Registered Office: Biocon Limited 20th KM Hosur Road, Electronic City P.O., Bangalore - 560 100. www.biocon.com CIN: L24234KA1978PLC003417



## **UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30. 2016**

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

SEGMENT DETAILS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(₹. in Million, except per equity share data)							(₹. in Million, except per equity share data)					(₹. in Million)										
SI	Particulars	Three months ended 30,09,2016	ended 30,06,2016	ended 30,09,2015	ended 30,09,2016	Six months ended 30,09,2015	Previous Year ended 31,03,2016	SI		Three months ended 30,09,2016	Three months ended 30,06,2016	Three months ended 30,09,2015	Six months ended 30,09,2016	Six months ended 30,09,2015	Previous Year ended 31,03,2016	Particulars	Three months ended 30,09,2016	Three months ended 30,06,2016	Three months ended 30,09,2015	Six months ended 30,09,2016	Six months ended 30,09,2015	Previous Year ended 31,03,2016
I⊢		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	4L		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Income from operations a) Sala/ Income from operations b) Other operating income	5,840 419	6,552 502	5,235 338	12,392 921	10,500	21,633 1,721	1	Income from operations a) Sals/ Income from operations b) Other operating income	9,404 137	9,816 104	7,852 110	19,220 241	15,501 671	32,916 894	Segment revenue a. Small Molecules	4,034	4,354	3,446	8,388	7,319	14,583
Ш	Total income from operations (net)	6,259	7.054	5,573	13,313	11,618	23,354	Ш	Total income from operations (net)	9,541	9,920	7,962	19,461	16,172	33,810	b. Biologics	1,555	1,606	1,157	3,161	2,339	5,296
2	Expenses	-,	.,	.,	,			2	Expenses							c. Branded formulations	1,366	1,580	1,193	2,946	2,315	4,409
Ш	a) Cost of materials consumed	2,440	2,032	2,617	4,472	4,759	9,143	Ш	a) Cost of materials consumed     b) Purchases of stock-in-trade	3,177 556	2,655 589	3,392 242	5,832 1,145	6,222 467	12,214 1,070	d Research services	3,030	2,745	2,614	5,775	4,951	11,070
Ш	b) Purchases of stock-in-trade	219	284	191	503	349	760	Ш	c) Changes in inventories of finished goods,							Total	9,985	10,285	8,410	20,270	16,924	35,358
Ш	<ul> <li>c) Changes in inventories of finished goods, work-in-progress and stock-in-trade</li> </ul>	(247)	677	(349)	430	(57)	(28)	Ш	work-in-progress and stock-in-trade d) Excise duty on sales	(278)	662 96	(446) 75	384 179	(287)	(380)	Less: Inter-segment revenue  Net sales / Income from continuing operations	9,541	9,920	7,962	(809) 19,461	(752) 16.172	(1,548)
Ш	d) Excise duty on sales	83	96	75	179	147	336	Ш	e) Employee benefits expense	1,804	1,785	1,431	3,589	2,914	6,101	Segment results	5,041	5,520	7,502	15,401	10,172	33,010
Ш	e) Employee benefits expense	892	901	772	1,793	1,590	3,219	Ш	f) Depreciation and amortisation expenses	683	661	610	1,344	1,200	2,487	Profit before interest and tax from each segment						
Ш	f) Depreciation and amortisation expenses	378	365	345	743	684	1,397	Ш	g) Other expenses	2,242 8,267	1,835 8,283	1,930 7,234	4,081 16,554	3,553 14,215	8,135 29,963	a. Small Molecules	949	1,157	565	2,106	1,607	2,506
Ш	g) Other expenses	1.553	1.270	1.282	2.798	2.503	5,754	Ш	Less: Recovery of product development							b. Biologics	253	462	36	715	167	764
Ш	87	5,318	5,625	4,933	10,918	9,975	20,581	Ш	costs from co-development partners (net) Total expenses	(443) 7.824	(333) 7.950	(353) 6,881	(776) 15.778	(628) 13,587	(1,320) 28,643	c. Branded formulations #	101	211	299	312	486	804
Ш	Less: Recovery of product development		.,,,,,	.,,,,,	,	1,010		113	Profit from operations before other income.	1,024	1,300	0,001	10,770	10,007	20,040	d. Research services	914	729	563	1,643	1,106	2,810
Ш	costs from co-development partners (net)	(2)	1	(2)	(1)	(14)	(48)	"	finance costs and exceptional items (1-2)	1,717	1,970	1,881	3,683	2,585	5,167	Total Less: Interest	2,217	2,559	1,463	4,776	3,366	6,884 171
Ш	Total expenses	5,316	5,626	4,931	10,917	9,961	20,533	4	Other income	384	409	227	797	415	792	Other un-allocable expenditure / (income), net	97	177	77	274	290	791
3	Profit from operations before other income,							5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,101	2,379	1,388	4.480	3,000	5,959	Profit before tax and before exceptional items #	2,082	2,376	1,379	4,458	3.065	5,922
Ш	finance costs and exceptional items (1-2)	943	1,428	642	2,396	1,657	2,821	II.	Finance costs	2,101	57	29	122	73	254	Segment Assets	2,002	2,010	1,079	4,430	3,003	3,922
114	Other income	255	294	382	524	669	1,702	<sub>7</sub>	Profit from ordinary activities after finance			2.0	122	1	251	a. Small Molecules	14,845	14,589	13,223	14,845	13,223	14,831
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,198	1.722	1,024	2,920	2,326	4,523	Ш	costs before exceptional items (5-6)	2,036	2,322	1,279	4,358	2,927	5,705	b. Biologics	30,674	29,510	25,855	30,674	25,855	28,758
H.	Finance costs	1,100	5	1,024	21	2,320	9	8	Exceptional items (net) [refer note 4(a) and 4(b) below]			(1,078)		(1,078)	1,606	c. Branded formulations	2,401	2,276	2,154	2,401	2,154	1,698
°	Profit from ordinary activities after finance	10	,		21	, ,	9	II.	Profit from ordinary activities before tax (7+8)	2.036	2.322	201	4.358	1,849	7,311	d. Research services	25,290	24,664	14,654	25,290	14,654	23,575
П	costs before exceptional items (5-6)	1,182	1,717	1,023	2,899	2,323	4,514	10	Tax expense	417	552	282	969	658	1,467		73,210	71,039	55,886	73,210	55,886	68,862
Пs	Exceptional items [refer note 4(c) and 4							11		1,619	1,770	(81)	3,389	1,191	5,844	e. Unallocable	15,518	16,166	15,648	15,518	15,648	15,928
Ш	(d) below]			962		962	1,061	12	Share of profit of Joint venture	46	54	100	100	138	217	Total segment assets Segment Liabilities	88,728	87,205	71,534	88,728	71,534	84,790
9	Profit from ordinary activities before tax (7+8)	1,182	1,717	1,985	2,899	3,285	5,575		Non-controlling interest	(198)	(158)	(125)	(356)	(196)	(584)	a. Small Molecules	2,993	2,121	2,400	2,993	2,400	2,906
10	Tax expense	482	303	1,244	785	1,525	1,937	14	Net profit / (loss) after taxes, minority interest and share of profit from							b. Biologics	6,351	5,614	8,858	6,351	8,858	5,527
11	Net profit for the period / year (9-10)	700	1,414	741	2,114	1,760	3,638	Ш	associates(11+12+13)	1,467	1,666	(106)	3,133	1,133	5,477	c. Branded formulations	1,334	1,023	657	1,334	657	601
12	Other comprehensive income	44	(13)	(10)	31	(29)	(9)	15	Other comprehensive income	396	(161)	(169)	235	(212)	(57)	d. Research services	13,408	13,499	5,218	13,408	5,218	13,328
13	Total comprehensive income (11+12)	744	1,401	731	2,145	1,731	3,629	16	Non-controlling interest	(80)	23	10	(57)	14	(9)	1	24,086	22,257	17,133	24,086	17,133	22,362
14	Paid-up equity share capital							1 17	<ul> <li>Total comprehensive income attributable to Shareholders (14+15+16)</li> </ul>	1,783	1,528	(265)	3,311	935	5,411	e. Unallocable	17,158	19,674	13,418	17,158	13,418	18,989
Ш	(Face value of Rs. 5 each)	1,000	1,000	1,000	1,000	1,000	1,000	Ш	Total comprehensive income attributable to:	1,703	1,020	(200)	0,011	550	3,411	Total segment liabilities	41,244	41,931	30,551	41,244	30,551	41,351
15	Reserves i.e. Other equity						59,240	Ш	Shareholders of the Company	1,783	1,528	(265)	3,311	935	5,411	Capital employed a Small Molecules	11,852	12,468	10,823	11.852	10.823	11,925
16	Earnings per share (of Rs. 5 each) (not annualised)							Ш	Non-controlling interest	278	135	115	413	182	593	b. Biologics	24,323	23,896	16,997	24,323	16,997	23,231
Ш	(a) Basic	3,57	7,21	3,77	10,78	8,96	18,53	Ш	Total comprehensive income	2,061	1,663	(150)	3,724	1,117	6,004	c Branded formulations	1,067	1,253	1,497	1,067	1,497	1,097
Ш	(b) Diluted	3.54	7,18	3,77	10.70	8.96	18.52	18	Paid-up equity share capital							d. Research services	11,882	11,165	9,436	11,882	9,436	10,247
Ш	See accompanying notes to the	0.04	1.10	3.77	10.72	0.50	10.02	II.,	(Face value of Rs. 5 each) Reserves i.e. Other equity	1,000	1,000	1,000	1,000	1,000	1,000 39,577	1	49,124	48,782	38,753	49,124	38,753	46,500
П	financial results							20							59,577	e. Unallocable	(1,640)	(3,508)	2,230	(1,640)	2,230	(3,061)
-	1							۱۱	(not annualised)						[ I	Total capital employed	47,484	45,274	40,983	47,484	40,983	43,439
1									(a) Basic (b) Diluted	7.48 7.42	8.49 8.46	(0.54)	15,97 15,88	5.77 5.77	27.90 27.88	# includes share of profit of Joint venture						
1									See accompanying notes to the financial results		0.40	(0.04)	10,00	3.77	27,00							
1	Standalone Statement	of Accate and	Linhilition					_														

Standalone Statement of Assets and Liabilities (₹. in M							
	Particulars	As at September 30, 2016 (Unaudited)	As at March 31, 2016 (Unaudited)				
A 1	ASSETS Non-current assets						
1							
	(a) Property, plant and equipment (b) Capital work-in-progress	8,560 2,395	8,596 1,722				
	(c) Investment property	430	439				
	(d) Other intangible assets	317	342				
	(e) Investments in associates and a joint venture	2	2				
	(f) Financial assets Investments	32.174	32.104				
	Loans and advances	1.760	1.756				
	Other financial assets	95	996				
	(g) Income tax asset, net	491	471				
	(h) Deferred tax asset, net (i) Other non-current assets	1 559	30 1.382				
	Non-current assets	47,783	47,840				
2	Current assets	11,144	-11/0-10				
•	(a) Inventories	4,932	5.046				
	(b) Financial assets						
	Investments	1,178	1.557				
	Trade receivables	6,168	5.038				
	Cash and cash equivalents	3,345	2,903				
	Other bank balances	6,974	7,412				
	Other financial assets	1,233	990				
	(c) Other current assets Current assets	154 23.984	224				
	TOTAL - ASSETS						
В		71,767	71,010				
-	EQUITY AND LIABILITIES						
1	Equity						
	(a) Share capital	1,000	1,000				
	(b) Other equity	61,585	59,240				
	Total Equity	62,585	60,240				
2	Non-current liabilities						
	(a) Financial liabilities						
	Borrowings	1,367	1,365				
	Other financial liabilities	7	7				
	(a) Provisions	96	95				
	(b) Deferred tax liability, net	132					
	(c) Other non-current liabilities	811	913				
	Non-current liabilities	2,412	2,380				
3	Current liabilities						
•	(a) Financial liabilities						
	Borrowings	499	2,255				
	Trade payables	4,156	3,944				
	Other financial liabilities	677	910				
	(b) Short-term provision	340	285				
	(c) Income tax liability, net	681	493				
	(d) Other current liabilities	417	503				
	Current Biabilities	6,770	8,390				
	TOTAL - EQUITY AND LIABILITIES	71.767	71.010				

Consolidated Statement of Assets and Liabilities (7. in Million)

	Particulars	As at September 30, 2016 (Unaudited)	As at March 31, 2016 (Unaudited)
A ASSETS			
1 Non-cur	rent assets		
(a) Pro	perty, plant and equipment	17,675	16,811
(b) Cap	ital work-in-progress	22,721	20,626
(c) Inv	stment property	9	9
(d) Go	dwil	264	264
(e) Oth	er intanoible assets	492	408
	ngible assets under development	2.746	1,798
	estments in associates and a joint venture	421	321
	incial assets	46.	UL1
	ns and advances	304	306
	er financial assets	918	
	er financial assets ome tax asset, net	918 883	1,139 915
		653	735
	erred tax asset, net er non-current assets	2.188	2.340
	rent assets	49,274	45,672
2 Current			
(a) Invi		5,273	5,424
	incial assets		
ltw	stments	4,162	4,321
Tra	de receivables	7,995	7,119
Cas	h and cash equivalents	5,047	11,225
Oth	er bank balances	13,911	8,047
Oth	er financial assets	2.321	2.330
(c) Oth	er current assets	745	652
Current	assets	39,454	39,118
TOTAL -	ASSETS	88,728	84,790
B EQUITY	AND LIABILITIES		
1 Equity			
	re capital	1,000	1,000
	er equity	43.209	39,577
Equity a	ttributable to equity holders of the Company	44,209	40,577
Non-cor	trolling interest	3.275	2.862
Total Eq	uity	47,484	43,439
2 Non-cur	rent liabilities		
(a) Fins	incial liabilities		
	rowings	21,360	20,724
	er financial l'abilities	154	188
(b) Pro		336	299
	er non-current liabilities rent liabilities	3,614 25,464	3,711 24,922
	lah lities	20,404	24,022
	incial liabilities		
	rowings	3,083	3,949
	le payables	7,057	5,241
	er financial liabilities	2,064	2,963
	rt-term provision	439	374
(c) Inc	ome tax jabijty, net	978	748
(d) Oth	er current liabilities	2,159	3,154
	liab@ities	15,780	16,429
	EQUITY AND LIABILITIES	88,728	84,790

Notes to the financial results

- 1. The unaudited standalone financial results and the unaudited consolidated financial results for the quarter and half year ended 30 September 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 20 October 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 thereunder 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 for the relaxation provided by SEBI in respect of disclosure requirements for corresponding figures for earlier periods.
  Accordingly, the figures for the year ended 31 March 2016 have been presented after incorporating the applicable Ind AS adjustments in addition to the figures for the
  quarter and half year ended 30 September 2015.
- a) The Company has 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 a reported in these financial results under Ind AS. The net profit reconcilations for the quarter and half year ended 30 September 2015 and year ended 31 Mayer anded 31 Mayer and 3

		Standalone		Consolidated				
Net profit reconciliation	Three months ended 30.09.2015	Six months ended 30.09.2015	Year ended 31,03,2016	Three months ended 30.09.2015	Six months ended 30,09,2015	Year ended 31.03.2016		
Net Profit attributable to shareholders of the Company as per previous GAAP	4,986	6,020	8,088	3,060	4,322	8,961		
Exceptional items (net of taxes)	(4,089)	(4,089)	(4,167)	(2,028)	(2,028)	(4,589)		
Net Profit attributable to shareholders of the Company before exceptional items as per previous GAAP [A]	897	1,931	3,921	1,032	2,294	4,372		
Ind AS adjustments								
Difference on account of revenue recognition, net of related costs	(95)	(72)	(230)	(95)	(72)	(230)		
Impact of derivative accounting and exchange gain/loss	(27)	(66)	(149)	(27)	(48)	3		
Impact of borrowing cost					-	(152)		
Other adjustments	(1)	(16)	(22)	7	(11)	(59)		
Income tax impact of above adjustments	47	63	120	55	48	60		
Subtotal [B]	(76)	(91)	(281)	(60)	(83)	(378)		
Net Profit attributable to shareholders of the Company before exceptional items as per Ind AS [C = A + B]	821	1,840	3,648	972	2,211	3,994		
Exceptional Items, net of tax as per previous GAAP [X]	4,089	4,089	4,167	2,028	2,028	4,589		
Ind AS adjustments								
Impact on Profit on sale of Syngene Shares, net of tax [Y]	(4,169)	(4,169)	(4,169)	(3,106)	(3,106)	(3,106)		
Total [D = X + Y]	(80)	(88)	(2)	(1,078)	(1,078)	1,483		
Net Profit attributable to shareholders of the Company as per Ind AS [E= C+D]	741	1,760	3,638	(106)	1,133	5,477		
Other comprehensive income (OCI):								
Effective portion of cash flow hedges	(7)	(24)	2	(160)	(196)	(26)		
Actuarial loss on defined benefit obligations — Gratuity	(3)	(5)	(11)	(9)	(16)	(31)		
Minority Interest				10	14	(9)		
Sub-total [F]	(10)	(29)	(9)	(159)	(198)	(66)		
Total Comprehensive income attributable to Shareholders of the Company [E + F]	731	1,731	3,629	(265)	935	5,411		

b) The Company has also prepared an equity reconciliation between the equity for the comparative period under previous GAAP and the equity as reported in the statement of asset and liabilities under Ind AS.

The equity reconciliation as at 31 March 2016 for the standalone and consolidated statement of asset and liabilities is as below:

	R	in Million)				
	As at 31.03.2016					
Equity reconciliation	Standalione	Consolidated				
Equity under previous GAAP attributable to shareholders of the Company	32,885	40,556				
Difference on account of revenue recognition, net of related costs	(802)	(752)				
Impact of derivative accounting, translations adjustments and exchange gain/loss	(21)	297				
Impact of borrowing cost		(152)				
Consolidation of ESOP trust	430	430				
Other adjustments	36	(60)				
Impact of fair valuation of investment in a subsidiary on transition date	27,519					
Income tax impact of above adjustments	193	258				
Family under Ind &S attributed to sharphalders of the Commany	60 240	40 627				

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

- results of the following subsidiaries:

  Syngene International Limited (Syngener)

  Biocon Patram Limited

  Biocon Patram Limited

  Biocon Saderin

  Biocon SA

  In addition to the above, the consolidated financial results sta
- $4. \quad \text{The exceptional items for the quarter and half year ended 30 September 2015 and year ended 31 March 2016 comprise the following:} \\$
- a) 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 ₹. 2,684 relating to the program has been recognized as income in the consolidated financial results for the 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 certaint interntories, Biocon SA recorded an impairment of the carrying value of the intangible asset amounting to ₹, 1078. The impairment has been recognized as an exceptional item in the consolidated financial results for the quarter and half year ended 30 September 2015 and for the year ended 31 March 2016.
- c) The gain arising from sale of equity shares in respect of Syngene, net of related expenses and cost of equity shares amounting to ₹. 962 has been accounted as an exceptional gain in the standalone financial results for the quarter and half year ended 30 September 2015 and for the year ended 31 March 2016.
- During the year 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 to Technology of the Company for a sum of ₹.811. Gain arising from such sale of equity shares, net of cost of such equity shares, amounting to ₹.99 is recorded as an exceptional item in the standalone financial results.
- Consequential tax charge recorded in respect of exceptional items is ₹. Nil for the quarter and half year ended 30 September 2015 and ₹. 123 for the year ended 31 March 2016 in the consolidated financial results. Consequential tax charge recorded in respect of exceptional items is ₹. 1,042 for the quarter and half year ended 30 September 2015 and ₹. 1,063 for the year ended 31 March 2016 in the standalone financial results.
- 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.
- 6. 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: October 20, 2016

Kiran Mazumdar Shaw Chairman and Managing Director