

Biocon profit down 55%

Says fall due to exceptional income
of ₹202 crore a year ago

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Biocon, India's largest publicly held bio-technology company, on Friday reported a 55 per cent drop in net profit to ₹113 crore for the fourth quarter of the current financial year, compared to a year-ago period.

The company said a year ago there was an exceptional income of ₹202 crore on account of termination of an agreement with Pfizer for diabetes drugs. The company said based on operational parameters, the fourth quarter net profit was up 75 per cent. Revenues grew 15 per cent in the quarter to ₹746 crore.

On an annualised basis, the net profit fell 19 per cent to ₹414 crore. But, the adjusted net profit was up 28 per cent. The revenues for 2013-14 grew 16 per cent to ₹2,933 crore over a year ago. Shares rose 1.40 per cent to close at ₹473.4 each on the BSE. The company said it expected 2014-15 to reflect a continued business momentum, with biosimilars, branded formulations and research services driving growth.

Chairman and Managing Director Kiran Mazumdar-Shaw said, "Biocon ended 2013-14 on a strong note. We delivered 16 per cent revenue growth, with a healthy Ebitda (earnings before interest, taxes, depreciation and amortisation) margin of 25 per cent. This financial year, we record-

ed robust performance, an outcome of our efforts aimed at optimising product mix, augmenting capacities and driving operational efficiencies."

Meanwhile, the company saw research and development expenditure fall 33 per cent to ₹29 crore during the period. This, according to Mazumdar-Shaw, was because the company had to shift some clinical trials abroad as a result of the moratorium on trials in India.

The biopharma segment delivered a growth of 14 per cent year-on-year and 15 per cent year-on-year for 2013-14 and the fourth quarter of the financial year, respectively. Biocon hopes to see its biosimilars gain strong traction as a result of the capacity augmentation. Meanwhile, the research services segment grew at 28 per cent year-on-year in 2013-14 and 14 per cent in the fourth quarter of the financial year.

The company announced it had appointed Arun Chandavarkar as the chief executive and joint managing director, and had inducted him into the board.

With this, the company has begun building the next line of succession. Chandavarkar has been the chief operating officer from 2006. He joined Biocon as general manager-operations in 1990. Under him, Biocon has established expertise in diverse technology platforms.

Company