

Annual Report 2014

The background of the page features a large, artistic rendering of blue, translucent molecular structures. These structures are composed of interconnected spheres and rods, resembling a complex protein or a network of molecules. The structures are set against a light blue gradient background and cast soft shadows on the surface below them.

Tryst and Trust

Forward Looking Statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. The market data & rankings used in the various chapters are based on several published reports and internal company assessment.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



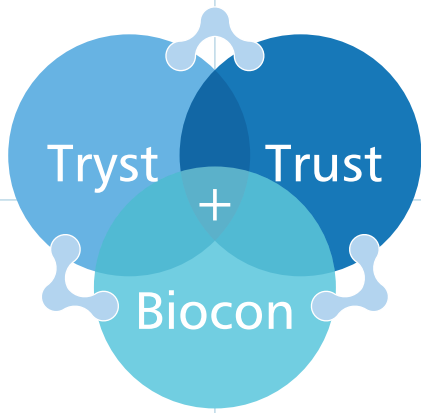
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Tryst and Trust

At Biocon, we are driven by our passion to develop research-driven cutting-edge therapies. Our **tryst** with innovation has enabled us to address the relatively unmet needs of our patients through differentiated products in challenging therapeutic spaces. We have earned the **trust** of our patients and doctors through products that are safe, efficacious and affordable. **We are constantly engaged in the pursuit of excellence to find solutions that heal the world.**



Tryst, Trust and Biocon



The highest attainable standard of health is a fundamental right of every human being. In this context, universal access to healthcare assumes prime importance. However, healthcare continues to face a significant challenge across the world. There exists a huge gap between the healthcare standards of advanced and emerging economies. Nearly 2 billion people, a third of the world's population, lack access to essential medicines; millions across the world do not even have access to basic healthcare. Where healthcare does exist, it is unaffordable. In most developing economies, drugs account for 20-60% of healthcare costs, and 50-90% of these costs are paid out-of-pocket. An illness in the family is the surest route to indebtedness and bankruptcy.

This is especially true in a country like India, where almost 3% of the population moves into the medical poverty trap each year. Poverty, malnutrition and illness merge into an eternal loop; expensive medical care aggravates the situation.

Moreover, developing countries like India and China are challenged with a much larger disease burden due to ageing populations and rising incidence of non-communicable diseases (NCDs) like diabetes, cancer and autoimmune disorders,



in addition to an overabundance of infectious diseases. The cost of treatment for NCDs is simply unaffordable in these countries, with the 'standard of care' being equivalent to several months' wages for a majority of the population.

Low public spending on healthcare in India (~1% of GDP) and lack of access to health insurance (~15% of the population) necessitate a robust universal healthcare program aimed at providing affordable access.

In this realm, Biocon has taken the lead to harness the power of biotechnology through affordable innovation. We are constantly engaged in finding novel solutions for numerous healthcare challenges. Over the years, Biocon has invested in cutting-edge science, key research partnerships and global manufacturing scale to develop products that address the various needs of patients worldwide.





It is estimated that by 2030 there will be over 550 million diabetics globally. Over 80% of these will be in the developing countries. The cost of diabetes management is enormous as it is a progressive disease that requires constant diagnostic monitoring, besides the actual treatment.

Biocon, India's largest domestic branded biologics company, has played a crucial role in addressing this huge disease burden by developing the world's first Pichia-based recombinant human insulin, a decade ago. Insugen® (rh-insulin) was launched in India at less than half the prevailing price, compelling MNC brands to drop prices, which hugely benefited the patients. Today, Insugen® is the largest domestic brand of Insulin in India and Biocon is the fourth largest Insulins company in the world.

Similarly, it is observed that low and middle income countries face the 5/80 cancer disequilibrium. While 80% of the cancer burden



Our Key Innovations

ALZUMAb™

BIOMAb-EGFR®

CANMAb™

Insugen®

BASALOG®

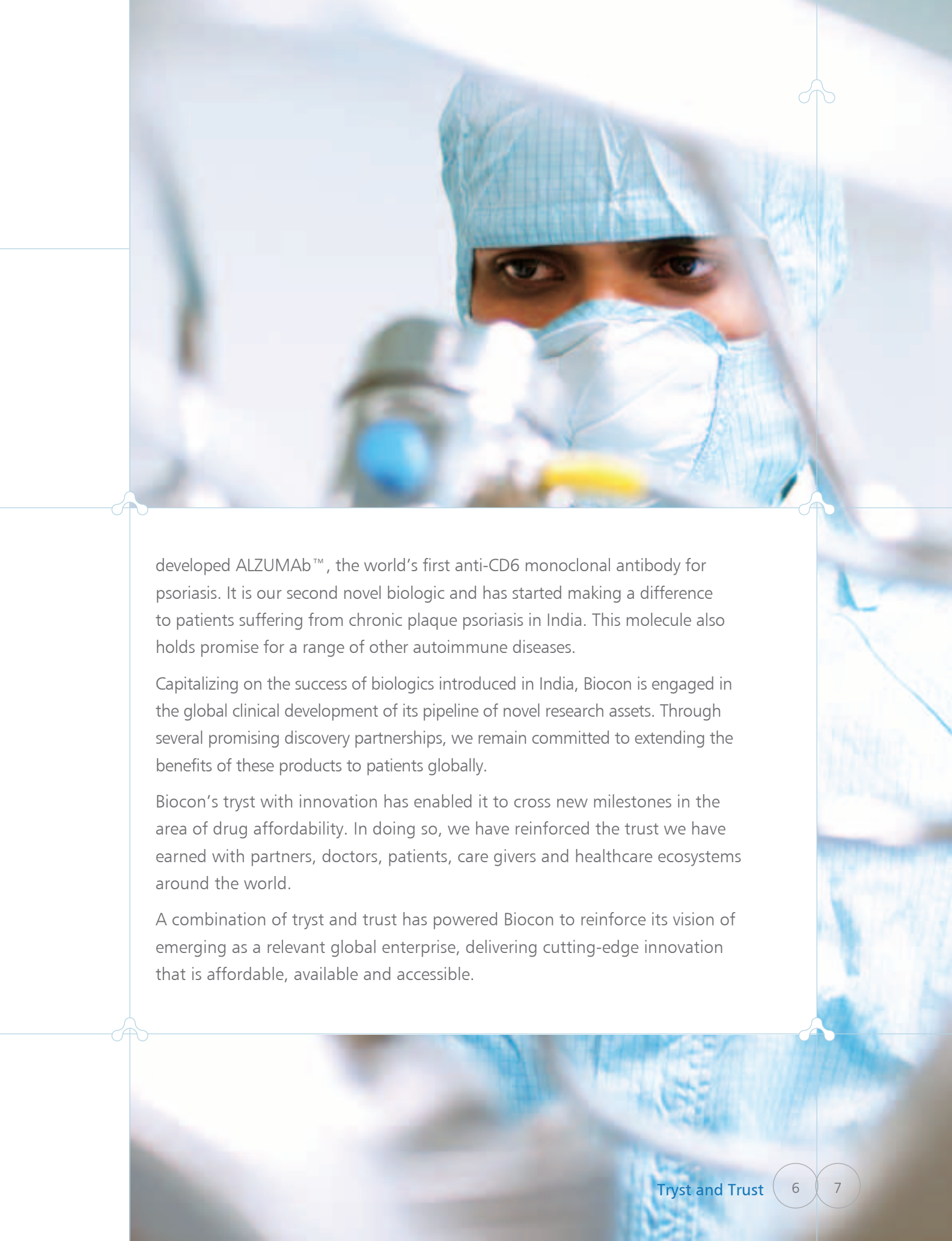


is faced by these countries, only 5% of the global spending on cancer happens here because most patients cannot afford the treatment.

The quest for a cost-effective treatment for one of the most prevalent forms of cancer in India led Biocon to develop India's first indigenously produced monoclonal antibody for head and neck cancer, BIOMAb-EGFR®, in 2006. Thousands of patients have benefited from this product.

Taking our battle with cancer forward, we successfully developed the world's first follow-on biologic trastuzumab and introduced it as CANMAb™ in India in FY14. It is the world's most affordable trastuzumab for HER2-positive metastatic breast cancer.

Autoimmune diseases are on the rise globally; nearly 2-3% of the world population suffers from psoriasis. Biocon has successfully



developed ALZUMAb™, the world's first anti-CD6 monoclonal antibody for psoriasis. It is our second novel biologic and has started making a difference to patients suffering from chronic plaque psoriasis in India. This molecule also holds promise for a range of other autoimmune diseases.

Capitalizing on the success of biologics introduced in India, Biocon is engaged in the global clinical development of its pipeline of novel research assets. Through several promising discovery partnerships, we remain committed to extending the benefits of these products to patients globally.

Biocon's tryst with innovation has enabled it to cross new milestones in the area of drug affordability. In doing so, we have reinforced the trust we have earned with partners, doctors, patients, care givers and healthcare ecosystems around the world.

A combination of tryst and trust has powered Biocon to reinforce its vision of emerging as a relevant global enterprise, delivering cutting-edge innovation that is affordable, available and accessible.



Kiran Mazumdar-Shaw, *Chairperson*

Chairperson's Review

Dear Shareholders, ...

Biocon's 35-year journey has been a relentless sequence of trysts with business and science, whereby we have generated accretive value and gained enduring trust.

Our efforts are focused on making a difference to healthcare, globally. We are committed to pursue the path of providing affordable access to essential drugs, especially for diabetics, cancer patients and those afflicted with autoimmune diseases.

We believe that our drugs have 'blockbuster' potential in that they will be a boon to a billion patients.

Our foundation is our rich experience in fermentation-based science, which has enabled our Company to engage in biotechnology with a deep understanding of life sciences. Our reward lies in bringing to market affordable

biotherapeutics that enhance the lives of those who need them the most.

We have consistently leveraged India's cost-effective innovation base and combined it with our inherent strengths in proprietary fermentation technologies to research and develop affordable therapies for chronic diseases. We have progressively invested in building global manufacturing scale. As a result, we have developed the requisite domain expertise to help us transition from India's leading enzymes company into a globally recognized biopharmaceuticals enterprise.

Today, we possess global scale in fermentation-



Biocon's
Trysts

1979

First Indian company to manufacture and export enzymes to US and Europe

2001

First Indian company to be approved by US FDA for the manufacture of lovastatin from solid state fermentation

2004

First company worldwide to commercialize human insulin developed on a Pichia expression system

based bulk drugs and Insulin production. We are the world's fourth largest insulin producer and upon commissioning our Malaysian insulin facility in 2015, we will rank even higher. We will continue to build on our competitive advantage through new technologies, intellectual property and manufacturing scale.

These efforts have enabled Biocon to be positioned as a highly innovative and differentiated biopharmaceuticals enterprise that operates across the value chain of small and large molecules.

Like any biopharma company, we face industry-specific challenges such as long-cycle investments, complex regulatory requirements and aggressive litigious competition. However, we have consistently demonstrated that painstaking IP-led research and regulatory

compliance are the only means to earn growth and respect. By doing so, we have reinforced our position as the most reliable and recognizable — the most trusted — representative of India's biopharmaceuticals industry.

Building Trust

From where can a biopharma company gain trust? The answer lies in quality medicine that is affordable, accessible and personalized. Only then can it improve the quality of life of a patient.

Trust lies at the heart of what we do and what we strive to do.

We have won the trust of doctors and patients, investors and peers owing to our proven scientific expertise, steadfast commitment and our capacity for reinvention. At the same time, our innovation-led business strategy has provided our



Biocon's Trysts

2006

India's first indigenously produced novel monoclonal antibody BIOMAb-EGFR® to treat head & neck cancer launched

2013

World's first anti-CD6 monoclonal antibody ALZUMAb™ to treat psoriasis launched in India

2014

CANMAb™, world's most affordable trastuzumab for treating metastatic breast cancer, launched in India

shareholders premium returns wherein we have leveraged our IP for market differentiation.

With a strong research ethos and a focus on affordable innovation, we have ensured that risks are made affordable by building a well-balanced portfolio that straddles products and services and spans disease areas as varied as cardiovascular, diabetes, nephrology, inflammatory and oncology. Our wholly-owned subsidiaries, Syngene and Clinigene, provide end-to-end services from pre-clinical discovery research to clinical trials for a diverse client base.

This model has enabled our Company to operate a cash-positive, self-financed business model that allows us to make investments in cutting-edge innovation that will deliver exponential value in the long-term. We have consistently invested around 10% of our annual Biopharma turnover

in drug innovation, which makes us the sector's highest R&D investors. Biocon took this path to innovation because we realized that without affordability driving innovation, it would serve no purpose. Our products – from patented enzymes to statins and insulin, and from antibody drugs to novel molecules – help doctors and patients access cutting-edge and high quality drugs at treatment costs that are affordable.

In FY14, we delivered on this trust with the commercialization of ALZUMAb™, an anti-CD6 novel biologic for psoriasis; and CANMAb™, the world's most affordable trastuzumab. We are pleased that a large number of patients have benefited from these two products.

We strive to enhance social inclusion by providing medical access to those at the margins of society through our corporate social responsibility



Our trust with business and science in FY14 has been a fruitful one. We delivered 16% revenue growth along with a healthy EBITDA margin of 25%.

initiatives. Our commitment to employee engagement and talent enhancement has earned us the global recognition of being amongst the World's Top 10 Best Biopharma Employers.

We are quietly proud of the trust we enjoy and conscious of the responsibility it bestows upon us.

Operational Highlights

Our trust with business and science in FY14 has been a fruitful one. We delivered 16% revenue growth along with a healthy EBITDA margin of 25%. This fiscal we recorded a robust performance, an outcome of our efforts aimed at optimizing our product mix, augmenting capacities and driving operational efficiencies.

Leveraging our culture of excellence, Biocon has delivered on the promise of affordable innovation, robust growth and increased efficiencies.

Our reorganization efforts have seen the operationalization of five strategic business units:

1. Small Molecules
2. Biosimilars
3. Branded Formulations
4. Novel Molecules
5. Research Services

This new structure has enabled us to drive greater cross-functional synergy, enhanced role clarity, informed decision-making and stronger result orientation. The benefits of these initiatives were reflected in our FY14 performance.

Financial Highlights

Biocon delivered a commendable consolidated performance in FY14 with robust growth in difficult times. Our top line grew 16% to ₹29.3 billion, driven by strong performances in research services (28% Y-O-Y) and biopharmaceuticals (14% Y-O-Y). Our bottom line increased 28% to ₹4.1 billion. Adjusting for the one-time FY13 revenue inflow pertaining to the re-licensing of



A crowning moment of this fiscal was the commercialization of our first biosimilar MAb, the life-saving CANMAb™.

Insulin Analogs to Mylan, our profit after tax rose 28% with a healthy 14% margin. Our Group EBITDA of ₹7.4 billion represents a strong 25% growth.

Small Molecules – Improved Product Mix

This division leverages our core fermentation capabilities in manufacturing small molecule APIs — Statins and Immunosuppressants. Portfolio realignment helped us offset the impact of ongoing commoditization in statins. Specialty molecules (Fidaxomicin) and Immunosuppressants drove API manufacturing growth in FY14. A better product mix realized improved margins and thereby contributed to profitability.

Our investment in this fiscal is aimed at moving up the pharma value chain into finished dosages. Generic formulations, including the filing of ANDAs for the US market, will drive this vertical

in FY15 and help us sustain our growth in the coming years.

Biosimilars – Geographical Expansion

Our biosimilars portfolio, comprising generic insulins, biosimilar MABs and other biologics, targets a market of ~US\$56 billion (*Source: MAT, December 2013*).

With our ever-expanding global footprint and increasing market penetration, globally and domestically, Biocon's generic Insulins portfolio has delivered strong top line and bottom line growth in FY14. Our generic rh-Insulin is now approved in over 55 countries. The commissioning of our Malaysia project in FY15 will drive Insulins growth even more robustly.

A crowning moment of this fiscal was the commercialization of our first biosimilar MAB, the life-saving CANMAb™. This, the world's most affordable trastuzumab used for the treatment of HER2-positive breast cancer, was introduced in



The potentially game-changing oral insulin project IN-105 (first-in-class oral prandial insulin) is making good progress.

the Indian market in February 2014 and has seen a strong market penetration within the span of a few months. Our other biosimilar MAb programs, which are partnered with Mylan, are also making good progress.

Branded Formulations - Differentiated Value Offerings

FY14 was a gloomy fiscal for the Indian pharmaceutical industry, which reported a modest growth of 6%. The causes were multiple but key factors comprised the general economic slowdown, trade-related issues and drug price controls.

This challenging environment notwithstanding, Biocon outperformed the industry average. We grew our India business at more than twice the pace attained by the rest of the Indian pharma industry.

As the economy gathers pace, newer competitive

challenges are bound to emerge. In any case, Biocon is focused on specialty therapy segments to build premium commanding brands that stand out as innovative and highly differentiated. Going forward, we will capitalize on our inherent strengths and macroeconomic positives to post even stronger growth in this segment.

Novel Molecules – Outlicensing and Global Development

We have entered into exclusive and collaborative research and marketing agreements to develop and commercialize a basket of molecules globally.

The potentially game-changing oral insulin project IN-105 (first-in-class oral prandial insulin) is making good progress. We have collaborated with Bristol-Myers Squibb for this program and key readouts with respect to several Phase I & II clinical studies are expected towards the end of FY15.



A major highlight this fiscal was the inauguration of Baxter's Global Research Center at Syngene, making it the third major global pharma company with whom we have a multi-year engagement.

We are engaged in licensing discussions for Itolizumab, our novel anti-CD6 monoclonal antibody program. We have also initiated the groundwork for trials to expand label indications for this novel drug.

Biocon believes in forging strong alliances on the research front to expand our pipeline and gain wider global access and greater market penetration. During FY14, we entered into two strategic R&D tie-ups:

- A co-development program with Advaxis for a novel cancer immunotherapy to treat HPV-associated cervical cancer
- A co-development program with Quark Pharma for a novel siRNA-based asset for a rare eye indication

Our R&D spends in this fiscal were muted owing to regulatory delays that resulted in the deferment of clinical trials and the capitalization of our R&D spends for trastuzumab. Going

forward, we expect annual R&D spends to normalize to 8-10% of our annual Biopharma turnover.

Research Services – Sustained Growth Momentum

Syngene and Clinigene are a vital component of our end-to-end biopharma expertise.

Syngene, India's largest and Asia's second-largest research services company, continued to power onwards, reporting a revenue growth of 28% in FY14. A major highlight this fiscal was the inauguration of Baxter's Global Research Center at Syngene, making it the third major global pharma company with whom we have a multi-year engagement. Syngene also successfully cleared the first US FDA audit of its quality systems in the fiscal. The prospects of a Syngene listing in FY15 remain on track.

Our clinical research arm, Clinigene, turned around with a profit in FY14.



Biocon is building Asia's largest integrated insulin manufacturing facility in Malaysia. The first phase, entailing an investment of nearly US\$200 million, is nearing completion, which we hope to inaugurate by the end of FY15.

The Research Services segment enjoys attractive visibility and further investments have been planned to address large emerging opportunities.

Expanding Global Footprint

The global burden of diabetes is a heavy one, with the International Diabetes Federation expecting 10% of the global population to suffer from diabetes by 2035.

In anticipation of this significant global opportunity, Biocon is building Asia's largest integrated insulin manufacturing facility in Malaysia. The first phase, entailing an investment of nearly US\$200 million, is nearing completion, which we hope to inaugurate by the end of FY15.

Human Capital

Employees are our greatest strength and the bedrock of our Company. Biocon's work culture is one of unconventional thinking and the pursuit of excellence in a stimulating atmosphere that

bestows a sense of ownership among all. Our 7,300+ strong talent pool includes the largest scientific community working out of a single site, at Biocon Park in Bangalore.

Biocon was listed sixth among 10 leading biopharma employers in the world in a survey by the prestigious *Science* magazine in 2013. The magazine, which ranked us nineteenth in the 2012 edition, acknowledged that Biocon's higher ranking was in recognition of its 'clarity of vision, CSR initiatives and quality of research.'

Our goal is to emerge as among the Top Three global biopharma enterprises over the foreseeable future.

Expanding Management Bandwidth

The creation of our strategic business units in FY13 has allowed us to delegate a number of operational responsibilities to the respective units, leaving the senior management to focus on strategic issues.



At Biocon, we believe that every citizen deserves a 'Right to Health'. Our Foundation has been working with communities through integrated healthcare programs that span micro-insurance, health delivery and health education.

In line with this changed reality, we strengthened our senior management through the appointment of Arun Chandavarkar as Chief Executive Officer and Joint Managing Director, while inducting him onto the Board of Directors. As one step towards succession planning, I will, from my position as Chairman and Managing Director, guide Arun in his new functions. Arun brings sterling credentials to his position; he has been a core member of our Company's leadership team, working closely with me for over 24 years and playing a pivotal role in our evolution; he was also our Chief Operating Officer since 2006.

We also appointed Ravi Limaye as President of Sales and Marketing with effect from March 2014. Ravi comes into the position with over 25 years' experience in the pharmaceutical industry across India, emerging markets and the Asia-Pacific in various roles with several multinational companies.

Corporate Social Responsibility

At Biocon, we believe our efforts in providing better healthcare through affordable innovation do not stop at developing new medicines. We believe we have a greater responsibility to society.

CSR has been an integral part of our business since inception. We have, over the past decade, invested significantly in various programs aimed at making a difference.

Biocon Foundation's integrated outreach strategy focuses on social change and rural empowerment through health, education and civic infrastructure programs. Our underlying ethos of access and affordability represent the focus of our initiatives in healthcare and education.

At Biocon, we believe that every citizen deserves a 'Right to Health'. Our Foundation has been working with communities through integrated healthcare programs that span micro-insurance (Arogya Raksha), health delivery and health



In 2014, we established Biocon Academy as a Centre of Excellence for Advanced Learning in Biosciences. The academy aims at enhancing the employability of bioscience graduates by providing them high-end training.

education. During FY14, Biocon Foundation implemented an innovative program for the early detection of oral cancer and cervical cancer through screening and education.

The promise of **'Right to Education'** prompted us to spearhead initiatives to empower under-served rural youngsters with experiential learning in basic maths, computer skills and language skills.

We have also addressed the **'Right to Sanitation'** by working with the government to provide basic sanitation to rural communities. We built 1,000 household toilets and several community toilets. In addition, we provided clean drinking water and set up rain water harvesting systems in villages.

Biocon Academy

In 2014, we established Biocon Academy as a Centre of Excellence for Advanced Learning in Biosciences. The academy aims at enhancing the employability of bioscience graduates by

providing them high-end training. This program was launched in partnership with the Keck Graduate Institute of Claremont, California, a leading American graduate institution dedicated exclusively to industry oriented biosciences education. The first batch of 30 students underwent extensive 16-week learning and skill development modules, following which they were ready to make an effective workplace contribution. Biocon sponsored 75% of the course fee for all students. This initiative is expected to address the sector's skill deficit and strengthen the country's biotechnology ecosystem.



As we prepare for our tryst with FY15, we do so with a greater investment in R&D, a greater effort to augment operating efficiencies and capacity optimization and with a greater focus on product launches and licensing opportunities.

Outlook

Biocon has always believed that biotechnology is powered through creativity in the laboratory that translates to the marketplace. Furthermore, that differentiation and continual innovation across the value chain unleashes an enormous competitive advantage that can drive robust and unhindered growth.

As we prepare for our tryst with FY15, we do so with a greater investment in R&D, a greater effort to enhance operating efficiencies and capacity optimization and with a greater focus on product launches and licensing opportunities. The commissioning of our Malaysia Insulin facility will enable us to address the increasing global demand for Insulins. Syngene's likely listing in FY15 will further augment growth in our Research Services business.

In view of these efforts that are aligned with large and exciting opportunities, we remain steadfast in our commitment to enhance stakeholder value and achieve our goal of US\$1 billion in revenues by 2018.

In closing, I would like to thank all our stakeholders for the unstinted support and enduring trust they have reposed that has helped us build a business led by science for the greater good of global healthcare.

Best wishes,

Kiran Mazumdar-Shaw
Chairperson

Corporate Overview

- An emerging, global Biopharmaceutical enterprise
- Focused on developing affordable products and services
- Committed to reduce therapy costs of chronic diseases (diabetes, cancer and autoimmune diseases)
- Leveraging research and marketing partnerships that provide global access
- Driven by the objective to make healthcare accessible
- Capitalizing on the India cost advantage to deliver high value, licensable R&D assets
- Serving patients, partners and healthcare systems in more than 85 countries
- Present across the value chain:
 - Small Molecule APIs
 - Generic / Branded Formulations
 - Biosimilars
 - Novel Molecules
 - Research Services

Mission

To be an integrated biotechnology enterprise of global distinction

Essential to this mission is excellence in:

- Intellectual asset creation through discovery, research and development
- State-of-the-art manufacturing capabilities
- Internationally benchmarked quality and regulatory systems
- New medical insight through disease specific clinical research
- Customer relationship through outstanding products and services
- Human resource development through training, mentoring and empowering
- Management of research and business partnerships

Vision

To enhance global healthcare through innovative and affordable biopharmaceuticals for patients, partners and healthcare systems across the globe.

Values

- Integrity and Ethical Behaviour
- Performance driven work culture
- Value Creation through Innovation & Differentiation
- Quality through Compliance & Best Practices
- Collaboration, Team Work & Mutual Respect





Key Highlights – FY14

- Launched ALZUMAb™ (Itolizumab), a first-in-class novel anti-CD6 molecule for treating psoriasis in India
- Introduced CANMAb™, the world's most affordable trastuzumab to treat metastatic breast cancer
- Launched CytoSorb®, a novel therapy for sepsis management, the first of its kind in India
- Expanded novel pipeline with the addition of two research assets: ADXS-HPV, a novel cancer immunotherapy (in collaboration with Advaxis); QPI-1007, a novel siRNA-based therapeutic for ophthalmic conditions (in collaboration with Quark Pharma)
- Established Baxter Global Research Center, a dedicated discovery and development facility, at Syngene with a multidisciplinary team of over 100 scientists
- Ranked #6 among the Top 10 global biotech employers; recognized for 'Clarity of Vision, Quality of Research, and Being Socially Responsible' by *Science* magazine



Dr. Arun Chandavarkar, *Chief Executive Officer and Joint Managing Director*

CEO's Review

“Our tryst with innovation resulted in delivering two outstanding biologics this year, ALZUMAb™ a novel anti-CD6 MAb for the treatment of psoriasis, and CANMAb™ for HER2-positive metastatic breast cancer, the world's most affordable trastuzumab.”

Dr. Arun Chandavarkar reviews the Company's FY14 performance and looks ahead with optimism

Q. What, in your view, were the landmark achievements of the Company in FY14?

A. Undoubtedly, the highlight of our many achievements this year was the approval and launch in India of two monoclonal antibodies, ALZUMAb™ and CANMAb™, in the autoimmune and oncology therapeutic segments. This is an endorsement of our commitment to bring high quality, yet more affordable biological drugs to patients globally. It is an especially gratifying and proud moment for our talented pool of research, operations, quality and regulatory staff whose many years of meticulous efforts have culminated in providing affordable treatment options to patients in India.

ALZUMAb™, a novel first-in-class biologic drug against a novel target (CD6), represents the second novel biologic, after BIOMAb®, to be developed, manufactured and commercialized

by us in India. This monoclonal antibody is currently indicated for patients suffering from chronic plaque psoriasis. However, we see this unique molecule as being a 'pipeline in a product' and we intend to exploit its potential in other autoimmune indications, having already completed a Phase II trial in rheumatoid arthritis.

CANMAb™, a follow-on monoclonal antibody targeting HER2-positive metastatic breast cancer patients, is the world's lowest priced trastuzumab. Its successful development and approval is a testament to our significant investments in state-of-the-art research tools including extensive characterization, comparing it to its reference product, process optimization and clinical testing.

Both these products are manufactured in Bangalore in facilities designed to meet the stringent quality and regulatory requirements for biological products internationally.

Q. What were the key contributors to the Company's growth in FY14?

A. At a consolidated level, we grew 16% Y-O-Y, primarily driven by a robust 28% growth in our Research Services segment (Syngene) and a 15% growth in the Biopharma vertical. Our Branded Formulations business outperformed the market, growing at 13% against 6% for the sector. Excluding certain one-off exceptional items in FY13, our profit before tax grew by a significant 32% Y-O-Y.

The growth in the Biopharma business was led by a substantial increase in Insulins sales aided by the capacity expansion that went on stream during Q1 of the year and the continued expansion of our geographic footprint and customer base. The Biopharma business also benefited from an improved product mix in our small molecule portfolio comprising immunosuppressants, statins and other specialty fermentation-derived molecules. These export-led businesses were also positively impacted by the favourable USD-INR exchange rate.

Despite growing at twice the rate of the Indian pharma sector, the growth in Branded Formulations, which is an India-centric business, was muted compared to our historical growth rates for this vertical. This is attributable to uncertainties in the Indian market caused by the new price control regime and limits on trade margins. We believe this market turbulence is now behind us and are confident of much better growth in Branded Formulations in FY15.

Q. What were the challenges faced by the biopharma business in FY14?

A. The biopharma industry, Biocon included, was challenged by a number of uncertainties linked to domestic and external factors. Two significant domestic factors were:

- (a) The notification of the new price control regime and limits on trade margins, which created a temporary turbulence in the growth of the Branded Formulations business, and
- (b) A significant slowdown in the approvals of new clinical trials and the adverse impact of the new clinical trial guidelines on some of our development programs

Some of the external factors with varying impact on our Biopharma business were the evolving nature of the biosimilar guidelines and their interpretation and implementation in developed and emerging markets; the increasing consolidation, vertical integration and changing therapeutic focus of Big Pharma and large generics companies, some of whom are our potential customers or licensing partners; the overall sluggish economic recovery with pressure on healthcare budgets in many developed countries.

Q. Could you elaborate on the key elements of Biocon's differentiated strategy ?

A. Biocon has always believed in making a difference by being different. The key elements that differentiate us in our sector are :

(a) Innovation-led growth by creating a risk-balanced, yet differentiated, product portfolio spanning small molecule APIs and formulations, generic insulins, monoclonal antibodies and novel molecules. I believe Biocon is unique in this respect. We have now organized ourselves into Strategic Business Units to facilitate greater focus and accountability in each of these product portfolios.

(b) Leveraging our core competence in biotechnology by having a large share of our Branded Formulations revenues come from biological products and having a significant proportion of our small molecule APIs manufactured through fermentation as against the more common chemical synthesis route.

(c) A strong technology and quality focus supported by significant investments in research & development and operations spanning multiple scientific disciplines.

(d) Being an employer of choice in the biotechnology domain as reflected in the sixth ranking in the global list of Top 20 Employers compiled by *Science* magazine.

Q. What are some of your key priorities as CEO and Joint MD?

A. I believe we have laid the foundation for growth through our strategic investments in creating a differentiated product portfolio supported by a strong scientific talent base and world-class manufacturing facilities. Our immediate focus is to execute on our five-year plan to deliver revenues of US\$1 billion.

This involves moving up the value chain in small molecules by filing our own dossiers in emerging and developed markets, and further optimizing our small molecules portfolio by playing to our core strengths in fermentation and complex molecules.

We will continue to grow our Insulins franchise through the timely commissioning of our Malaysia facility in FY15 and subsequently seeking regulatory approvals in multiple jurisdictions in support of our global commercialization plans.

We, along with our global partner Mylan, will progress more of our biosimilars into the clinic in India and abroad whilst prudently managing the expected increase in R&D spends compared to FY14.

Finally, I expect our new SBU structure to bring about a sharper focus on operational excellence and operating margins through continued productivity improvements, product rationalization and cost management without sacrificing growth.



Tryst, Trust and Competitiveness

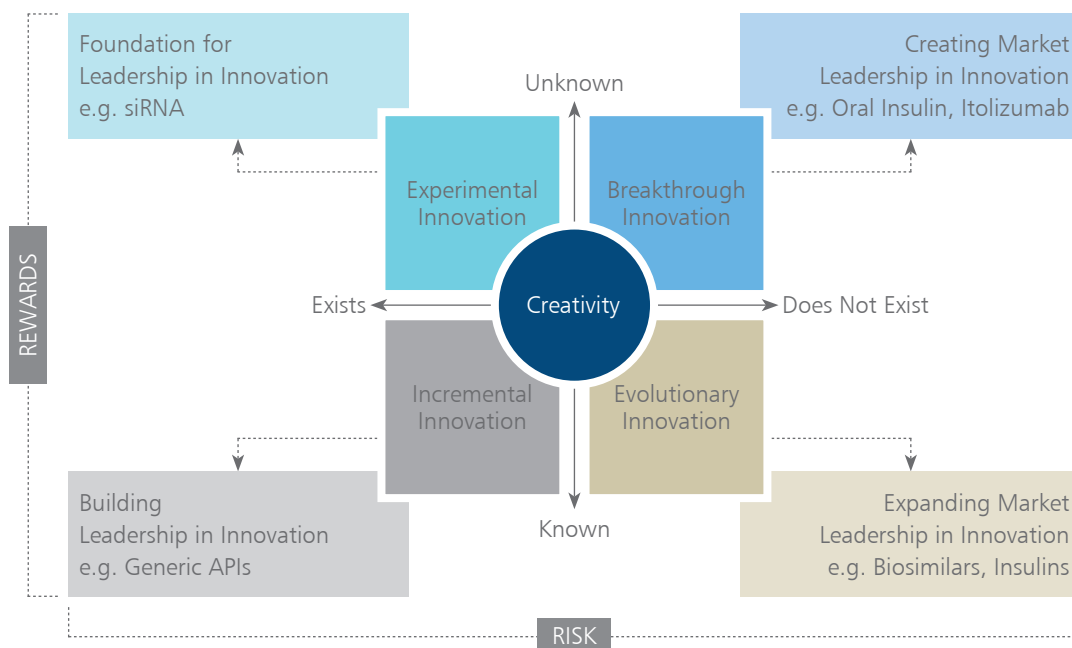
Delivering affordable therapeutics that address unmet patient needs is Biocon's life force. Research and development forms the bedrock of this endeavour.

The ever-increasing cost of drug discovery and development, extended time to market, fierce competition and pressures to maintain margins are making tremendous demands on the biopharma industry. R&D gives Biocon the competitive edge, to

grow its business exponentially. Our R&D initiative is influenced by a four-dimensional innovation matrix ranging from known developments to unknown ideas. Creativity in the known realm builds on existing knowledge leading to two types of innovation (incremental and

evolutionary). Creativity that pushes unknown boundaries and creates new knowledge is experimental and breakthrough in its impact to human existence. A case in point are novel medicines.

Our Innovation Matrix





By playing in all four quadrants of this innovation matrix, Biocon is able to create a balanced risk-reward profile. Our work on potentially the world's first oral insulin and first-in-class anti-CD6 antibody, Itolizumab, has the ability to change the treatment paradigm in diabetes and immunology, respectively. This breakthrough innovation carries huge risks but the rewards, both financial and societal, are tremendous. Our recent collaboration with Quark on siRNA allows us to work on cutting-edge technology that, although experimental, could also be transformational with applications across multiple

therapeutic areas.

Our business is underpinned by a strong commitment to R&D in the area of biologics. These targeted molecules impact underlying disease pathophysiology and are considered safer for patient consumption as compared to chemical alternatives; they also possess a higher efficacy.

The regulatory requirements related to the manufacture of biologics are challenging; one needs to separate novel biologics from biosimilars. Novel biologic development is similar to novel chemical drugs except in the area of manufacture. On the other hand, biosimilars are

very different from small molecule generics in that regulatory, clinical and development requirements are considerably more exacting. Due to these and other issues, biologics tend to be 20-50 times more expensive than conventional drugs.

However, the biologics segment has matured to a point where the number of approved biologics is now equal to chemical drugs. Over the foreseeable future, more than 60% of new drugs will be biologics. This shift will be catalysed by a growing preference for these therapies as well as their progressive genericization as the first set of biologics lose their patents.

Our Strengths

Over the years, Biocon has invested extensively in R&D to reinforce its scale, competence and pioneering advantage within India.

We have distinguished ourselves through consistent investments in research, manufacture and human capital. Our 200,000 sq. ft. facility in Bangalore, the largest dedicated to biotechnology by any company in India, represents the base of our R&D operations, which are powered by a large pool of scientific talent. Over the past decade, Biocon has invested nearly ₹9,000 million in research. Biocon, by far, is one of the highest R&D spenders in India.

The results of our intensive efforts are reflected in these achievements. At Biocon, we have:

- Developed 'best-in-class' EGFR MAb, Nimotuzumab, with significant advantages over the first EGFR MAb
- Brought to market 'first-in-class' anti-CD6 MAb, Itolizumab, which is a pipeline within a product
- Developing oral insulin, propelling the Company into an exclusive club of international companies working in the area
- Focused on the development of biosimilar technology to enhance drug affordability; this is reflected in the cost optimization of insulin in India
- Collaborated with global partners like BMS (IN-105), Mylan (biosimilars and Insulin analogs)
- Focused on leveraging our core strength comprising the development of fermentation-based products
- Emphasized ANDA filings while leveraging our difficult-to-replicate strengths

The result is that Biocon, having focused on biologics (especially biosimilars over the past decade), has established a significant lead over other Indian generic companies and also emerged as a major global biosimilars organization.



A Trusted Partner

Biocon has served as a trusted and collaborative development partner to Mylan for several years. Based on our confidence in their capabilities in complex, difficult-to-manufacture products and our shared commitment to providing access to medicine, we have established a strong partnership for both generic biologics and insulin analog products. We look forward to continuing our productive relationship, as we bring these important products to market.

Rajiv Malik, President, Mylan Inc.





Tryst, Trust and Commitment

At Biocon, our commitment to innovation has led us to invest in cutting-edge research with the objective to make drugs affordable and accessible.

This tryst with innovation has empowered us to develop differentiated products in challenging therapeutic spaces that address the relatively unmet needs of patients. In turn, the development of safe, efficacious and affordable products has translated into enduring trust.

- ▶ We are addressing large unmet patient needs through our novel and biosimilars programs
- ▶ We are investing in cutting-edge research to develop innovative

products


- ▶ We are focusing on introducing critically-required affordable drugs
- ▶ We are investing in global partnerships and alliances to reinforce our philosophy of affordable innovation
- ▶ We are building on the foundations of a knowledge-driven culture
- ▶ We are extending our commitment to cater to the underprivileged



Winning with Diabetes

I have been a chronic diabetes patient, my doctor prescribed me Insugen 30/70, which has helped me control my diabetes. My inertia and fear of injection was addressed very efficiently by Biocon's Diabetes Care Advisor. I found his advice on lifestyle management and simple tips on fitness very helpful.

(Patient identity withheld to safeguard privacy)



Board of Directors



Ms. Kiran Mazumdar-Shaw

Chairperson & Managing Director + First generation entrepreneur with more than 38 years' experience in biotechnology and industrial enzymes + Master Brewer, Ballarat University, Australia + Awarded the Padma Bhushan, one of India's highest civilian awards for her pioneering efforts in Biotechnology, 2005

Mr. John Shaw

Vice Chairman, served in senior corporate positions at various locations around the world + Former Chairman, Madura Coats Ltd.

Dr. Bala S. Manian

Chairman and Founder, Reamatrix Inc. + Co-founder, Quantum Dot Corporation and Surromed Corporation, USA + Expert in the design of electro-optical systems

+ Authored several peer-reviewed scientific publications and holder of many patents + Recognized through numerous awards for contributions as educator, inventor and entrepreneur, including Technical Academy Award in Digital Cinematography by Academy of Motion Pictures, Arts and Sciences

Prof. Charles L. Cooney

Professor, Chemical & Biochemical Engineering, MIT, USA + Director, Mitra Life Sciences, Pronutria Inc. and LS9 Inc. + Recipient of prestigious awards, including Gold Medal of the Institute of Biotechnology Studies and Distinguished Service Award from the American Chemical Society

Mr. Daniel M. Bradbury

Inducted as Additional Director + Managing Member of BioBrit, LLC, a life sciences consulting

and investment firm + Life sciences executive with over 30 years of experience in creating and implementing strategies that transform businesses, bring novel medicines to market + Former President, Chief Executive Officer and Director of Amylin + On the board of trustees of the Keck Graduate Institute, California, USA + Member of San Diego's Rady School of Management's Advisory Council + Member of Miami's Innovation Corporate Advisory Council

Ms. Mary Harney

Served as Tánaiste (Deputy Prime Minister) of the Irish Republic from 1997 - 2006 + Held the position of Minister for Health and Children (2004-2011) in the Irish government + Initiated far-reaching health care reforms during her illustrious political career + Honorary member of the





international women's forum + Was the longest serving woman ever in the Irish Parliament

Prof. Ravi Mazumdar

University Research Chair Professor, Department of Electrical and Computer Engineering, University of Waterloo, Canada + Fellow of the Institute of Electrical and Electronics Engineers (IEEE) and Fellow of the Royal Statistical Society + Currently a J D Gandhi Distinguished Visiting Professor at IIT, Mumbai

Mr. Russel Walls

Chairman, Aviva Plc + Trustee and Treasurer – The British Red Cross Society + Former Group Finance Director – BAA Plc, Wellcome Plc, Coats Viyella Plc + Former Director – Stagecoach Group Plc, Hilton Group Plc, Delphic + Diagnostics Limited and Mersey Docks and Harbour Company

+ Fellow member of the Association of Chartered Certified Accountants, U.K. + Board of Mytrah Energy Ltd and Signet Jewelers Ltd.

Mr. Suresh N. Talwar

Partner, Talwar Thakore & Associates + Director L&T Ltd., Birla Sun Life Insurance Co. Ltd., Blue Star Ltd., and other leading companies + Area of professional specialization includes corporate law and related fields + Legal counsel to numerous Indian companies, multinational corporations and Indian /foreign banks

Prof. Catherine Rosenberg

Director, Syngene International Limited + University Research Chair Professor and Chairman, Department of Electrical and Computer Engineering, University of Waterloo, Canada

Mr. Peter Bains

Director, Syngene International Limited + Director, Peter Bains Consulting Limited + Director of Sosei, a Tokyo listed Japanese Biotechnology company + Extensive track record of achievement as a Senior pharma and life sciences executive + Non-Executive Chairman, Fermenta Biotech Ltd and Director and Member of Audit Committee, Kromek Ltd

Dr. Arun Chandavarkar

Chief Executive Officer & Joint Managing Director, Biocon + Core member of Biocon's leadership team + Played a pivotal role in the evolution of Biocon over the last 24 years + PhD, MIT, Cambridge, USA + B.Tech, IIT Bombay

Clinical Advisory Board



Prof. Alan D. Cherrington

PhD, Professor & Chairman of Molecular Physiology & Biophysics and Professor of Medicine & Diabetes Research, Vanderbilt University + Past President of the American Diabetes Association

Dr. G. Alexander Fleming

M.D., President and CEO of Kinexum LLC + Member of numerous Scientific Advisory Boards and Expert Committees

D. Harold E. Lebovitz

M.D., FACE, Professor of Medicine, Endocrinology & Diabetes Division, State University of New York, Health Science Center, Brooklyn

Dr. Vijay Kuchroo

D.V.M., Ph.D. Key Research Interests – Multiple Sclerosis, co-stimulation, Th17 + Currently on scientific review board of the National Multiple Sclerosis Society, New York

Dr. Lawrence Steinman

M.D., Key Research interests – Remission & relapse in MS, Vaccine against MS, brain inflammation + Co-Inventor of leading MS drug Natalizumab and several new therapies for autoimmune diseases

Dr. David M. Essayan

M.D., Key Research Interests – Clinical and regulatory development for small molecules and biologics + Clinical immunologist; Former FDA Supervisory Medical Officer; Former Executive Director at Amgen



Core Committee



Ms. Kiran Mazumdar-Shaw

Chairperson & Managing Director,
Founder - Biocon Limited

Mr. John Shaw

Vice Chairman,
with Biocon since 1998

Dr. Arun Chandavarkar

Chief Executive Officer & Joint
Managing Director with Biocon since
1990

Mr. Murali Krishnan

President, Group Finance,
with Biocon since 1981

Dr. Abhijit Barve

President, Research & Development,
with Biocon since 2010

Mr. Ravi Limaye

President, Marketing,
with Biocon since 2014

Mr. Amitava Saha

Vice President, Human Resources,
with Biocon since 2013

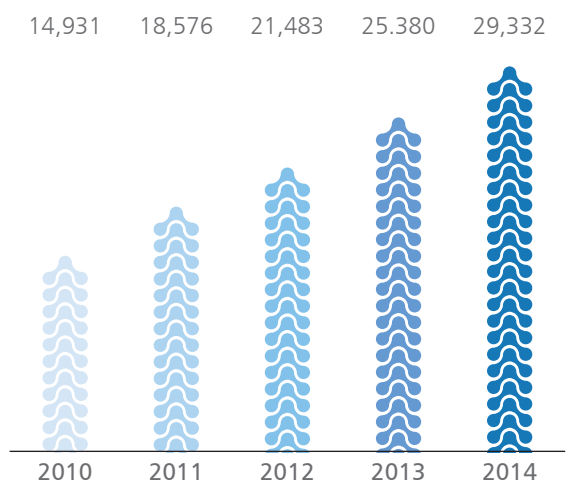
Mr. Siddharth Mittal

Vice President, Finance and Accounts,
with Biocon since 2013

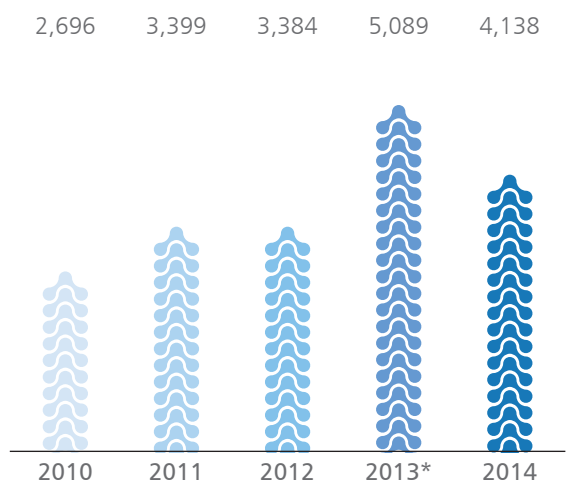
Financial Highlights

Five-year Summary (consolidated financials)

Total Revenue (₹ mn)

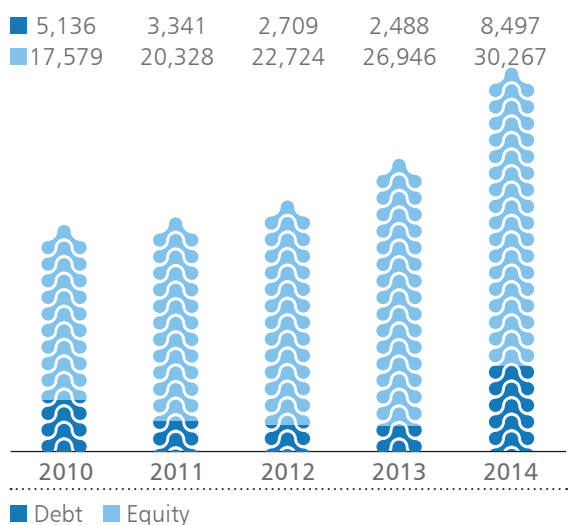


Profit (₹ mn)



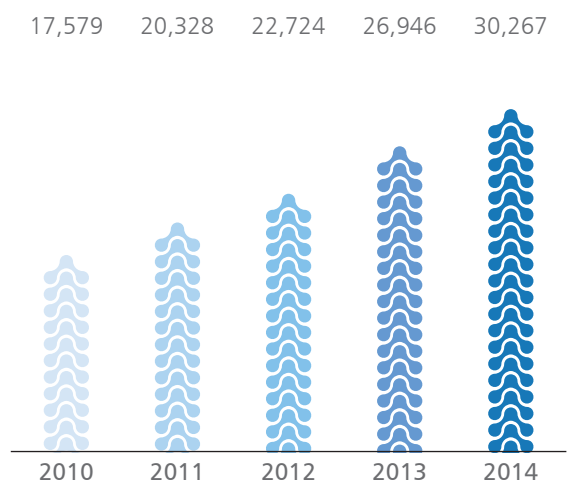
*Includes exceptional income of ₹2,019 mn

Debt : Equity (₹ mn)



■ Debt ■ Equity

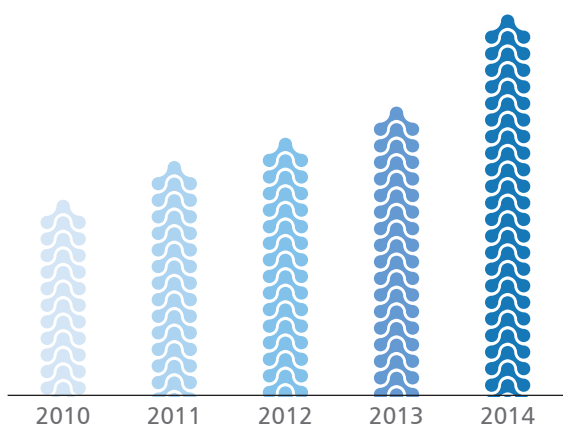
Net Worth (₹ mn)



Total Assets

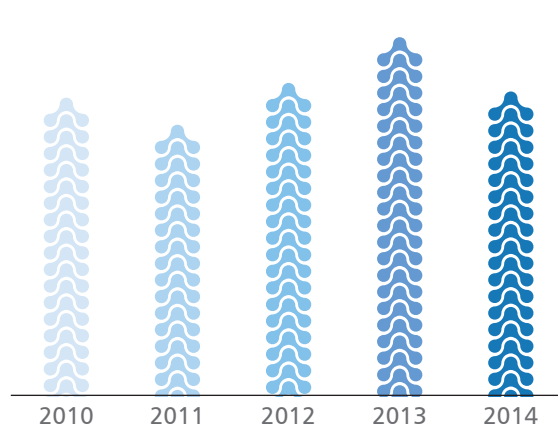
(₹ mn)

29,361 35,856 39,450 44,161 57,506



Current Ratio

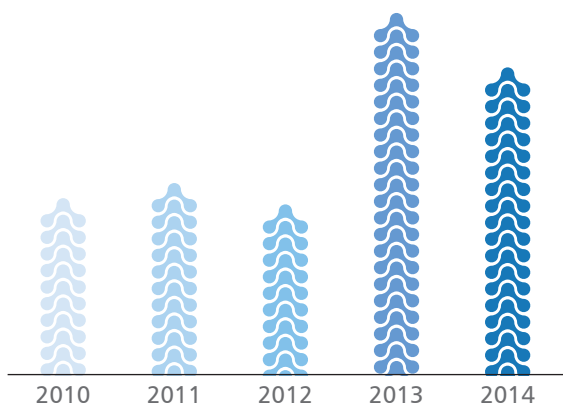
1.88 1.70 1.97 2.26 1.91



R&D Spend*

(₹ mn)

915 995 879 1860 1580

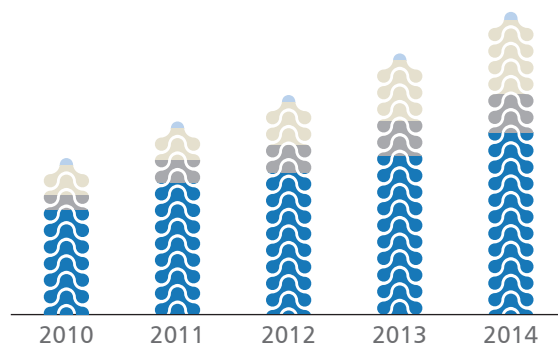


*Includes revenue & capital R&D

Revenue Break-up

(₹ mn)

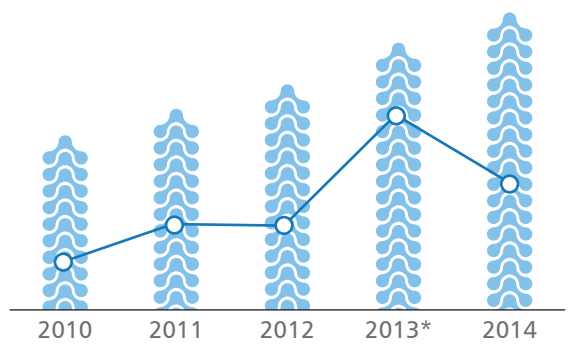
■ 10,427	12,971	13,795	15,231	17,468
■ 1,372	1,863	2,594	3,474	3,914
■ 2,807	3,177	4,101	5,572	7,146
■ 325	565	993	1,103	804



■ Biopharma ■ Branded Formulations
■ Research Services ■ Others

EPS and Book Value per Share (₹)

■	88	102	114	135	151
○	14	17	17	26	21

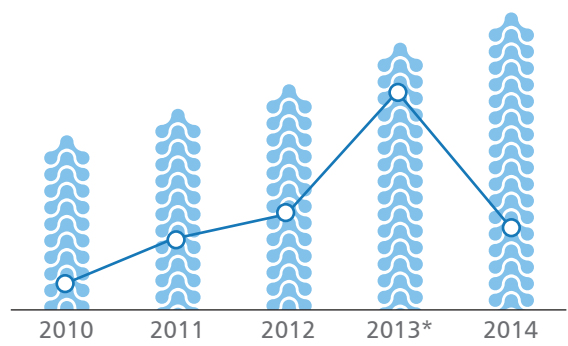


■ Book value ○ EPS

* PAT includes exceptional income of ₹2,019 mn

EPS and Dividend per Share (₹)

■	14	17	17	26	21
○	3.5	4.5	5	7.5	5

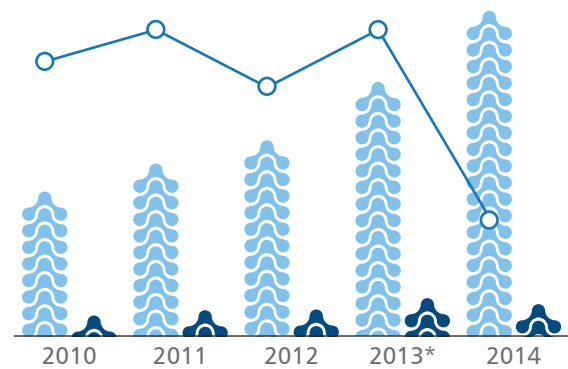


■ EPS ○ Dividend per share

* PAT includes exceptional income of ₹2,019 mn

Return on Net Assets (₹ mn)

■	19,255	23,248	26,438	34,262	43,710
■	2,696	3,399	3,384	5,089	4,138
○	14%	15%	13%	15%	9%

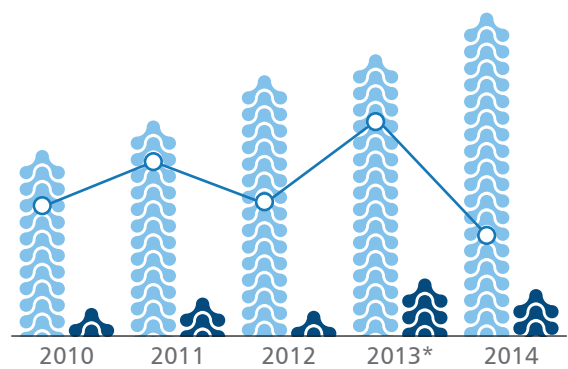


■ Net Assets ■ PAT ○ Return on Net Assets

* PAT includes exceptional income of ₹2,019 mn

Return on Equity (₹ mn)

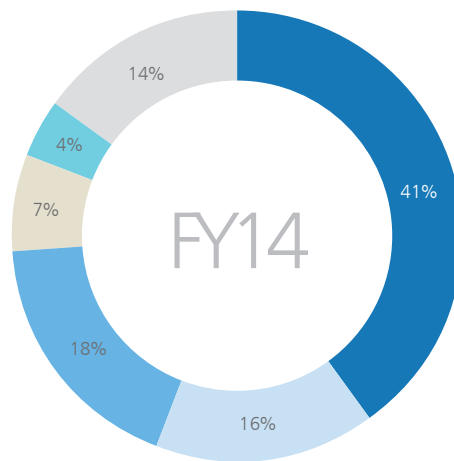
■	16,343	18,954	21,526	24,835	28,607
■	2,696	3,399	3,384	5,089	4,138
○	16%	18%	16%	20%	14%



■ Average Equity ■ PAT ○ Return on Equity

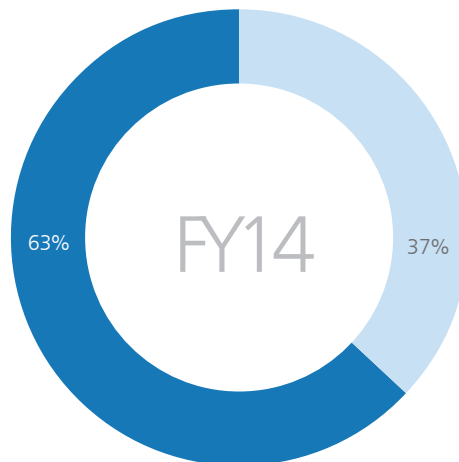
* PAT includes exceptional income of ₹2,019 mn

Revenue Distribution



- Material Costs
- Employee Costs
- Other Expenses
- Depreciation
- Tax
- Operational PAT

Geographic Distribution



- International
- Domestic

Tryst, Trust and Performance

At Biocon, we are driven by our passion for excellence and commitment to find solutions that heal the world. We are constantly engaged in leveraging our strengths to deliver robust performance that builds sustainable value for our esteemed stakeholders.

Our strategic business units fortify our presence across the biopharma value chain that enables us to expand the reach of our products, benefiting larger patient pools.

As we progress towards our aspirational goal of US\$1 billion in revenue by 2018, we are evolving our product mix to reflect our growing repertoire in biologics,

branded formulations and research services.

We are driven by our passion for excellence in pursuit of finding solutions that heal the world.

Biocon Delivered a Robust Performance Leveraging its Key Strengths:

Pioneering capabilities in innovation and manufacturing



Leading Indian Insulins player



Global-scale, cost-competitive, complex manufacturing capabilities



Expertise in biosimilars development



Rich experience in developing biologics: 'lab to market'



Focus on non-communicable diseases



Preference to work in complex spaces



International presence





Emerging markets-based strategy



Intellectual profile and largest scientific pool in India



Leveraging strategic alliances and partnerships



Strong Balance Sheet; robust net cash position



Differentiated product portfolio



Integrated presence across the value chain: products and services



Strong domestic presence through branded formulations



Among the top-10 global biotech employers



An Exciting Molecule

I have used ALZUMAb™ since October 2013 in five patients for moderate to severe psoriasis and the results have been very impressive. In one young adult patient, the disease seems to have gone into a prolonged remission after only two doses. This patient had no lesions ever since (> six months) and did not receive any further treatment. I have not had any adverse effects except headache in one subject during the infusion. It is a very exciting molecule; however, there is a lot more to be learnt over the next year or so when we use more of it.

Dr. Anand Nott, Chennai

Financial Performance FY14

Group revenues increased 16% to ₹29,332 million

EBITDA augmented by 25% to ₹7,429 million

R&D expenses stood at ₹1,310 million

Net profit enhanced 28% to ₹4,138 million (Note: Adjusted for exceptional income of ₹2,019 million included in FY13 Net Profit)

Declared dividend of 100% (₹5) per equity share for FY14

FY14 Growth Across our Business Verticals

Business	₹ million	%
Biopharmaceuticals	21,382	14
Core Biopharma	17,468	15
Branded Formulations	3,914	13
Research Services	7,146	28



The Magic of ALZUMAb™

ALZUMAb™ is the world's first novel anti-CD6 antibody that has been developed by Biocon to address a large unmet need in the treatment of psoriasis.

Some key properties of ALZUMAb™ comprise the following:

- **Excellent safety and efficacy** profile with low opportunistic infection rates and longer remission period
- **New treatment option** for chronic plaque psoriasis with a less aggressive dosing regimen and longer treatment free period, ensuring better patient compliance and convenience
- **Formulated as an infusion drug**, this innovative affordable treatment option promises patients a better quality of life
- **Effective biologic treatment solution** to 1-2% of the Indian population suffering from psoriasis

ALZUMAb™ has demonstrated preclinical and/or clinical evidence in treating other autoimmune indications, having already completed a Phase II trial in rheumatoid arthritis.



The Magic of CANMAB™

Biocon introduced CANMAB™ (150 mg / 440 mg), a follow-on monoclonal antibody for the treatment of HER2-positive metastatic breast cancer and the world's lowest-priced trastuzumab. The product was developed jointly by Biocon and Mylan.

Some key properties of CANMAB™ are:

- **High quality affordable option** in the treatment of breast cancer
- **Around 150,000 new patients** diagnosed with breast cancer every year in India (nearly 25% HER2-positive and eligible for CANMAB™)
- **Targeted therapy** for the treatment of HER2-positive breast cancer; acts by interfering with HER2 protein production and halts the growth of cancer cells
- **Easy to administer**; to be given intravenously
- **The 150 mg and 440 mg formulations** can be stored for a month, preventing under-dosing and wastage

The launch of CANMAB™ in India represents an important milestone for Biocon's biosimilars program, demonstrating our ability to deliver affordable innovation with high-quality, world-class products.

Business Units



Small Molecules

Key Segments: Cardiovasculars, Anti-obesity, Immunosuppressants, Ophthalmic, Peptides, Oral Anti-diabetics, Anti-inflammatory

Overview

Our Small Molecules business centered around the strategy of differentiated products, accelerated time-to-market, quality and cost efficiency, continued to position Biocon as a preferred partner for APIs.

Biocon manufactures a range of Small Molecules – from cardiovascular and anti-obesity agents to immunosuppressants, ophthalmics, peptides and oral anti-diabetic agents – through fermentation as well as chemical synthesis.

Our varied portfolio — including generics like statins and immunosuppressants and speciality products like fidaxomicin — has

helped us sustain the growth momentum. In FY14, we enhanced our statins capacity to capture a higher market share for some key products. Despite sustained commoditization pressure in some statins, we have scaled up our business due to an improved product mix.

Core Strengths

The combination of a strong R&D team, world-class manufacturing facilities approved by international regulatory agencies and a dynamic sales team have helped this fully integrated business expand its customer base even further.

Capitalizing on our existing strengths in the API business, we have forward integrated to develop

generic formulations for emerging and developed markets.

Key Developments

- A sustained focus on product portfolio optimization helped offset genericization pressures in statins
- Good business traction in immunosuppressants and specialty products.
- Business in India, US, Europe and Latin America continued to gain traction
- Biocon emerged as the most preferred source of APIs for leading generic companies

Outlook

With a large number of patent expirations over the next few years,

Biocon has always possessed pioneering capabilities in innovation and R&D. There has been a constant focus on innovation and difficult-to-make, niche products to create tangible differentiators for sustainable growth.

the unfolding worldwide generic market opportunity augurs well for our business. We will leverage a strong portfolio of over 20 differentiated products, which will emerge as torch-bearers of the API business over the next few years.

Recognizing that APIs can be vulnerable to commoditization and declining margins, we are in the next phase of growth by manufacturing and marketing finished formulations. Biocon has built a significant brand equity across its customer base and we are confident of this being a springboard for our continuing success.

We will make inroads through value-added formulations into emerging markets and select regulated markets that present a bigger opportunity.

Generic Formulations

Key Segments: Oncology, diabetes, autoimmune diseases, immunosuppressants and generic small molecules and peptides.

Overview

Biocon is acutely aware of the need for high standards of quality control and strict regulatory compliance. Recent developments have highlighted their importance in maintaining the Indian pharma industry's reputation as a global supplier of high quality but affordable drugs. Our Generic Formulations business rests on a bedrock of high quality standards, which emphasize 'Quality by Design' and advanced analytical development techniques to address demanding quality and regulatory requirements.

The Generic Formulations business kicked off in FY14 with the successful commissioning of a state-of-art R&D center at Biocon Park in Bangalore. To stay abreast of ever-growing competition in the generics business, Biocon intends to focus on niche therapeutic areas like oncology, diabetes, autoimmune diseases and immunosuppressants over the next few years. Products in the generic

Small Molecules and peptides space will complement Biocon's established biosimilar monoclonal antibodies and insulins portfolio.

The strategy is to build a robust pipeline of difficult-to-make, technology-intensive molecules which can be commercialized in several global markets including the US.

Outlook

We are working on plans to integrate developed and emerging markets business opportunities, craft geography-specific business strategies and leverage products in semi-regulated markets to ensure increasing momentum. Furthermore, in-house manufacturing capabilities will be created to pave the way for the introduction of dosage forms in major geographies.

As part of the Generic Formulations strategy, Biocon plans to file its first set of ANDAs in FY15. We will gradually increase regulatory filings over the few years, which will improve revenue visibility.

Biocon is a preferred partner for several APIs for leading pharma companies enabling them to address global generic opportunities.

Biocon is among the world's largest producers of statins and immunosuppressants.





Biosimilars

Key Segments: Insulins, Monoclonal Antibodies, Other Biologics

Overview

The breakthrough therapy provided by biologics in the treatment of diseases such as cancer and autoimmune disorders has transformed the lives of thousands. However, treatment is expensive, which can make life-saving therapies unaffordable for many who require them.

This is where biosimilars come in, offering hope not just to the patients but also to the pharmaceutical industry. By reducing the cost of cutting-edge treatment, while offering the same level of safety and efficacy as

original biologics, biosimilars help resolve the challenge of making quality healthcare affordable.

Over the next few years, several biologics will lose patent protection, creating a significant space for biosimilars and a huge opportunity for biotech companies. The impact of the biosimilar segment on the life sciences industry can be gauged from the estimation that as the adoption of biosimilars picks up the world over, the market is expected to increase from US\$693 million in 2011 to US\$4-6 billion by 2016. Companies who can expand their

portfolio to exploit this momentous opportunity can capture a significant chunk of the market.

However, biosimilars are large and complex target-specific molecules, placed at the high end of the pharma value chain. In comparison to small molecule generics, they are expensive to develop and difficult to manufacture, thus offering high entry barriers to generic players. Globally, there are a handful of companies working on developing biosimilars.

Biocon had long recognized the importance of developing the

technology, critical mass and skill set for these complex molecules at a time when there were few international players and almost no Indian player. As a result, we are now attractively placed to capitalize on this unfolding opportunity. We have a robust biosimilars pipeline, which is probably one of the longest in the world.

During the year, Biocon further strengthened its development, regulatory, clinical and manufacturing capabilities to enhance its presence in this segment. As the leading Indian biopharma company, Biocon is committed to developing and bringing to market affordable biosimilars for patients across the globe.

Complex Development Process

The development of biosimilars is an exercise fraught with complex technical challenges, requiring advanced technical skills, significant investments in clinical development, specialized

manufacturing facilities and long gestation periods. Extensive physico-chemical and biological characterization data, using multiple high-end techniques for demonstrating biosimilarity at the molecular level as well as extensive clinical studies, are integral to the development process.

As a result, the cost of developing a biosimilar for global markets has been estimated at US\$75-\$250 million. This is in stark contrast to the estimated US\$2-3 million required to develop the much simpler, traditional non-biologic generics (*Source: Bourgoin and Nuskey, 'An Outlook on US Biosimilar Competition', April 2013*). In addition, the investment required for a complex biologics manufacturing facility ranges from tens to hundreds of millions of dollars. Hence, the number of successful biosimilars players is limited, compared to the conventional chemistry-based pharmaceutical generic segment. Biocon is justifiably proud of being a proven player in the space, with several biosimilar programs at

various stages of development.

Generic Insulins & Analogs

Key Products: rh-Insulin, Insulin Glargine, Insulin Lispro, Insulin Aspart

Overview

Biocon possesses deep expertise and substantial strength in developing cost-effective Pichia-derived insulin, standing us in good stead in providing diabetes patients with an affordable treatment option. As the world's fourth-largest Insulins producer, Biocon is developing a range of affordable Insulins and analogs for patients worldwide. We are leveraging our inherent capabilities in fermentation and the associated downstream technologies to build global scale in manufacturing Insulins and analogs. We are well placed to capture a sizeable share of the global Insulin market, which stood at ~US\$21 billion in 2013 (*innovator sales*).

Biocon's partnered program for Insulin analogs with Mylan is going

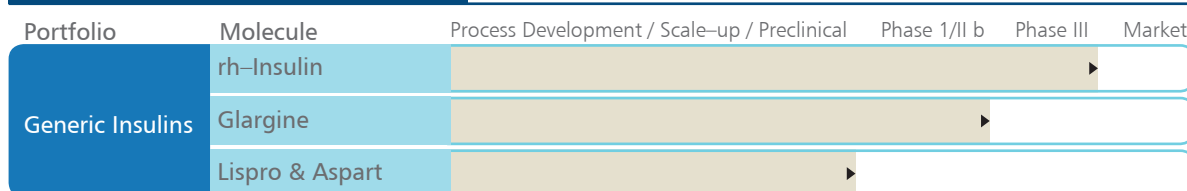
India is one of the fastest growing diabetes markets in the world

Our insulin business targets the growing incidence of diabetes in India and the world over. With India emerging as the nation with the largest population of diabetics, it is important that an Indian company takes on the disease with cost-effective and easily accessible treatment. India has over 65 million diabetes patients and by 2030 could comprise over 85 million diabetes patients (*Source: ICMR; Research Society for the Study of Diabetes in India*). The economic burden imposed by diabetes gets magnified because it leads to related complications, including heart, kidney, eye and foot diseases.



Generic Insulins Pipeline

US / EU Development Program



strong, with Insulin Lispro and Insulin Aspart in different stages of pre-clinical development.

We are already addressing the large need for affordable Insulin therapy in India and several emerging markets through our generic recombinant human Insulin (rh-Insulin) and Insulin Glargine.

The global clinical development for rh-Insulin and Glargine is progressing well. Recent results from the European Phase-III trials for generic rh-Insulin have been encouraging with the study meeting all primary and secondary endpoints. In line with its global ambitions, Biocon now has a harmonized strategy that integrates development for the EU and the US with the upcoming Malaysian facility. This will entail certain additional trials, including bridging studies, to be conducted in various geographies.

Expanding Global Footprint

With the dynamics of the pharma world shifting, emerging markets present an important opportunity for biotechnology firms such as Biocon – for marketing and manufacturing.

Biocon has invested in establishing a large integrated insulin manufacturing facility in Malaysia to be able to meet the global demand for its range of high-selling Insulin products. This project is well on track and the facility is expected to be commissioned in FY15. The commissioning of the new site will enable the regulatory approval of the new facility in various countries, which is critical for commencing commercial supplies from it.

The Malaysia facility will substantially increase our manufacturing capabilities and enable us to service the growing demand for Insulins in

emerging markets as well as prepare us for commercialization in the developed markets.

Core Strengths

Biocon has internalized over two decades of experience in fermentation. The technological know-how is complemented by world-class manufacturing facilities that are accredited by regulatory agencies from around the globe. Today, we have increased patient access to Insulin across the developing world by ensuring affordability, resulting in improved diabetes management.

Biocon has made substantial investments in capacity enhancement in Bangalore and is setting up an integrated insulin facility in Malaysia. A diverse dosage portfolio comprising vials, cartridges, reusable and disposable pens enables us to meet the requirements of varied sections of the Insulin market. Arrangements

with global and regional partners across developed and emerging markets give us a broad and competitive marketing footprint even as attractive licensing revenues and cash flows from the business de-risk the product development cycle.

Key Developments

- Wider footprint of our generic rh-Insulin and Insulin glargine in emerging markets
- Approvals in over 55 countries for generic rh-Insulin
- Generic Insulin Glargine approved in 10 countries
- Expanded drug substance capacity
- Development programs of key products for regulated markets at an advanced stage
- Phase III trials for human Insulin in Europe completed

Outlook

Having developed a strong Insulin portfolio, we plan to embark on a series of measures to build on our

expertise in the segment. We will further expand our commercial footprint in emerging markets for rh-Insulin and Insulin Glargine, increase our drug substance and drug products capacity through manufacturing expansion overseas, extend product offerings to include next-generation reusable pens and disposable pens and accelerate the development of Insulin analogs for global markets.

Monoclonal Antibodies & Other Biologics

Key Segments: Chronic segments of oncology and autoimmune diseases, among others

Overview

One of the fastest growing categories, MABs are game-changers and life-changers, revolutionizing treatment in hard-to-treat diseases. Biocon has gained global recognition for its decade-long experience and demonstrated expertise in developing MABs and other biologics. We have grown

our technical skills and made significant investments in clinical development and manufacturing even as we have forged research and marketing alliances with global partners to reach affordable MABs to patients who need them.

Biocon's commitment to drug affordability led it to partner US-based Mylan in 2009 for the co-development of a high-value portfolio of biosimilars for oncology and autoimmune indications. The Biocon-Mylan partnership synergizes Biocon's biologics R&D and manufacturing capabilities with Mylan's capabilities in the US and Europe.

The portfolio consists of three MABs — trastuzumab, bevacizumab and adalimumab — and two recombinant proteins — pegfilgrastim and etanercept. The originator product sales for this portfolio is pegged at about US\$35 billion. Both companies share development, capital and other costs to take these products from petri dish to patent to patient.

Trastuzumab, introduced in India

What are Monoclonal Antibodies?

Monoclonal Antibodies (MABs) and fusion proteins are complex targeted proteins that directly act and modify the pathophysiological process, leading to better efficacy and safety profile. The clinical use of MABs covers the areas of diagnostics, oncology, nephrology, transplant medicine, cardiology, rheumatology and ophthalmology.



this year, represents an important milestone in this collaborative program.

Core Strengths

Biocon enjoys a long-standing expertise and knowledge — technical and operational — essential for developing a MAb, which is the most complex biologic therapy available in the market. Moreover, we possess state-of-the-art manufacturing facilities required for MAb research. With our experience and sustained investments in world-class R&D and manufacturing infrastructure, we are optimally positioned for

sustainable success.

Biocon and Mylan have one of the longest-standing partnerships in the global biosimilars space with a leadership position in a nascent industry.

Key Developments

- Launched the world’s most affordable trastuzumab (CANMAb™) in India
- CANMAb™ approved after comparative Phase III trials in India
- First non-originator trastuzumab to be approved anywhere in the world

Outlook

In the coming year and beyond, more HER2-positive breast cancer patients in India will benefit from CANMAb™. The clinical development of trastuzumab will continue in Europe and other countries to support additional approvals. Some of the other products in the portfolio are expected to move forward to clinical trials in various jurisdictions over the course of FY15.

Biosimilars Pipeline

US / EU Development Program

Portfolio	Biosimilar Molecule	Process Development / Scale-up / Preclinical	Phase 1/II b	Phase III	Market
Biosimilar MAbs and other follow-on biologics	Trastuzumab	▶			
	Bevacizumab, Adalimumab	▶			
	Etanercept, Pegfilgrastim	▶			

Metastatic cancer is more likely to be fatal because the cancer cells have already spread, or metastasized, to other parts of the body, which makes treatment complicated. The cancer generally spreads to the lungs, liver and bones. HER2-positive metastatic breast cancer is a particularly aggressive form of breast cancer, and is the most prevalent cancer among Indian women. Biocon’s CANMAb™ provides a quality, convenient and affordable option for HER2-positive breast cancer patients.



From Left: Shukrit Chimote, Vice President & Head, Branded Formulations (India); Kiran Mazumdar-Shaw, Chairperson; Dr. Arun Chandavarkar, CEO & Joint MD; Dr. Abhijit Barve, President, Research & Development

CANMAb™ - Made in India, Made for India

Biocon is driven by its raison d'être of making the treatment of chronic diseases more affordable. Biocon has been working on trastuzumab since 2006 and in partnership with Mylan since 2009. Biocon has conducted extensive process development and performed meticulous product characterization leveraging state-of-the-art technology and a rigorous scientific approach in conformance with applicable guidelines. Additionally, we conducted a multi-centric comparative clinical trial. The exhaustive process culminated in regulatory approval for CANMAb™ in FY14.

Around 150,000 new patients are diagnosed with breast cancer every year in India, of which nearly 25% cases are HER2-positive and eligible for treatment with CANMAb™. Unaffordable treatment options limit the extent of HER2 testing; it is believed that the proportion of HER2-positive patients is probably higher. Biocon's CANMAb™ provides a quality, convenient and affordable option for HER2-positive metastatic breast cancer patients.

Branded Formulations

Key Segments: Over 70 brands across seven therapeutic segments comprising Oncology, Immunology, Diabetology, Nephrology, Cardiology and Comprehensive Care

Overview

Biocon's branded formulations is an India-centric business with global ambitions. With a portfolio of over 70 brands across seven therapy segments, it is one of Biocon's fastest growing businesses, with almost 50% of revenues accruing from biologics.

This segment is a robust growth and value driver for us and we are committed to achieve market leadership in the chosen therapeutic areas through product differentiation and personalized medical support.

In FY14, the business recorded a growth of 13%, outpacing the industry growth of 6%. This was largely driven by the superior performance of our flagship brands – BIOMAb EGFR®, Abraxane®, Insugen® and BASALOG® – which continued to gain market share.

We also launched 16 brands across therapies during the year under review with brand leaders CANMAb™, ALZUMAb™ and CytoSorb®.

Key divisions like Diabetology, Oncology and Nephrology contributed over 65% to the Branded Formulations revenue in FY14. Biocon's commitment to affordable interventions is creating a significant impact in the area of cancer care, reinforcing the company's respect as a leading Indian Oncology Company.

Biocon leveraged its presence as the largest Indian Insulins Company to drive the growth of its Diabetology division. Insugen®, India's fastest growing insulin brand, addressed the needs of over 2,50,000 diabetes patients.

We also introduced the Biocon Medical Affairs Council to capture

better mindshare of key opinion leaders by integrating medical and marketing efforts.

Patient-centric Programs

In Oncology, we established a patient assistance program 'Support Counts' that offered counseling, starter kits, reminder calls, add-on drug assistance and diagnostic services, to ensure that patients completed the entire course of Abraxane® therapy. More than 500 patients benefited from this program in FY14.

Our patient outreach program 'Queen of Heart', a first-of-its-kind initiative directed at women, has successfully created an awareness on cardiovascular diseases, improving the heart-health of women. Several roadshows and scientific symposia were held during the year as a part of this program.

Making Cancer Care Affordable

CANMAb™ is being offered to HER2-positive metastatic breast cancer patients in India at ₹57,500 per 440 mg presentation, which is about 25% lower than the prevailing price of the reference product. It would be important to indicate that the reference product price was significantly reduced to current levels by the innovator in anticipation of competition and is now around a third of that in Europe and the US. This means CANMAb's price in India is a small fraction of global trastuzumab prices.

Biocon has introduced a unique 150 mg multi-use presentation priced at ₹19,500 per vial, keeping affordability in mind. The availability of 150 mg multi-dose vial allows patients to save money by buying smaller quantities as per their precise requirements, and storing unused products for their next dose rather than wasting them. This will help eliminate drug wastage and enable additional savings for patients, when used in conjunction with the standard 440 mg vial.

Biocon is confident that CANMAb™ will help expand the patient pool which is able to afford trastuzumab. However, due to the high costs of developing and manufacturing complex biologics, fully addressing the needs of all HER2-positive breast cancer patients in the Indian context will warrant the implementation of broader initiatives like universal healthcare programs. Bulk government purchases to address unmet patient needs could create additional savings through the elimination of trade markups and economies-of-scale.

Learning Initiative

ABIDE, a novel diabetes education initiative for medical practitioners, has been doing extremely well. It involves a 100-strong faculty comprising top endocrinologists and diabetologists. Several hundred doctors have benefited from this small group engagement with a focus on advanced learning.

Outlook

Our initiative, aimed at optimizing portfolios in terms of molecule mix and field force, will continue to drive the profitability of individual verticals. It will also enable synergies across products and teams. We aim to enhance market share for each of our lead brands in the coming year.

By merging cardiology and

diabetology under the Metabolics segment, we are poised to build a complementary portfolio resulting in a holistic treatment for co-morbid diabetes, hypertension and dyslipidemia.

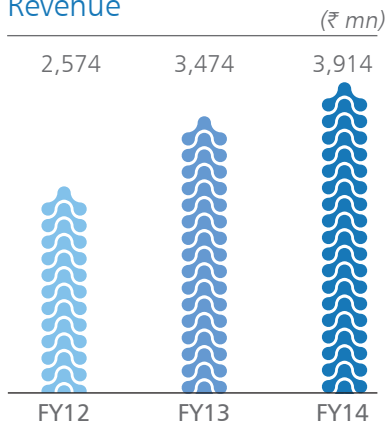
Going forward, we aim to build further on our biologics expertise, explore in-licensing opportunities, launch new specialty products and build traction for each of the segments.



Diabetes and Compassionate Care

'Winning with Diabetes' is an ongoing patient outreach initiative of Biocon, which is manned by around 100 diabetes care advisors working round-the-clock to improve patient adherence to therapy (medication, diet and exercise) through a structured six-visit plan for counseling called 'iTAP' (insulin therapy assistance program). These programs, aimed at enhancing diabetes awareness, have benefited over 80,000 patients so far.

Branded Formulations Revenue



New Launches



- First trastuzumab of Indian origin for HER2-positive metastatic breast cancer patients
- Unique 150 mg multi-use vials launched to reduce drug wastage and cost
- Several patients are undergoing treatment since launch



- First-in-class novel biologic for psoriasis
- More than 60% of biologics prescribers in India prescribed ALZUMAb™
- A large number of patients undergoing treatment since launch



A novel therapy for sepsis management – first time in India

- A safe and effective extracorporeal cytokine filter, designed to target the prevention or treatment of organ failure
- Several critically ill patients benefited from this novel therapy
- Excellent Key Opinion Leader (KOL) uptake driven by patient successes in cases of severe sepsis

Our Key Brands



- Addressing the need for an affordable insulin for diabetics in India and abroad for nearly 10 years
- Fastest growing insulin brand in India



- Long lasting basal Insulin Glargine for Type 1 & Type 2 Diabetics
- Allows better metabolic control, thereby resulting in a better quality of life & treatment satisfaction
- Affordable price points provide diabetics greater access to this vital drug



- First novel biologic, ranked second in the anti-EGFR market, for the treatment of head and neck cancers
- Over 7,000 patients treated since launch



Novel Molecules

Key Segments: Innovative therapies that address unmet medical needs in oncology, immunotherapy and diabetes

Overview

At Biocon, our Novel Molecules business encompasses in-house expertise along the drug value chain to develop innovative therapies that address unmet medical needs in cancer, diabetes and autoimmune diseases. Our pipeline includes proprietary and partnered programs, which are an outcome of cutting-edge research.

Biocon's strategy covers early, mid and late-stage assets. For late-stage assets, the Company's focus is to partner mid-to-large pharma companies that conduct clinical studies across multiple indications and increase asset value. For mid-stage assets, the focus is to design and execute clinical studies that demonstrate proof-of-concept. For early stage assets, the aim is to work in the area of innovative science, differentiate the molecule from competition and utilize the knowledge base to plan studies.

The Company is committed to translating breakthrough

innovation into affordable therapy, and has contributed extensively to the development of two novel monoclonal antibodies – Nimotuzumab for cancer and Itolizumab for autoimmune diseases. It also continues to pursue the development of oral Insulin (IN-105) - the 'Holy Grail' of diabetes therapy – along with partner BMS. IN-105 has the potential to become the world's first orally delivered insulin with the ability to revolutionize the treatment of patients suffering from diabetes mellitus.

We are continually exploring novel technologies and early-stage assets that leverage our expertise and enhance value. In FY14, we initiated a couple of partnerships to fuel our R&D pipeline. We tied up with Quark Pharmaceuticals for the development of a range of siRNA- (small interfering RNA) based novel therapeutics and Advaxis Inc for a novel cancer immunotherapy, ADXS-HPV.

Working on these novel molecules has allowed us to build core expertise and advanced scientific skills that we leverage across other verticals.

Core Strengths

Biocon has rapidly developed a robust novel pipeline, which has several molecules at different stages of the development cycle. The Company has developed Nimotuzumab, a safer anti-EGFR molecule, for head and neck cancer. It has also brought to market Itolizumab, a 'first-in-class' novel biologic treatment for psoriasis in India. This novel anti-CD6 monoclonal antibody is potentially a pipeline within a product; it holds promise in treating diseases like rheumatoid arthritis and multiple sclerosis. Moreover, Biocon's work on IN-105 has put it in the forefront of companies working on oral insulin.

The Company has built niche competencies in Pichia-based

fermentation, advanced analytical and characterization skills, process development of complex molecules including antibodies and fusion proteins.

All this has been made possible, thanks to the scientific know-how and state-of-the-art infrastructure at Biocon, which has enabled the Company to take a molecule from shake flask to commercial scale within a single location.

A state-of-the-art facility spread across 200,000 sq. ft in Bangalore offers the ideal ecosystem for the development of 'best-in-class' biologics. Paired with an inspiring work environment, this facility is a big draw for the brightest minds from local and global premier institutes as well as experienced professionals of Indian origin keen on returning to India.

Key Developments

- Launched ALZUMAb™ for psoriasis patients in India
- Entered into a collaboration with Quark Pharmaceuticals to develop novel siRNA-based therapeutics
- Entered into a collaboration with Advaxis to develop a novel cancer immunotherapy, ADXS-HPV, targeted at HPV-associated cervical cancer
- Initiated trials for IN-105 (oral insulin program) in the US

Outlook

The groundwork has started towards initiating trials for the expanded indications of Itolizumab, both in India and overseas. Biocon is also in preliminary discussions with potential partners for the joint development of this molecule for the regulated markets. The first

set of trials for our oral-insulin candidate, IN-105, have been initiated in the U.S. in collaboration with Bristol Myers Squibb and readouts are expected towards the end of FY15.

We also continued our efforts to develop affordable therapies targeted at the key non-communicable diseases (NCDs) afflicting India and various emerging markets.

The Company is evaluating multiple early stage assets that meet its core strategy. Small biotech organizations worldwide are looking for asset development capabilities that are efficient and cost-competitive. Biocon's infrastructure, scientific capabilities, and bandwidth are expected to propel development of early stage assets to proof-of-concept for these organizations.

Our High-Potential R&D Assets

Molecule	Therapeutic Area	Discovery	Preclinical	Phase I	Phase II	Phase III	Market
Nimotuzumab	Oncology	Commercialized in India					▶
Itolizumab	Autoimmune	Commercialized in India					▶
IN-105	Diabetes	▶					
QPI-1007	Ophthalmology	▶					
Anti CD-20	Oncology	▶					
ADXS-HPV	Oncology	▶					





Research Services

Key Segments: Discovery and Development through Syngene, Clinical Development through Clinigene

Overview

Biocon's Integrated Research Services business, comprising discovery and development platform through Syngene, and clinical development platform through Clinigene, is well-positioned to benefit from the increasing outsourcing and R&D partnering trends. The ongoing consolidation in Big Pharma is expected to intensify this trend further.

Syngene and Clinigene serve the global life sciences sector through a team of over 2,000 scientists – the largest team of life scientists in India – based out of Bangalore. With over 250 PhDs, Syngene's scientists offer an extensive range of therapeutic and functional capabilities to a diverse range of clients

From generating therapeutic antibody candidates against novel

targets to supplying recombinant proteins for global clinical trials, Syngene has established a robust track record across the discovery and development chain and has emerged as a leading Asian player in the research services space.

The business has significantly expanded its laboratory footprint over the last three years to cover a cumulative 1.2 mn sq.ft of space with state-of-the-art equipment for

delivering cutting-edge scientific solutions.

Our customer base has grown from 104 in 2011 to over 150, comprising a strong representation of the global life-sciences sector and major clients drawn from the global biopharma and biotech industries. Today, Syngene serves 16 of the world's top 20 biopharmaceutical companies, a large number of mid-sized biotech and pharma firms and several small and virtual enterprises. The business also serves a diverse and growing set of enterprises in other sectors like nutrition, agrochemicals, animal health, petrochemicals and electronics.

FY14, was another strong year for the business. A 28% revenue growth in FY14 contributed to the 31% revenue CAGR over the past three years.

Core Strengths

Syngene

At Syngene, our client-centric services have expanded to encompass a mix of single component, cluster and end-to-end integrated discovery

and development services. The services range from early discovery chemistry and biology to chemical and pharmaceutical development, toxicity evaluation and large-scale API manufacturing. Along with small molecule development, Syngene offers biologics discovery and development platforms, which contribute significantly to the R&D efforts of biotechnology-focused partners.

Over the past few years, Syngene has developed capabilities in the discovery and development of novel Antibody-Drug-Conjugate (ADC) technology by utilizing its established expertise in small and large molecule platforms. The ability to offer 'one-stop' services that are tailor-made to clients requirements, makes Syngene a 'partner of choice' for global life-sciences companies.

Syngene's service proposition is built around an unwavering commitment to robust & contemporary systems and processes that support client needs for the highest global standards of compliance and quality.

This competence is reflected in successful audits by clients and regulators.

Clinigene

In the face of regulatory headwinds for clinical trials in India and a consequent business slowdown, Clinigene has extended to other clinical services to maintain its growth momentum.

In line with this strategy, Clinigene expanded its human pharmacology platform to over 100 beds, making it possible to conduct a growing range of studies (including BA/ BE, DDI and PK). We also expanded our laboratory services platform to offer immunohistochemistry and flow cytometry-based biomarker testing from our central laboratory and PK analysis and immunogenicity testing from our large molecule bioanalytical laboratory.

Key Developments

- Baxter Global Research Center, Syngene's third large scale dedicated research center, was set up
- Successful US FDA inspection of Syngene's quality system was completed with no 483s



- Phase I expansion of API pilot plant nearing completion
- Development of a Center of Excellence for small and large molecule bioanalytical services at Clinigene
- Clinigene effected a financial turnaround; it reported a small profit in FY14

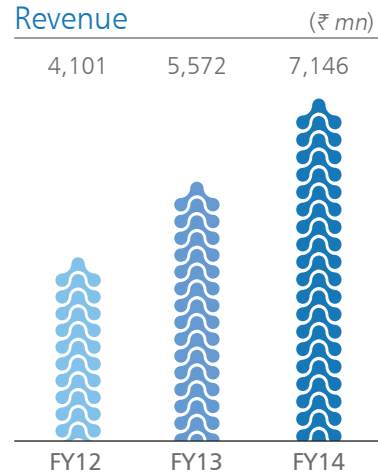
Outlook

The order book and outlook for Syngene and Clinigene in the coming years remain robust. Post the global financial crisis, there has been a revival in global biopharma R&D spends. This, along

with a continuation of the trend towards R&D externalization in the West, underpins positive market prospects for research services players in Asia.

We continue to invest in strengthening our service offerings, e.g., handling high-potency compounds and expanding API manufacturing capacity. This has enabled us to widen and deepen our engagements with existing clients as well as improve our ability to attract new customers. Our continued focus on attracting the best scientific talent from India and abroad has also helped boost our scientific expertise and experience.

Research Services Revenue



Syngene offers biologics discovery and development platforms, which contribute significantly to the R&D efforts of biotechnology-focused partners. The ability to offer 'one-stop' services that are tailor-made to clients requirements makes Syngene a 'partner of choice' for global life-sciences companies. Syngene has managed to differentiate itself successfully in the world of Research Services. Recently, Syngene also renewed its strong research services partnership with Bristol-Myers Squibb.

Tryst, Trust and Sustainability

At Biocon, we are intensely conscious of our role as a responsible corporate citizen. Our business philosophy, emphasizing on sustainable healthcare solutions, finds resonance in our engagement with our employees, the environment and the society at large. We are constantly investing in adopting best practices for a safe and healthy environment. Our CSR efforts are directed at making a difference to the lives of the marginalized communities and ensuring access to affordable healthcare.



Beating Cervical Cancer

Forty-five-year-old Chinamma, wife of a farmer and a mother of four, residing in rural Bangalore, had a chance encounter with dreaded cancer at a cervical cancer screening program held by the Biocon Foundation in her village.

“One day, I met Biocon Foundation’s community health workers from the Arogya Raksha clinic in Kalkunte. The doctors and staff at the clinic did my screening free of cost and were kind to me. They took a pap smear and got it analyzed from St. John’s Hospital. The doctor told me that my report was not good and I would need to do more tests. I got scared and worried.

I kept this as a secret from my family until the Biocon Foundation’s doctor counseled me and my family and convinced us to go to the hospital. Luckily, the abnormal pap smear showed a very early stage lesion, which was treated early and today, I am fully recovered.”



Enablers

Human Resources

Biocon continues to identify, train and nurture the best talent in the industry. Our aim is to sustain an employee-friendly environment that is comparable to the best in the world.

It is in keeping with these principles that for the second consecutive year Biocon was recognized among the Top Twenty Global Biotech Employers. We moved up several notches from number 19 last year to number 6 in this ranking by the *Science* magazine. We are the only Asian company to feature in this elite list. This recognition comes to us for our 'Clarity of Vision,' 'Quality of Research' and for being a 'Socially Responsible Organization.'

During the year the Human Resources team played a key role in successfully aligning people to the new SBU structure that was rolled out last year.

Attract and Retain The Best Talent

Biocon is committed to bridging the gap between industry and academia. With this goal in mind, we organized industry visits and initiated a campus relationship program during the year.

We invited prominent academic groups, both international and Indian, for industrial visits. Some of those invited included the Kennesaw State University, US; University of Akron, US; Eseeune Business School, Spain; Republic Polytechnic, Singapore; T.A. Pai Management Institute (TAPMI), India; Jain University, India; Gandhi Institute of Technology and Management (GITAM) University, India.

Under our Campus Relationship Program we reached out to institutes like MICA, Ahmedabad; Indian Institute of Foreign Trade, New Delhi; and Institute of Bioinformatics and Applied Biotechnology (IBAB), Bangalore.

These initiatives have helped us to not only bridge the industry-academia gap but also enhance our Employer Brand value at the global level.

In a bid to encourage new industry-focused initiatives,

we encouraged all the Biotech Finishing Schools across Karnataka to avail of internship opportunities with us. We hired 30 interns from the Biotech Consortium India Limited and extended internships to nationals from Bangladesh, Malaysia, Scotland, Switzerland and the U.K. among others. During the year, we absorbed 67 interns as full-time employees. We also hired from Redox and Biozene finishing schools.

This year, we also recruited from the National Institute of Pharmaceutical Education and Research, Mohali; Siddaganga Institute of Technology, Tumkur and IBAB among others.

Since the past financial year, the HR team has been developing innovative talent-sourcing channels and revamping existing ones to enhance their attractiveness and effectiveness. During FY14, we recruited 45 employees through social media platforms such



Company	No. of Employees as on March 2014	No. of Employees as on March 2013
Biocon		
India	4,797	4,701
Malaysia	251	5
Syngene+Clinigene	2,262	2,021
	7,310	6,727

as LinkedIn and Facebook and another 126 through the Internal Referrals Scheme. Recruitment was conducted across levels and we were able to identify candidates with niche skills.

Biocon encourages employees to aspire for higher professional goals and supports them in achieving them. The Internal Job Postings

initiative helps employees realize their professional goals through internal promotions/transfer opportunities.

Biocon Malaysia

The project is progressing rapidly, with over 250 employees being hired in Malaysia for our upcoming insulins facility. The HR team is following a three-pronged

approach of engaging with the institutes of higher learning, the government as well as other related agencies. In line with this approach, the team reached out to more academic institutes apart from Universiti Teknologi Malaysia and International Medical University.

We have hired talent with local as

well as international experience and put many of them through an intensive training program at our best-in-class facilities in India.

A Young Organization

Biocon has been the preferred destination of young aspiring biotech professionals, a fact which is reflected in the age profiles of our employees. Almost half the

size of our human capital is under 30 years, which makes Biocon an incubator for exciting new ideas.

Performance Management

Biocon is a performance-driven organization. Our performance management system strongly links organizational values and objectives with individual targets and performance metrics to create

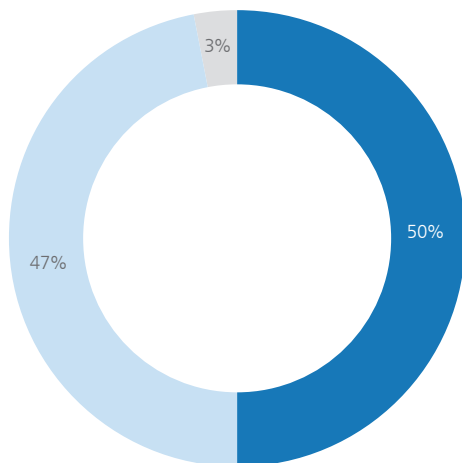
a harmonious growth path for all employees.

This year, the performance management system was modified to make it more robust and transparent which provided an excellent user experience to all employees undergoing appraisals.

Nurturing Talent

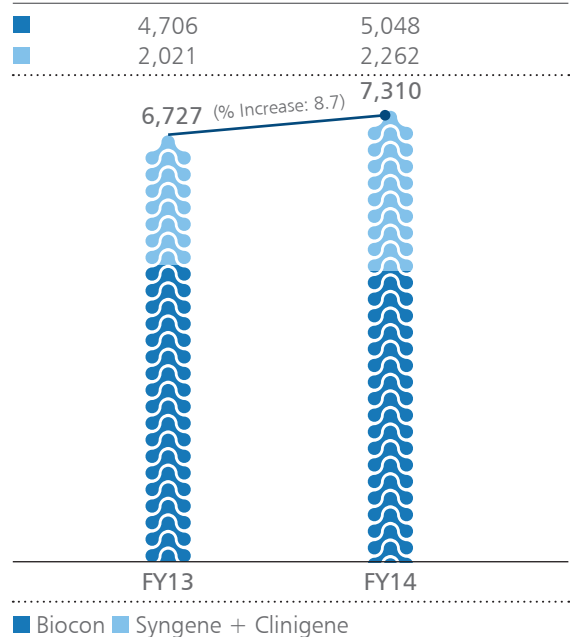
Biocon believes in partnering

Employees' Age Profile



Under 30: ■ | 31-45: ■ | Above 45: ■
Total Strength: 7310

Employee Strength





end users to identify and bridge competency gaps. The HR team delivered quality training solutions in a timely manner. A survey launched to measure the effectiveness of training programs revealed that almost 98% employees were able to enhance their skill/knowledge and apply it on the job. Almost 500 employees were able to benefit from as many as 50 e-learning courses made available through MyLearningSpace.

As a part of our ongoing effort to enhance leadership skills at Biocon, we initiated the Leadership Talk

series. Workshops were conducted for the businesses in order to formulate a common mission and objectives for the year. Tie-ups with institutions such as the Indian Statistical Institute, the Indian Institute of Materials Management and the Centre for Professional Education and Innovation, helped us offer development solutions in niche functional skills.

Employee Engagement

An engaged employee is a motivated and effective employee. At Biocon we make every effort to make the workplace engaging and encouraging for our staff.

Biocon Day, which was celebrated on March 14, 2014, was one of the key initiatives towards this end. Over 2,500 employees participated in sports and cultural events. While 217 employees were recognized for their long association with the Company spanning 10 to 35 years, exemplary performances were applauded through 50 Biocontribute awards and one Bioconite of the Year Award.

Biocon Academy

The Biocon Academy, a Center of Excellence for Advanced Learning in Applied Biosciences, was set up to address the skill deficit



in the Biotech sector. It aims at developing industry-ready, high-end talent by equipping bioscientists with skills that enhance their employability. The HR team played a critical role in launching the academy.

The flagship program, the 'Biocon-KGI Certificate in Biosciences,' was launched in collaboration with education partner, Keck Graduate Institute (KGI), Claremont, California, the only institution in the US dedicated to biosciences. This 16-week program comprises modules on Molecular Biotechnology, Biopharmaceutical Quality Assurance and Control, Regulatory, Bioseparation Engineering, Pharmaceutical Development, CMC Regulations, Fermentation, Mammalian Cell Biotechnology and professional skill development. The pedagogy represents a blend of theory, hands-on training, project assignments, guest lectures, exposure to facilities outside Biocon and a global mentorship program. The first batch of 30 students commenced in January 2014. All of them have been placed in several

reputed biopharma companies, including Biocon and Syngene.

A Healthy and Socially-Conscious Biocon Family

Biocon places a high emphasis on employee health and wellness and encourages them to adopt a healthy lifestyle. Various wellness programs such as Wellness Fair, Prostrate Cancer Awareness session, Stepathlon etc. were well attended by employees during the year. To observe World Heart Day, several sessions to raise heart disease awareness were conducted across the Company.

To bring the employees into the fold of our CSR activities, we encouraged them to participate in a wide range of events such as 'Gift Your Organ Campaign,' and 'Donate Old Books, Magazines' for The National Book Fair. To celebrate Teachers' Day, we also joined hands with World Vision India for 'Adopt a Child's Education' program.

We sustained the spirit of giving through Blood Donation camps

and Animal Care donations. Biocon employees were also at the forefront of the 'Joy of Giving Week' donating 'Wish Cards' ranging from ₹25 to ₹5000.

Priorities for FY15:

- Constantly improve the quality of talent, employee communication and grievance handling
- Develop an increasingly robust performance management and rewards and recognition process
- Consolidate talent management and succession planning under the competency framework to enable a more focused retention and reward mechanism based on merit
- Expand the reach of the E-Learning modules by classifying and targeting different levels and skill sets
- Hire new talent to meet the required headcount at Biocon Malaysia and standardize and streamline HR policies and processes in this new geography
- Strengthen the Human Capital Management Module on SAP to make it the backbone of all HR processes and transactions

Supply Chain Management

The Supply Chain function is playing a key role in supporting Biocon's robust growth and expanding global presence. A focus on cross functional participation has helped the function tackle the challenges associated with the diversity and complexity of the life sciences value chain.

The cross functional engagement has created an end-to-end supply chain that is equipped to ensure timely product delivery, cost optimization, better compliance and ultimately, increased customer satisfaction.

Key Initiatives

During FY14, processes have been strengthened to make the supply chain system customer-driven, efficient and integrated across internal and external partners. In addition to monitoring, various metrics have been adopted to track service and financial performance across the supply chain.

- Through regular review meetings with key stakeholders, inventory

levels have been aligned with targets, optimizing working capital costs and cycles

- Supply chain managers have been better equipped to control and manage risk, enabling the organization to maintain business continuity

- Stronger due diligence and analysis to mitigate opportunity costs have led to improved efficiencies and cost reductions

Integrating SCM teams at Malaysia and India

Biocon is expanding its footprint through its upcoming plant in Malaysia. The Company's supply chain has been commensurately scaled up to integrate global

sourcing capabilities and draw on synergies for delivering on the key parameters of cost, quality and availability.

Stronger SCM Improved Operational Efficiencies

- Process improvement programs to augment operational efficiencies were developed and key logistics partnerships forged to meet the rapid rise in demand from business segments

- An inter-modal active mobile cold chain was established to ensure shipment safety

- Cross-functional platforms were created in vendor sourcing projects to harness synergies



› Warehouse operations along with vendor and transaction bases have been optimized to enhance supply chain efficiency

› Strategic partnerships with multi-year contracts were established to address uncertain market scenarios

› Centralised planning and operations with scalable capabilities enhanced supply chain flexibility

Procurement & Supply Chain Imperatives

Assess Value Creation Potential



- › Assess value impact
- › Identify competitive advantage
- › Create Centres of Excellence

Stakeholder Involvement



- › Ensuring stakeholder engagement
- › Define deliverables and road map
- › Single-point functional representation

Align Resources and Efforts



- › Focus on key resources
- › Align operations towards objectives
- › Align incentive systems to motivate

Upgrade and Improve



- › Continuously adapt as market evolves
- › Make operations scalable to support growth
- › Exploit SAP capabilities to improve

SRM

Supplier Management



- › Strategic sourcing
- › Partnering interests
- › Collaborating globally
- › Visibility and commitment

MRP & Systems

Supply and Demand Chain Management



- › Manufacturing optimization
- › Sales and operations planning
- › Forecasting accuracy

CRM

Customer Management



- › Sales order management
- › Optimising delivery capabilities
- › Complying with regulatory guidelines

Connecting Supplier & Customer Needs



Environment, Health And Safety

Biocon is a responsible corporate citizen, committed to achieve the highest global standards of Environment, Health and Safety (EHS). During FY14, we have endeavored to reduce our environmental footprint by adopting a comprehensive approach focused on resource optimization, recycling, recovery and reuse. Besides, environmentally sustainable practices have been incorporated throughout the business.

Biocon places utmost importance on the prevention of workplace injuries, which reflects in its specialized EHS systems, teams and programs.

Regulatory Overview

At the basic level, Biocon has adopted a comprehensive compliance culture aligned with applicable local, national and

international laws and regulations. We have obtained relevant consents and clearances from all governmental agencies. Our EHS practices are governed by a Code of Conduct and internal legal and ethical guidelines.

Water Conservation, Recycling and Reuse

As a resource-respecting

organization, we make every effort to be environment-friendly, we take steps to be in compliance with the best practices. Accordingly, Biocon has made large investments in a zero liquid discharge system across all manufacturing units. This system recycles the recovered water for onward use within our utilities. We maximize the use of recycled water in gardening and



other utilities. The application of softeners in the water plant helps reduce the quantum of unusable water and running hours.

Under the solid-waste recycling initiative, we created an eco-greenhouse system (composting yard) for biodegrading all in-house food waste. In FY14, 30 tonnes of food waste was composted, thereby reducing our environmental footprint further.

The anaerobic waste treatment plant helped generate 2,500 cubic metres of biogas a day, which is used for fuelling boilers and generators.

Sustained Energy Conservation Program

During the year, we continued our initiatives towards energy conservation. While the business grew by 16%, our energy consumption was maintained

around last year's levels. Our power consumption for FY14 was 137 million units. Our energy conservation drive also yielded significant cost savings.

Safety and Health Performance

Biocon accords the highest importance to the health and safety of its employees, contractors, visitors and the community. Extensive training ensures that employees assume individual responsibility to make safety a part of the organizational culture. This culture of safety is reflected in the fact that there were no recorded instances of fatal accidents during the fiscal under review.

We opened ourselves up for periodic audits, both internal and external, in line with the demanding requirements of ISO 14001 and OHSAS 18001.

Compliance with the world's most popular benchmark for environmental management, ISO 14001, was confirmed through recertification for our environment management system in FY14.

Safety Training

Biocon is committed to provide quality training to employees and suppliers. To this end, we rolled out an integrated, module-based, training program. This 10-module program covers chemical safety, laboratory safety, EHS systems and legislation, operational safety, emergency safety equipment, emergency response procedures, maintenance activities and other specialised areas.

During FY14, 15,601 person-hours were invested in EHS training through the Biobizapp software. Monthly safety campaigns and safety committee meetings were



Biocon has created an eco-greenhouse system for biodegrading all in-house food waste



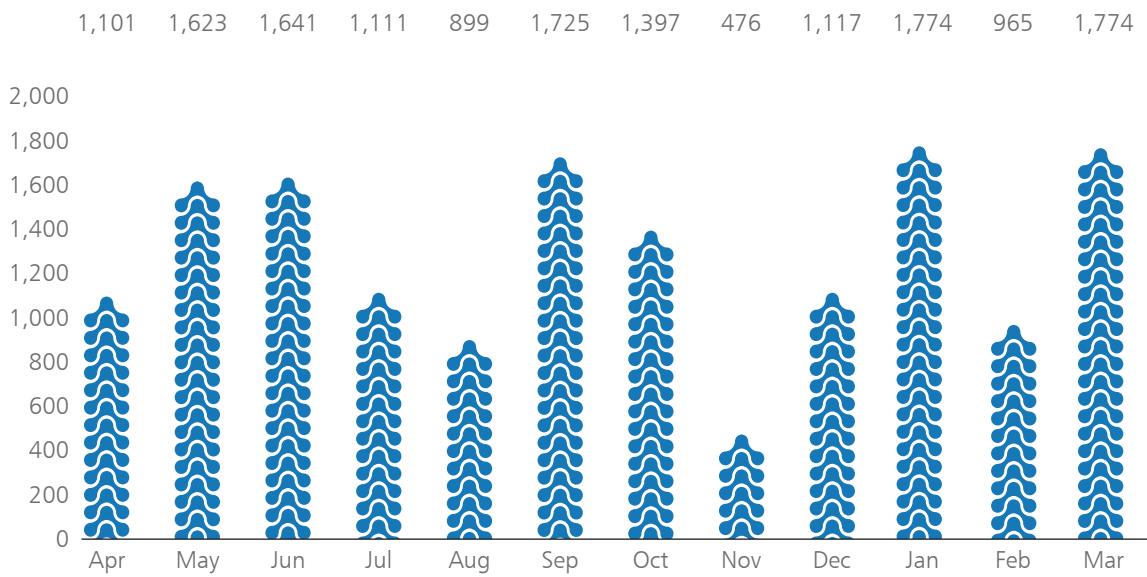
conducted across manufacturing sites to raise awareness about workplace hazards. During the year, 13 mock drills, 20 fire drills and eight first-aid training programs were conducted.

Process Safety Management

Biocon invested in a program that helps identify procedural

vulnerability. We have established and documented process safety management protocols across our manufacturing operations. Our process safety team is equipped with tools such as HAZOP, HAZAN, powder characteristic study and reaction kinetics.

EHS Training Person-Hours FY14





Industrial Hygiene Management System

Biocon remains committed to achieving industrial hygiene excellence. We set occupational exposure limits for APIs. Our EHS practices in hygiene are in line with global standards. We make every effort to ensure that potential hazards (chemical, physical, biological and ergonomic) are adequately recognized and controlled. During the year, we implemented IH capability studies while planning new projects to ensure such compliance.

Awards

During FY14, Biocon received several recognitions at the state and national levels for its progressive EHS practices and initiatives. Some of them are:



Unnatha Suraksha Puraskara - 2013 from National Safety Council, Karnataka Chapter

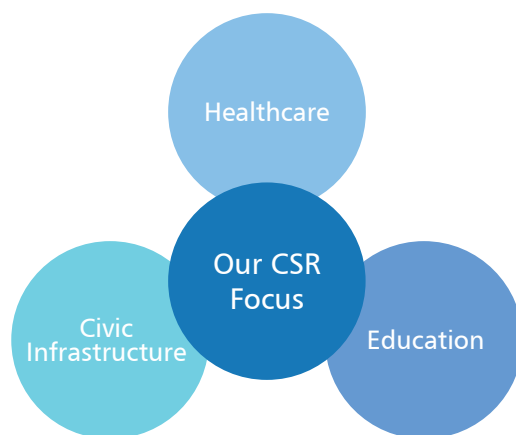


Safety Award - 2014 from KSSI, Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka



Corporate Social Responsibility

Biocon's Corporate Social Responsibility initiatives, started in 2004, are based on the principle of enduring impact through programs that promote social and economic inclusion.



At Biocon, CSR has been an integral part of our business since inception. The Company is committed to innovation, affordability and access to healthcare. In line with this commitment and as a socially responsible organization, Biocon has, over the last 10 years, invested significantly in various CSR programs aimed at making a difference to the lives of marginalized communities.

Biocon Foundation

The Biocon Foundation has adopted an integrated approach towards taking forward our commitment to make an enduring impact on society by selecting three areas of intervention – healthcare, education and civic infrastructure. These three areas together form the foundation of a sustainable society. The Biocon Foundation brings effective primary healthcare

services to the doorsteps of the less privileged rural and urban sectors of India. By establishing primary healthcare centres (PHCs), actively creating awareness about disease prevention, public health and sanitation, building civic infrastructure and initiating education programs, the Foundation aims to empower under-served communities.



Biocon Foundation's community health workers provide reproductive health education to women through small group discussions

Key Initiatives

Healthcare (focus on non-communicable-chronic diseases)

The incidence of cervical cancer in women and oral cancer in men is extremely high in India. Accordingly, our healthcare programs focus on the early detection of cancer and its management in secondary and tertiary stages. In addition, we also have programs for the management of diabetes and hypertension and for addressing malnutrition in children and infants.

A. Early detection and prevention of cervical cancer through regular screening:

Every year, 134,000 women in India are diagnosed with cervical cancer and 99% of these cases are linked to infection with HPV (Human Papillomavirus).

The Foundation's cervical cancer prevention and control program is centered around three key service delivery components – community information and education, accessible screening services & diagnostics and treatment services. Biocon Foundation has trained healthcare workers to provide

reproductive health education to women in underserved communities. The Foundation has also collaborated with tertiary cancer centres to link diagnostic, screening and treatment services.

This program is rolled out by the Arogya Raksha Yojana (ARY) clinics in Karnataka, operated by the Foundation.

➤ The key to last mile reach is education and awareness harnessed by our community health workers, who have been trained in the basics of sexual and reproductive health, who, in turn, educate small groups of women.

The health workers identify women who seem to be at risk and pre-register them for a screening camp.

➤ The women undergo comprehensive screening by specialists from the tertiary cancer centres who visit the ARY clinics once a month. The screening process is highly systematic, including a counseling session. To maintain quality and provide focused attention, the center limits the number of screenings to 20-30 patients a day. So far, 640 women have been screened, leading to the detection of two cancer cases.

➤ A doctor conducts a systematic pelvic examination and PAP smear. While other issues are treated at the clinic, PAP slides are sent to the Mazumdar Shaw Medical Centre

(MSMC) or St. John's Hospital. Patients are advised to repeat the PAP smear every two years.

Since inception, the program has benefited women with significant lesions as well as those who had ignored common reproductive tract infections, because they were uncomfortable talking about it, tolerating the pain and discomfort associated with these infections. The education programs and easy accessibility to specialists has helped them understand the importance of reproductive health.

B. Early detection and prevention of oral cancer:

Through community and workplace or group screenings, our supervisors and health workers examined over 5,000 people who

chew tobacco and are at the risk of developing oral lesions, which, if left untreated, have a high chance of turning cancerous. Close to 10% (approximately 500) of those examined were sent for a biopsy. While a biopsy is essential in determining the presence of oral cancer, few underwent the test given its invasive nature. Realizing this constraint, the Biocon Foundation has collaborated with the University of Turku, Finland, and Axxonet Technologies, Bangalore, to enable Biocon Foundation to identify salivary oral cancer biomarkers, using a novel and simple liquid fingerprinting technology. We hope that such an intervention will reduce the number of patients requiring biopsy and will control attrition.

Early Diagnosis and Holistic Treatment

Maya (name changed), a homemaker from a very supportive middle income family, was addicted to chewing tobacco. During the oral cancer screening campaign of Biocon Foundation, it was found that she had a very restricted mouth opening, due to several mouth lesions. Our health workers counseled her about the ill-effects of tobacco and encouraged her to give up the bad habit. A personalized approach to treatment was worked out for her and she was referred to NIMHANS for de-addiction. After a rigorous two-month schedule, she is on the path to recovery. She has given up chewing tobacco and is on a follow-up plan for her oral lesions. Our health workers are monitoring closely for any remission and are committed to provide full support.



Biocon Foundation has developed a comprehensive disease management strategy that will help patients live healthier lives

C. Management of diabetes and hypertension:

A baseline survey revealed that 9% or 5,000 adults in the service areas, falling under the aegis of the Biocon Foundation, are afflicted with diabetes and hypertension. The Foundation has developed a comprehensive disease management strategy that will help these patients live healthier lives. The key components of this program are:

- Standardizing chronic disease care in the ARY clinics
- Regular follow-up with patients: study the impact of standardized care at the end of one year by assessing compliance rates,

complication rates and control of parameters

- Fortifying services through periodic consultations with specialists at our clinics
- Building capacity of ARY doctors through a series of workshops to help them improve their clinical skills
- Providing diabetes management files for patients containing health education literature, checklists etc., which will help keep a track of tests and prescriptions, among others

The nine Arogya Raksha Yojana clinics continue to offer clinical services to the communities where they are located. This year, we have seen 60,000 patients across all our

clinics.

Specialist Clinics

In addition, the Foundation has partnered with specialists at several places to ensure that protocol-based comprehensive disease management, specialized follow-up and complication screening reach the last mile. Since their inception in July 2013, our specialist clinics have registered a footfall of close to 1,500.

Capacity building of medical practitioners

In rural areas, primary care physicians are the first, and often the only, point of contact for health issues. It therefore becomes imperative that the physician has a comprehensive understanding of the disease for effective disease management with limited resources available. Dr. Prasanna Kumar of the Bangalore Diabetes Hospital conducts regular workshops for the ARY doctors. This continuing medical education helps raise the standards of treatment by ARY doctors.

D. Addressing malnutrition in children and infants:

Half of all childhood deaths in India are attributed to malnutrition. Biocon Foundation, in partnership with the government, has built a robust scalable model in Bagalkot

to address this threat to children's health. Badami Taluk, Bagalkot, has 388 *aanganwadis*, which look after close to 30,000 young children and infants. The Biocon Foundation works closely with the *aanganwadi* teachers, supervisors, development officers and the local health department who mediate this program at the grassroot level. Our focus is on three key areas:

- Distribution of food to *aanganwadis*
- Health check-ups for all children below five years
- Education and awareness programs for mothers and pregnant women about issues that affect the nutritional status of children and mothers

Most malnutrition-related programs concentrate on severely acute malnourished (SAM) children. Biocon Foundation has decided to focus on moderately acute malnourished (MAM) children as well. Interventions such as parental counseling and treatment of health issues are initiated as soon as children enter the MAM category, preventing their further deterioration to the SAM category.

When SAM children move up to the MAM category, they are classified as oscillators, signifying

that a small illness or nutritional aberration can push them back to the SAM category. These children are followed up with supplementation and health checkups across six months to ensure that they do not become severely malnourished again.

Over a six-month period, Biocon Foundation and the local government staff accomplished the following:

- Provided free nutritional supplements to 750 children
- Facilitated monthly health check-ups along with transport services, follow-ups and coordination with *aanganwadi* supervisors and workers
- Ensured that food reached all

388 *aanganwadis*

- Developed 30 kitchen gardens to provide fresh food and vegetables
- Conducted education and awareness workshops for mothers of malnourished children through group sessions and house visits
- Attended monthly meetings of *aanganwadi* supervisors to discuss problems and develop and implement strategies to overcome these challenges

Education

The importance of education in the progress of a nation cannot be undermined. It is also true that children are the future of our country and the quality of education and learning they



Biocon Foundation helped organize monthly health check-ups for malnourished children



Children from local government schools are taught to speak in English at Biocon Foundation's Aata Paata Wadi centers

receive will determine the quality of our future. Therefore, Biocon Foundation has focused on education and empowerment of rural children.

A. Chinnara Ganitha

There is evidence to prove that often children leave school without acquiring basic knowledge and skills necessary to lead productive, healthy lives and to attain sustainable livelihoods (Source: *Learning Metrics Task Force Report – UNICEF*). Critical gaps in learning include language and numeracy skills.

The Biocon Foundation has attempted to plug this gap in mathematical learning through the Chinnara Ganitha mathematics workbook. This workbook approaches mathematics through activities and games, thereby inculcating self-reliance in children. Since 2006, we have distributed these workbooks to the most underserved children in various government schools in Karnataka. In FY14, 1,10,000 books were distributed to children in 1,407 government schools across nine districts in Karnataka.

In June 2013, Biocon Foundation, Pratima Rao and Macmillan India launched the 'Chinnara Ganitha Teachers Training Programs' in the *taluks* where these books were distributed. Orientation programs were conducted for 300 teachers across districts in order to ensure that children received maximum benefits. The orientation programs were conducted by renowned teachers in the field of mathematics. The objective of these orientation programs was to guide teachers to make mathematics an interesting subject for children.

B. Aata Paata Wadi

The Aata Paata Wadi, our after-school resource center, in Thithimati, Kodagu, continues to serve children from local government schools; children are taught to speak in English and are also provided digital literacy. This program is aimed at providing children from economically weaker sections of the society opportunities similar to children from urban public and private schools. Till date, 192 children have benefited from our centre and at present we have 20 children.

The children were also taken to the Primary Health Centre, Thithimathi, for primary health check-ups. This included height and weight recording, blood grouping and examination for other ailments. Corrective actions were taken when deemed necessary. The center staff also distributed clothes to children.

Despite all challenges, we are able to see a vast improvement in the children's overall perception of themselves – in terms of life, education, health, environment and family, among other factors. Significant changes have been observed in height, weight and personal hygiene levels as well.

Though this is a small program being rolled out on a limited scale, there has been a snowball effect with other schools adopting our

model. Some government officials have also visited our centre to understand the modalities of the program.

C. Kelsa+

Kelsa+ provides a platform to low-income support staff to learn basic computer skills. Two different sections have been created for male and female employees. Three internet-enabled computers have been installed in the campus. Two trainers teach the staff on how to use computers, search engines, read online newspapers, place online ads, access social media and set up e-mail accounts etc.

The computer literacy program for ladies has been expanded to help develop a range of other specific skills, based on requests from beneficiaries.

New Initiatives

Biocon Foundation joined hands with Orissa Trust of Technical Education (OTTET) to augment and implement a unique mega ICT-based e-Health project in the state. OTTET is already providing access to quality healthcare to 51,000 villages in Odisha through its e-Health program in collaboration with the Government of Odisha. E-health forms the backbone of the proposed universal healthcare pilot project in Karnataka and Odisha.

Our project is focused on delivering evidence-based healthcare to effectively deal with primary health and chronic conditions in communities with poor access to quality healthcare. This single point, 'see-and-treat' model of e-Health centre is critical to improving the health of rural communities for whom even reaching a PHC is a major challenge.

This project is also aligned to our commitment towards inclusive development by empowering rural communities. This PPP model will achieve all-round socio-economic and national development as it will result in creation of jobs and development of semi-skilled individuals.

Under this project, electronic diagnostic facilities and e-Health centers are being set up at all Primary Health Centers (PHC) of the Odisha government. These are managed by local young entrepreneurs who are provided financial assistance by Canara Bank. They are being trained by Biocon Foundation and OTTET to support the medical officer at the PHC for various healthcare and diagnostic services such as:

➤ Measuring each patient's vital stats like blood pressure, pulse, haemoglobin and blood sugar

➤ Providing diagnostic tests that the doctor prescribes and requires for accurate diagnosis

➤ Providing telemedicine consultation for patients who require specialist advice

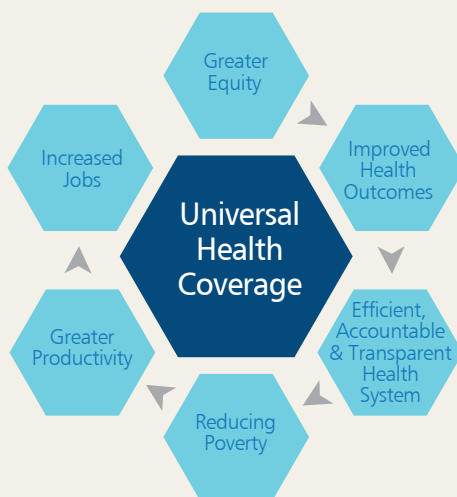
The project focuses on capturing all patient records on the electronic system with a view to providing easy access for treating doctors both at the PHC and at tertiary hospitals. Patient data will also be available to the government to study disease patterns and to create a database, which will help implement evidence-based health care interventions.

Awards

The Biocon Foundation's efforts were recognized with the conferment of the following awards:

1. Best Social Innovation Award 2014, for Oral Cancer Screening Program at the World CSR Congress
2. Finalist, NASSCOM Social Innovation Honours 2014
3. Finalist, Namma Bengaluru Awards 2013 for Corporate Social Responsibility

Universal Health Care (UHC)



Source: Adapted from High Level Expert Group Report on Universal Health Coverage 2012

Expectations from UHC

- Equitable access across socio-economic strata
- Affordable and appropriate quality healthcare
- Promotive, preventive, curative and rehabilitative health services
- Government to be the enabler, a provider and a reimbursing of services
- Private sector as a provider of services

eHC Model: Fulfilling Expectations from UHC



Providing access to quality healthcare to all socio-economic strata of the society by reaching out to the most remote locations and catering to both APL/BPL patients



Increasing healthcare access to patients who were previously unable to obtain the same and were undiagnosed. Early prevention of disease through availability of specialist consultation will help improve long term health outcomes



Information & Communication Technology deployment within every eHC ensures a check and balance system, which will ensure effective monitoring, accountability and transparency at all levels





Biocon Academy

A Center of Excellence for Advanced Learning in Applied Biosciences

Industry-Oriented Curriculum the Need of the Hour

The biotechnology sector in India is valued at ~\$11 billion, having grown at a CAGR of ~20% over the last decade despite a challenging environment. It has

the potential to generate revenues of US\$100 billion by 2025 if it is provided with an enabling ecosystem and quality talent pool.

About 40,000 biotechnology students pass out every year from various colleges across the country. However, not more than 2,000 find

placement with biotech companies as they lack employable skillsets.

Those who are passionate about biotech and can also invest in further studies choose to go abroad, while the rest are forced to take up low-end marketing and administrative jobs in BPOs/ KPOs.

Our Vision

To become a recognized center for advanced learning in Biosciences that will provide the required proficiency for enhanced career prospects for Biotechnology and Engineering graduates.

Our Mission

To train and develop industry-ready talent for the Biopharma sector to enable global competitiveness.



This reflects the huge gap between available talent and the industry needs.

World-Class Training in Bangalore

To increase their chances of employability, students need to develop specialised life sciences skills. While the Karnataka government has set up biotech finishing schools in the state to provide science and engineering

graduates the last-mile link to jobs in the life sciences sector, this is not enough to meet the requirements of the sector.

Biocon Academy: An Advanced Learning Center

As a responsible corporate citizen, Biocon has also spearheaded a learning initiative that will provide the biotech industry the best professionals with the right orientation and training.

We have set up the Biocon Academy as a one-of-its-kind Centre of Excellence for Advanced Learning in Applied Biosciences.

Biocon Academy will focus on developing the spirit of experimentation, application of knowledge and innovation skills among bioscientists in India. It will enable them to unlock their potential and foster excellence in the biotech sector. Biocon Academy is committed to bridging the current gap that exists between academic knowledge and industry skills.

By collaborating with leading academic institutions globally, Biocon Academy aims to bring world-class training programs for biotech students in India and thus develop a new cadre of life sciences professionals with specialized skills.

A Brand New Start

Biocon Academy has partnered with Keck Graduate Institute (KGI), Claremont, California, in this important endeavour.

KGI is uniquely qualified through its outstanding faculty and its state-of-the-art infrastructure that includes the Amgen Bioprocessing Center, to partner Biocon Academy in this endeavor.

As a premier technical institute, KGI's training and education programs have built a strong capability for the US Biopharma sector. Through this partnership, we hope to emulate the success of the KGI learning model in India and build a robust Biotech sector.

The 'Biocon KGI Certificate Program in Biosciences', our flagship program in collaboration with KGI, provides a multidisciplinary best-in-class 16-week program in biosciences that will equip graduates and post-graduates with the skills needed to make them employable in the biotech sector.

With a broad-based curriculum

encompassing R&D, Production as per GMP, Quality Assurance, Regulatory, Product Development and Professional skills, these programs are aimed at addressing the skill deficit of the Indian biotech sector.

The course has been designed to give students a deep insight into the workings of the biopharmaceutical industry through classroom sessions and hands-on training.

The first batch with 30 students started in January 2014. These students from diverse backgrounds are being trained by subject matter experts at Biocon in real life

business situations. The classroom sessions are being anchored by renowned KGI faculty from Claremont, California.

In addition to technical sessions and classroom assignments from KGI, students are getting hands-on experience at various facilities of Biocon. While focusing on the technical skills development, the course is also providing an opportunity to these students to hone their professional skills through dedicated training.

This contemporary industry-oriented course curriculum is designed to prepare students with the skills needed to succeed as

Our Values

- **Empower** Engineering & Bioscience graduates with basic industrial proficiency to enhance their career prospects in the Biopharma sector
- **Leverage** the India advantage to develop industry-ready biotechnologists who partake in the journey of unlocking the potential of the Biotech sector
- **Persevere** to develop the spirit of scientific experimentation, research and innovation in the aspiring students
- **Innovate** to find sustainable solutions by leveraging Biotechnology for human healthcare and life
- **Connect** industry and academia to maximize opportunities for aspiring biotechnologists in the industry
- **Transform** the face of Biotech industry by developing proficient talent that addresses the issue of skill deficit of the Biotech sector



employees at Biocon and other leading biotech companies of the world.

In keeping with Biocon's commitment to affordability and greater access, the Company is offering a scholarship that covers up to 75% of the course fee for all the students. In addition, Biocon is also assisting all the students to avail of study loans from reputed banks for the rest of the course fee.

The current focus of the Academy is to successfully train the first batch of students to find good placements within the biopharma industry. It plans to start the second batch in June 2014 and aims to develop at least 100 professionals in the first year.

Biotechnology can be a powerful tool in addressing the country's challenges of meeting the food, education and healthcare needs of

millions. It can play a very positive and constructive role in enhancing the quality of life.

If India is to emerge as a Bio-Economy by 2025, the development of industry-ready human capital for the biotech industry is of vital importance. Biocon Academy hopes to make a significant contribution to this ambitious goal.