



FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 31.03.2014 (Audited) (refer note 9 below)	Preceding 3 months ended 31.12.2013 (Unaudited)	Corresponding 3 months ended 31.03.2013 (Audited) (refer note 9 below)	Year ended 31.03.2014 (Audited)	Previous Year ended 31.03.2013 (Audited)
1	Income from operations					
	a) Net sales/ Income from operations (Net of excise duty)	72,259	70,116	63,012	285,272	242,760
	b) Other operating income	594	612	696	2,459	5,770
	Total income from operations (net)	72,853	70,728	63,708	287,731	248,530
2	Expenses					
	a) Cost of materials consumed	24,245	27,999	27,317	107,036	100,189
	b) Purchases of stock-in-trade	2,461	2,940	1,875	11,507	6,931
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,557	(1,464)	(1,584)	58	(2,652)
	d) Employee benefits expense	12,240	11,546	10,901	46,626	38,944
	e) Depreciation and amortisation expenses	5,400	5,130	4,587	20,364	17,930
	f) Other expenses	18,354	17,561	14,878	70,676	57,632
		65,257	63,712	57,974	256,267	218,974
	Less: Recovery of product development costs from co-development partners	(4,559)	(5,436)	(890)	(16,885)	(6,812)
	Total Expenses	60,698	58,276	57,084	239,382	212,162
3	Profit from operations before other income, finance costs and exceptional items (1-2)	12,155	12,452	6,624	48,349	36,368
4	Other income	1,724	1,229	1,185	5,588	5,266
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	13,879	13,681	7,809	53,937	41,634
6	Finance costs	73	26	95	171	810
7	Profit from ordinary activities after finance costs before exceptional items (5-6)	13,806	13,655	7,714	53,766	40,824
8	Exceptional items (net) (refer note 3 and 4 below)	-	-	20,191	-	20,191
9	Profit from ordinary activities before tax (7+8)	13,806	13,655	27,905	53,766	61,015
10	Tax expense	1,915	2,616	2,814	10,691	9,750
11	Net profit for the period / year (9-10)	11,891	11,039	25,091	43,075	51,265
12	Minority interest	(583)	(540)	(230)	(1,703)	(383)
13	Net profit after tax and minority interest (11+12)	11,308	10,499	24,861	41,372	50,882
14	Paid-up equity share capital (Face value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000
15	Reserve excluding revaluation reserves as per balance sheet				292,581	259,373
16	Earnings per share (of Rs 5 each) (not annualised)					
	(a) Basic	5.76	5.35	12.70	21.08	25.99
	(b) Diluted	5.69	5.31	12.56	20.82	25.75
	See accompanying notes to the financial results					
Part II						
	Select information for the period					
A PARTICULARS OF SHAREHOLDING						
1	Public shareholding					
	Number of shares	78,051,554	78,051,554	78,075,854	78,051,554	78,075,854
	Percentage of shareholding	39.03%	39.03%	39.04%	39.03%	39.04%
2	Promoters and promoter group shareholding					
	a) Pledged / encumbered					
	Number of shares	40,000	40,000	-	40,000	-
	Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	0.03%	0.03%	-	0.03%	-
	Percentage of shares (as a % of the total share capital of the Company)	0.02%	0.02%	-	0.02%	-
	b) Non-encumbered					
	Number of shares	121,908,446	121,908,446	121,924,146	121,908,446	121,924,146
	Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	99.97%	99.97%	100%	99.97%	100%
	Percentage of shares (as a % of the total share capital of the Company)	60.95%	60.95%	60.96%	60.95%	60.96%

Notes:

1. The financial results of the Company and the consolidated financial results for the year ended March 31, 2014 have been audited by the statutory auditors of the Company. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on April 24, 2014.

2. The directors have recommended, subject to the approval of the members at the ensuing Annual General Meeting, a dividend for the year of Rs 5/- per equity share (100%).

3. 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

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 31.03.2014 (Audited) (refer note 9 below)	Preceding 3 months ended 31.12.2013 (Unaudited)	Corresponding 3 months ended 31.03.2013 (Audited) (refer note 9 below)	Year ended 31.03.2014 (Audited)	Previous Year ended 31.03.2013 (Audited)
1	Income from operations					
	a) Net sales / Income from operations (Net of excise duty)	53,757	50,344	45,757	209,807	183,748
	b) Other operating income	3,386	2,286	1,822	10,443	10,052
	Total income from operations (net)	57,143	52,630	47,579	220,250	193,800
2	Expenses					
	a) Cost of materials consumed	20,169	23,001	21,848	88,757	82,999
	b) Purchases of stock in trade	2,047	2,348	1,037	8,570	8,570
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,469	(1,131)	(2,264)	131	(1,790)
	d) Employee benefits expense	6,935	6,543	6,575	26,645	22,762
	e) Depreciation and amortisation expenses	3,394	3,131	2,391	12,444	9,508
	f) Other expenses (net)	13,342	11,725	11,270	47,413	41,104
		48,356	45,981	42,168	185,777	163,153
	Less: Recovery of product development costs from co-development partners	(37)	(133)	-	(409)	(414)
	Total Expenses	48,319	45,848	42,168	185,368	162,739
3	Profit from operations before other income, finance costs and exceptional items (1-2)	8,824	6,782	5,411	34,882	31,061
4	Other income	1,110	1,072	861	6,058	5,147
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	9,934	7,854	6,272	40,940	36,208
6	Finance costs	25	18	49	89	123
7	Profit from ordinary activities after finance costs before exceptional items (5-6)	9,909	7,836	6,223	40,851	36,085
8	Exceptional items (refer note 4 below)	-	-	1,385	-	1,385
9	Profit from ordinary activities before tax (7+8)	9,909	7,836	4,838	40,851	34,700
10	Tax expense	1,235	1,840	1,009	8,420	7,130
11	Net profit for the period / year (9-10)	8,674	5,996	3,829	32,431	27,570
12	Impact of scheme of merger for earlier period (refer note 6 below)	-	-	-	554	-
13	Profit for the period after giving impact of scheme of merger for earlier year (11+12)	8,674	5,996	3,829	32,985	27,570
14	Paid-up equity share capital (Face Value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000
15	Reserve excluding revaluation reserves as per balance sheet				231,680	210,594
16	Earnings per share (of Rs 5 each) (not annualised)					
	(a) Basic (after giving impact of scheme of merger for earlier year)	4.42	3.06	1.95	16.81	14.08
	(b) Diluted (after giving impact of scheme of merger for earlier year)	4.37	3.03	1.91	16.62	13.95
	(c) Basic (before giving impact of scheme of merger for earlier year)	4.42	3.06	1.95	16.53	14.08
	(d) Diluted (before giving impact of scheme of merger for earlier year)	4.37	3.03	1.91	16.34	13.95
	See accompanying notes to the financial results					

ended March 31, 2013 and is disclosed under exceptional items. 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 March 31, 2014, December 31, 2013 and year ended March 31, 2014, of the deferred amounts, Rs 902 lakhs, Rs 197 lakhs and Rs. 2,051 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 this regard, in their audit report on the consolidated audited financial results.

4. Pursuant to certain developments, on a prudent basis, the Company created a provision of Rs 1,385 lakhs and Rs 1,310 Lakhs for diminution, in the value of investments in Iatrica Inc in the standalone and consolidated financial statements, respectively during the year ended March 31, 2013.

5. Total income from operations for the year ended March 31, 2013 (standalone and consolidated) include Rs 3,064 Lakhs, towards one time income / compensation from few parties.

6. On July 25, 2012, the Board of Directors of the Company approved a scheme of amalgamation ('the Scheme') of Biocon Biopharmaceuticals Limited ('BBL'), a wholly owned subsidiary, with the Company under sections 391 and 394 of the Companies Act, 1956. During the quarter ended September 30, 2013, the Honorable High Court of Karnataka ('the Court') approved the aforesaid Scheme with Appointed Date as April 1, 2012.

Accordingly, the assets and liabilities, and Deficit in the Statement of Profit and Loss of BBL of Rs 1,028 lakhs as at Appointed Date have been recorded at their carrying values under the Pooling of Interest method as prescribed by Accounting Standard 14 - Accounting for Amalgamation ('AS 14'), and difference between value of investments and the amount of share capital of BBL amounting to Rs 357 lakhs has been debited to the Reserves and Surplus of the Company. Post receipt of the requisite approvals, the Company has considered the operations of BBL from April 1, 2012 as its own operations. Accordingly, profit after tax amounting to Rs 554 lakhs (net of tax of Rs 579 lakhs), relating to operations of BBL from April 1, 2012 to March 31, 2013, have been accounted for in the standalone results year ended March 31, 2014.

7. Segment Reporting:

a. Standalone financial results: The Company operates in a single business segment of biopharmaceuticals.

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.

8. Information on investor complaints:

	3 months ended 31.03.2014
Pending at the beginning of the quarter	-
Received during the quarter	10
Disposed during the quarter	10
Remaining unresolved at the end of the quarter	-

9. The figures for quarter ended March 31, 2014 and March 31, 2013 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2014 and March 31, 2013, respectively, and the unaudited published year-to-date figures up to December 31, 2013 and December 31, 2012, respectively, being the end of the third quarter of the respective financial years, which were subjected to limited review.

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

SEGMENT DETAILS OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(Rs. in Lakhs)

Particulars	3 months ended 31.03.2014 (Audited) (refer note 9 below)	Preceding 3 months ended 31.12.2013 (Unaudited)	Corresponding 3 months ended 31.03.2013 (Audited) (refer note 9 below)	Year ended 31.03.2014 (Audited)	Previous Year ended 31.03.2013 (Audited)
Segment revenue					
a. Pharma	53,677	52,116	46,838	215,125	191,831
b. Contract Research & Manufacturing Services	19,490	19,028	17,367	74,119	58,829
Total	73,167	71,144	64,205	289,244	250,660
Less: Inter-segment revenue	314	416	497	1,513	2,130
Net sales/ Income from continuing operations	72,853	70,728	63,708	287,731	248,530
Segment results					
Profit before interest, depreciation and tax from each segment					
a. Pharma	22,771	20,970	18,288	88,469	75,444
b. Contract Research & Manufacturing Services	6,658	7,513	5,490	27,097	21,081
Total	29,429	28,483	23,778	115,566	96,525
Less: Interest	73	26	95	171	810
Depreciation and amortisation	5,400	5,130	4,587	20,364	17,930
Unallocated corporate expenses	11,874	10,901	12,567	46,853	42,227
Unallocated corporate income	(1,724)	(1,229)	(1,185)	(5,588)	(5,266)
Profit before tax and before exceptional items	13,806	13,655	7,714	53,766	40,824
Capital employed					
a. Pharma	146,111	154,919	128,336	146,111	128,336
b. Contract Research & Manufacturing Services	69,088	63,082	55,045	69,088	55,045
c. Unallocable	95,705	93,253	92,612	95,705	92,612
d. Minority interest	(8,233)	(7,650)	(6,530)	(8,233)	(6,530)
Total capital employed	302,671	303,604	269,463	302,671	269,463

Standalone Statement of Assets and Liabilities			Consolidated Statement of Assets and Liabilities		
(Rs. in Lakhs)			(Rs. in Lakhs)		
Particulars	As at March 31, 2014 (Audited)	As at March 31, 2013 (Audited)	Particulars	As at March 31, 2014 (Audited)	As at March 31, 2013 (Audited)
A EQUITY AND LIABILITIES			A EQUITY AND LIABILITIES		
1 Shareholders' Funds			1 Shareholders' Funds		
(a) Share capital	10,000	10,000	(a) Share capital	10,000	10,000
(b) Reserves and surplus	231,770	210,684	(b) Reserves and surplus	292,671	259,463
Sub total-Shareholders' funds	241,770	220,684	Sub total-Shareholders' funds	302,671	269,463
2 Non-current liabilities			2 Minority interest		
(a) Long-term borrowings	2,588	3,996		8,233	6,530
(b) Deferred tax liabilities (net)	3,996	3,020	3 Non-current liabilities		
(c) Other long-term liabilities	13,108	10,830	(a) Long-term borrowings	60,621	16,397
Sub total-Non-current liabilities	19,692	17,846	(b) Deferred tax liability (net)	4,500	4,122
3 Current liabilities			(c) Other long-term liabilities	60,295	45,710
(a) Short-term borrowings	8,150	7,727	(d) Long-term provisions	780	396
(b) Trade payables	26,851	26,504	Sub total-Non-current liabilities	126,196	66,625
(c) Other current liabilities	8,997	6,794	4 Current liabilities		
(d) Short-term provisions	16,390	21,768	(a) Short-term borrowings	24,347	8,482
Sub total-Current liabilities	60,388	62,793	(b) Trade payables	34,720	34,547
TOTAL - EQUITY AND LIABILITIES	321,850	301,323	(c) Other current liabilities	61,229	31,315
B ASSETS			(d) Short-term provisions	17,661	24,652
1 Non-current assets			Sub total-Current liabilities	137,957	98,996
(a) Fixed assets and intangible assets, net	105,115	90,260	TOTAL - EQUITY AND LIABILITIES	575,057	441,614
(b) Non-current investments	14,486	16,599	B ASSETS		
(c) Long -term loans and advances	55,460	47,128	1 Non-current assets		
(d) Other non-current assets	57	-	(a) Fixed assets and intangible assets, net	271,869	181,068
Sub total-Non-current assets	175,118	153,987	(b) Goodwill on consolidation	1,216	1,216
2 Current assets			(c) Non-current investments	6,445	6,445
(a) Current investments	34,837	45,298	(d) Long -term loans and advances	26,931	24,834
(b) Inventories	35,761	35,887	(e) Other non-current assets	4,719	4,051
(c) Trade receivables	49,458	42,698	Sub total-Non-current assets	311,180	217,614
(d) Cash and cash equivalents	20,416	17,925	2 Current assets		
(e) Short -term loans and advances	5,679	5,104	(a) Current investments	70,038	52,207
(f) Other current assets	581	424	(b) Inventories	37,657	39,844
Sub total-Current assets	146,732	147,336	(c) Trade receivables	59,980	50,969
TOTAL - ASSETS	321,850	301,323	(d) Cash and cash equivalents	80,439	67,285
			(e) Short term loans and advances	8,186	8,142
			(f) Other current assets	7,577	5,553
			Sub total-current assets	263,877	224,000
			TOTAL - ASSETS	575,057	441,614