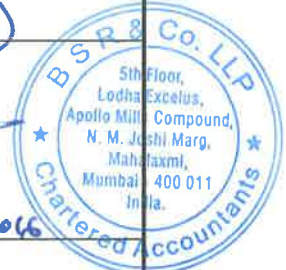


FORM A (for audit report with unmodified opinion)

[Standalone Financial Results]

1	Name of Company	ALKEM LABORATORIES LIMITED
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
Fax +91 (22) 4345 5399

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
1 Income from Operations					
(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
Total Income from Operations (Net)	8,562.6	10,032.5	7,597.2	39,246.9	31,375.6
2 Expenses					
(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
Total Expenses	7,903.5	7,902.0	6,703.4	32,859.5	28,517.3
3 Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Item (1-2)	659.1	2,130.5	893.8	6,387.4	2,858.3
4 Other Income	407.3	324.9	508.7	1,605.2	1,821.3
5 Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Item (3+4)	1,066.4	2,455.4	1,402.5	7,992.6	4,679.6
6 Finance costs	63.7	136.8	171.5	533.0	726.3
7 Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Item (5+6)	1,002.7	2,318.6	1,231.0	7,459.6	3,953.3
8 Exceptional item	-	-	-	-	-
9 Profit / (Loss) from ordinary activities before tax (7+8)	1,002.7	2,318.6	1,231.0	7,459.6	3,953.3
10 Tax expense / (Credit)	857.6	187.8	6.1	1,075.2	276.4
11 Net Profit / (Loss) for the period from ordinary activities after tax (9 + 10)	145.1	2,130.8	1,224.9	6,384.4	3,676.9
12 Extraordinary Items (net of tax expense)	-	-	-	-	-
13 Net Profit / (Loss) for the period (11+12)	145.1	2,130.8	1,224.9	6,384.4	3,676.9
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
A	EQUITY AND LIABILITIES		
i	Shareholders' Funds		
	(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
ii	Deferred Government Grant	31.0	35.8
iii	Non-current Liabilities		
	(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
iv	Current Liabilities		
	(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
	TOTAL - EQUITY AND LIABILITIES	48,533.3	48,608.0
B	ASSETS		
I	Non-current Assets		
	(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
ii	Current Assets		
	(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
	TOTAL - ASSETS	48,533.3	48,608.0

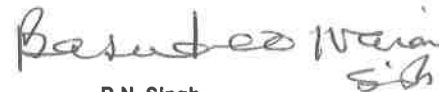
Basudeo Narain Singh

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