



Biocon Limited

20th KM Hosur Road
Electronics City
Bangalore 560 100, India
T 91 80 2808 2808
F 91 80 2852 3423
CIN : L24234KA1978PLC003417

www.biocon.com

Letter No: 2017/SEC/OCT/136

October 26, 2017

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (East),
Mumbai- 400 051

Bombay Stock Exchange Limited,
P J Tower, Dalal Street,
Mumbai 400 001

Dear Sir / Madam,

Sub: - Outcome of Board Meeting.

Ref: BSE Scrip code: **532523** NSE Symbol: **BIOCON**

The Board of Directors ('Board') of BIOCON LIMITED at their meeting held today i.e. October 26, 2017, considered and approved the following:

1. Un-audited financial results of the Company (both standalone and consolidated) for the quarter and half year ended September 30, 2017.
2. Transfer of Biosimilars business of the Company by way of a slump sale as "going concern" to M/s Biocon Biologics India Limited, a step down wholly owned subsidiary of the Company, subject to consent of the shareholders of the Company and obtaining all requisite regulatory / statutory approvals.
3. Cancellation of the postal ballot notice approved at its meeting held on August 21, 2017 and approval of revised postal ballot notice dated October 26, 2017 to seek approval of shareholders of the Company for the slump sale of Company's Biosimilars business to M/s Biocon Biologics India Limited.

A copy of the unaudited financial results in the prescribed format, reviewed by Audit and Risk Committee and approved by the Board along with the limited review report of statutory auditors is enclosed herewith. Also please find enclosed, the fact sheet and a copy of the press release issued by the Company in this regard. The Company is organizing a conference call with the investors/analysts on Friday, October 27, 2017 at 9.00 A.M. to discuss the above results.

The unaudited financial results of the Company for the quarter and half year ended September 30, 2017 is also uploaded on the Company's website: www.biocon.com.



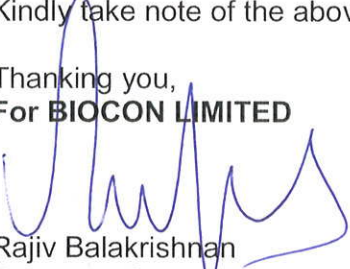


Details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR / CFD / CMD / 4 / 2015 dated September 09, 2015 for Sr. No. 2 shall be disclosed to the Exchanges on receipt of all requisite approvals and on entering into agreements for the above slump sale by the Company with M/s Biocon Biologics India Limited.

The meeting of the Board of Directors commenced at 5.00 PM and concluded at 6.10 PM.

Kindly take note of the above.

Thanking you,
For BIOCON LIMITED


Rajiv Balakrishnan
Company Secretary



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 AND HALF YEAR ENDED SEPTEMBER 30, 2017

(Rs. in Million, except per equity share data)

Sl. No.	Particulars	3 months ended 30.09.2017	3 months ended 30.06.2017	3 months ended 30.09.2016	6 months ended 30.09.2017	6 months ended 30.09.2016	Previous Year ended 31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	6,047	5,806	6,259	11,853	13,313	26,184
	Other income	457	261	255	718	524	988
	Total income	6,504	6,067	6,514	12,571	13,837	27,172
2	Expenses						
	a) Cost of raw materials and packing materials consumed	1,922	2,495	2,523	4,417	4,651	9,915
	b) Purchases of traded goods	240	171	219	411	503	902
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	556	(228)	(330)	328	251	(465)
	d) Excise duty	-	63	83	63	179	305
	e) Employee benefits expense	964	961	892	1,925	1,793	3,650
	f) Finance costs	2	9	16	11	21	38
	g) Depreciation and amortisation expenses	334	372	378	706	743	1,506
	h) Other expenses	1,645	1,482	1,553	3,127	2,798	5,963
		5,663	5,325	5,334	10,988	10,939	21,814
	Less: Recovery of cost from co-development partners (net)	(9)	-	(2)	(9)	(1)	(4)
	Total expenses	5,654	5,325	5,332	10,979	10,938	21,810
3	Profit before tax and exceptional item	850	742	1,182	1,592	2,899	5,362
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3 + 4)	850	742	1,182	1,592	2,899	5,362
6	Tax expense	166	197	482	363	785	169
7	Profit for the period/year (5 - 6)	684	545	700	1,229	2,114	5,193
8	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	(7)	(7)	(5)	(14)	(10)	(27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	2	-	4	9
	B (i) Items that will be reclassified to profit or loss	(44)	(11)	62	(55)	52	149
	(ii) Income tax relating to items that will be reclassified to profit or loss	15	4	(15)	19	(15)	(47)
	Other comprehensive income, net of taxes	(36)	(14)	44	(50)	31	84
9	Total comprehensive income for the period (7+8)	648	531	744	1,179	2,145	5,277
10	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	3,000	1,000	3,000	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)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	1.16	0.92	1.19	2.09	3.59	8.82
	(b) Diluted	1.15	0.92	1.18	2.07	3.57	8.76
	See accompanying notes to the financial results						



BIOCON LIMITED
Standalone Balance Sheet

(Rs. in Million)

	<u>As at</u> <u>September 30, 2017</u> (Unaudited)	<u>As at</u> <u>March 31, 2017</u> (Audited)
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	8,309	8,649
(b) Capital work-in-progress	2,893	2,408
(c) Investment property	437	439
(d) Intangible assets	256	292
(e) Financial assets		
Investments	34,971	33,635
Loans	2,521	1,923
Other financial assets	226	243
(g) Income tax asset, net	523	414
(h) Deferred tax asset, net	1,073	1,054
(i) Other non-current assets	2,393	1,847
Total non-current assets	53,602	50,904
2 Current assets		
(a) Inventories	5,398	5,396
(b) Financial assets		
Investments	6,957	5,247
Trade receivables	7,306	7,982
Cash and cash equivalents	2,120	3,416
Other bank balances	3	413
Other financial assets	760	983
(c) Other current assets	249	348
Total current assets	22,793	23,785
TOTAL - ASSETS	76,395	74,689
B EQUITY AND LIABILITIES		
1 Equity		
(a) Share capital	3,000	1,000
(b) Other equity	63,004	64,411
Total Equity	66,004	65,411
2 Non-current liabilities		
(a) Financial liabilities		
Borrowings	1,326	1,324
Other financial liabilities	13	2
(b) Provisions	133	133
(c) Other non-current liabilities	738	767
Total non-current liabilities	2,210	2,226
3 Current liabilities		
(a) Financial liabilities		
Borrowings	653	-
Trade payables	5,255	4,505
Other financial liabilities	555	663
(b) Provisions	352	320
(c) Income tax liability, net	733	777
(d) Other current liabilities	633	787
Total current liabilities	8,181	7,052
TOTAL - EQUITY AND LIABILITIES	76,395	74,689



B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

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 and half year ended 30 September 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: 26 October 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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017							
(Rs. in Million, except per equity share data)							
Sl. No.	Particulars	3 months ended 30.09.2017	3 months ended 30.06.2017	3 months ended 30.09.2016	6 months ended 30.09.2017	6 months ended 30.09.2016	Previous Year ended 31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	9,686	9,337	9,541	19,023	19,461	39,216
	Other income	508	540	384	1,048	797	1,571
	Total income	10,194	9,877	9,925	20,071	20,258	40,787
2	Expenses						
	a) Cost of raw materials and packing materials consumed	3,077	3,547	3,260	6,624	6,011	13,224
	b) Purchases of traded goods	718	504	556	1,222	1,145	1,932
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(19)	(456)	(361)	(475)	205	(690)
	d) Excise duty	-	63	83	63	179	305
	e) Employee benefits expense	2,255	2,133	1,804	4,388	3,589	7,470
	f) Finance costs	138	161	65	299	122	260
	g) Depreciation and amortisation expenses	936	988	683	1,924	1,344	2,772
	h) Other expenses	2,208	1,999	2,242	4,207	4,081	8,463
		9,313	8,939	8,332	18,252	16,676	33,736
	Less: Recovery of cost from co-development partners (net)	(376)	(374)	(443)	(750)	(776)	(1,283)
	Total expenses	8,937	8,565	7,889	17,502	15,900	32,453
3	Profit before share of profit of Joint venture, exceptional items and tax (1-2)	1,257	1,312	2,036	2,569	4,358	8,334
4	Share of profit of Joint venture and Associate	59	41	46	100	100	163
5	Profit before tax and exceptional items (3-4)	1,316	1,353	2,082	2,669	4,458	8,497
6	Exceptional items (net) [refer note 4 below]	-	-	-	-	-	-
7	Profit before tax (5-6)	1,316	1,353	2,082	2,669	4,458	8,497
8	Tax expense	425	376	417	801	969	1,616
9	Profit for the period / year before non-controlling interest (7-8)	891	977	1,665	1,868	3,489	6,881
10	Non-controlling interest	(203)	(164)	(198)	(367)	(356)	(760)
11	Profit for the period (9-10)	688	813	1,467	1,501	3,133	6,121
12	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	(14)	(14)	(7)	(28)	(12)	(57)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	1	2	2	3	15
	B (i) Items that will be reclassified to profit or loss	62	60	448	122	306	1,293
	(ii) Income tax relating to items that will be reclassified to profit or loss	12	(12)	(47)	-	(62)	(263)
	Total other comprehensive income, net of tax	61	35	396	96	235	988
13	Non-controlling interest	1	(16)	(80)	(15)	(57)	(224)
14	Other comprehensive income attributable to Shareholders (12+13)	62	19	316	81	178	764
	Total comprehensive income attributable to:						
	Shareholders of the Company	750	832	1,783	1,582	3,311	6,885
	Non-controlling interest	202	180	278	382	413	984
	Total comprehensive income	952	1,012	2,061	1,964	3,724	7,869
15	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	3,000	1,000	3,000	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)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	1.17	1.38	2.49	2.55	5.32	10.39
	(b) Diluted	1.16	1.37	2.47	2.53	5.29	10.32
	See accompanying notes to the financial results						



BIOCON LIMITED
Consolidated Balance Sheet

(Rs. in Million)

	<u>As at</u> <u>September 30, 2017</u> (Unaudited)	<u>As at</u> <u>March 31, 2017</u> (Audited)
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	36,027	35,529
(b) Capital work-in-progress	5,736	5,327
(c) Investment property	6	8
(d) Goodwill	264	264
(e) Other intangible assets	407	458
(f) Intangible assets under development	3,852	3,065
(g) Investments in associates and a joint venture	522	422
(h) Financial assets		
Investments	-	1,458
Derivative assets	1,220	1,092
Other financial assets	239	197
(i) Income tax asset, net	1,013	895
(j) Deferred tax asset, net	1,987	1,975
(k) Other non-current assets	3,127	2,775
Non-current assets	54,400	53,465
2 Current assets		
(a) Inventories	7,161	6,353
(b) Financial assets		
Investments	12,953	10,650
Trade receivables	9,451	8,832
Cash and cash equivalents	4,849	7,102
Other bank balances	2,004	3,341
Derivative assets	816	1,059
Other financial assets	1,299	1,551
(c) Other current assets	1,817	1,589
Current assets	40,350	40,477
TOTAL - ASSETS	94,750	93,942
B EQUITY AND LIABILITIES		
1 Equity		
(a) Share capital	3,000	1,000
(b) Other equity	46,393	47,377
Equity attributable to equity holders of the Company	49,393	48,377
Non-controlling interest	4,116	3,761
Total Equity	53,509	52,138
2 Non-current liabilities		
(a) Financial liabilities		
Borrowings	20,551	21,082
Derivative liability	70	61
Other financial liabilities	1	2
(b) Provisions	391	360
(c) Other non-current liabilities	3,384	3,516
Non-current liabilities	24,397	25,021
3 Current liabilities		
(a) Financial liabilities		
Borrowings	2,116	972
Trade payables	8,227	7,397
Derivative liability	68	63
Other financial liabilities	2,967	3,261
(b) Short-term provision	528	468
(c) Income tax liability, net	958	964
(d) Other current liabilities	1,980	3,658
Current liabilities	16,844	16,783
TOTAL - EQUITY AND LIABILITIES	94,750	93,942



BIOCON LIMITED

CIN: L24234KA1978PLC003417 Website: www.biocon.com

Registered office : 20TH KM HOSUR ROAD, ELECTRONIC CITY P.O., BANGALORE - 560 100

SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

Particulars	3 months ended 30.09.2017	3 months ended 30.06.2017	3 months ended 30.09.2016	6 months ended 30.09.2017	6 months ended 30.09.2016	Previous Year ended 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
a. Small molecules	3,505	3,629	4,034	7,134	8,388	16,405
b. Biologics	1,557	1,839	1,555	3,396	3,161	7,018
c. Branded formulations	1,759	1,304	1,366	3,063	2,946	5,489
d. Research services	3,352	2,911	3,030	6,263	5,775	11,925
Total	10,173	9,683	9,985	19,856	20,270	40,837
Less: Inter-segment revenue	(487)	(346)	(444)	(833)	(809)	(1,621)
Net sales / Income from continuing operations	9,686	9,337	9,541	19,023	19,461	39,216
Segment results						
Profit before interest and tax from each segment						
a. Small molecules	467	704	949	1,171	2,106	4,142
b. Biologics	(205)	(60)	253	-265	715	1,397
c. Branded formulations #	186	40	101	226	312	463
d. Research services	944	760	914	1,704	1,643	3,465
Total	1,392	1,444	2,217	2,836	4,776	9,467
Less: Interest	86	110	38	196	44	86
Other un-allocable expenditure / (income), net	(10)	(19)	97	(29)	274	884
Profit before tax and before exceptional items #	1,316	1,353	2,082	2,669	4,458	8,497
Segment assets						
a. Small molecules	17,062	16,998	14,845	17,062	14,845	16,116
b. Biologics	33,217	32,191	30,674	33,217	30,674	34,111
c. Branded formulations	2,931	2,500	2,401	2,931	2,401	2,386
d. Research services	27,710	27,680	25,290	27,710	25,290	27,738
e. Unallocable	80,920	79,369	73,210	80,920	73,210	80,351
Total segment assets	13,830	15,713	15,518	13,830	15,518	13,591
	94,750	95,082	88,728	94,750	88,728	93,942
Segment liabilities						
a. Small molecules	4,153	4,269	2,993	4,153	2,993	3,548
b. Biologics	6,560	6,813	6,351	6,560	6,351	8,251
c. Branded formulations	2,085	1,712	1,334	2,085	1,334	1,650
d. Research services	12,285	12,823	13,408	12,285	13,408	13,607
e. Unallocable	25,083	25,617	24,086	25,083	24,086	27,056
Total segment liabilities	16,158	16,310	17,158	16,158	17,158	14,748
	41,241	41,927	41,244	41,241	41,244	41,804
Capital employed						
a. Small molecules	12,909	12,729	11,852	12,909	11,852	12,568
b. Biologics	26,657	25,378	24,323	26,657	24,323	25,860
c. Branded formulations	846	788	1,067	846	1,067	736
d. Research services	15,425	14,857	11,882	15,425	11,882	14,131
e. Unallocable	55,837	53,752	49,124	55,837	49,124	53,295
Total capital employed	(2,328)	(597)	(1,640)	(2,328)	(1,640)	(1,157)
	53,509	53,155	47,484	53,509	47,484	52,138
# includes share of profit of Joint venture						



Biocon Limited
Unaudited financial results for the quarter and half year ended September 30, 2017

Notes:

1. The unaudited standalone and consolidated financial results for the quarter and six months ended September 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 October 26, 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
 - Biocon Healthcare SDN. BHD

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 property, plant and equipment, 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 and half year ended September 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 and half year ended September 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. Prior period/ year figures have been reclassified wherever required to conform to the classification of the current period/ year.



Bangalore,
October 26, 2017

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

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

Kiran Mazumdar Shaw
Chairman and Managing Director



B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

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 and half year ended 30 September 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 321 million and Rs 451 million of net loss and Rs 402 million and Rs 1,128 million of revenues (including other income) for the quarter and half year ended 30 September 2017 and Rs 23,021 million of total assets as at 30 September 2017. The financial results also includes Group's share of net profit of Rs 59 million and Rs 100 million for the quarter and half year ended 30 September 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: 26 October 2017

BIOCON GROUP

F A C T S H E E T

September - 2017

BIOCON LIMITED (CONSOLIDATED)
BALANCE SHEET

(Rs Million)

	Sep 30, 2017	March 31, 2017
ASSETS		
Non-current assets		
(a) Property, plant and equipment	36,027	35,529
(b) Capital work-in-progress	5,736	5,327
(c) Investment property	6	8
(d) Goodwill	264	264
(e) Other intangible assets	407	458
(f) Intangible assets under development	3,852	3,065
(g) Investments in associates and a joint venture	522	422
(h) Financial assets		
Investments	-	1,458
Derivative assets	1,220	1,092
Other financial assets	239	197
(i) Income tax asset, net	1,013	895
(j) Deferred tax asset, net	1,987	1,975
(k) Other non-current assets	3,127	2,775
	54,400	53,465
Current assets		
(a) Inventories	7,161	6,353
(b) Financial assets		
Investments	12,953	10,650
Trade receivables	9,451	8,832
Cash and cash equivalents	4,849	7,102
Other bank balances	2,004	3,341
Derivative assets	816	1,059
Other financial assets	1,299	1,551
(c) Other current assets	1,817	1,589
	40,350	40,477
TOTAL	94,750	93,942
EQUITY AND LIABILITIES		
Equity		
(a) Share capital	3,000	1,000
(b) Other equity	46,393	47,377
Equity attributable to equity holders of the Company	49,393	48,377
Non-controlling interest	4,116	3,761
	53,509	52,138
Non-current liabilities		
(a) Financial liabilities		
Borrowings	20,551	21,082
Derivative liability	70	61
Other financial liabilities	1	2
(b) Provisions	391	360
(c) Other non-current liabilities	3,384	3,516
	24,397	25,021
Current liabilities		
(a) Financial liabilities		
Borrowings	2,116	972
Trade payables	8,227	7,397
Derivative liability	68	63
Other financial liabilities	2,967	3,261
(b) Short-term provision	528	468
(c) Income tax liability, net	958	964
(d) Other current liabilities	1,980	3,658
	16,844	16,783
TOTAL	94,750	93,942

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Million)
Particulars	H1 FY 18	H1 FY 17	Variance
INCOME			
Small molecules	7,134	8,388	-15%
Biologics	3,396	3,161	7%
Branded formulations	3,063	2,946	4%
Research services	6,263	5,775	8%
Inter-segment	(833)	(809)	3%
Revenue from operations	19,023	19,461	-2%
Other income	1,048	793	32%
TOTAL REVENUE	20,071	20,254	-1%
EXPENDITURE			
Material & Power costs	8,329	8,206	1%
Staff costs	3,974	3,298	20%
Research & Development expenses*	1,121	1,164	-4%
Other expenses	1,856	1,762	5%
Manufacturing, staff & other expenses	15,280	14,430	6%
EBITDA	4,791	5,824	-18%
Interest & Finance charges	299	122	145%
Depreciation & Amortisation	1,924	1,344	43%
Share of profit in JV	(100)	(100)	0%
PBT	2,668	4,458	-40%
Taxes	801	969	-17%
Taxes on exceptional item	-	-	-
NET PROFIT BEFORE MINORITY INTEREST	1,867	3,489	-46%
Minority interest	367	356	3%
NET PROFIT FOR THE PERIOD	1,500	3,133	-52%
EPS Rs.	2.5	5.2	
# Licensing Income	87	500	
* Gross Research & Development expenses	1,887	2,041	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Million)
Particulars	Q2 FY 18	Q2 FY 17	Variance IndAS
INCOME			
Small molecules	3,505	4,034	-13%
Biologics	1,557	1,555	0%
Branded formulations	1,759	1,366	29%
Research services	3,352	3,030	11%
Inter-segment	(487)	(444)	10%
Revenue from operations	9,686	9,541	2%
Other income	508	384	32%
TOTAL REVENUE	10,194	9,925	3%
EXPENDITURE			
Material & Power costs	4,230	3,826	11%
Staff costs	2,043	1,656	23%
Research & Development expenses*	539	650	-17%
Other expenses	1,052	1,009	4%
Manufacturing, staff & other expenses	7,864	7,141	10%
EBITDA	2,330	2,784	-16%
Interest & Finance charges	138	65	112%
Depreciation & Amortisation	936	683	37%
Share of profit in JV	(59)	(46)	28%
PBT	1,315	2,082	-37%
Taxes	425	417	2%
Taxes on exceptional item	-	-	-
NET PROFIT BEFORE MINORITY INTEREST	890	1,665	-47%
Minority interest	203	198	3%
NET PROFIT FOR THE PERIOD	687	1,467	-53%
EPS Rs.	1.1	2.4	
# Licensing Income	10	328	
* Gross Research & Development expenses	931	1,126	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Million)
Particulars	Q2 FY 18	Q1 FY 18	Variance
INCOME			
Small molecules	3,505	3,629	-3%
Biologics	1,557	1,839	-15%
Branded formulations	1,759	1,304	35%
Research services	3,352	2,911	15%
Inter-segment	(487)	(346)	41%
Revenue from operations #	9,686	9,337	4%
Other income	508	540	-6%
TOTAL REVENUE	10,194	9,877	3%
EXPENDITURE			
Material & Power costs	4,230	4,099	3%
Staff costs	2,043	1,931	6%
Research & Development expenses*	539	582	-7%
Other expenses	1,052	804	31%
Manufacturing, staff & other expenses	7,864	7,416	6%
EBITDA	2,330	2,461	-5%
Interest & Finance charges	138	161	-14%
Depreciation & Amortisation	936	988	-5%
Share of profit in JV	(59)	(41)	44%
PBT	1,315	1,353	-3%
Taxes	425	376	13%
Taxes on exceptional item	-	-	0%
NET PROFIT BEFORE MINORITY INTEREST	890	977	-9%
Minority interest	203	164	24%
NET PROFIT FOR THE PERIOD	687	813	-15%
EPS Rs.	1.1	1.4	
# Licensing Income	10	77	
* Gross Research & Development expenses	931	956	

Press Release

**Biocon Q2FY18 Revenues at Rs 1019 Crore;
EBITDA at Rs 233 Crore; Net Profit at Rs 69 Crore**

Bengaluru, Karnataka, India: October 26, 2017:

Biocon Ltd (BSE code: 532523, NSE: BIOCON), Asia's premier biopharmaceuticals company, today announced its consolidated financial results for the fiscal second quarter ended on September 30th, 2017.

Commenting on the quarterly performance and highlights, **Chairperson and Managing Director Kiran Mazumdar-Shaw stated:** *"Whilst we are pleased with the growth recovery of our research services (Syngene) and branded formulations business segments in the July – September quarter, our overall earnings performance was muted on account of several specific factors. In particular, plant modifications undertaken to comply with regulatory requirements led to production disruptions. Additionally, we experienced regulatory and tender delays in some emerging markets for our biosimilars business. Malaysia facility costs and pricing pressures in our APIs business continue to weigh on our P&L. We expect these headwinds to ease by the end of this fiscal."*

She added: *"A significant development this quarter is the submission of our Insulin Glargine dossier with the USFDA under 505 (b)(2) pathway."*

EXECUTIVE COMMENTARY:

PERFORMANCE REVIEW: Q2FY18

Biocon's **Total Revenues** for Q2FY18 stood at Rs 1019 Crore, up 3% YoY. **Revenues from Operations** grew 2% YoY to Rs 969 Crore, despite a drop in licensing income this quarter. The **Licensing Income** for the quarter stood at Rs 1 Cr as compared to Rs 33 Crore in the comparable period last year. **Other Income** in Q2FY18 stood at Rs 50 Crore. **Net R&D Expenses** at Rs 54 Crore corresponds to 9% of our revenue (ex-Syngene). **Gross R&D Spends** for Q2FY18 stood at Rs 93 Crore, which is line with our commitment to R&D.

We reported an **EBITDA** of Rs 233 Crore, with an **EBITDA margin** of 23% for Q2FY18. The operating margins were largely impacted due to inclusion of fixed and operating costs related to the Malaysia facility and reduced gross margins due to pricing pressure in key markets. **Core EBITDA margins** for Q2FY18 (Net of Licensing, Forex impact and R&D) stood at 27%. **Interest and depreciation costs** increased 43% to Rs 107 Crore for the quarter, attributable to our Malaysia facility. **Reported Net Profit** for the quarter was Rs 69 Crore, which represents a **Net Profit margin** of 7%.

FINANCIAL HIGHLIGHTS (CONSOLIDATED) : Q2FY18

As per IND-AS

In Rs Crore, except growth numbers

Particulars	Q2FY18	Q2FY17	Growth
INCOME			
BIOCON			
Small Molecules	351	403	-13 %
Biologics	156	156	0 %
Branded Formulations	176	137	29%
Research Services	335	303	11%
Inter-segment	(49)	(44)	10%
Revenue from Operations [#]	969	955	2%
Other Income	50	38	32%
TOTAL REVENUE	1019	993	3%
EBITDA	233	278	-16%
Interest & Finance charges	14	7	112%
Depreciation & Amortisation	93	68	37%
PBT	132	208	-37 %
Net Profit	69	147	-53%
R&D Expenses in P&L	54	65	-17%
Gross R&D Spends	93	113	-17%
EBITDA Margin	23%	28%	
Core EBITDA Margin	27%	32%	
Net Profit Margin	7%	15%	
[#] includes Licensing Income	1	33	

Notes: Figures above are rounded off to the nearest Cr; % based on absolute nos.

BUSINESS SEGMENT REVIEW

SMALL MOLECULES: APIs & Generic Formulations

The **Small Molecules** business reported a revenue of Rs 351 Crore. The business was impacted by a lower offtake of certain products as a result of pricing pressure faced by some of our clients. However, we were able to increase market share for some of our specialty APIs in key markets. During the quarter, we made regulatory submissions for key APIs in both regulated and emerging markets.

Biocon's **Active Pharmaceutical Ingredients (API) manufacturing facility** in Vishakhapatnam, Andhra Pradesh successfully **completed a US FDA audit** without any observations.

The **Generic Formulations** business made its debut in the US with the launch of Rosuvastatin Calcium tablets in Q2FY18. We also **commissioned our first solid oral dosage forms manufacturing facility** during the quarter. The commissioning of the facility and the completion of full cycle development for new products will enable us to ramp up our regulatory filings for Generic Formulations in developed and emerging markets.

BIOLOGICS: Novels & Biosimilars

Revenues from the **Biologics** vertical, comprising Novel Biologics and Biosimilars, were flat at Rs 156 Crore as plant modifications undertaken to comply with regulatory requirements led to production disruptions. Additionally, we continued to witness regulatory and tender delays in some emerging markets which impacted revenue growth.

Biosimilars: Insulins & Analogs

The **Insulins** business maintained its robust year-on-year growth momentum in Q2FY18 led by increased uptake in key emerging markets. Insulin sales in Malaysia and Mexico added to the revenues for this business in the quarter.

Regulatory Update

During the quarter, our partner Mylan has made a regulatory submission for our *Insulin Glargine* under the 505 (b) (2) pathway with the **USFDA**. Our dossier for this product is also under advanced stages of review in some of the other developed markets.

Our **Insulin manufacturing sites in both India and Malaysia received GMP certifications** from regulators representing key markets. The **Malaysia** facility received **EU GMP Certification** for *Insulin Glargine* Drug Substance and Drug Product.

Additionally, our **Bangalore site** received **GMP Certification** for *Insulin Glargine* Drug Substance and Drug Product from **NPRA, Malaysia** and **MFDS, South Korea**.

We have also made **new regulatory submissions** for *Insulin Glargine* in some of the emerging markets, during this quarter.

Biosimilars: Monoclonal Antibodies & Recombinant Proteins

The biosimilar dossiers submitted by Biocon and Mylan in several developed and emerging markets across the globe are currently under review.

Regulatory Update: US FDA

The US FDA has issued a Complete Response Letter (CRL) for biosimilar *Pegfilgrastim* jointly developed by Biocon and Mylan. The application for *Pegfilgrastim* will be resubmitted after it has been updated with data from ongoing facility requalification activities. **The CRL did not raise any questions on biosimilarity, pharmacokinetic/pharmacodynamic data, clinical data or immunogenicity.** We do **not expect this CRL to impact the commercial launch timing** of biosimilar *Pegfilgrastim* in the US. We are committed to working with the agency to expeditiously resolve the issues stated in the CRL.

The FDA also extended the target action date for the biosimilar *Trastuzumab* application to Dec 3, 2017 to review some of the clarificatory information submitted to them as a part of the application review process. This three-month extension is **not expected to impact the anticipated timeline for commercialization** of this product in the US.

Regulatory Update- EMA

With respect to our **EMA** audits and Marketing Authorization Applications (**MAAs**) for proposed biosimilars of *Trastuzumab* and *Pegfilgrastim*, the EMA's **CHMP** (Committee for Medicinal Products for Human Use) has considered and accepted our request for withdrawal of the **MAAs** as part of the process linked to the re-inspection of our Drug Product facility in Bangalore.

We have **implemented the Corrective and Preventive Actions (CAPAs)** in accordance with the plans submitted earlier during the year to EMA for our Drug Product facility and are engaged with the regulator on next steps for re-inspection of this facility and early resubmission of our dossiers.

Novel Biologics

We have progressed further with **our novel fast acting, orally delivered *Insulin Tregopil*** this quarter by collaborating with **JDRF**, the world's leading organization supporting Type 1 diabetes research, which has extended its support to **Biocon's study of novel *Insulin Tregopil*** to treat Type 1 diabetes. The primary objective of this study will be to evaluate the safety and tolerability of multiple ascending doses of *Insulin Tregopil* in individuals with Type 1 diabetes.

BRANDED FORMULATIONS

The **Branded Formulations** business, which includes sales in India and UAE, reported a revenue of Rs 176 Crore, a YoY growth of 29%.

Revenues for the Branded Formulations (India) business were **driven by** strong sales of key brands such as **Insugen®**, **Basalog®**, **BIOMAb EGFR®** and **CANMAb™**. Channel

restocking post GST related disruption reflected a strong business traction across Metabolics, Oncology, Comprehensive Care and Institutional Business divisions.

BIOMAb EGFR® retained its **No. 1** position* while **CANMAb™**, which ranks as the **No. 2** brand* of *Trastuzumab* in the country, garnered a volume market share of over 30% this quarter. Our rh-Insulin brand **Insugen®** also reported a growth of over 20%* in Q2FY18. (*Source: IMS data)

Our efforts to facilitate early adoption of **CytoSorb®** saved the lives of seven critically ill H1N1 patients, this quarter.

During Q2, we also commenced a 40-patient, multi-center, pan-India study to identify potential biomarkers for treating subgroups of chronic plaque psoriasis patients with **ALZUMAb™**. Scientific presentations related to key products such as **BIOMAb EGFR®** (*Nimotuzumab*) and **Basalog®** (*Insulin Glargine*) made at key international forums will help build additional confidence in our products among the medical fraternity in India.

Our **Branded Formulations** business in **UAE** reported a strong revenue growth of 42% driven by our metabolics portfolio comprising novel products like **Jalra®** and **Imprida®** and contribution from the newly launched **Glaricon™**, our brand of biosimilar *Insulin Glargine*. A pickup in the sales momentum of our other branded generic products also boosted revenue during the quarter.

RESEARCH SERVICES – SYNGENE

Research Services through **Syngene** reported revenues of Rs 335 Crore registering a growth of 11%. The performance was led by sustained growth in the Dedicated R&D Centers and strong performance by Chemical Development vertical with some catch-up seen from the delayed projects in Q1.

Biocon: Ranked Among Top 10 Global Pharma & Biotech Employers for 2017

Biocon has featured as the only Asian Company in the prestigious US-based *Science* Magazine's Annual '**Science Careers Top 20 Employer**' list for 2017. **Ranked at No. 9** amongst global pharma and biotech companies, Biocon is recognized for 'being innovative', 'having a clear vision' and 'being socially responsible'. Biocon has been in this exclusive list of **Global Top 20 Best Employers** since 2012.

Enclosed: Fact Sheet – with Financials as per IND-AS

About Biocon Ltd:

Biocon Limited, publicly listed in 2004, (BSE code: 532523, NSE Id: BIOCON, ISIN Id: INE376G01013) is India's largest and fully-integrated, innovation-led biopharmaceutical company. As an emerging global biopharmaceutical enterprise serving customers in over 120 countries, it is committed to reduce

therapy costs of chronic diseases like autoimmune, diabetes, and cancer. Through innovative products and research services it is enabling access to affordable healthcare for patients, partners and healthcare systems across the globe. It has successfully developed and taken a range of Novel Biologics, Biosimilars, differentiated Small Molecules and affordable Recombinant Human Insulin and Analogs from 'Lab to Market'. Some of its key brands are INSUGEN®(rh-insulin), BASALOG® (Glargine), BIOMAb-EGFR™ (Nimotuzumab), CANMAb™ (Trastuzumab), Evertor® (Everolimus) and ALZUMAb™ (Itolizumab), a 'first in class' anti-CD6 monoclonal antibody. It has a rich pipeline of Biosimilars and Novel Biologics at various stages of development including Insulin Tregopil, a high potential oral insulin. Visit: www.biocon.com Follow us on Twitter @bioconlimited

Earnings Call

The company will conduct a call at **9.00 AM IST on October 27, 2017** where the senior management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The **dial-in number for this call is +91 22 3300 1500 PIN: 800345#**. Other toll numbers are listed in the conference call invite which is posted on the company website www.biocon.com. The operator will provide instructions on asking questions before the start of the call. A replay of this call will also be available from the conclusion of the call **till Nov 3, 2017 on +91 22 3300 2300. PIN: 255147#**. Transcript of the conference call will be uploaded on the company website in due course.

For More Information Contact:	
Media Relations	
Seema Ahuja VP & Global Head, Corporate Communications ☎ +91 80 2808 2222 📠 +91 99723 17792 ✉ seema.ahuja@biocon.com	Rumman Ahmed Sr.Manager, Corporate Communications ☎ +91 80 2808 2223 📠 +91 98451 04173 ✉ rumman.ahmed@biocon.com
Investor Relations	
Saurabh Paliwal Head, Investor Relations ☎ +91 80 6775 2040 📠 +91 95383 80801 ✉ saurabh.paliwal@biocon.com	

DISCLAIMER: This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects upon Biocon and its subsidiaries/ associates. These forward-looking statements involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from our expectations include, amongst other: general economic and business conditions in India and overseas, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition in and the conditions of the Indian and global biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither Biocon, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any particular forward-looking statement contained in this release.