



## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2014

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014 (Rs. in Lakhs)						
Sl. No.	Particulars	3 months ended 31.12.2014	Preceding 3 months ended 30.09.2014	Corresponding 3 months ended 31.12.2013	Year to date figures for current period ended 31.12.2014	Year to date figures for previous period ended 31.12.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>					
	a) Net sales/ Income from operations (net of excise duty)	76,109	74,969	70,116	2,22,959	2,13,013
	b) Other operating income	813	790	612	2,254	1,865
	<b>Total income from operations (net)</b>	<b>76,922</b>	<b>75,759</b>	<b>70,728</b>	<b>2,25,213</b>	<b>2,14,878</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	31,492	33,095	27,338	90,466	82,291
	b) Purchases of stock-in-trade	3,082	2,649	3,601	7,565	9,546
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,813)	(4,757)	(1,464)	(6,175)	(2,499)
	d) Employee benefits expense	13,599	13,538	11,546	39,686	34,386
	e) Depreciation and amortisation expenses	5,630	5,421	5,130	16,244	14,964
	f) Other expenses	19,252	18,222	17,561	52,227	52,322
	<b>Total expenses</b>	<b>70,242</b>	<b>68,168</b>	<b>63,712</b>	<b>2,00,013</b>	<b>1,91,010</b>
	Less: Recovery of product development costs from co-development partners (net)	(3,685)	(4,292)	(5,436)	(9,768)	(12,326)
	<b>Total Expenses</b>	<b>66,557</b>	<b>63,876</b>	<b>58,276</b>	<b>1,90,245</b>	<b>1,78,684</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>10,365</b>	<b>11,883</b>	<b>12,452</b>	<b>34,968</b>	<b>36,194</b>
4	Other income	977	1,504	1,229	3,625	3,864
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>11,342</b>	<b>13,387</b>	<b>13,681</b>	<b>38,593</b>	<b>40,058</b>
6	Finance costs	479	503	26	1,040	98
7	<b>Profit from ordinary activities after finance costs before tax (5-6)</b>	<b>10,863</b>	<b>12,884</b>	<b>13,655</b>	<b>37,553</b>	<b>39,960</b>
8	Tax expense	1,115	2,182	2,616	6,386	8,776
9	<b>Net profit for the period / year (7-8)</b>	<b>9,748</b>	<b>10,702</b>	<b>11,039</b>	<b>31,167</b>	<b>31,184</b>
10	Minority interest	(655)	(497)	(540)	(1,578)	(1,120)
11	<b>Net profit after tax and minority interest (9+10)</b>	<b>9,093</b>	<b>10,205</b>	<b>10,499</b>	<b>29,589</b>	<b>30,064</b>
12	Paid-up equity share capital (Face value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000
13	Reserve excluding revaluation reserves as per balance sheet					2,92,581
14	<b>Earnings per share (of Rs 5 each) (not annualised)</b>					
	(a) Basic	4.63	5.20	5.35	15.07	15.33
	(b) Diluted	4.56	5.12	5.31	14.84	15.21
	See accompanying notes to the financial results					20.82

### Part II

Select information for the period						
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	Number of shares	7,79,51,554	7,80,51,554	7,80,51,554	7,79,51,554	7,80,51,554
	Percentage of shareholding	38.98%	39.03%	39.03%	38.98%	39.03%
2	Promoters and promoter group shareholding					
	a) Pledged/encumbered					
	Number of shares	50,000	10,000	40,000	50,000	40,000
	Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	0.04%	0.01%	0.03%	0.04%	0.03%
	Percentage of shares (as a % of the total share capital of the Company)	0.03%	0.01%	0.02%	0.03%	0.02%
	b) Non-encumbered					
	Number of shares	12,19,98,446	12,19,38,446	12,19,08,446	12,19,98,446	2,19,08,446
	Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	99.96%	99.99%	99.97%	99.96%	99.97%
	Percentage of shares (as a % of the total share capital of the Company)	60.99%	60.96%	60.95%	60.99%	60.95%

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014 (Rs. in Lakhs)						
Sl. No.	Particulars	3 months ended 31.12.2014	Preceding 3 months ended 30.09.2014	Corresponding 3 months ended 31.12.2013	Year to date figures for current period ended 31.12.2014	Year to date figures for previous period ended 31.12.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>					
	a) Net sales/ Income from operations (Net of excise duty)	50,794	53,878	50,344	158,132	156,050
	b) Other operating income	2,469	2,812	2,286	7,690	7,057
	<b>Total income from operations (net)</b>	<b>53,263</b>	<b>56,690</b>	<b>52,630</b>	<b>165,822</b>	<b>163,107</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	24,384	27,134	22,341	73,090	68,088
	b) Purchases of stock-in-trade	2,152	2,274	3,372	5,979	8,840
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,362)	(4,308)	(1,131)	(5,354)	(2,338)
	d) Employee benefits expense	7,263	7,202	6,543	21,474	19,710
	e) Depreciation and amortisation expenses	3,274	3,230	3,131	9,578	9,050
	f) Other expenses	13,728	12,156	11,725	38,663	34,801
	<b>Total expenses</b>	<b>48,439</b>	<b>47,688</b>	<b>45,981</b>	<b>143,430</b>	<b>138,151</b>
	Less: Recovery of product development costs from co-development partners (net)	(88)	(50)	(133)	(138)	(372)
	<b>Total expenses</b>	<b>48,351</b>	<b>47,638</b>	<b>45,848</b>	<b>143,292</b>	<b>137,779</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>4,912</b>	<b>9,052</b>	<b>6,782</b>	<b>22,530</b>	<b>25,328</b>
4	Other income (also refer note 6 below)	1,484	11,467	1,072	14,125	5,678
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>6,396</b>	<b>20,519</b>	<b>7,854</b>	<b>36,655</b>	<b>31,006</b>
6	Finance costs	15	18	18	60	64
7	<b>Profit from ordinary activities after finance costs before tax (5-6)</b>	<b>6,381</b>	<b>20,501</b>	<b>7,836</b>	<b>36,595</b>	<b>30,942</b>
8	Tax expense	653	2,349	1,840	5,252	7,185
9	<b>Net profit for the period / year (7-8)</b>	<b>5,728</b>	<b>18,152</b>	<b>5,996</b>	<b>31,343</b>	<b>23,757</b>
10	Impact of scheme of merger for earlier period (refer note 3 below)	-	-	-	-	554
11	<b>Profit for the period / year after giving impact of scheme of merger for earlier year (9+10)</b>	<b>5,728</b>	<b>18,152</b>	<b>5,996</b>	<b>31,343</b>	<b>24,311</b>
12	Paid-up equity share capital (Face value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000
13	Reserve excluding revaluation reserves as per balance sheet					231,680
14	<b>Earnings per share (of Rs 5 each) (not annualised)</b>					
	(a) Basic (after giving impact of scheme of merger for earlier year)	2.92	9.25	3.06	15.97	12.39
	(b) Diluted (after giving impact of scheme of merger for earlier year)	2.87	9.11	3.03	15.72	12.30
	(c) Basic (before giving impact of scheme of merger for earlier year)	2.92	9.25	3.06	15.97	12.11
	(d) Diluted (before giving impact of scheme of merger for earlier year)	2.87	9.11	3.03	15.72	12.02
	See accompanying notes to the financial results					16.34

**Notes:** 1. The unaudited financial results of the Company and the unaudited consolidated financial results for the quarter ended December 31, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on January 22, 2015. The above results have been subjected to limited review by the statutory auditors of the Company.

- During the year ended March 31, 2012, based on an evaluation of the prevalent regulatory framework, industry practices and ethics/governance requirements relating to clinical trials and the regulatory submissions already initiated / filed, Biocon SA, a wholly owned subsidiary of the Company (together referred to as 'Biocon'), had determined that it had continuing obligations to complete clinical development and regulatory activities relating to Biocon's Biosimilar Insulin portfolio comprising of Biosimilar Insulin and Biosimilar Insulin Analogs. Accordingly, pursuant to the termination of the customer contract in March 2012, Biocon deferred the remainder of the upfront amounts received from the customer, to be recognized in the consolidated statement of profit and loss in subsequent periods in line with costs incurred towards such clinical trials and development activities. In February 2013, Biocon SA entered into an agreement with another customer for the global development and commercialization of Biosimilar Insulin Analogs (the Agreement), granting the customer exclusive rights to commercialize Biosimilar Insulin Analogs in certain countries. The clinical development and regulatory activities in respect of such Biosimilar Insulin Analogs is now being carried out in accordance with the Agreement. As such, Biocon has therefore determined that it does not have continuing obligations for clinical trials and development activities in respect of Biosimilar Insulin Analogs. Accordingly, based on an allocation in proportion of estimated future development spends on these programs, Rs 21,501 lakhs of deferred revenues allocated to Biosimilar Insulin Analogs (net of amounts already recognized in the consolidated statement of profit and loss) was recognized as an exceptional income in the consolidated statement of profit and loss for the year ended March 31, 2013. Considering that Biocon has continuing obligations in respect of Biosimilar Insulin, the remainder of deferred amounts as at March 31, 2013, of Rs 28,001 lakhs, continues to be recognized in the consolidated statement of profit and loss in line with costs to be incurred towards clinical trials and development activities of Biosimilar Insulin. For the quarter ended December 31, 2014 and September 30, 2014, of the deferred amounts, Rs. 727 lakhs and Rs 696 lakhs respectively have been netted off against expenses incurred towards such clinical trial and development activities. The statutory auditors of the Company have drawn an Emphasis of Matter in their limited review report on the consolidated unaudited financial results.
- During the quarter ended September 30, 2013, the Honorable High Court of Karnataka ('the Court') approved the scheme of amalgamation ('the Scheme') of Biocon Biopharmaceuticals Limited ('BBL'), a wholly owned subsidiary, with the Company under the Companies Act, 1956, with Appointed Date as April 1, 2012. The Scheme was accounted by the Company under the Pooling of Interest method as prescribed by Accounting Standard 14 - Accounting for Amalgamation. Post receipt of the requisite approvals, the Company considered the operations of BBL from April 1, 2012 as its own operations and accordingly, profit after tax amounting to Rs 554 lakhs (net of tax of Rs 579 lakhs), relating to operations of BBL for the year ended March 31, 2013, were accounted for in the standalone results for the year ended March 31, 2014.
- During the quarter ended June 30, 2014, the Group evaluated the requirement of Schedule II of the Companies Act, 2013 ('the Act') in respect of estimates of useful lives of its fixed assets. In accordance with the transitional provision specified in Schedule II of the Act, during the quarter ended June 30, 2014, an amount of Rs. 292 lakhs (net of deferred taxes) was adjusted in the standalone and consolidated opening balance of retained earnings. The

SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014 (Rs. in Lakhs)						
Particulars	3 months ended 31.12.2014	Preceding 3 months ended 30.09.2014	Corresponding 3 months ended 31.12.2013	Year to date figures for current period ended 31.12.2014	Year to date figures for previous period ended 31.12.2013	Previous year ended 31.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
a. Pharma	54,444	56,227	52,116	1,65,572	1,61,448	2,15,125
b. Contract Research & Manufacturing Services	23,040	20,191	19,028	61,093	54,629	74,119
<b>Total</b>	<b>77,484</b>	<b>76,418</b>	<b>71,144</b>	<b>2,26,665</b>	<b>2,16,077</b>	<b>2,89,244</b>
Less: Inter-segment revenue	562	659	416	1,452	1,199	1,513
<b>Net sales / Income from continuing operations</b>	<b>76,922</b>	<b>75,759</b>	<b>70,728</b>	<b>2,25,213</b>	<b>2,14,878</b>	<b>2,87,731</b>
Segment results						
Profit before interest, depreciation and tax from each segment						
a. Pharma	22,733	24,247	20,970	70,051	65,698	88,469
b. Contract Research & Manufacturing Services	8,039	6,511	7,513	20,457	20,439	27,097
<b>Total</b>	<b>30,772</b>	<b>30,758</b>	<b>28,483</b>	<b>90,508</b>	<b>86,137</b>	<b>1,15,566</b>
Less: Interest	479	503	26	1,040	98	171
Depreciation and amortisation	5,630	5,421	5,130	16,244	14,964	20,364
Unallocated corporate expenses	14,777	13,454	10,901	39,296	34,979	46,853
Unallocated corporate income	(977)	(1,504)	(1,229)	(3,625)	(3,864)	(5,588)
<b>Profit before tax</b>	<b>10,863</b>	<b>12,884</b>	<b>13,655</b>	<b>37,553</b>	<b>39,960</b>	<b>53,766</b>
Capital employed						
a. Pharma	1,64,049	1,48,880	1,54,919	1,64,049	1,54,919	1,46,111
b. Contract Research & Manufacturing Services	80,656	75,848	63,082	80,656	63,082	69,088
c. Unallocable	91,682	1,03,584	93,253	91,682	93,253	95,705
d. Minority interest	(6,943)	(6,200)	(7,650)	(6,943)	(7,650)	(8,233)
<b>Total capital employed</b>	<b>3,29,444</b>	<b>3,22,112</b>	<b>3,03,604</b>	<b>3,29,444</b>	<b>3,03,604</b>	<b>3,02,671</b>

management of the Group has concluded that the impact of such change on the results for the quarter ended December 31, 2014 and September 30, 2014 is not material.

- During the quarter ended September 30, 2014, Biocon Research Limited ('BRL'), a wholly owned subsidiary of the Company purchased from GE Equity International Mauritius, 7.69% equity stake in Syngene International Limited ('Syngene'), a research services subsidiary of the Company for a consideration of Rs 21,538 lakhs and also subscribed to additional equity shares in Syngene pursuant to Rights Issue thereby taking BRL's shareholding in Syngene to 10.93%. The resultant difference of Rs 16,635 lakhs, between the aggregate consideration paid and the net assets of Syngene as on the date of purchase/Rights Issue has been recorded as goodwill in the consolidated financial results. On September 18, 2014, BRL entered into a definitive agreement with Silver Leaf Oak (Mauritius) Limited ('Silver Leaf') to sell 10% equity stake in Syngene for a consideration of Rs 38,000 lakhs. Pending receipt of regulatory approvals, this transaction has not been given effect to in the consolidated financial results for the quarter ended December 31, 2014. In January 2015, Silver Leaf assigned its rights and obligations to purchase the aforesaid 10% equity stake in Syngene to IVF Trustee Company Private Limited ('IVF'), a fund advised by India Value Fund Advisors. Thereafter, BRL has concluded such sale of shares to IVF.
- Other income in the standalone results of the Company for the quarter ended September 30, 2014 and for the nine months ended December 31, 2014, includes interim dividend income of Rs 9,974 lakhs received from Syngene, a subsidiary of the Company.
- On July 01, 2014, the Company acquired an additional equity stake of 1% in its joint venture, NeoBiocon FZ LLC, Abu Dhabi ('NeoBiocon'), taking its holding to 51%. Accordingly, effective July 01, 2014 the results of NeoBiocon have been consolidated as a subsidiary. Till June 30, 2014, NeoBiocon was accounted as a joint venture on a proportionate consolidation on a line-by-line basis in the consolidated financial statements, as per the requirements of Accounting Standard 27. Due to above, Net Sales/Income from Operations for the quarters ended December 31, 2014 and September 30, 2014 are higher by Rs 1,312 lakhs and Rs. 980 lakhs, respectively, and Total Expenses for the quarters ended December 31, 2014 and September 30, 2014 are higher by Rs 915 lakhs and Rs. 737 lakhs, respectively, in the consolidated financial results of the Company. However, there is no material impact on the Net profit after tax and minority interest for the quarters ended December 31, 2014 and September 30, 2014.
- Segment Reporting : a. Standalone financial results: The Company operates in a single business segment of pharmaceuticals. b. Consolidated financial results: The primary segment reporting has been performed on the basis of business segments. Segments have been identified and reported based on the nature of products, risks and returns, organizational structure and internal financial reporting systems.

#### 9. Information on investor complaints:

	3 months ended 31.12.2014
Pending at the beginning of the quarter	-
Received during the quarter	11
Disposed during the quarter	11
Remaining unsolved at the end of the quarter	-

10. Prior period / year figures have been reclassified wherever required to conform to the classification of the current period.

For and on behalf of the Board of Directors

Sd/-  
**Kiran Mazumdar Shaw**  
Chairman & Managing Director

Place: Bangalore

Date: January 22, 2015