

Strong
in Our Core
Market
Expanding
to Newer
Ones



Contents

Corporate Overview

02	Alkem at a Glance
04	Global Presence
06	Key Therapeutic Areas and Brands in Domestic Market
08	Chairman's Message
09	Executive Chairman's Message
10	CEO's Message
12	Key Financial Highlights
14	Strong Brand Building Capabilities
16	Strong Manufacturing and R&D Capabilities
18	Extensive Sales Network and Distribution Infrastructure
20	Growing International Business
22	The People Edge
24	Board of Directors
26	Awards and Accolades

Statutory Reports

28	Management Discussion and Analysis
48	Directors' Report
79	Corporate Governance Report

Financial Statements

Standalone

94	Independent Auditor's Report
100	Balance Sheet
101	Statement of Profit and Loss
102	Cash Flow Statement
104	Notes

Consolidated

140	Independent Auditor's Report
144	Balance Sheet
145	Statement of Profit and Loss
146	Cash Flow Statement
148	Notes

197 Notice

Proxy Form

Net Revenue

₹ 49,915
million

EBITDA

₹ 8,482
million

PAT

₹ 6,731
million

Earnings per share

₹ 56.3

Strong in Our Core Market. Expanding to Newer Ones.

Growth and consolidation are business imperatives that are achieved as a result of conscious and persistent strategy. More often than not, companies that are able to step out of their comfort zone while retaining their hold over captive markets are the ones that succeed in the long-term.

We believe that the path to value-creation is twofold. On the one hand, we continue to focus on consolidating our presence in India and introducing newer products consistently, while improving the breadth and depth of our reach. We are consistently ranked among the top-ten pharma companies in India with a strong portfolio of 700 brands across multiple therapies, in many of which we are leaders. We have an in-depth coverage across the country through a well-built sales & distribution network and a long-standing trust & relationship with the prescribers.

On the other, we are focusing on growing our presence in the high-value US market with a unique set of products, and also growing our footprint in emerging markets at the same time. We are doing this through both organic and inorganic routes, and developing a strong local presence in our markets of choice.

This dual strategy will allow us to leverage our expertise and strength across geographies.

In this, our maiden post-IPO annual report, we present the story of our focus on India and how we are growing from strength to strength in international markets.

Alkem at a Glance



Established in 1973 and headquartered in Mumbai, Alkem is a leading Indian pharmaceutical company with global operations. The Company is 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 over 50 countries globally, with the United States being the key focus International market. Company's pharmaceutical business is organised into domestic (i.e. India) and international operations; the former accounting for 72.5% of net consolidated operating revenues in financial year 2016 and the latter for the remaining 27.5%. With a portfolio of over 700 brands in India, Alkem have been ranked among the top ten pharmaceutical companies in India in terms of domestic sales for the past 13 years (Source: IMS Health). Company's products are also sold in

international markets either directly through its subsidiaries or indirectly, through supply, distribution and other arrangements with various global companies and local distributors.

The Company has 16 manufacturing facilities at strategic locations - 14 are in India, and the remaining two in the US. Six of its facilities are USFDA approved. The Company also has strong Research and Development (R&D) capabilities with over 500 scientists working across its four globally located R&D facilities.

On December 23, 2015, the Company successfully completed its Initial Public Offering (IPO) and its equity shares were listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The issue saw a robust response across investor categories and was overall subscribed to the extent of 44.29 times. This was the largest ever demand generation by a pharmaceutical company in India through IPO/QIP.

Milestones

Year	Event
1973	Alkem Laboratories Limited was incorporated.
1978	Established its first plant at Taloja, Mumbai.
1992	Established manufacturing facility in Mandva, Gujarat. This facility was converted into an API facility in 2005.
2003	Set up research and development facility for ANDA development at Taloja, Maharashtra.
2006	Company's anti-infective brand, Taxim became the first anti-infective drug in the Indian pharmaceutical industry to cross ₹ 1,000 mn in terms of domestic sales in India. (Source: IMS Health)
2007	Filed its first ANDA in the US for the drug Amlodipine.
2009	Received its first ANDA approval in the US for Amlodipine. Acquired Pharmacor Pty Ltd., a generic pharma company in Australia.
2010	Acquired Ascend Laboratories, a generic marketing company in the US.
2011	Acquired Enzene, a company engaged in the development of biosimilars in India.
2012	Acquired an API Manufacturing facility in the US.
2014	Acquired the "Clindac-A" brand in India from Galderma S.A. Company's anti-infective brand, Clavam crossed ₹ 2,000 million in terms of domestic sales in India. (Source: IMS Health)
2015	Acquired a formulation manufacturing facility in the US. Acquired 51% controlling stake in Indchemie Health Specialities Private Limited and Cachet Pharmaceutical Private Limited. Successfully completed Initial Public Offering.



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

Through:

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

Stock Details

₹ 1,62,184*mn
Market
capitalisation

₹ 1,366.50*
(Closing market
price) Bombay
Stock Exchange

₹ 1,356.45*
(Closing market
price) National
Stock Exchange

₹ 12.7/share
Interim dividend
(Face value ₹ 2)

66.78%*
Promoter and
Promoter Group
Holding

*As of 31 March, 2016

Global Presence

The Company produces branded generics, generic drugs, active pharmaceutical ingredients (APIs) and nutraceuticals, which it markets in India and over 50 countries globally.

Angola	Afghanistan
Burkina Faso	Cyprus
Germany	Kazakhstan
Myanmar	Philippines
Tanzania	Ukraine
Zambia	Australia
Kuwait	Dominican Republic
Cameroon	Kenya
Guinea	Poland
Netherlands	United Kingdom
Thailand	Azerbaijan
Slovenia	Ethiopia
Chile	Malaysia
India	Russian Fed.
Nigeria	USA
Togo	Benin
Venezuela	Gabon
Colombia	Mali
Iraq	South Africa
North Korea	Vietnam
UAE	Botswana
Singapore	Georgia
Cote d'Ivoire	Mongolia
Jamaica	Sri Lanka
Peru	South Korea
Uganda	

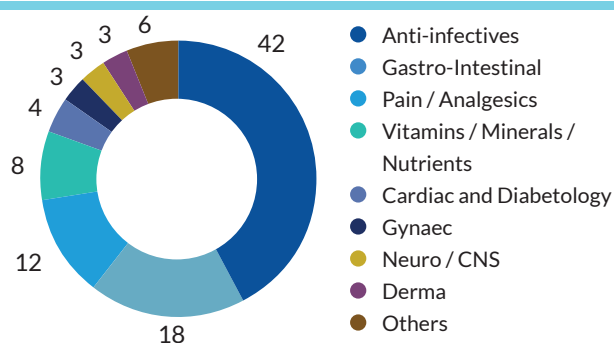




Key Therapeutic Areas and Brands in Domestic Market

The Company's domestic operations are divided into various therapeutic areas. The Established Therapies comprise anti-infectives, gastro-intestinal, pain and analgesics, and vitamins, minerals and nutrients, which together constitutes about 80% of the Company's total domestic sales. The Emerging Therapies of the Company comprise neuro/CNS, derma, cardiac and anti-diabetes. The Company is also present in respiratory and gynaecology amongst other therapeutic areas.

Company's Therapeutic Breakup in Domestic Market (%)



(Source: IMS SSA MAT March 2016)

Anti-infectives (₹ 113 billion* market size in India)

Anti-infectives fight against infection caused by micro-organisms such as bacteria, viruses and parasites. They function by inhibiting the growth of the micro-organism or by killing the micro-organisms. The Company's anti-infectives portfolio includes therapeutic classes such as penicillins, cephalosporins, macrolides and quinolones.

Anti-infectives is the largest therapeutic area in the pharmaceutical industry in India, and the Company has been ranked number one in terms of revenue in this therapeutic area for the past ten years consistently.

Key Brands	Treatment used for
Clavam	Short term treatment of a wide range of bacterial infections.
Taxim	Variety of infections including pneumonia, urinary tract infections, pelvic inflammatory disease and meningitis.
Taxim-O	Bacterial infections such as respiratory infections and gonorrhoea.
Xone	Bacterial infections such as pneumonia, gonorrhoea, urinary tract infections, pelvic inflammatory disease, meningitis and typhoid.

Gastro-intestinal (₹ 98 billion* market size in India)

Products in the gastro-intestinal category relieve discomfort relating to the stomach and intestines. Company's gastro-intestinal portfolio consists of leading and fast growing molecules such as pantoprazole, omeprazole, domperidone and ondansetron.

Key Brands	Treatment used for
Pan	Erosive esophagitis and other acid peptic disorders.
Pan-D	Gastroesophageal reflux disease; decrease excessive stomach acid & prevent nausea and vomiting.
Ondem	Prevent nausea and vomiting associated with cytotoxic chemotherapy & radiotherapy.
Satrogyl-O	Protozoa infections, liver abscess, giardiasis and trichomoniasis.

Pain/analgesics (₹ 71 billion* market size in India)

Pain and analgesic products help in alleviating pain caused by a variety of ailments. Company's pain and analgesics portfolio consists of anti-rheumatic, non-steroidal anti-inflammatory, anti-osteoporosis and muscle relaxants.

Key Brands	Treatment used for
Gemcal	Prophylaxis and treatment of osteoporosis.
Sumo	Headache, muscle pain & aches and musculo-skeletal pain either on its own or combined with other medications.
Enzoflam	Pain of musculo-skeletal origin.
Sumo-L	Broad range of symptoms, such as headaches, muscle aches, arthritis, backache, toothache, colds and fevers.

Vitamins/minerals/nutrients (₹ 70 billion* market size in India)

Vitamins, minerals, and nutrients provide a source of supplement for sustaining good health. Company's vitamins, minerals, and nutrients portfolio includes multi-vitamins with nutrients, vitamin B12, metabolites, and protein and nutrients supplements.

Key Brands	Treatment used for
A to Z NS	Multi-vitamin and multi-mineral product that is used as a health supplement by doctors for various ailments or as prophylaxis.
Uprise D3	A form of Vitamin D and is prescribed for the treatment of Vitamin D deficiency, which is associated with rickets or used as a nutritional supplement.
A to Z Gold	To improve the general wellbeing of a person suffering from chronic illnesses such as diabetes and cardio-vascular disorders.

Other therapeutic areas

The Company also has a fast-growing portfolio in other therapeutic areas such as neuropsychiatry, cardiology, dermatology, diabetology and oncology. Some of the key brands in these product categories include Olkem, Glucoryl-M, Melbild and Donep.

Key Brands	Treatment used for
Olkem	Hypertension
Glucoryl-M/MV	Diabetes
Donep	Alzheimer's disease
Melbild	Hypo-pigmentation

* (Source: IMS SSA MAT March 2016)

Chairman's Message

Samprada Singh
Chairman Emeritus
Alkem Laboratories Limited

It has always been my conviction that great companies are the products of strong values and a determination to translate those values into tangible outcomes.

Dear Shareholders,

It has always been my conviction that great companies are the products of strong values and a determination to translate those values into tangible outcomes. These iconic companies look beyond industry challenges, market cycles and economic volatilities to bring enduring difference to society. With a great team, we are building such an enterprise at Alkem.

From a very modest beginning in 1973, we have emerged as one of the dominant players in the domestic pharmaceutical landscape; and it is heartening to note that we are reinforcing our footprint on international markets. This achievement was largely made possible by the determination and commitment of our employees who are incessantly pushing the levers of Alkem's progress.

At Alkem, we have created a culture of high performance with a deep commitment, not just to cure, but help people lead a healthy life. This is the quintessential Alkem.

I invite you all to be a part of our journey, as we brace for a lift-off.

Warm regards,

Samprada Singh
Chairman Emeritus
Alkem Laboratories Limited