

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
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Limited Review report

Review report to The Board of Directors of Biocon Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Biocon Limited ('the Company') for the quarter ended 30 June 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of SEBI Regulations and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

S Sethuraman

Partner

Membership Number: 203491

Place: Bengaluru

Date: 27 July 2017

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Limited Review report

Review Report to The Board of Directors of Biocon Limited

We have reviewed the accompanying statement of unaudited consolidated financial results (“Statement”) of Biocon Limited (“the Company”), its subsidiaries, associate and a joint venture (collectively referred to as ‘the Group’) (Refer to Note 3 of the Statement), for the quarter ended 30 June 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Regulations’).

This Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, ‘*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*’ issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the unaudited financial information of a subsidiary and a joint venture both incorporated outside India included in the consolidated financial results of the Group. This subsidiary accounts for Rs 130 million of net loss and Rs 726 million of revenues (including other income) for the quarter ended 30 June 2017 and Rs 22,710 million of total assets as at 30 June 2017. The financial results also includes Group’s share of net profit of Rs 41 million for the quarter ended 30 June 2017, in respect of such joint venture. The unaudited financial results of the subsidiary and joint venture both incorporated outside India have been reviewed by the other auditors whose reports have been furnished to us. Our opinion on the unaudited consolidated Statement, in so far as it relates to this subsidiary and joint venture, is based on the aforesaid review reports of the other auditors.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of SEBI Regulations and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

S Sethuraman

Partner

Membership Number: 203491

Place: Bengaluru

Date: 27 July 2017

BIOCON LIMITED
CIN: L24234KA1978PLC003417 Website: www.biocon.com
Registered office: 20th KM HOSUR ROAD, ELECTRONIC CITY P.O., BANGALORE - 560 100
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs in Million, except per equity share data)

Sl. No.	Particulars	3 months ended	3 months ended	3 months ended	Previous Year
		30.06.2017	31.03.2017	30.06.2016	ended 31.03.2017
		(Unaudited)	(Audited) (Refer note 7)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	5,806	6,321	7,054	26,184
	Other Income	261	143	294	988
	Total income	6,067	6,464	7,348	27,172
2	Expenses				
	a) Cost of raw materials and packing materials consumed	2,495	2,588	2,128	9,915
	b) Purchases of traded goods	171	184	284	902
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(228)	(354)	581	(465)
	d) Excise duty	63	58	96	305
	e) Employee benefits expense	961	904	901	3,650
	f) Finance Costs	9	9	5	38
	g) Depreciation and amortisation expenses	372	381	365	1,506
	h) Other expenses	1,482	1,706	1,270	5,963
		5,325	5,476	5,630	21,814
	Less: Recovery of cost from co-development partners (net)	-	(3)	1	(4)
	Total expenses	5,325	5,473	5,631	21,810
3	Profit before tax and exceptional item	742	991	1,717	5,362
4	Exceptional items	-	-	-	-
5	Profit before tax (3 + 4)	742	991	1,717	5,362
6	Tax expense	197	(1,047)	303	169
7	Profit for the period/year (5 - 6)	545	2,038	1,414	5,193
8	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss	(7)	(12)	(5)	(27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	4	2	9
	B (i) Items that will be reclassified to profit or loss	(11)	63	(10)	149
	(ii) Income tax relating to items that will be reclassified to profit or loss	4	(22)	-	(47)
	Other comprehensive income, net of taxes	(14)	33	(13)	84
9	Total comprehensive income for the period (7+8)	531	2,071	1,401	5,277
10	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	1,000	1,000	1,000
11	Reserves i.e. Other equity				64,411
13	Earnings per share (of Rs. 5 each) (refer note 6 below)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	0.92	3.46	2.40	8.82
	(b) Diluted	0.92	3.43	2.39	8.76
	See accompanying notes to the financial results				



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs in Million, except per equity share data)

Sl. No.	Particulars	3 months ended	3 months ended	3 months ended	Previous Year
		30.06.2017	31.03.2017	30.06.2016	ended 31.03.2017
		(Unaudited)	(Audited) (Refer note 7)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	9,337	9,311	9,920	39,216
	Other income	540	432	409	1,571
	Total income	9,877	9,743	10,329	40,787
2	Expenses				
	a) Cost of raw materials and packing materials consumed	3,547	3,405	2,751	13,224
	b) Purchases of traded goods	504	306	589	1,932
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(456)	(285)	566	(690)
	d) Excise duty	63	58	96	305
	e) Employee benefits expense	2,133	1,939	1,785	7,470
	f) Finance costs	161	50	57	260
	g) Depreciation and amortisation expenses	988	725	661	2,772
	h) Other expenses	1,999	2,141	1,835	8,463
		8,939	8,339	8,340	33,736
	Less: Recovery of cost from co-development partners (net)	(374)	(128)	(333)	(1,283)
	Total expenses	8,565	8,211	8,007	32,453
3	Profit before share of profit of Joint venture, exceptional items and tax (1-2)	1,312	1,532	2,322	8,334
4	Share of profit of Joint venture and Associate	41	55	54	163
5	Profit before tax and exceptional items (3-4)	1,353	1,587	2,376	8,497
6	Exceptional items (net) [refer note 4 below]	-	-	-	-
7	Profit before tax (5-6)	1,353	1,587	2,376	8,497
8	Tax expense	376	103	552	1,616
9	Profit for the period / year before non-controlling interest (7-8)	977	1,484	1,824	6,881
10	Non-controlling interest	(164)	(209)	(158)	(760)
11	Profit for the period (9-10)	813	1,275	1,666	6,121
12	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss	(14)	(39)	(5)	(57)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	10	1	15
	B (i) Items that will be reclassified to profit or loss	60	701	(142)	1,293
	(ii) Income tax relating to items that will be reclassified to profit or loss	(12)	(165)	(15)	(263)
	Total other comprehensive income, net of tax	35	507	(161)	988
13	Non-controlling interest	(16)	(123)	23	(224)
14	Other comprehensive income attributable to Shareholders (12+13)	19	384	(138)	764
	Total comprehensive income attributable to:				
	Shareholders of the Company	832	1,659	1,528	6,885
	Non-controlling interest	180	332	135	984
	Total comprehensive income	1,012	1,991	1,663	7,869
15	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	1,000	1,000	1,000
16	Reserves i.e. Other equity				47,377
17	Earnings per share (of Rs. 5 each) (refer note 6 below)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	1.38	2.16	2.83	10.39
	(b) Diluted	1.37	2.14	2.82	10.32
	See accompanying notes to the financial results				



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SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

Particulars	3 months ended 30.06.2017	3 months ended 31.03.2017	3 months ended 30.06.2016	Previous Year ended 31.03.2017
	(Unaudited)	(Audited) (Refer note 7)	(Unaudited)	(Audited)
Segment revenue				
a. Small Molecules	3,629	3,948	4,354	16,405
b. Biologics	1,839	1,633	1,606	7,018
c. Branded formulations	1,304	1,310	1,580	5,489
d. Research services	2,911	2,828	2,745	11,925
Total	9,683	9,719	10,285	40,837
Less: Inter-segment revenue	(346)	(408)	(365)	(1,621)
Net sales / Income from continuing operations	9,337	9,311	9,920	39,216
Segment results				
Profit before interest and tax from each segment				
a. Small Molecules	704	1,066	1,157	4,142
b. Biologics	(60)	59	462	1,397
c. Branded formulations #	40	99	211	463
d. Research services	760	902	729	3,465
Total	1,444	2,126	2,559	9,467
Less: Interest	110	22	6	86
Other un-allocable expenditure / (income), net	(19)	517	177	884
Profit before tax and before exceptional items #	1,353	1,587	2,376	8,497
Segment Assets				
a. Small Molecules	16,998	16,116	14,589	16,116
b. Biologics	32,191	34,111	29,510	34,111
c. Branded formulations	2,500	2,386	2,276	2,386
d. Research services	27,680	27,738	24,664	27,738
	79,369	80,351	71,039	80,351
e. Unallocable	15,713	13,591	16,166	13,591
Total segment assets	95,082	93,942	87,205	93,942
Segment Liabilities				
a. Small Molecules	4,269	3,548	2,121	3,548
b. Biologics	6,813	8,251	5,614	8,251
c. Branded formulations	1,712	1,650	1,023	1,650
d. Research services	12,823	13,607	13,499	13,607
	25,617	27,056	22,257	27,056
e. Unallocable	16,310	14,748	19,674	14,748
Total segment liabilities	41,927	41,804	41,931	41,804
Capital employed				
a. Small Molecules	12,729	12,568	12,468	12,568
b. Biologics	25,378	25,860	23,896	25,860
c. Branded formulations	788	736	1,253	736
d. Research services	14,857	14,131	11,165	14,131
	53,752	53,295	48,782	53,295
e. Unallocable	(597)	(1,157)	(3,508)	(1,157)
Total capital employed	53,155	52,138	45,274	52,138
# includes share of profit of Joint venture				



Biocon Limited
Unaudited financial results for the quarter ended June 30, 2017

Notes:

1. The unaudited standalone and consolidated financial results for the quarter ended June 30, 2017 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 July 27, 2017. The above results have been subjected to limited review by the statutory auditors of the Company. The reports of the statutory auditors are unqualified.
2. 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 July 5, 2016.
3. 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
 - Biocon Pharma Inc.
 - Biocon Biologics India Limited

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 i.e. NeoBiocon FZ-LLC and share of investment in the associate i.e. Iatrica Inc., if any under the equity method. Biocon Limited, its subsidiaries, associate and a joint venture are collectively referred to as 'the Group'.

4. The exceptional item comprise the following:

Pursuant to a fire incident on December 12, 2016 at Syngene, certain fixed assets, inventory and other contents in one of the buildings was damaged. Syngene lodged an initial estimate of loss with the insurance company and the survey is currently ongoing. During the quarter ended June 30, 2017, Syngene has additionally written off net book value of assets aggregating to Rs 47 million (year ended March 31, 2017- Rs 795 million) and recognised a minimum amount of insurance claim receivable for an equivalent amount. This has been presented under exceptional items.

In addition, the Group is in the process of determining its claim for Business Interruption and has accordingly not recorded any claim arising therefrom at this stage.



Biocon Limited
Unaudited financial results for the quarter ended June 30, 2017

5. 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. The Company has allotted 400,000,000 equity shares of Rs. 5/- each fully paid up as bonus shares on June 19, 2017 in the ratio of 2:1 (Two equity shares of Rs. 5/- each for every one equity share of Rs. 5/- each held in the Company as on the record date i.e., June 17, 2017) by capitalisation of securities premium account. In accordance with Ind AS 33, Earnings per share, the earnings per share data has been adjusted to give effect to the bonus issue for all periods presented.
7. The figures for quarter ended March 31, 2017 is balancing figures between audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the end of the third quarter of the relevant financial year, which are subject to limited review.
8. 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

Bangalore,
July 27, 2017



A handwritten signature in blue ink, appearing to read "Kiran Mazumdar Shaw".

Kiran Mazumdar Shaw
Chairman and Managing Director

