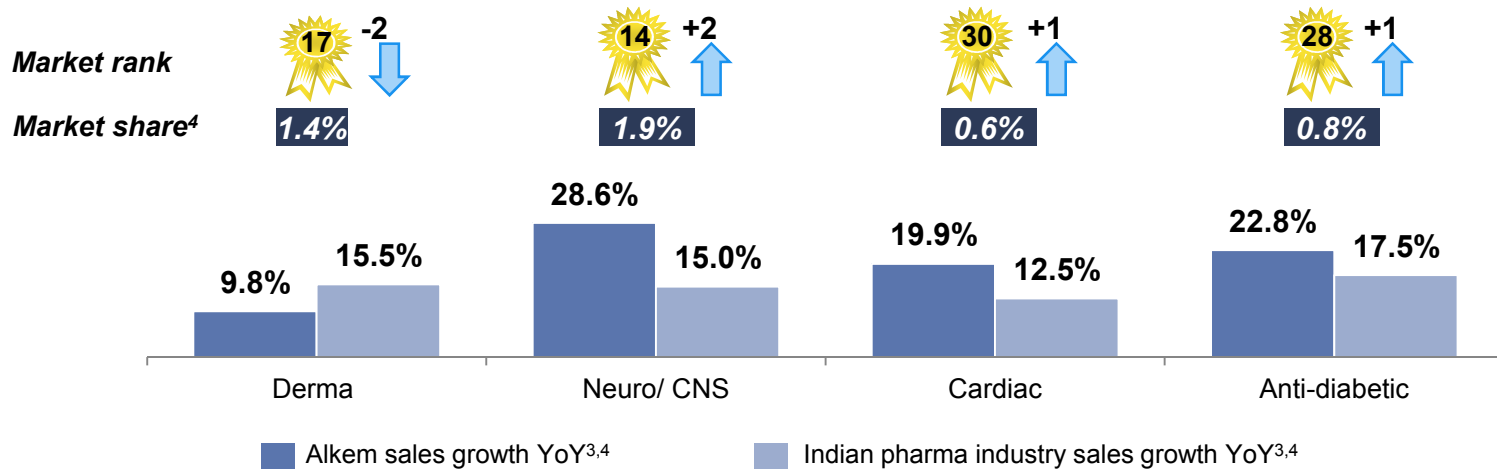
# Business Highlight Q4FY16

## India Business: Therapy Performance during Q4FY16

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem



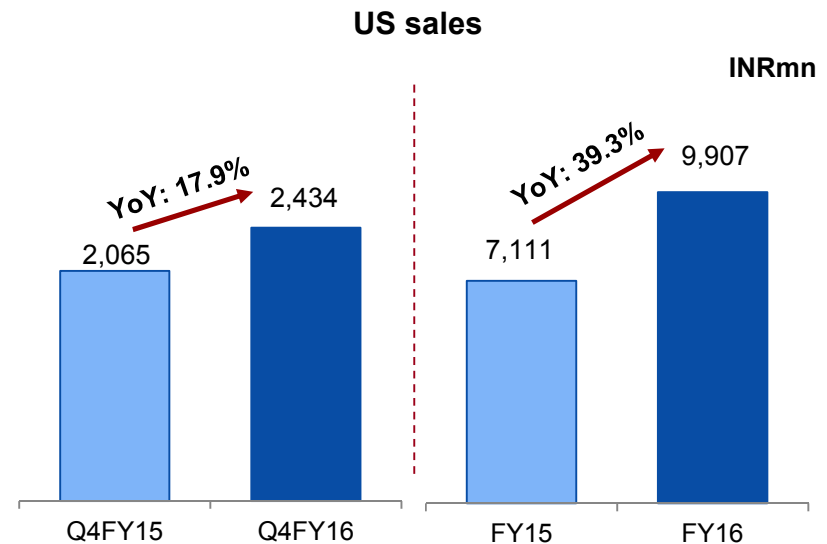
Source: IMS SSA MAT March 2016 <sup>3</sup> Domestic formulations sales; <sup>4</sup> For 3 months ended Mar'16



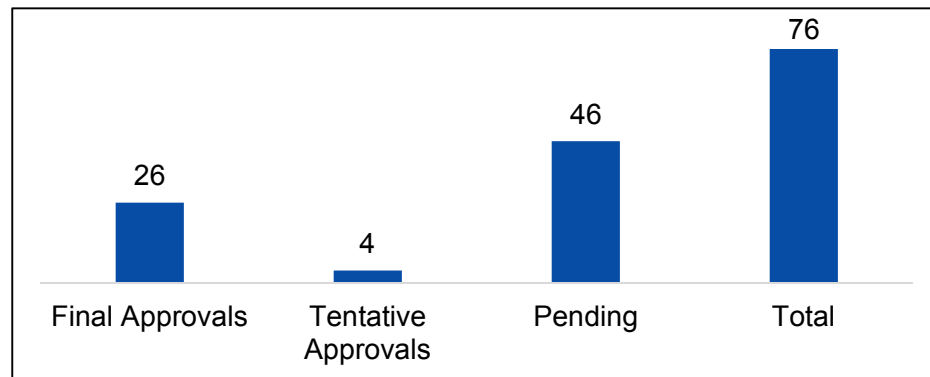
# Business Highlight Q4FY16

## US Business: Q4FY16 Net Sales of Rs.2,434 million (17.9% growth YoY)

- US sales contributed 21.9% to total net sales for Q4FY16
- Filed 6 ANDAs during the quarter, taking the cumulative ANDA filings to 76 and 1 NDA (as on 31<sup>st</sup> Mar'16)
- Received 3 ANDA approvals (including 1 tentative approvals) during the quarter, taking cumulative ANDA approvals to 30 (including 4 tentative approvals) and 1 NDA (as on 31<sup>st</sup> Mar'16)
- In FY16, we filed 12 ANDAs and received 12 approvals including 3 tentative approvals



Cumulative US ANDA filings<sup>5</sup>



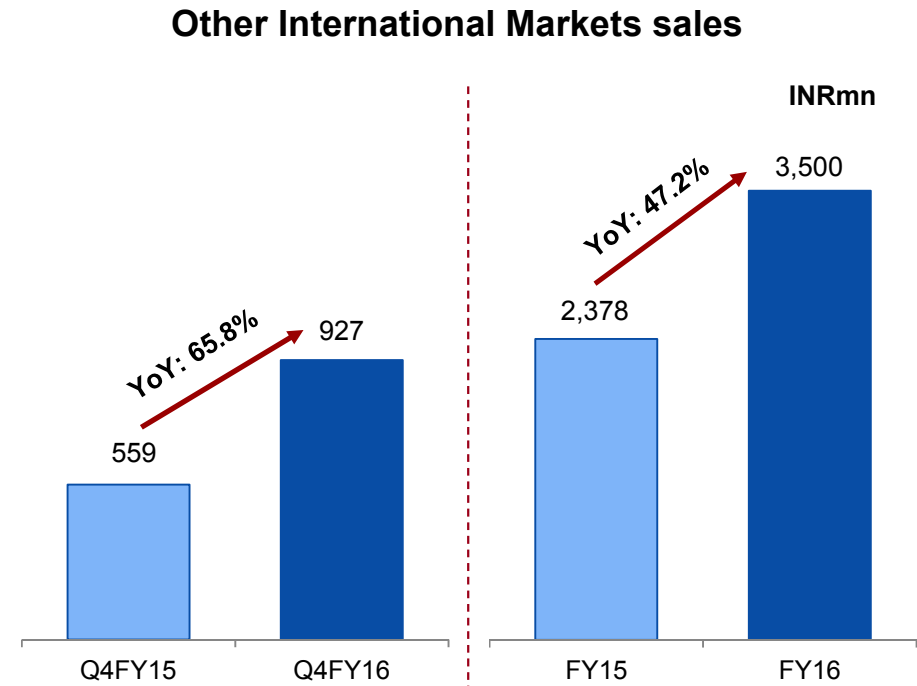
U.S. Filings	# Nos.
<b>Total ANDAs filed</b>	<b>76</b>
Para IV (including FTFs)	31
NDA	1
<b>DMFs</b>	<b>22</b>

5. As on 31<sup>st</sup> March 2016;

# Business Highlight Q4FY16

## Other International Markets: Q4FY16 Net Sales of Rs.927 million (65.8% growth YoY)

- Other International sales contributed 8.3% to total net sales for Q4FY16
- Company has presence in more than 50 international markets
- Robust growth in the Other International Markets despite adverse currency movement
- The growth was driven by strong underlying demand in markets such as Australia, Chile and Kazakhstan



## Strategy going forward

- 1 *India Sales: Consolidate our leadership position in the acute segment by driving growth in our mega brands*
- 2 *India Sales: Increase our market share in the chronic segment through market share acquisition and new product introductions*
- 3 *Improve our field force productivity through SFE (Sales Force Effectiveness) initiatives*
- 4 *Continued focus on R&D to accelerate ANDA filings for the US markets and develop differentiated portfolio*
- 5 *Strategic partnerships / collaborations to enhance capabilities and product portfolio for focus markets*

## Financials – Key P&L items (Consolidated)

Particulars (Rs mn)	Q4FY16	Q4FY15	YoY growth	FY16	FY15	YoY growth
Net Income from Operations	11,426	9,119	25.3%	49,915	37,434	33.3%
Gross Profit	7,147	5,207	37.3%	30,304	20,528	47.6%
Gross Profit margin	62.6%	57.1%		60.7%	54.8%	
EBITDA	1,580	1,346	17.4%	8,482	4,218	101.1%
EBITDA margin	13.8%	14.8%		17.0%	11.3%	
PBT	1,639	1,504	9.0%	8,451	4,508	87.5%
PBT margin	14.3%	16.5%		16.9%	12.0%	
PAT (After Minority Interest)	567	1,315	(56.9)%	6,731	3,916	71.9%
PAT margin	5.0%	14.4%		13.5%	10.5%	
EPS	4.7	11.0	(56.9)%	56.3	32.8	71.9%

Note: In Q4FY16, the Company took a MAT credit entitlement write-off of Rs834mn (included in tax expenses)

## Financials – Key Ratios and Balance Sheet items (Consolidated)

Particulars	FY16	FY15
RONW	19.2%	13.1%
Book Value per share (Rs.)	292.9	250.8
Receivable days	41	51
Inventory days*	67	77
Payable days*	42	45
Net Working Capital days	65	83 <sup>#</sup>
Gross Debt (Rs. million)	6,554	13,059
Net Cash (Rs. million)**	8,652	4,873

\*Inventory days and payable days calculated on Net Revenues from Operations

<sup>#</sup>includes impact of consolidation of Inchemie and Cachet

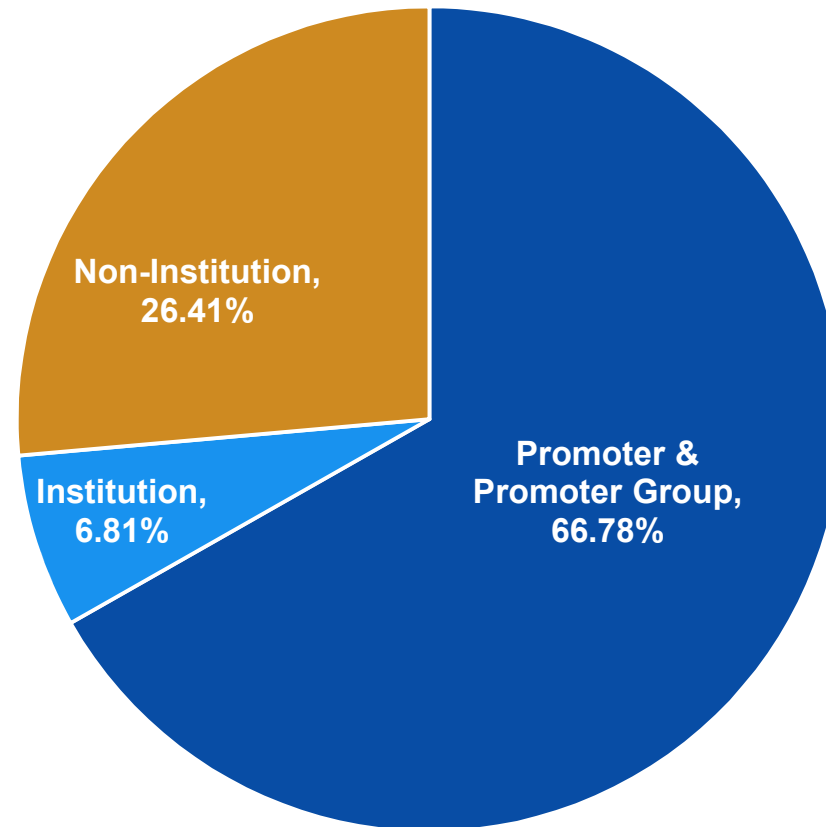
\*\*Net Cash = Cash and Bank Balance + Fixed Deposits + Interest Accrued on Fixed Deposits + Investments in funds, bonds, debentures and equity shares – Gross Debt



# Latest Shareholding Pattern



## Shareholding pattern as on 31<sup>st</sup> March 2016



*Institution – Mutual Funds, Financial Institutions, Foreign Portfolio Investors, Foreign Institutional Investors, Nationalised and Non-Nationalised Banks  
Non-Institution – Public, Other Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts*



Thank You

