



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016					
(Rs in Million, except per equity share data)					
Sl. No.	Particulars	Three months ended 30.06.2016	Preceding Three months ended 31.03.2016	Corresponding Three months ended 30.06.2015	Previous Year ended 31.03.2016
		(Unaudited)	(Unaudited) [refer note 6 below]	(Unaudited)	(Unaudited)
1	Income from operations				
	a) Net sales / Income from operations (net of excise duty)	9,720	9,338	7,579	32,589
	b) Other operating income	104	112	560	885
	Total income from operations (net)	9,824	9,450	8,139	33,474
2	Expenses				
	a) Cost of materials consumed	2,655	2,961	2,830	12,214
	b) Purchases of stock-in-trade	589	295	225	1,070
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	662	287	159	(380)
	d) Employee benefits expense	1,785	1,665	1,483	6,101
	e) Depreciation and amortisation expenses	661	648	590	2,487
	f) Other expenses	1,835	2,590	1,634	8,135
		8,187	8,446	6,921	29,627
	Less: Recovery of product development costs from co-development partners (net)	(333)	(317)	(275)	(1,320)
	Total expenses	7,854	8,129	6,646	28,307
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,970	1,321	1,493	5,167
4	Other income	409	214	199	792
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,379	1,535	1,692	5,959
6	Finance costs	57	166	44	254
7	Profit from ordinary activities after finance costs before exceptional items (5-6)	2,322	1,369	1,648	5,705
8	Exceptional items (net) [refer note 4 below]	-	2,684	-	1,606
9	Profit from ordinary activities before tax (7+8)	2,322	4,053	1,648	7,311
10	Tax expense	552	591	376	1,467
11	Net profit for the period / year (9-10)	1,770	3,462	1,272	5,844
12	Share of profit of Joint venture	54	53	38	217
13	Non-controlling interest	(158)	(211)	(71)	(584)
14	Net profit after taxes, minority interest and share of profit from associates (11+12+13)	1,666	3,304	1,239	5,477
15	Other comprehensive income	(161)	48	(43)	(57)
16	Total comprehensive income (14+15)	1,505	3,352	1,196	5,420
17	Paid-up equity share capital (Face value of Rs. 5 each)	1,000	1,000	1,000	1,000
18	Earnings per share (of Rs. 5 each) (not annualised)				
	(a) Basic	8.49	16.84	6.31	27.90
	(b) Diluted	8.46	16.82	6.30	27.88
	See accompanying notes to the financial results				

Notes:

- The unaudited standalone financial results and the unaudited consolidated financial results for the three month period ended 30 June 2016 in respect of Biocon Limited ('the Company') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 21 July 2016. The above results have been subjected to limited review by the statutory auditors of the Company. The reports of the statutory auditors are unqualified.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules there under and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016. The Company has not opted to avail the relaxation provided by SEBI in respect of disclosure requirements for corresponding figures of earlier periods. Accordingly, the figures for the quarter and year ended 31 March 2016 have been presented after incorporating the applicable Ind AS adjustments in addition to the figures for the quarter ended 30 June 2015. The Reserves (excluding revaluation reserve) as per balance sheet of the previous accounting year 31 March 2016 not being mandatory has not been presented.

The Company has also prepared a reconciliation of the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarters ended 30 June 2015, 31 March 2016 and the year ended 31 March 2016 for standalone and consolidated financial results are presented below:

(Rs in Million)			
Net profit reconciliation – Standalone	Three months ended 31.03.2016	Three months ended 30.06.2015	Year ended 31.03.2016
<b>Profit after tax (PAT) as per previous GAAP</b>	<b>1,382</b>	<b>1,034</b>	<b>8,088</b>
Difference on account of revenue recognition net of related costs	(102)	23	(230)
Reduction in profit on sale of Syngene shares on account of fair valuation of investment on the Ind AS transition date	-	-	(4,169)
Impact of derivative accounting	(53)	(39)	(149)
Employee benefit expenses (share based payments, Actuarial gains/losses)	(8)	(8)	(32)
Mark to market adjustments on Mutual funds	-	(14)	(14)
Other adjustments	4	6	24
Income tax impact of above adjustments	16	16	120
<b>PAT as per Ind AS [A]</b>	<b>1,239</b>	<b>1,018</b>	<b>3,638</b>
<i>Other comprehensive income (OCI):</i>			
Effective portion of cash flow hedges	1	(16)	2
Actuarial loss on defined benefit obligations – Gratuity	(2)	(3)	(11)
<b>Sub-total [B]</b>	<b>(1)</b>	<b>(19)</b>	<b>(9)</b>
<b>Total Comprehensive income [A+B]</b>	<b>1,238</b>	<b>999</b>	<b>3,629</b>

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016 (Rs in Million, except per equity share data)						
Sl. No.	Particulars	Three months ended 30.06.2016	Preceding Three months ended 31.03.2016	Corresponding Three months ended 30.06.2015	Previous Year ended 31.03.2016	
		(Unaudited)	(Unaudited) [refer note 6 below]	(Unaudited)	(Unaudited)	(Unaudited)
1	<b>Income from operations</b>					
	a) Net sales/ Income from operations (net of excise duty)	6,456	6,041	5,195	21,306	
	b) Other operating income	502	301	779	1,712	
	<b>Total income from operations (net)</b>	<b>6,958</b>	<b>6,342</b>	<b>5,974</b>	<b>23,018</b>	
2	<b>Expenses</b>					
	a) Cost of materials consumed	2,032	2,162	2,144	9,143	
	b) Purchases of stock-in-trade	284	230	158	760	
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	677	268	292	(28)	
	d) Employee benefits expense	901	806	818	3,219	
	e) Depreciation and amortisation expenses	365	356	339	1,397	
	f) Other expenses	1,270	1,886	1,221	5,754	
		<b>5,529</b>	<b>5,708</b>	<b>4,972</b>	<b>20,245</b>	
	Less: Recovery of product development costs from co-development partners (net)	1	(27)	(12)	(48)	
	<b>Total expenses</b>	<b>5,530</b>	<b>5,681</b>	<b>4,960</b>	<b>20,197</b>	
3	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,428</b>	<b>661</b>	<b>1,014</b>	<b>2,821</b>	
4	Other income	294	785	287	1,702	
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,722</b>	<b>1,446</b>	<b>1,301</b>	<b>4,523</b>	
6	Finance costs	5	5	2	9	
7	<b>Profit from ordinary activities after finance costs before exceptional items (5-6)</b>	<b>1,717</b>	<b>1,441</b>	<b>1,299</b>	<b>4,514</b>	
8	Exceptional items [refer note 4(c) and 4(d) below]	-	99	-	1,061	
9	<b>Profit from ordinary activities before tax (7+8)</b>	<b>1,717</b>	<b>1,540</b>	<b>1,299</b>	<b>5,575</b>	
10	Tax expense	303	301	281	1,937	
11	<b>Net profit for the period / year (9-10)</b>	<b>1,414</b>	<b>1,239</b>	<b>1,018</b>	<b>3,638</b>	
12	Other comprehensive income	(13)	(1)	(19)	(9)	
13	<b>Total comprehensive income (11+12)</b>	<b>1,401</b>	<b>1,238</b>	<b>999</b>	<b>3,629</b>	
14	Paid-up equity share capital (Face value of Rs. 5 each)	1,000	1,000	1,000	1,000	
15	<b>Earnings per share (of Rs. 5 each) (not annualised)</b>					
	(a) Basic	7.21	6.31	5.18	18.53	
	(b) Diluted	7.18	6.31	5.18	18.52	
	See accompanying notes to the financial results					

(Rs in Million)			
Net profit reconciliation – Consolidated	Three months ended 31.03.2016	Three months ended 30.06.2015	Year ended 31.03.2016
<b>Profit after tax (PAT) as per previous GAAP</b>	<b>3,609</b>	<b>1,262</b>	<b>8,961</b>
Difference on account of revenue recognition net of related costs	(102)	23	(230)
Impact of derivative accounting and exchange gain/loss	(10)	(21)	3
Employee benefit expenses (share based payments, Actuarial gains/losses)	(6)	(6)	(23)
One time charge on account of syndicate fee for Malaysia debt	(152)	-	(152)
Mark to market adjustments on Mutual funds	-	(14)	(14)
Profit on sale of Syngene shares recognized in equity*	-	-	(3,106)
Impact of Ind AS adjustments on Minority interest	(34)	(5)	(49)
Other adjustments	8	7	27
Income tax impact of above adjustments	(9)	(7)	60
<b>PAT as per Ind AS [A]</b>	<b>3,304</b>	<b>1,239</b>	<b>5,477</b>
<i>Other comprehensive income (OCI):</i>			
Effective portion of cash flow hedges	56	(35)	(26)
Actuarial loss on defined benefit obligations – Gratuity	(8)	(8)	(31)
<b>Sub-total [B]</b>	<b>48</b>	<b>(43)</b>	<b>(57)</b>
<b>Total Comprehensive income [A+B]</b>	<b>3,352</b>	<b>1,196</b>	<b>5,420</b>

\* The gain arising from sale of equity shares in respect of Syngene, net of related expenses and cost of equity shares, amounting to Rs 4,148 net of consequential tax of Rs 1,042 i.e. Rs 3,106 for the year ended 31 March 2016 has been accounted as part of other comprehensive income in the consolidated financial results for the year ended 31 March 2016.

- The consolidated financial results include the financial results of the parent company Biocon Limited and the financial results of the following subsidiaries:

- Syngene International Limited ('Syngene')
- Biocon Research Limited
- Biocon Pharma Limited
- Biocon Academy
- Biocon SA
- Biocon SDN. BHD
- Biocon FZ LLC
- Biocon Biologics Limited, UK
- Biocon Pharma Inc.

SEGMENT DETAILS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2016 (Rs in Million)				
Particulars	Three months ended 30.06.2016	Preceding Three months ended 31.03.2016	Corresponding Three months ended 30.06.2015	Previous Year ended 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment revenue*</b>				
a. Small molecules	4,258	3,938	3,802	14,247
b. Biologics	1,606	1,532	1,182	5,296
c. Branded formulations	1,580	1,050	1,122	4,409
d. Research services	2,745	3,315	2,337	11,070
<b>Total</b>	<b>10,189</b>	<b>9,835</b>	<b>8,443</b>	<b>35,022</b>
Less: Inter-segment revenue	(365)	(385)	(304)	(1,548)
<b>Net sales / Income from continuing operations</b>	<b>9,824</b>	<b>9,450</b>	<b>8,139</b>	<b>33,474</b>
<b>Segment results</b>				
<b>Profit before interest and tax from each segment</b>				
a. Small molecules	1,157	465	1,042	2,506
b. Biologics	462	315	131	764
c. Branded formulations #	211	176	187	804
d. Research services	729	933	543	2,810
<b>Total</b>	<b>2,559</b>	<b>1,889</b>	<b>1,903</b>	<b>6,884</b>
<b>Less: Interest</b>	<b>6</b>	<b>156</b>	<b>4</b>	<b>171</b>
Other un-allocable expenditure / (income), net	177	311	213	791
<b>Profit before tax and before exceptional items</b>	<b>2,376</b>	<b>1,422</b>	<b>1,686</b>	<b>5,922</b>
<b>Capital employed</b>				
a. Small molecules	12,468	11,925	11,286	11,925
b. Biologics	23,896	23,231	15,583	23,231
c. Branded formulations	1,253	1,097	1,409	1,097
d. Research services	11,165	10,528	8,897	10,528
e. Unallocable	(3,508)	(3,336)	(653)	(3,336)
f. Minority interest	(3,012)	(2,853)	(1,391)	(2,853)
<b>Total capital employed</b>	<b>42,262</b>	<b>40,592</b>	<b>35,131</b>	<b>40,592</b>
* net of excise duty				
# includes share of profit of Joint venture				

In addition to the above, the consolidated financial results also include the financial results in respect of Biocon India Limited Employee Welfare Trust and Syngene Employees Welfare Trust. The Company has also accounted for its share of interest in the joint venture Neo Biocon FZ-LLC under the equity method. Biocon Limited, its subsidiaries and a joint venture are collectively referred to as 'the Group'.

- The exceptional items for the three months and year ended 31 March 2016 comprise the following:

- Consequent to an agreement with a customer which resulted in changes to the nature of the Group's future obligations on the rh-insulin program, deferred revenue of Rs 2,684 relating to the program has been recognized as income in the consolidated financial results for the quarter and year ended 31 March 2016 and has been disclosed under exceptional items.
- Pursuant to the uncertainty in respect of the ability of the Group to license a product for development and commercialization in certain territories, Biocon SA recorded an impairment of the carrying value of the intangible asset amounting to Rs 1,078. The impairment has been recognized as an exceptional item in the consolidated financial results for the year ended 31 March 2016.
- The gain arising from sale of equity shares in respect of Syngene, net of related expenses and cost of equity shares amounting to Rs 962 has been accounted as an exceptional gain in the standalone financial results for the year ended 31 March 2016.
- During the quarter ended 31 March 2016, the Company sold its investment in the equity shares of Biocon SDN BHD., a wholly owned subsidiary to Biocon Biologics Limited (UK), another wholly owned subsidiary of the Company for a sum of Rs 811. Gain arising from such sale of equity shares, net of cost of such equity shares, amounting to Rs 99 is recorded as an exceptional item in the standalone financial results. Consequential tax of Rs 21 is recorded on such gain.
- Segment Reporting in Consolidated financial results: Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.
- Figures for the preceding three months ended 31 March 2016 are the balancing figures between those that were audited by the predecessor auditors 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 by the predecessor auditors. These have been adjusted to incorporate the applicable Ind AS adjustments that were reviewed by the current statutory auditors.
- Prior period/ year figures have been reclassified wherever required to conform to the classification of the current period/ year.

For and on behalf of the Board of Directors of Biocon Limited

Place : Bangalore  
Date: 21 July 2016

Kiran Mazumdar Shaw  
Chairman and Managing Director