



## UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2012							
(Rs. in Lakhs)							
Sl. No.	Particulars	3 months ended 30.09.2012	Preceding 3 months ended 30.06.2012	Corresponding 3 months ended 30.09.2011	Year to date figures for current period ended 30.09.2012	Year to date figures for previous period ended 30.09.2011	Previous Year ended 31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>						
	a) Net Sales/ Income from Operations (Net of excise duty)	46,140	43,160	37,548	89,300	71,105	150,480
	b) Other Operating Income	4,667	1,584	1,536	6,251	2,623	5,105
	<b>Total income from operations (net)</b>	<b>50,807</b>	<b>44,744</b>	<b>39,084</b>	<b>95,551</b>	<b>73,728</b>	<b>155,585</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	19,288	19,731	15,751	39,019	32,175	69,712
	b) Purchases of stock in trade	1,504	2,297	2,684	3,801	4,448	8,570
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	1,819	(689)	382	1,130	(1,430)	(4,142)
	d) Employee benefits expense	5,524	5,329	4,872	10,853	9,084	19,160
	e) Depreciation and amortisation expenses	2,342	2,383	2,345	4,725	4,663	9,400
	f) Other expenses	9,825	9,678	6,558	18,912	12,804	28,930
	<b>Total Expenses</b>	<b>40,302</b>	<b>38,729</b>	<b>32,592</b>	<b>78,440</b>	<b>61,744</b>	<b>131,630</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>10,505</b>	<b>6,015</b>	<b>6,492</b>	<b>17,111</b>	<b>11,984</b>	<b>23,955</b>
4	Other Income	968	2,183	1,977	2,560	3,641	6,655
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>11,473</b>	<b>8,198</b>	<b>8,469</b>	<b>19,671</b>	<b>15,625</b>	<b>30,610</b>
6	Finance Costs	17	56	26	73	59	170
7	<b>Profit from ordinary activities before tax (5-6)</b>	<b>11,456</b>	<b>8,142</b>	<b>8,443</b>	<b>19,598</b>	<b>15,566</b>	<b>30,440</b>
8	Tax Expense	2,620	1,258	1,636	3,878	2,719	4,890
9	<b>Net Profit for the period (7-8)</b>	<b>8,836</b>	<b>6,884</b>	<b>6,807</b>	<b>15,720</b>	<b>12,847</b>	<b>25,550</b>
10	Paid-up equity share capital (Face Value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000	10,000
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						199,557
12	<b>Earnings per share (of Rs 5 each) (not annualised)</b>						
	(a) Basic	4.51	3.52	3.48	8.03	6.56	13.04
	(b) Diluted	4.49	3.48	3.45	7.97	6.51	12.92
See accompanying note to the financial results							

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2012							
(Rs. in Lakhs)							
Sl. No.	Particulars	3 months ended 30.09.2012	Preceding 3 months ended 30.06.2012	Corresponding 3 months ended 30.09.2011	Year to date figures for current period ended 30.09.2012	Year to date figures for previous period ended 30.09.2011	Previous Year ended 31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>						
	a) Net Sales/ Income from Operations (Net of excise duty)	59,240	57,086	50,539	116,326	94,373	204,903
	b) Other Operating Income	3,623	582	811	4,205	1,325	3,749
	<b>Total income from operations (net)</b>	<b>62,863</b>	<b>57,668</b>	<b>51,350</b>	<b>120,531</b>	<b>95,698</b>	<b>208,652</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	22,872	22,855	18,499	45,727	37,557	81,900
	b) Purchases of stock in trade	1,014	2,159	2,545	3,173	4,191	7,699
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	1,656	(792)	374	864	(1,419)	(4,454)
	d) Employee benefits expense	9,457	9,127	7,783	18,584	14,709	30,761
	e) Depreciation and amortisation expenses	4,461	4,269	4,291	8,730	8,796	17,442
	f) Other expenses	12,591	12,049	9,642	24,640	16,958	41,014
	<b>Total Expenses</b>	<b>52,051</b>	<b>49,667</b>	<b>43,134</b>	<b>101,718</b>	<b>80,792</b>	<b>174,362</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>10,812</b>	<b>8,001</b>	<b>8,216</b>	<b>18,813</b>	<b>14,906</b>	<b>34,290</b>
4	Other Income	1,331	1,592	2,413	2,923	4,417	6,181
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>12,143</b>	<b>9,593</b>	<b>10,629</b>	<b>21,736</b>	<b>19,323</b>	<b>40,471</b>
6	Finance Costs	107	321	178	428	673	1,223
7	<b>Profit from ordinary activities before tax (5-6)</b>	<b>12,036</b>	<b>9,272</b>	<b>10,451</b>	<b>21,308</b>	<b>18,650</b>	<b>39,248</b>
8	Tax Expense	3,042	1,373	1,881	4,415	3,075	5,408
9	<b>Net profit for the period from continuing operations (7-8)</b>	<b>8,994</b>	<b>7,899</b>	<b>8,570</b>	<b>16,893</b>	<b>15,575</b>	<b>33,840</b>
10	Net profit pertaining to discontinued operations (See note 2 below)	-	-	-	-	-	-
11	<b>Net Profit for the period (9+10)</b>	<b>8,994</b>	<b>7,899</b>	<b>8,570</b>	<b>16,893</b>	<b>15,575</b>	<b>33,840</b>
12	Minority interest	(29)	(19)	-	(48)	-	-
13	<b>Net profit after taxes and minority interest (11+12)</b>	<b>8,965</b>	<b>7,880</b>	<b>8,570</b>	<b>16,845</b>	<b>15,575</b>	<b>33,840</b>
14	Paid-up equity share capital (Face Value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000	10,000
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						217,165
16	<b>Earnings per share (of Rs 5 each)</b>						
	(a) Basic	4.59	4.02	4.38	8.61	7.96	17.27
	(b) Diluted	4.56	3.98	4.34	8.54	7.90	17.11
See accompanying note to the financial results							

3. In October 2010, Biocon SA, a wholly owned subsidiary of Biocon Limited, (together referred to as 'Biocon'), had entered into a global commercialization and supply agreement ("the Agreement") with a customer. The customer had exclusive rights to commercialize Biocon's biosimilar insulin portfolio. Biocon was responsible for clinical development, clinical trials and other activities to secure regulatory approvals in various geographies. Biocon had received an upfront payment and certain other milestone payments under the Agreement. Considering the significant obligations of Biocon relating to clinical development and regulatory activities, these amounts were recognized in the consolidated statement of profit and loss under percentage completion method. In March 2012, the Agreement was terminated and pursuant to the termination and transition agreement, the exclusive rights to commercialize Biocon and the customer had no further obligations to Biocon. Biocon is committed to the biosimilar Insulins program and is continuing the development / clinical trial activities on a global scale. Biocon evaluated the prevalent regulatory framework, industry practices and ethics/governance requirements relating to clinical trials / regulatory submissions already initiated under the Agreement and determined that it has continuing obligations to complete the clinical development and regulatory activities. Accordingly, as at March 31, 2012, Biocon deferred the balance amount of Rs.49,290 Lakhs received from the customer to be recognised in the consolidated statement of profit and loss in subsequent periods in line with costs to be incurred towards such clinical trial and development activities.

In accordance with this policy, during the quarter and six months ended September 30, 2012, out of the deferred amount, Rs. 804 Lakhs and Rs. 2,124 Lakhs, respectively, have been netted off against expenses incurred during the quarter and six months ended September 30, 2012, towards such clinical trial and development activities.

The auditors of the Company have drawn an Emphasis of Matter in their Limited Review report on the consolidated unaudited financial results.

- Total income from operations for the quarter and six months ended September 30, 2012 (standalone and consolidated) include Rs 3,064 Lakhs accrued towards one time income / compensation receivable from few parties.
- Pursuant to the approval of the Board of Directors, the Company has filed an application with the Honorable High Court of Karnataka, for merger of Biocon Biopharmaceuticals Limited, a wholly owned subsidiary, with the Company with an appointed date of April 1, 2012. Pending approval of the Court and other relevant authorities, no effect of the above has been given in the standalone financial statements of the Company for the quarter and six months ended September 30, 2012.
- During the quarter ended September 30, 2012, the Company paid dividend of Rs 5.00 per share amounting to Rs 10,000 Lakhs for the year 2011-12 representing 100% dividend.
- Segment Reporting :
  - Standalone financial results: The Company operates in a single business segment of biopharmaceuticals.
  - Consolidated financial results: The primary segment reporting has been performed on the basis of business segments. Segments have been identified and reported based on the nature of products, risks and returns, organizational structure and internal financial reporting systems.
- Prior period / year figures have been reclassified wherever required to conform to the classification of the current period.

SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012						
(Rs. in Lakhs)						
Particulars	3 months ended 30.09.2012	Preceding 3 months ended 30.06.2012	Corresponding 3 months ended 30.09.2011	Year to date figures for current period ended 30.09.2012	Year to date figures for previous period ended 30.09.2011	Previous Year ended 31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue						
a. Pharma	49,688	45,173	41,877	94,861	77,305	166,823
b. Contract Research & Manufacturing Services	13,711	13,125	10,029	26,836	19,607	44,573
Total	63,399	58,298	51,906	121,697	96,912	211,396
Less: Inter-segment revenue	536	630	556	1,166	1,214	2,744
<b>Net sales / Income from continuing operations</b>	<b>62,863</b>	<b>57,668</b>	<b>51,350</b>	<b>120,531</b>	<b>95,698</b>	<b>208,652</b>
Segment results						
Profit before interest, depreciation and tax from each segment						
a. Pharma	20,482	17,009	15,864	37,491	29,728	61,154
b. Contract Research & Manufacturing Services	5,268	4,746	2,881	10,014	5,771	14,966
<b>Total</b>	<b>25,750</b>	<b>21,755</b>	<b>18,745</b>	<b>47,505</b>	<b>35,499</b>	<b>76,120</b>
Less: Interest	107	321	178	428	673	1,223
Depreciation and amortisation	4,461	4,269	4,291	8,730	8,796	17,442
Unallocated corporate expenses	10,477	9,485	6,238	19,962	11,797	24,388
Unallocated corporate income	(1,331)	(1,592)	(2,413)	(2,923)	(4,417)	(6,181)
<b>Profit before tax from continuing operations</b>	<b>12,036</b>	<b>9,272</b>	<b>10,451</b>	<b>21,308</b>	<b>18,650</b>	<b>39,248</b>
Capital employed						
a. Pharma	123,920	104,371	114,125	123,920	114,125	93,664
b. Contract Research & Manufacturing Services	34,473	31,426	26,295	34,473	26,295	34,310
c. Unallocable	86,770	99,802	80,281	86,770	80,281	99,650
d. Minority interest	(428)	(399)	-	(428)	-	(380)
<b>Total capital employed</b>	<b>244,735</b>	<b>235,200</b>	<b>220,701</b>	<b>244,735</b>	<b>220,701</b>	<b>227,244</b>

Standalone Statement of Assets and Liabilities		
(Rs. in Lakhs)		
Particulars	As at September 30, 2012 (Unaudited)	As at March 31, 2012 (Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
(a) Share capital	10,000	10,000
(b) Reserves and surplus	216,155	199,644
	<b>226,155</b>	<b>209,644</b>
<b>2 Non-current liabilities</b>		
(a) Long-term borrowings	5,292	6,052
(b) Deferred tax liability (Net)	2,840	3,490
(c) Other long-term liabilities	6,361	6,490
	<b>14,493</b>	<b>16,032</b>
<b>3 Current liabilities</b>		
(a) Short-term borrowings	1,637	8,680
(b) Trade payables	24,293	25,110
(c) Other current liabilities	5,827	7,691
(d) Short-term provisions	5,625	14,875
	<b>37,382</b>	<b>56,356</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>278,030</b>	<b>282,032</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed Assets	74,785	76,752
(b) Non-current investments	17,971	16,640
(c) Long-term loans and advances	53,300	53,429
(d) Other non-current assets	140	-
	<b>146,196</b>	<b>146,821</b>
<b>2 Current assets</b>		
(a) Current investments	39,251	49,060
(b) Inventories	35,705	34,040
(c) Trade receivables	43,176	44,500
(d) Cash and cash equivalents	6,325	4,000
(e) Short-term loans and advances	6,736	3,021
(f) Other current assets	641	590
	<b>131,834</b>	<b>135,211</b>
<b>TOTAL - ASSETS</b>	<b>278,030</b>	<b>282,032</b>

Consolidated Statement of Assets and Liabilities		
(Rs. in Lakhs)		
Particulars	As at September 30, 2012 (Unaudited)	As at March 31, 2012 (Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
(a) Share capital	10,000	10,000
(b) Reserves and surplus	234,735	217,244
	<b>244,735</b>	<b>227,244</b>
<b>2 Minority Interest</b>	428	380
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	12,529	6,981
(b) Deferred tax liability (Net)	3,858	-
(c) Other long-term liabilities	44,952	58,320
(d) Long-term provisions	355	-
	<b>61,694</b>	<b>65,301</b>
<b>4 Current liabilities</b>		
(a) Short-term borrowings	12,923	18,727
(b) Trade payables	31,070	34,777
(c) Other current liabilities	36,387	26,923
(d) Short-term provisions	6,765	21,148
	<b>87,145</b>	<b>101,575</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>394,002</b>	<b>394,500</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed Assets	168,310	164,787
(b) Goodwill on consolidation	1,216	1,216
(c) Non-current investments	7,756	6,424
(d) Deferred tax asset (net)	-	777
(e) Long-term loans and advances	20,622	18,457
(f) Other non-current assets	18,552	2,867
	<b>216,456</b>	<b>194,528</b>
<b>2 Current assets</b>		
(a) Current investments	40,541	49,212
(b) Inventories	40,503	37,833
(c) Trade receivables	50,341	49,174
(d) Cash and cash equivalents	34,043	52,327
(e) Short term loans and advances	8,201	7,875
(f) Other current assets	3,917	3,551
	<b>177,546</b>	<b>199,972</b>
<b>TOTAL - ASSETS</b>	<b>394,002</b>	<b>394,500</b>

For and on behalf of the Board of Directors

Sd/-

**Kiran Mazumdar Shaw**  
Chairman & Managing Director

Place: Bangalore  
Date: October 30, 2012

Part II - SHAREHOLDING PARTICULARS : STANDALONE / CONSOLIDATED						
Select information for the period						