

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

### Statement of Standalone Audited Financial Results for the quarter and year ended March 31, 2017

(Rs in Million, except per equity share data)

Sl. No.	Particulars	3 months ended 31.03.2017	3 months ended 31.12.2016	3 months ended 31.03.2016	Year ended 31.03.2017	Previous Year ended 31.03.2016
		(Audited) (Refer note 7)	(Unaudited)	(Audited) (Refer note 7)	(Audited)	(Audited)
1	Revenue from operations	6,321	6,550	6,459	26,184	23,354
2	Other Income	143	332	761	988	1,731
	<b>Total income</b>	<b>6,464</b>	<b>6,882</b>	<b>7,220</b>	<b>27,172</b>	<b>25,085</b>
3	<b>Expenses</b>					
a)	Cost of raw materials and packing materials consumed	2,588	2,676	2,279	9,915	9,479
b)	Purchases of traded goods	184	215	230	902	760
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(354)	(362)	151	(465)	(364)
d)	Excise duty	58	68	117	305	336
e)	Employee benefits expense	904	953	806	3,650	3,219
f)	Finance Costs	9	8	15	38	19
g)	Depreciation and amortisation expenses	381	382	356	1,506	1,397
h)	Other expenses	1,706	1,470	1,833	5,963	5,754
	<b>Total expenses</b>	<b>5,476</b>	<b>5,410</b>	<b>5,787</b>	<b>21,814</b>	<b>20,600</b>
	Less: Recovery of product development costs from co-development partners (net)	(3)	-	(28)	(4)	(48)
	<b>Total expenses</b>	<b>5,473</b>	<b>5,410</b>	<b>5,759</b>	<b>21,810</b>	<b>20,552</b>
4	<b>Profit before tax and exceptional item</b>	<b>991</b>	<b>1,472</b>	<b>1,461</b>	<b>5,362</b>	<b>4,533</b>
	Exceptional items [refer note 4(c) and 4(d) below]	-	-	99	-	1,061
6	<b>Profit before tax (4 + 5)</b>	<b>991</b>	<b>1,472</b>	<b>1,560</b>	<b>5,362</b>	<b>5,594</b>
7	<b>Tax expense</b>					
	Current tax	202	431	375	1,269	2,175
	Less: MAT credit entitlement	(1,172)	-	-	(1,172)	-
	Deferred tax	(77)	(103)	(103)	72	(267)
8	<b>Profit for the year (6-7)</b>	<b>2,038</b>	<b>1,041</b>	<b>1,288</b>	<b>5,193</b>	<b>3,686</b>
9	<b>Other comprehensive income</b>					
	(i) Items that will not be reclassified subsequently to profit or loss					
	Re-measurement on defined benefit plans	(12)	(5)	(4)	(27)	(16)
	Income tax effect	4	1	2	9	6
	(ii) Items that will be reclassified subsequently to profit or loss					
	Effective portion of gains/(losses) on hedging instrument in cash flow hedges	63	34	-	149	-
	Income tax effect	(22)	(10)	-	(47)	-
	<b>Other comprehensive income, net of taxes</b>	<b>33</b>	<b>20</b>	<b>(2)</b>	<b>84</b>	<b>(10)</b>
10	<b>Total comprehensive income for the period (8+9)</b>	<b>2,071</b>	<b>1,061</b>	<b>1,286</b>	<b>5,277</b>	<b>3,676</b>
11	Paid-up equity share capital (Face value of Rs. 5 each)	1,000	1,000	1,000	1,000	1,000
12	Reserves i.e. Other equity	-	-	64,411	58,966	-
13	<b>Earnings per share (of Rs. 5 each)</b>	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
	(a) Basic	10.37	5.30	6.56	26.45	18.78
	(b) Diluted	10.28	5.26	6.56	26.27	18.76

### Statement of Consolidated Audited Financial Results for the quarter and year ended March 31, 2017

(Rs in Million, except per equity share data)

Sl. No.	Particulars	3 months ended 31.03.2017	3 months ended 31.12.2016	3 months ended 31.03.2016	Year ended 31.03.2017	Previous Year ended 31.03.2016
		(Audited) (Refer note 7)	(Unaudited)	(Audited) (Refer note 7)	(Audited)	(Audited)
1	<b>Income</b>					
	Revenue from operations	9,311	10,444	9,567	39,216	33,810
	Other Income	432	474	160	1,571	792
	<b>Total income</b>	<b>9,743</b>	<b>10,918</b>	<b>9,727</b>	<b>40,787</b>	<b>34,602</b>
2	<b>Expenses</b>					
a)	Cost of materials consumed	3,405	3,808	3,078	13,224	12,549
b)	Purchases of stock-in-trade	306	481	(15)	1,932	760
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(285)	(610)	480	(690)	(405)
d)	Excise duty on sales	58	68	118	305	336
e)	Employee benefits expense	1,939	1,942	1,665	7,470	6,101
f)	Finance costs	50	88	205	260	293
g)	Depreciation and amortisation expenses	725	703	648	2,772	2,487
h)	Other expenses	2,141	2,373	2,512	8,463	8,111
	<b>Total expenses</b>	<b>8,339</b>	<b>8,853</b>	<b>8,691</b>	<b>33,736</b>	<b>30,232</b>
	Less: Recovery of product development costs from co-development partners (net)	(128)	(379)	(317)	(1,283)	(1,320)
	<b>Total expenses</b>	<b>8,211</b>	<b>8,474</b>	<b>8,374</b>	<b>32,453</b>	<b>28,912</b>
3	<b>Profit before share of profit of Joint venture, exceptional items and tax (1-2)</b>	<b>1,532</b>	<b>2,444</b>	<b>1,353</b>	<b>8,334</b>	<b>5,690</b>
4	Share of profit of Joint venture	55	8	53	163	217
5	<b>Profit before tax and exceptional items (3-4)</b>	<b>1,587</b>	<b>2,452</b>	<b>1,406</b>	<b>8,497</b>	<b>5,907</b>
6	Exceptional items (net) [refer note 4(a) and 4(b) below]	-	-	2,684	-	1,606
7	<b>Profit before tax (5-6)</b>	<b>1,587</b>	<b>2,452</b>	<b>4,090</b>	<b>8,497</b>	<b>7,513</b>
8	<b>Tax expense:</b>					
	Current tax	516	621	660	2,082	1,813
	Less: MAT credit entitlement	(369)	-	(166)	(369)	(166)
	Deferred tax	(44)	(77)	52	(97)	(225)
9	<b>Net profit for the period / year (7-8)</b>	<b>1,484</b>	<b>1,908</b>	<b>3,544</b>	<b>6,881</b>	<b>6,091</b>
10	Non-controlling interest	(209)	(195)	(214)	(760)	(587)
11	<b>Profit for the period (9-10)</b>	<b>1,275</b>	<b>1,713</b>	<b>3,330</b>	<b>6,121</b>	<b>5,504</b>
12	<b>Other comprehensive income</b>					
	(i) Items that will not be reclassified to profit or loss					
	Re-measurement on defined benefit plans	(39)	(6)	(9)	(57)	(39)
	Income tax effect	10	2	2	15	9
	(ii) Items that may be reclassified to profit or loss					
	Effective portion on hedging instrument in cash flow hedges	701	286	70	1,293	(21)
	Income tax effect	(165)	(36)	(14)	(263)	(5)
	<b>Other comprehensive income, net of tax</b>	<b>507</b>	<b>246</b>	<b>49</b>	<b>988</b>	<b>(56)</b>
13	Non-controlling interest	(123)	(44)	(10)	(224)	(2)
14	<b>Other comprehensive income attributable to Shareholders (12+13)</b>	<b>384</b>	<b>202</b>	<b>39</b>	<b>764</b>	<b>(58)</b>
	<b>Total comprehensive income attributable to: Shareholders of the Company</b>	<b>1,659</b>	<b>1,915</b>	<b>3,369</b>	<b>6,885</b>	<b>5,446</b>
	Non-controlling interest	332	239	224	984	589
	<b>Total comprehensive income</b>	<b>1,991</b>	<b>2,154</b>	<b>3,593</b>	<b>7,869</b>	<b>6,035</b>
15	Paid-up equity share capital (Face value of Rs. 5 each)	1,000	1,000	1,000	1,000	1,000
16	Reserves i.e. Other equity	-	-	47,377	39,338	-
17	<b>Earnings per share (of Rs. 5 each)</b>	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
	(a) Basic	6.49	8.72	16.97	31.18	28.04
	(b) Diluted	6.43	8.65	16.95	30.97	28.01

### Segment details of Consolidated Audited Results for the quarter and year ended March 31, 2017

(Rs in Million, except per equity share data)

Particulars	3 months ended 31.03.2017	3 months ended 31.12.2016	3 months ended 31.03.2016	Year ended 31.03.2017	Previous Year ended 31.03.2016
	(Audited) (Refer note 7)	(Unaudited)	(Audited) (Refer note 7)	(Audited)	(Audited)
<b>Segment revenue</b>					
a. Small Molecules	3,948	4,069	4,055	16,405	14,583
b. Biologics	1,633	2,224	1,532	7,018	5,296
c. Branded formulations	1,310	1,233	1,049	5,489	4,409
d. Research services	2,828	3,322	3,315	11,925	11,070
Total	9,719	10,848	9,951	40,837	35,358
Less: Inter-segment revenue	(408)	(404)	(384)	(1,621)	(1,548)
<b>Net sales / Income from continuing operations</b>	<b>9,311</b>	<b>10,444</b>	<b>9,567</b>	<b>39,216</b>	<b>33,810</b>
<b>Segment results</b>					
Profit before interest and tax from each segment					
a. Small Molecules	1,066	970	465	4,142	2,506
b. Biologics	59	623	314	1,397	764
c. Branded formulations	99	52	177	463	804
d. Research services	902	920	932	3,465	2,810
<b>Total</b>	<b>2,126</b>	<b>2,565</b>	<b>1,888</b>	<b>9,467</b>	<b>6,884</b>
Less: Interest	22	20	156	86	171
Other un-allocable expenditure / (income), net	517	93	326	884	806
<b>Profit before tax and before exceptional items</b>	<b>1,587</b>	<b>2,452</b>	<b>1,406</b>	<b>8,497</b>	<b>5,907</b>
<b>Segment Assets</b>					
a. Small Molecules	16,116	15,161	14,831	16,116	14,831
b. Biologics	34,111	32,285	28,758	34,111	28,758
c. Branded formulations	2,386	2,145	1,698	2,386	1,698
d. Research services	27,738	25,240	23,555	27,738	23,555
Total	80,351	74,831	68,842	80,351	68,842
e. Unallocable	13,591	17,323	15,739	13,591	15,739
<b>Total segment assets</b>	<b>93,942</b>	<b>92,154</b>	<b>84,581</b>	<b>93,942</b>	<b>84,581</b>
<b>Segment Liabilities</b>					
a. Small Molecules	3,548	3,735	2,906	3,548	2,906
b. Biologics	8,251	6,994	5,527	8,251	5,527
c. Branded formulations	1,650	1,513	601	1,650	601
d. Research services	13,607	12,386	13,308	13,607	13,308
Total	27,056	24,628	22,342	27,056	22,342
e. Unallocable	14,748	17,722	19,243	14,748	19,243
<b>Total segment liabilities</b>	<b>41,804</b>	<b>42,350</b>	<b>41,585</b>	<b>41,804</b>	<b>41,585</b>
<b>Capital employed</b>					
a. Small Molecules	12,568	11,426	11,925	12,568	11,925
b. Biologics	25,860	25,291	23,231	25,860	23,231
c. Branded formulations	736	632	1,097	736	1,097
d. Research services	14,131	12,854	10,247	14,131	10,247
Total	53,295	50,203	46,500	53,295	46,500
e. Unallocable	(1,157)	(399)	(3,504)	(1,157)	(3,504)
<b>Total capital employed</b>	<b>52,138</b>	<b>49,804</b>	<b>42,996</b>	<b>52,138</b>	<b>42,996</b>
# includes share of profit of Joint venture					

#### Notes:

- The standalone and consolidated financial results for the quarter and year ended 31 March 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 27 April 2017. The above results have been audited 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 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 reconciliations for the quarter and year ended 31 March 2016 for standalone and consolidated financial results are presented below.
- 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 assets and liabilities under Ind AS. The equity reconciliation as at 31 March 2016 for the standalone and consolidated financial results is as below:
 

Equity reconciliation	Standalone and Consolidated	
	As at 31 March 2016	As at 31 March 2016
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	(2)	297
Impact of borrowing cost	-	(152)
Consolidation of ESOP trust	475	475
Other adjustments	24	(24)
Impact of fair valuation of investment in a subsidiary on transition date	27,519	-
Income tax impact of above adjustments and corrections for earlier years	(133)	(62)
<b>Equity under Ind AS attributable to shareholders of the Company</b>	<b>59,966</b>	<b>40,338</b>
- 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.
  - Biocon Biologics India Limited

Net profit reconciliation	Standalone		Consolidated	
	3 months ended 31-03-2016	Year ended 31-03-2016	3 months ended 31-03-2016	Year ended 31-03-2016
Net Profit attributable to shareholders of the Company as per previous GAAP	1,382	8,088	3,609	8,961
Exceptional items (net of taxes)	(78)	(4,167)	(2,561)	(4,589)
<b>Net Profit attributable to shareholders of the Company before exceptional items as per previous GAAP [A]</b>	<b>1,304</b>	<b>3,921</b>	<b>1,048</b>	<b>4,372</b>
<b>Ind AS adjustments</b>				
Difference on account of revenue recognition, net of related costs	(102)	(230)	(102)	(230)
Impact of derivative accounting and exchange gain/loss	(34)	(130)	(10)	3
Impact of borrowing cost	-	-	(152)	(152)
Other adjustments	(4)	(23)	(	