



## UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2015						
(₹. in Lakhs)						
Sl. No.	Particulars	3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014	Year to date figures for current period ended 30.09.2015	Previous Year ended 31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>					
a)	Net sales/ Income from operations (net of excise duty)	82,848	77,896	74,969	160,744	146,850
b)	Other operating income (refer note 7 below)	872	5,403	790	6,275	1,441
	<b>Total income from operations (net)</b>	<b>83,720</b>	<b>83,299</b>	<b>75,759</b>	<b>167,019</b>	<b>148,291</b>
2	<b>Expenses</b>					
a)	Cost of materials consumed	34,666	29,012	33,095	63,678	58,974
b)	Purchases of stock-in-trade	2,416	2,242	2,649	4,658	4,483
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,120)	1,399	(4,757)	(2,721)	(3,362)
d)	Employee benefits expense	14,968	15,427	13,538	30,395	26,087
e)	Depreciation and amortisation expenses	5,961	5,780	5,421	11,741	10,614
f)	Other expenses	19,554	16,753	18,222	36,307	33,494
	<b>Total expenses</b>	<b>73,445</b>	<b>70,613</b>	<b>68,168</b>	<b>144,058</b>	<b>130,290</b>
	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>13,805</b>	<b>15,438</b>	<b>11,883</b>	<b>29,243</b>	<b>24,084</b>
3	<b>Other income</b>	<b>2,460</b>	<b>2,352</b>	<b>1,504</b>	<b>4,812</b>	<b>3,167</b>
	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>16,265</b>	<b>17,790</b>	<b>13,387</b>	<b>34,055</b>	<b>27,251</b>
5	<b>Profit from ordinary activities after finance costs before exceptional items (5-6)</b>	<b>15,972</b>	<b>17,348</b>	<b>12,884</b>	<b>33,320</b>	<b>26,690</b>
8	<b>Exceptional items (net) (refer note 3 and 4 below)</b>	<b>30,700</b>	<b>-</b>	<b>-</b>	<b>30,700</b>	<b>-</b>
	<b>Profit from ordinary activities before tax (7+8)</b>	<b>46,672</b>	<b>17,348</b>	<b>12,884</b>	<b>64,020</b>	<b>26,690</b>
10	<b>Tax expense</b>	<b>13,769</b>	<b>3,695</b>	<b>2,182</b>	<b>17,464</b>	<b>5,271</b>
	<b>Net profit for the period / year (9-10)</b>	<b>32,903</b>	<b>13,653</b>	<b>10,702</b>	<b>46,556</b>	<b>21,419</b>
12	<b>Minority interest</b>	<b>(2,306)</b>	<b>(1,029)</b>	<b>(497)</b>	<b>(3,335)</b>	<b>(923)</b>
	<b>Net profit after tax and minority interest (11+12)</b>	<b>30,597</b>	<b>12,624</b>	<b>10,205</b>	<b>43,221</b>	<b>20,496</b>
14	<b>Paid-up equity share capital (Face value of Rs.5 each)</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
15	<b>Reserve excluding revaluation reserves as per balance sheet</b>					<b>316,967</b>
16	<b>Earnings per share (of Rs 5 each) (not annualised)</b>					
(a)	Basic	15.30	6.31	5.20	21.61	10.44
(b)	Diluted	15.30	6.31	5.12	21.61	10.28

PART II						
Select information for the period						
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding *	74,230,413	74,339,776	78,051,554	74,230,413	78,051,554
	- Number of shares	37.12%	37.17%	39.03%	37.12%	39.03%
2	Promoters and promoter group shareholding					
a)	Pledged/number of shares	50,000	50,000	10,000	50,000	10,000
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	0.04%	0.04%	0.01%	0.04%	0.01%
	- Percentage of shares (as a % of the total share capital of the Company)	0.03%	0.03%	0.01%	0.03%	0.01%
b)	Non-pledged/number of shares	121,998,446	121,989,446	121,938,446	121,998,446	121,938,446
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	99.96%	99.96%	99.99%	99.96%	99.99%
	- Percentage of shares (as a % of the total share capital of the Company)	60.99%	60.99%	60.96%	60.99%	60.96%

\* excludes 3,721,141, 3,611,778 and 3,674,928 shares held by Biocon India Limited Employee Welfare Trust as at September 30, 2015, June 30, 2015 and March 31, 2015 respectively.

**Notes:**

1. The unaudited financial results of the Company and the unaudited consolidated financial results for the three month period ended September 30, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on October 20, 2015. The above results have been subjected to limited review by the statutory auditors of the Company.

2. 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 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. 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 September 30, 2015 and June 30, 2015, of the deferred amounts, Rs.156 lakhs and Rs.348 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.

3. Exceptional items for the quarter ended and year ended March 31, 2015 comprise of the following : a. During the quarter ended September 30, 2014, Biocon

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2015						
(₹. in Lakhs)						
Sl. No.	Particulars	3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014	Year to date figures for current period ended 30.09.2015	Previous Year ended 31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>					
a)	Net sales/ Income from operations (net of excise duty)	52,710	51,511	53,878	104,221	107,338
b)	Other operating income (refer note 7 below)	3,138	7,600	2,812	10,738	5,221
	<b>Total income from operations (net)</b>	<b>55,848</b>	<b>59,111</b>	<b>56,690</b>	<b>114,959</b>	<b>112,559</b>
2	<b>Expenses</b>					
a)	Cost of materials consumed	26,913	22,144	27,134	49,057	48,706
b)	Purchases of stock-in-trade	1,910	1,586	2,274	3,496	3,827
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,104)	1,991	(4,308)	(2,113)	(2,992)
d)	Employee benefits expense	7,644	8,096	7,202	15,740	14,211
e)	Depreciation and amortisation expenses	3,236	3,208	3,230	6,444	6,304
f)	Other expenses	12,815	12,210	12,156	25,025	24,935
	<b>Total expenses</b>	<b>48,414</b>	<b>49,235</b>	<b>47,688</b>	<b>97,649</b>	<b>94,991</b>
	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>7,451</b>	<b>10,001</b>	<b>9,052</b>	<b>17,452</b>	<b>17,618</b>
4	<b>Other income (refer note 6 below)</b>	<b>4,038</b>	<b>3,331</b>	<b>11,467</b>	<b>7,369</b>	<b>12,641</b>
	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>11,489</b>	<b>13,332</b>	<b>20,519</b>	<b>24,821</b>	<b>30,259</b>
6	<b>Finance costs</b>	<b>8</b>	<b>22</b>	<b>18</b>	<b>30</b>	<b>45</b>
	<b>Profit from ordinary activities after finance costs before exceptional items (5-6)</b>	<b>11,481</b>	<b>13,310</b>	<b>20,501</b>	<b>24,791</b>	<b>30,214</b>
8	<b>Exceptional items (refer note 3(b) and 4 below)</b>	<b>51,307</b>	<b>-</b>	<b>-</b>	<b>51,307</b>	<b>-</b>
	<b>Profit from ordinary activities before tax (7+8)</b>	<b>62,788</b>	<b>13,310</b>	<b>20,501</b>	<b>76,098</b>	<b>30,214</b>
10	<b>Tax expense</b>	<b>12,924</b>	<b>2,967</b>	<b>2,349</b>	<b>15,891</b>	<b>4,599</b>
	<b>Net profit for the period / year (9-10)</b>	<b>49,864</b>	<b>10,343</b>	<b>18,152</b>	<b>60,207</b>	<b>25,615</b>
12	<b>Paid-up equity share capital (Face value of Rs.5 each)</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
13	<b>Reserve excluding revaluation reserves as per balance sheet</b>					<b>248,350</b>
14	<b>Earnings per share (of Rs. 5 each) (not annualised)</b>					
(a)	Basic	24.93	5.17	9.25	30.10	13.05
(b)	Diluted	24.93	5.17	9.11	30.10	12.85

Research Limited ("BRL"), a wholly owned subsidiary of the Company purchased from GE Equity International Mauritius, 7.69% equity stake in Syngene International Limited ("Syngene"), a research services subsidiary of the Company for a consideration of Rs.21,538 lakhs and also subscribed to additional equity shares in Syngene pursuant to Rights Issue thereby taking BRL's shareholding in Syngene to 10.93%. The resultant difference of Rs.16,635 lakhs, between the aggregate consideration paid and the net assets of Syngene as on the date of purchase/Rights Issue was recorded as goodwill in the consolidated financial results for the quarter ended September 30, 2014.

On September 18, 2014, BRL entered into a definitive agreement with Silver Leaf Oak (Mauritius) Limited ("Silver Leaf") to sell 10% equity stake in Syngene for a consideration of Rs.38,000 lakhs. In January 2015, Silver Leaf assigned its rights and obligations to purchase the aforesaid 10% equity stake in Syngene to IVF Trustee Company Private Limited ("IVF"), a fund advised by India Value Fund Advisors. The gain arising on such sale of shares to IVF amounting to Rs.13,477 lakhs, net of transaction cost was recorded as exceptional item in the consolidated financial results.

Tax incidence in the hands of BRL on the sale of shares has been fully offset against business losses of BRL. BRL had created deferred tax asset of Rs.990 lakhs as at December 31, 2014 which was utilised on consummation of such sale. b. Considering the financial position and uncertain future cash flows of Vaccinex Inc, the Company on a prudent basis, created a provision of Rs.2,181 lakhs for diminution other than temporary, in the value of its investments in Vaccinex Inc, in the standalone and consolidated financial statements. c. The Company transferred equity shares of Syngene constituting 1% of equity capital to cost to Biocon Limited Employees Welfare Trust, a Trust formed for administration of a Scheme for the benefit of employees of the Group (excluding the employees of Syngene). Accordingly, the Company recorded a loss of Rs.790 lakhs in the consolidated financial results for the quarter and year ended March 31, 2015.

4. Exceptional items for the quarter ended and period ended September 30, 2015 comprise of following : a. In March 2010, Biocon SA, a wholly owned subsidiary of the Company, acquired marketing rights of T1H product for US and Canada region ("Territory") from M/s CIMAB, Cuba. Pursuant to ongoing efforts to license such product to potential partners in the USA, Biocon SA was informed of the need to obtain prior authorization from the Office of Foreign Assets Control, USA ("OFAC"). The US regulations restrict any U.S. company or a subsidiary of a U.S. company from engaging in any transaction in which a Cuban entity has at any time since July 1963 had any interest whatsoever, whether direct or indirect without prior authorization from OFAC. Biocon SA evaluated options to obtain waiver from this requirement. However, during the current quarter, the outcome was not favourable. Consequently, such developments and after evaluating the requirements of OFAC and related timelines, management concluded that the same has now created an uncertainty to license this product for development and commercialization in the Territory. Hence, during the quarter ended September 30, 2015, Biocon SA has recorded an impairment of the carrying value of the aforesaid intangible asset amounting to Rs.10,780 lakhs. The same has been recorded as an exceptional item in the consolidated financial results for the quarter and six months ended September 30, 2015. The Company holds marketing rights in other territories including Europe where these restrictions do not apply and continues to develop the molecule for such territories. b. During the quarter ended September 30, 2015, Syngene completed its Initial Public Offering (IPO), through an offer for sale of 22,000,000 equity shares of 10 each, by the Company. Post the sale, the Company's holding in equity shares of Syngene has reduced from 84.54% to 73.54%. The equity shares of Syngene were listed on National Stock Exchange of India Limited and BSE Limited on 11 August 2015. Gain arising from such sale of equity shares, net of related expenses and cost of equity shares, amounting to Rs.51,307 lakhs and Rs.41,480 lakhs has been recorded as an exceptional item in the standalone and consolidated financial results, respectively. Consequential tax of Rs.10,420 lakhs has been recorded on such gains in the standalone and consolidated financial results.

5. The Company has acquired the business assets of the pharmaceutical manufacturing unit of M/s. Acacia Lifesciences Private Limited located at Vishakapatnam with effect from October 01, 2015 on a going concern basis.

6. Other income in the standalone results of the Company for the quarter and six months ended September 30, 2014 and year ended March 31, 2015, includes interim dividend income of Rs.9,974 lakhs received from Syngene, a subsidiary of the Company.

7. Other operating income for the quarter ended June 30, 2015 and six months period ended September 30, 2015 (standalone and consolidated) includes Rs.4,463 lakhs towards one time compensation from a customer to observe the customer from capacity reservation fees.

8. For the purpose of administration of the employee stock option plans of the Company, the Company had established the Biocon India Limited Employee Welfare Trust ("The ESOP Trust"). Under the erstwhile SEBI (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999, financial statements of the Company were prepared as if the Company itself is administering the ESOP scheme. However, consequent to SEBI (Share Based Employee Benefits) Regulations, 2014 issued on October 28, 2014, the ESOP Trust is not consolidated in the standalone and consolidated financial statements effective as at and for the year ended March 31, 2015. As at September 30, 2014, total assets, total liabilities and reserves and surplus of the ESOP Trust amounting to Rs.9,522 lakhs, Rs.292 lakhs and Rs.9,230 lakhs, respectively were included in the standalone and consolidated financial statements of the Company.

9. 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.

10. Information on investor complaints:

	3 months ended 30.09.2015
Pending at the beginning of the quarter	-
Received during the quarter	6
Disposed during the quarter	6
Remaining unresolved at the end of the quarter	-

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

SEGMENT DETAILS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2015						
(₹. in Lakhs)						
Particulars	3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014	Year to date figures for current period ended 30.09.2015	Year to date figures for previous period ended 30.09.2014	Previous Year ended 31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment revenue</b>						
a. Pharma	58,112	60,387	56,227	118,499	111,128	225,063
b. Contract Research & Manufacturing Services	26,152	23,355	20,191	49,507	38,053	85,985
<b>Total</b>	<b>84,264</b>	<b>83,742</b>	<b>76,418</b>	<b>168,006</b>	<b>149,181</b>	<b>311,048</b>
Less: Inter-segment revenue	544	443	659	987	890	2,067
<b>Net sales / Income from continuing operations</b>	<b>83,720</b>	<b>83,299</b>	<b>75,759</b>	<b>167,019</b>	<b>148,291</b>	<b>308,981</b>
<b>Segment results</b>						
Profit before interest, depreciation and tax from each segment						
a. Pharma	24,282	26,419	24,247	50,701	47,318	94,809
b. Contract Research & Manufacturing Services	9,577	7,996	6,511	17,573	12,418	29,711
<b>Total</b>	<b>33,859</b>	<b>34,415</b>	<b>30,758</b>	<b>68,274</b>	<b>59,736</b>	<b>124,520</b>
Less: Interest	293	442	503	735	561	890
Depreciation and amortisation	5,961	5,780	5,421	11,741	10,614	22,096
Unallocated corporate expenses	14,093	13,197	13,454	27,290	25,038	54,935
Unallocated corporate income	(2,460)	(2,352)	(1,504)	(4,812)	(3,167)	(5,308)
<b>Profit before tax and before exceptional items</b>	<b>15,972</b>	<b>17,348</b>	<b>12,884</b>	<b>33,320</b>	<b>26,690</b>	<b>51,907</b>
<b>Capital employed</b>						
a. Pharma	186,474	186,065	148,880	186,474	148,880	165,938
b. Contract Research & Manufacturing Services	95,939	91,057	75,848	95,939	75,848	86,950
c. Unallocable	110,932	81,015	103,584	110,932	103,584	91,389
d. Minority interest	(30,749)	(18,370)	(6,200)	(30,749)	(6,200)	(17,220)
<b>Total capital employed</b>	<b>362,596</b>	<b>339,767</b>	<b>322,112</b>	<b>362,596</b>	<b>322,112</b>	<b>327,057</b>

Standalone Statement of Assets and Liabilities			Consolidated Statement of Assets and Liabilities		
Particulars	As at September 30, 2015 (Unaudited)	As at March 31, 2015 (Audited) (refer note 8 below)	Particulars	As at September 30, 2015 (Unaudited)	As at March 31, 2015 (Audited) (refer note 8 below)
<b>A EQUITY AND LIABILITIES</b>			<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>			<b>1 Shareholders' Funds</b>		
(a) Share capital	10,000	10,000	(a) Share capital	10,000	10,000
(b) Reserves and surplus	308,950	248,440	(b) Reserves and surplus	352,596	317,057
<b>Sub total-Shareholders' funds</b>	<b>318,950</b>	<b>258,440</b>	<b>Sub total-Shareholders' funds</b>	<b>362,596</b>	<b>327,057</b>
<b>2 Non-current liabilities</b>			<b>2 Minority interest</b>	<b>30,749</b>	<b>17,220</b>
(a) Long-term borrowings	391	1,144	<b>3 Non-current liabilities</b>		
(b) Deferred tax liability (net)	3,243	3,678	(a) Long-term borrowings	87,821	76,963
(c) Other long-term liabilities	12,985	13,643	(b) Deferred tax liability (net)	3,698	4,174
<b>Sub total-Non-current liabilities</b>	<b>16,619</b>	<b>18,465</b>	(c) Other long-term liabilities	55,525	55,163
<b>3 Current liabilities</b>			(d) Long-term provisions	2,005	1,499
(a) Short-term borrowings	5,897	5,605	<b>Sub total-Non-current liabilities</b>	<b>149,049</b>	<b>137,799</b>
(b) Trade payables	39,294	30,076	<b>4 Current liabilities</b>		
(c) Other current liabilities	9,046	6,032	(a) Short-term borrowings	31,572	26,095
(d) Short-term provisions	14,384	14,679	(b) Trade payables	52,811	42,928
<b>Sub total-Current liabilities</b>	<b>68,521</b>	<b>56,392</b>	(c) Other current liabilities	58,972	70,621
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>404,190</b>	<b>333,297</b>	(d) Short-term provisions	15,707	15,818
<b>B ASSETS</b>			<b>Sub total-Current liabilities</b>	<b>159,062</b>	<b>155,462</b>
<b>1 Non-current assets</b>			<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>701,456</b>	<b>637,538</b>
(a) Fixed assets and intangible assets, net	97,655	97,185	<b>B ASSETS</b>		
(b) Non-current investments	7,950	8,035	<b>1 Non-current assets</b>		
(c) Long-term loans and advances	71,820	54,352	(a) Fixed assets and intangibles assets, net	339,459	328,025
(d) Other non-current assets	20,318	127	(b) Goodwill on consolidation	2,635	2,636
<b>Sub total-Non-current assets</b>	<b>197,743</b>	<b>159,699</b>	(c) Long-term loans and advances	39,162	36,926
<b>2 Current assets</b>			(d) Other non-current assets	33,262	13,697
(a) Current investments	36,028	8,434	<b>Sub total-Non-current assets</b>	<b>414,518</b>	<b>381,284</b>
(b) Inventories	45,764	40,630	<b>2 Current assets</b>		
(c) Trade receivables	52,322	55,510	(a) Current investments	41,534	23,034
(d) Cash and cash equivalents	58,267	62,121	(b) Inventories	50,441	45,273
(e) Short-term loans and advances	11,880	4,975	(c) Trade receivables	71,775	77,049
(f) Other current assets	2,186	1,928	(d) Cash and cash equivalents	96,823	93,747
<b>Sub total-Current assets</b>	<b>206,447</b>	<b>173,598</b>	(e) Short term loans and advances	10,735	7,575
<b>TOTAL - ASSETS</b>	<b>404,190</b>	<b>333,297</b>	(f) Other current assets	15,630	9,576
			<b>Sub total-Current assets</b>	<b>286,938</b>	<b>256,254</b>
			<b>TOTAL - ASSETS</b>	<b>701,456</b>	<b>637,538</b>