

AstraZeneca Pharma India Limited
Regd. Office : 'Avishkar' Off Bellary Road, Hebbal, Bangalore 560 024
Financial results for the quarter ended 30 June 2014

Rs in lakhs (except for number of shares)

Rs in lakhs (except for number of shares)

Statement of unaudited results for the quarter ended 30 June 2014					
Part I	Particulars	3 months ended 30/06/2014	3 months ended 31/03/2014	3 months ended 30/06/2013	Previous year ended 31/03/2014
SI No.		(Unaudited)	(Audited) ²	(Unaudited)	(Audited)
1	Income from operations				
	a) Net sales/ income from operations (net of excise duty)	12,557.26	11,414.94	12,513.72	47,374.82
	b) Other operating income	7.02	0.28	6.54	22.28
	Total income from operations (net)	12,564.28	11,415.22	12,520.26	47,397.10
2	Expenses				
	(a) Cost of materials consumed	833.13	1,435.36	2,173.50	6,385.87
	(b) Purchase of stock-in-trade	4,552.18	5,580.94	1,478.51	12,228.88
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(15.43)	(2,540.17)	681.71	(2,003.40)
	(d) Employee benefits expense	4,375.41	5,471.00	3,396.94	16,046.01
	(e) Depreciation and amortisation expense	342.91	297.34	177.59	1,012.49
	(f) Other expenses	4,415.40	2,958.17	4,722.53	16,037.00
	Total expenses	14,503.60	13,202.64	12,630.78	49,706.85
3	Profit/ (loss) from operations before other income, finance costs and exceptional items (1-2)	(1,939.32)	(1,787.42)	(110.52)	(2,309.75)
4	Other income	179.30	141.63	287.36	920.84
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,760.02)	(1,645.79)	176.84	(1,388.91)
6	Finance costs	-	-	-	-
7	Profit/ (loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,760.02)	(1,645.79)	176.84	(1,388.91)
8	Exceptional items ⁵	-	1,388.91	-	1,388.91
9	Profit/ (loss) from ordinary activities before tax (7+8)	(1,760.02)	(256.88)	176.84	-
10	Tax expense	-	-	-	50.89
11	Net profit/(loss) from ordinary activities after tax (9-10)	(1,760.02)	(256.88)	176.84	(50.89)
12	Extraordinary Item	-	-	-	-
13	Net profit/(loss) for the period (11-12)	(1,760.02)	(256.88)	176.84	(50.89)
14	Paid-up equity share capital (Face value of Rs 2 per equity share)	500.00	500.00	500.00	500.00
15	Reserves excluding revaluation reserves as per the balance sheet of previous accounting year				16,659.50
16	Basic and diluted earnings (Rs) per share [not annualised]	(7.04)	(1.03)	0.71	(0.20)

Select information for the quarter ended 30 June 2014					
Part II	A	Particulars of shareholding			
	1	Public shareholding			
		- Number of shares	6,250,000	6,250,000	6,250,000
		- Percentage of shareholding	25.0%	25.0%	25.0%
	2	Promoters and promoter group shareholding			
		a) Pledged/Encumbered			
		- Number of shares	-	-	-
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-
		- Percentage of shares (as a % of the total share capital of the Company)	-	-	-
		b) Non-encumbered			
		- Number of shares	18,750,000	18,750,000	18,750,000
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.0%	100.0%	100.0%
		- Percentage of shares (as a % of the total share capital of the Company)	75.0%	75.0%	75.0%

B.	Particulars	3 months ended 30/06/2014
	Investor complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	10
	Disposed of during the quarter	10
	Remaining unresolved at the end of the quarter	Nil

Notes:

- The above statement of financial results was reviewed by the Audit Committee and having been recommended for approval, was approved by the Board of Directors of the Company at their meeting held on 12 August 2014.
- Figures of the preceding 3 months ended 31 March 2014 are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year which were only reviewed.
- The Company's sole reportable business segment is - 'Healthcare'. The other segments are not material and are hence disclosed as 'Others'. Others comprise service income pertaining to clinical trials and co-promotion activities (till 31 January 2014) (Also refer note 6 below).
- Other income for the year ended 31 March 2014 includes an amount of Rs 253.02 lakhs towards compensation for factory land acquired by National Highway Authority of India (NHAI) during the financial year 2011-12. In the earlier years, the Company had accrued an income of Rs 763.55 lakhs (which includes an amount of Rs 693.49 lakhs accrued during the year ended 31 March 2013) based on the information available with the Company. The aforesaid additional income had been recognised on the receipt of the total compensation during the year ended 31 March 2014. Accordingly, the Company had accounted for the capital gains tax aggregating Rs 50.89 lakhs during the year ended 31 March 2014.
- The Company had entered into a subvention agreement ("the agreement") dated 7 May 2013 with AstraZeneca Pharmaceuticals AB Sweden ("Promoter Company") wherein to assist the Company in its efforts to establish/grow its presence in the Indian market, the Promoter Company had voluntarily decided to provide a non refundable financial grant. Accordingly, the Company received Rs 2,103.15 lakhs during the quarter ended 30 June 2013, Rs 2,132.20 lakhs during the quarter ended 31 March 2014 and Rs 8,624 lakhs during the year ended 31 March 2014 as financial grant. The Promoter Company vide its letter dated 1 March 2014 informed the Board of Directors of the Company of a revision of the agreement, whereby the payment under the agreement was revised to USD 14 million (Indian rupee equivalent 8,624 lakhs) and period covered under the agreement to financial year 2013-14. The Promoter Company vide its letter dated 25 April 2014 terminated the agreement effective 25 March 2014 on the ground that the Company's business and financial performance had been in line with more recent expectations, and that the Company would not require any further grant for the financial years 2014-15 and 2015-16. Consequent to the termination of the agreement, out of the total subvention receipt amounting to Rs 8,624 lakhs during the year ended 31 March 2014, the Company had credited subvention receipt amounting to Rs 1,388.91 lakhs representing loss incurred by the Company for the year ended 31 March 2014 to the profit and loss account and the balance subvention receipt amounting to Rs 7,235.09 lakhs had been transferred by the Company to capital reserve during the quarter and year ended 31 March 2014.
- Effective 1 February 2014, AstraZeneca Group Companies acquired the Global Diabetic business of Bristol-Myers Squibb Company. Consequent to the aforesaid acquisition, the Company entered into a consignment sale agreement with Bristol Myers Squibb India Private Limited (BMS) for a transition period from 1 February 2014 to 31 May 2014, post which the Company is directly selling these products. Accordingly, sale of the BMS diabetic products in India for the period 1 February 2014 to 31 March 2014 and 1 April 2014 to 30 June 2014 has been included as part of the sales of the Company. Sales for the quarter ended 30 June 2014 is not comparable with sales for the respective comparative period to the extent of these sales. The Company was earning income from co-promotion services for the period upto 31 January 2014.
- AstraZeneca Pharmaceuticals AB, Sweden (AZPAB), the promoter of the Company vide its letter dated 1 March 2014, had proposed voluntary delisting of equity shares from stock exchanges ('Delisting Proposal'). The Board of Directors at their meeting held on 15 March 2014, had accorded approval for the Delisting Proposal. Further, the Delisting Proposal has been approved by the requisite majority of shareholders of the Company as required under Regulation 8 of SEBI (Delisting of Equity Shares) Regulations, 2009. Accordingly, the Company has submitted its application to stock exchanges, seeking in-principle approval of stock exchanges for the Delisting Proposal. A Writ Petition has been filed by two shareholders of the Company before the High Court of Judicature at Bombay, seeking inter-alia an order from the Court, restraining the Company and AZPAB from implementing the Delisting Proposal of AZPAB.
- The above statement of financial results have been reviewed by the statutory auditors. The statutory auditors have issued an unqualified review report. The review report has been filed with the stock exchange and is also available on the company's website.

By Order of the Board of Directors
For AstraZeneca Pharma India Limited

Sanjay Murdeshwar
Managing Director

AstraZeneca Pharma India Limited
Regd. Office : 'Avishkar' Off Bellary Road, Hebbal, Bangalore 560 024

Segment wise revenue, results and capital employed

(Rs in lakhs)

Sl.no	Particulars	3 months ended 30/06/2014 (Unaudited)	3 months ended 31/03/2014 (Audited) ⁴	3 months ended 30/06/2013 (Unaudited)	Previous year ended 31/03/2014 (Audited)
1	Segment revenue				
	(a) Healthcare	12,701.30	11,097.78	11,456.20	44,178.44
	(b) Others	(137.02)	317.44	1,064.06	3,218.66
	Total	12,564.28	11,415.22	12,520.26	47,397.10
	Less: Inter-segment revenue	-	-	-	-
	Net income from operations	12,564.28	11,415.22	12,520.26	47,397.10
2	Segment results				
	Profit/(loss) before tax and interest				
	(a) Healthcare	(1,949.23)	(1,969.08)	(335.00)	(3,113.81)
	(b) Others	9.91	181.66	224.48	804.06
	Total	(1,939.32)	(1,787.42)	(110.52)	(2,309.75)
	Add: Other income	179.30	141.63	287.36	920.84
	Add: Exceptional item	-	1,388.91	-	1,388.91
	Less: Interest	-	-	-	-
	Total profit/(loss) before tax	(1,760.02)	(256.88)	176.84	0.00
3	Capital employed				
	(a) Healthcare	8,229.23	7,829.14	6,993.77	7,829.14
	(b) Others	(523.62)	(559.23)	151.91	(559.23)
	(c) Unallocated	7,693.87	9,889.59	3,006.47	9,889.59
	Total	15,399.48	17,159.50	10,152.15	17,159.50

Notes :

- 1 Certain assets and liabilities of the Healthcare segment are interchangeably used for other segments for limited purposes. Identification of such assets and liabilities is not feasible. Hence, such assets have not been allocated to any segment.
- 2 The Company has an agreement with AstraZeneca AB, Sweden for global clinical trial studies to be undertaken in India. As per the terms of the agreement, the Company charges the cost incurred (External and Internal) on clinical trials plus a markup on the internal cost to AstraZeneca AB, Sweden. As at 30 June 2014, the Company has six studies ongoing in India for which the Company has incurred Rs 246.82 lakhs as external cost. Further, during the current quarter, the Company completed the Ceftaroline Study on account of which there is a reversal of provisional cost aggregating Rs 446.20 lakhs which has resulted a net reversal in the other revenue for the quarter.
- 3 Exceptional item for the quarter and year ended 31 March 2014 represents receipt under subvention agreement credited to statement of profit and loss to the extent of losses incurred during the year ended 31 March 2014.
- 4 Figures of the preceding 3 months ended 31 March 2014 are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. Also the figures upto the third quarter were only reviewed and not subject to audit.

BSR & Co. LLP

Chartered Accountants

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Review report to the Board of Directors of AstraZeneca Pharma India Limited

We have reviewed the accompanying statement of unaudited financial results of AstraZeneca Pharma India Limited ("the Company") for the quarter ended 30 June 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2014 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures upto the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the quarter ended 30 June 2014, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for BSR & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership Number: 060573

Place: Bangalore

Date: 12 August 2014

B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

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