

## UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2013

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2013 (Rs. in Lakhs)							
Sl. No.	Particulars	3 months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 months ended 30.09.2012	Year to date figures for current period ended 30.09.2013	Year to date figures for previous period ended 30.09.2012	Previous Year ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>						
	a) Net Sales/Income from Operations (Net of excise duty)	73,421	69,476	59,240	142,897	116,326	242,760
	b) Other Operating Income	660	593	3,623	1,253	4,205	5,770
	<b>Total income from operations (net)</b>	<b>74,081</b>	<b>70,069</b>	<b>62,863</b>	<b>144,150</b>	<b>120,531</b>	<b>248,530</b>
	<b>Expenses</b>						
	a) Cost of materials consumed	27,971	26,982	22,872	54,953	45,727	100,189
	b) Purchases of stock in trade	3,618	2,327	1,014	5,945	3,173	6,931
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(2,092)	1,057	1,656	(1,035)	864	(2,652)
	d) Employee benefits expense	11,310	11,530	9,457	22,840	18,584	38,944
	e) Depreciation and amortisation expenses	5,009	4,825	4,461	9,834	8,730	17,930
	f) Other expenses (net)	15,688	12,969	12,591	27,871	24,640	50,820
	<b>Total Expenses</b>	<b>61,504</b>	<b>59,690</b>	<b>52,051</b>	<b>120,408</b>	<b>101,718</b>	<b>212,162</b>
3	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>12,577</b>	<b>10,379</b>	<b>10,812</b>	<b>23,742</b>	<b>18,813</b>	<b>36,368</b>
4	Other Income	1,173	2,248	1,331	2,635	2,923	5,266
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>13,750</b>	<b>12,627</b>	<b>12,143</b>	<b>26,377</b>	<b>21,736</b>	<b>41,634</b>
6	Finance Costs	34	38	107	72	428	810
7	<b>Profit from ordinary activities after finance costs before exceptional items (5-6)</b>	<b>13,716</b>	<b>12,589</b>	<b>12,036</b>	<b>26,305</b>	<b>21,308</b>	<b>40,824</b>
8	Exceptional items (net) (refer note 2 and 3 below)	-	-	-	-	-	20,191
9	<b>Profit from ordinary activities before tax (7+8)</b>	<b>13,716</b>	<b>12,589</b>	<b>12,036</b>	<b>26,305</b>	<b>21,308</b>	<b>61,015</b>
10	Tax Expense	3,189	2,971	3,042	6,160	4,415	9,750
11	<b>Net profit for the period/year (9-10)</b>	<b>10,527</b>	<b>9,618</b>	<b>8,994</b>	<b>20,145</b>	<b>16,893</b>	<b>51,265</b>
12	Minority interest	(312)	(268)	(29)	(580)	(48)	(383)
13	<b>Net profit after tax and minority interest (11+12)</b>	<b>10,215</b>	<b>9,350</b>	<b>8,965</b>	<b>19,565</b>	<b>16,845</b>	<b>50,882</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						259,373
16	<b>Earnings per share (of Rs 5 each) (not annualised)</b>						
	(a)Basic	5.21	4.77	4.59	9.98	8.61	25.99
	(b)Diluted	5.17	4.73	4.56	9.90	8.54	25.75

PART I SELECT INFORMATION FOR THE PERIOD							
Sl. No.	PARTICULARS OF SHAREHOLDING	3 months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 months ended 30.09.2012	Year to date figures for current period ended 30.09.2013	Year to date figures for previous period ended 30.09.2012	Previous Year ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Public Shareholding</b>						
	- Number of Shares	78,051,554	78,075,854	78,075,854	78,051,554	78,075,854	78,075,854
	- Percentage of shareholding	39.03%	39.04%	39.04%	39.03%	39.04%	39.04%
2	<b>Promoters and Promoter Group Shareholding</b>						
	a) Pledged/encumbered						
	- Number of shares	40,000	-	-	40,000	-	-
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	0.03%	-	-	0.03%	-	-
	- Percentage of shares (as a % of the total sharecapital of the company)	0.02%	-	-	0.02%	-	-
	b) Non-encumbered						
	- Number of Shares	121,908,446	121,924,146	121,924,146	121,908,446	121,924,146	121,924,146
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	99.97%	100%	100%	99.97%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	60.95%	60.96%	60.96%	60.95%	60.96%	60.96%

**Notes:**

- The unaudited financial results of the Company and the unaudited consolidated financial results for the quarter and six months ended September 30, 2013 have been subjected to limited review by the statutory auditors. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on October 24, 2013.
- During the year ended March 31, 2012, based on an evaluation of the prevalent regulatory framework, industry practices and ethics/governance requirements relating to clinical trials and the regulatory submissions already initiated / filed, Biocon SA, a wholly owned subsidiary of the Company (together referred to as 'Biocon'), had determined that it had continuing obligations to complete clinical development and regulatory activities relating to Biocon's Biosimilar Insulin portfolio comprising of Biosimilar Insulin and Biosimilar Insulin Analogs. Accordingly, pursuant to the termination of the customer contract in March 2012, Biocon deferred the remainder of the upfront amounts received from the customer, to be recognized in the consolidated statement of profit and loss in subsequent periods in line with costs incurred towards such clinical trials and development activities. In February 2013, Biocon SA entered into an agreement with another customer for the global development and commercialization of Biosimilar Insulin Analogs (the Agreement), granting the customer exclusive rights to commercialize Biosimilar Insulin Analogs in certain countries. The clinical development and regulatory activities in respect of such Biosimilar Insulin Analogs is now being carried out in accordance with the Agreement. As such, Biocon has therefore determined that it does not have continuing obligations for clinical trials and development activities in respect of Biosimilar Insulin Analogs. Accordingly, based on an allocation in proportion of estimated future development spends on these programs, Rs 21,501 lakhs of deferred revenues allocated to Biosimilar Insulin Analogs (net of amounts already

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2013 (Rs. in Lakhs)							
Sl. No.	Particulars	3 months ended 30.09.2013 (also refer note 5 below)	Preceding 3 months ended 30.06.2013 (also refer note 5 below)	Corresponding 3 months ended 30.09.2012	Year to date figures for current period ended 30.09.2013 (also refer note 5 below)	Year to date figures for previous period ended 30.09.2012	Previous Year ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>						
	a) Net Sales/Income from Operations (Net of excise duty)	53,417	52,289	46,140	105,706	89,300	183,748
	b) Other Operating Income	2,524	2,247	4,667	4,771	6,251	10,052
	<b>Total income from operations (net)</b>	<b>55,941</b>	<b>54,536</b>	<b>50,807</b>	<b>110,477</b>	<b>95,551</b>	<b>193,800</b>
	<b>Expenses</b>						
	a) Cost of materials consumed	22,990	22,757	19,288	45,747	39,019	82,999
	b) Purchases of stock in trade	3,400	2,068	1,504	5,468	3,801	8,570
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(2,329)	1,122	1,819	(1,207)	1,130	(1,790)
	d) Employee benefits expense	6,589	6,578	5,524	13,167	10,853	22,762
	e) Depreciation and amortisation expenses	3,021	2,898	2,342	5,919	4,725	9,508
	f) Other expenses	12,393	10,554	9,825	22,947	18,912	40,690
	<b>Total Expenses</b>	<b>46,064</b>	<b>45,977</b>	<b>40,302</b>	<b>92,041</b>	<b>78,440</b>	<b>162,739</b>
3	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>9,877</b>	<b>8,559</b>	<b>10,505</b>	<b>18,436</b>	<b>17,111</b>	<b>31,061</b>
4	Other Income	2,030	2,686	968	4,716	2,560	5,147
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>11,907</b>	<b>11,245</b>	<b>11,473</b>	<b>23,152</b>	<b>19,671</b>	<b>36,208</b>
6	Finance Costs	24	22	17	46	73	123
7	<b>Profit from ordinary activities after finance costs before exceptional items (5-6)</b>	<b>11,883</b>	<b>11,223</b>	<b>11,456</b>	<b>23,106</b>	<b>19,598</b>	<b>36,085</b>
8	Exceptional items (refer note 3 below)	-	-	-	-	-	1,385
9	<b>Profit from ordinary activities before tax (7+8)</b>	<b>11,883</b>	<b>11,223</b>	<b>11,456</b>	<b>23,106</b>	<b>19,598</b>	<b>34,700</b>
10	Tax Expense	2,895	2,450	2,620	5,345	3,878	7,130
11	<b>Net profit for the period / year (9-10)</b>	<b>8,988</b>	<b>8,773</b>	<b>8,836</b>	<b>17,761</b>	<b>15,720</b>	<b>27,570</b>
12	Impact of scheme of merger for earlier period (refer note 5 below)	554	-	-	554	-	-
13	<b>Profit for the period after giving impact of scheme of merger for earlier year (11+12)</b>	<b>9,542</b>	<b>8,773</b>	<b>8,836</b>	<b>18,315</b>	<b>15,720</b>	<b>27,570</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						210,594
16	<b>Earnings per share (of Rs 5 each) (not annualised)</b>						
	(a)Basic (after giving impact of scheme of merger for earlier year)	4.87	4.48	4.51	9.34	8.03	14.08
	(b)Diluted (after giving impact of scheme of merger for earlier year)	4.83	4.44	4.49	9.27	7.97	13.95
	(c)Basic (before giving impact of scheme of merger for earlier year)	4.58	4.48	4.51	9.06	8.03	14.08
	(d)Diluted (before giving impact of scheme of merger for earlier year)	4.55	4.44	4.49	8.99	7.97	13.95

recognized in the consolidated statement of profit and loss) was recognized as an exceptional income in the consolidated statement of profit and loss for the year ended March 31, 2013 and is disclosed under exceptional items. Considering that Biocon has continuing obligations in respect of Biosimilar Insulin, the remainder of deferred amounts as at March 31, 2013, of Rs 28,001 lakhs, continues to be recognized in the consolidated statement of profit and loss in line with costs to be incurred towards clinical trials and development activities of Biosimilar Insulin. For the quarter ended June 30, 2013 and September 30, 2013, of the deferred amounts, Rs 338 lakhs and Rs 614 lakhs, respectively have been netted off against expenses incurred towards such clinical trial and development activities. The statutory auditors of the Company have drawn an Emphasis of Matter in this regard, in their Limited Review report on the consolidated unaudited financial results.

- Pursuant to certain developments, on a prudent basis, the Company created a provision of Rs 1,385 lakhs and Rs 1,310 Lakhs for diminution, in the value of investments in Iatrica Inc in the standalone and consolidated financial statements, respectively for the year ended March 31, 2013.
- Total income from operations for quarter and six month period ended September 30, 2012, and for the year ended March 31, 2013 (standalone and consolidated) include Rs 3,064 Lakhs, towards one time income / compensation from few parties.
- On July 25, 2012, the Board of Directors of the Company approved a scheme of amalgamation ('the Scheme') of Biocon Biopharmaceuticals Limited ('BBL'), a wholly owned subsidiary, with the Company under sections 391 and 394 of the Companies Act, 1956. During the quarter ended September 30, 2013, the Honorable High Court of Karnataka ('the Court') approved the aforesaid Scheme with Appointed Date as April 1, 2012. Accordingly, the assets and liabilities, and deficit in the Statement of Profit and Loss of BBL of Rs 1,028 lakhs as at Appointed Date have been recorded at their carrying values under the Pooling of Interest method as prescribed by Accounting Standard 14 - Accounting for Amalgamation ('AS 14'), and difference between value of investments and the amount of share capital of BBL amounting to Rs 357 lakhs has been debited to the Reserves and Surplus of the Company. Post receipt of the requisite approvals, the Company has considered the operations of BBL from April 1, 2012 as its own operations. Accordingly, profit after tax amounting to Rs 554 lakhs (net of tax of Rs 579 lakhs), relating to operations of BBL from April 1, 2012 to March 31, 2013, have been accounted for in the standalone results for quarter and six months ended September 30, 2013. Further, the earlier published standalone results for the preceding quarter ended June 30, 2013 have been restated to incorporate the operations of BBL to give effect of the amalgamation.
- During the quarter ended September 30, 2013, the Company paid dividend of Rs 7.50 per share amounting to Rs 15,000 Lakhs for the year 2012-13 representing 150% dividend.
- Segment Reporting: a. Standalone financial results: The Company operates in a single business segment of biopharmaceuticals. b. Consolidated financial results: The primary segment reporting has been performed on the basis of business segments. Segments have been identified and reported based on the nature of products, risks and returns, organizational structure and internal financial reporting systems.
- Information on investor complaints:

	3 months ended 30.09.2013
Pending at the beginning of the quarter	-
Received during the quarter	16
Disposed of during the quarter	16
Remaining unresolved at the end of the quarter	-

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

SEGMENT DETAILS OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTH PERIOD ENDED SEPTEMBER 30, 2013 (Rs. in Lakhs)						
Particulars	3 months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 months ended 30.09.2012	Year to date figures for current period ended 30.09.2013	Year to date figures for previous period ended 30.09.2012	Previous Year ended 31.03.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment revenue</b>						
a. Pharma	54,991	54,341	49,688	109,332	94,861	191,831
b. Contract Research & Manufacturing Services	19,567	16,034	13,711	35,601	26,836	58,829
<b>Total</b>	<b>74,558</b>	<b>70,375</b>	<b>63,399</b>	<b>144,933</b>	<b>121,697</b>	<b>250,660</b>
Less: Inter-segment revenue	477	306	536	783	1,166	2,130
<b>Net sales / Income from continuing operations</b>	<b>74,081</b>	<b>70,069</b>	<b>62,863</b>	<b>144,150</b>	<b>120,531</b>	<b>248,530</b>
<b>Segment results</b>						
Profit before interest, depreciation and tax from each segment						
a. Pharma	22,915	21,813	20,482	44,728	37,491	75,444
b. Contract Research & Manufacturing Services	7,532	5,394	5,268	12,926	10,014	21,081
<b>Total</b>	<b>30,447</b>	<b>27,207</b>	<b>25,750</b>	<b>57,654</b>	<b>47,505</b>	<b>96,525</b>
Less: Interest	34	38	107	72	428	810
Depreciation and amortisation	5,009	4,825	4,461	9,834	8,730	17,930
Unallocated corporate expenses	12,861	12,003	10,477	24,078	19,962	42,227
Unallocated corporate income	(1,173)	(2,248)	(1,331)	(2,635)	(2,923)	(5,266)
<b>Profit before tax and before exceptional items</b>	<b>13,716</b>	<b>12,589</b>	<b>12,036</b>	<b>26,305</b>	<b>21,308</b>	<b>40,824</b>
Capital employed						
a. Pharma	136,455	133,267	123,920	136,455	123,920	128,336
b. Contract Research & Manufacturing Services	59,119	54,113	34,473	59,119	34,473	55,045
c. Unallocable	104,481	100,773	86,770	104,481	86,770	92,612
d. Minority interest	(7,110)	(6,796)	(428)	(7,110)	(428)	(6,530)
<b>Total capital employed</b>	<b>292,945</b>	<b>281,357</b>	<b>244,735</b>	<b>292,945</b>	<b>244,735</b>	<b>269,463</b>

Standalone Statement of Assets and Liabilities (Rs. in Lakhs)		
Particulars	As at September 30, 2013 (Unaudited)	As at March 31, 2013 (Audited)
	<b>A EQUITY AND LIABILITIES</b>	
<b>1 Shareholders' Funds</b>		
(a) Share capital	10,000	10,000
(b) Reserves and surplus	228,443	210,684
<b>Sub total-Shareholders' funds</b>	<b>238,443</b>	<b>220,684</b>
<b>2 Non-current liabilities</b>		
(a) Long-term borrowings	3,238	3,996
(b) Deferred tax liabilities (net)	3,054	3,020
(c) Other long-term liabilities	13,343	10,830
<b>Sub total-Non-current liabilities</b>	<b>19,635</b>	<b>17,846</b>
<		