



Biocon Limited
20th KM Hosur Road
Electronics City
Bengaluru 560 100, India
T 91 80 2808 2808
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CIN : L24234KA1978PLC003417

www.biocon.com

Date of Submission: January 24, 2019

To The Secretary BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 532523	To The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Stock Code- Biocon
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Dear Sir/Madam,

Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended December 31, 2018

Ref: Regulation 33 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015

With reference to the captioned subject, the unaudited financial results (standalone and consolidated) of Biocon Limited for the quarter ended December 31, 2018 together with limited review report is enclosed herewith.

Kindly take the above said information on record as per the requirement of SEBI LODR Regulations, 2015.

Thanking You,
Yours faithfully
For **BIOCON LIMITED**

Satish Kumar SS

Satish Kumar SS
Company Secretary and Compliance Officer
Encl: A/A

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

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Limited 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 nine months ended 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing 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*' specified under Section 143(10) of the Companies Act, 2013. 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 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 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations 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: 24 January 2019

B S R & Co. LLP

Chartered Accountants

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11-12/1, B Block, 2nd Floor
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Limited 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 (collectively referred to as 'the Group'), its associates and a joint venture (Refer to Note 3 of the Statement), for the quarter and nine months ended 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing 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*' specified under Section 143(10) of the Companies Act, 2013. 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 financial information of a subsidiary included in the Statement, whose unaudited financial information reflect total revenue of Rs 818 million and Rs 2,163 million for the quarter ended and nine months ended 31 December 2018 respectively and total assets of Rs 25,337 million as at 31 December 2018. The consolidated financial results also include the Group's share of profit (and other comprehensive income) of Rs 125 million and Rs 121 million for the quarter and nine months ended 31 December 2018 respectively in respect of a joint venture. The unaudited financial information in relation to the subsidiary and the joint venture, both incorporated outside India has been reviewed by other auditors whose reports have been furnished to us. The Company's Management has converted the financial information of the subsidiary and the joint venture both incorporated outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments, if any made by the Company's Management. Our conclusion on the Statement to the extent they have been derived from such unaudited financial information is based solely on the report of such other auditors and the conversion adjustments, if any prepared by the Management of the Company and reviewed by us. Our conclusion is not modified in respect of such matter.

B S R & Co. LLP

Biocon Limited

Limited Review report (continued)

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 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations 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: 24 January 2019

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 NINE MONTHS ENDED DECEMBER 31, 2018

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

Sl. No.	Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Previous Year
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	ended 31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	7,397	7,089	5,921	21,208	17,774	24,255
	Other income	351	563	374	1,035	939	1,247
	Total income	7,748	7,652	6,295	22,243	18,713	25,502
2	Expenses						
	a) Cost of raw materials and packing materials consumed	3,298	2,990	2,535	9,148	6,952	9,587
	b) Purchases of traded goods	345	434	212	1,059	623	925
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(513)	(270)	(233)	(882)	95	(18)
	d) Excise duty	-	-	-	-	63	63
	e) Employee benefits expense	1,301	1,289	1,043	3,708	2,968	4,086
	f) Finance costs	8	12	1	20	12	10
	g) Depreciation and amortisation expenses	377	402	332	1,096	1,038	1,361
	h) Other expenses	2,141	1,802	1,839	5,409	4,813	6,479
		6,957	6,659	5,729	19,558	16,564	22,493
	Less: Recovery of cost from co-development partners (net)	(29)	(69)	(34)	(106)	(43)	(49)
	Total expenses	6,928	6,590	5,695	19,452	16,521	22,444
3	Profit before tax and exceptional item (1-2)	820	1,062	600	2,791	2,192	3,058
4	Exceptional items [refer note 7 below]	-	347	-	1,987	-	-
5	Profit before tax (3 + 4)	820	1,409	600	4,778	2,192	3,058
6	Tax expense	93	211	163	556	526	673
7	Profit for the period/year (5 - 6)	727	1,198	437	4,222	1,666	2,385
8	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	(87)	158	(6)	68	(20)	(11)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	21	82	-	103	-	4
	B (i) Items that will be reclassified to profit or loss	106	(80)	26	(39)	(29)	(89)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(39)	27	(9)	11	10	31
	Other comprehensive income, net of taxes	1	187	11	143	(39)	(65)
9	Total comprehensive income for the period (7+8)	728	1,385	448	4,365	1,627	2,320
10	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	3,000	3,000	3,000	3,000	3,000
11	Reserves i.e. Other equity						64,386
13	Earnings per share (of Rs. 5 each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	1.23	2.03	0.74	7.14	2.83	4.04
	(b) Diluted	1.22	2.01	0.74	7.09	2.81	4.02
	See accompanying notes to the financial results						



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

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

Sl. No.	Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Previous Year ended 31.03.2018
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	15,408	13,210	10,579	39,856	29,602	41,297
	Other income	256	544	339	1,210	1,387	2,062
	Total Income	15,664	13,754	10,918	41,066	30,989	43,359
2	Expenses						
	a) Cost of raw materials and packing materials consumed	5,540	4,369	3,587	14,320	10,211	14,450
	b) Purchases of traded goods	359	434	697	1,073	1,919	2,328
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(618)	(336)	(46)	(1,306)	(521)	(417)
	d) Excise duty	-	-	-	-	63	63
	e) Employee benefits expense	2,944	2,889	2,353	8,447	6,741	9,311
	f) Finance costs	186	188	147	550	446	615
	g) Depreciation and amortisation expenses	1,167	1,122	974	3,280	2,898	3,851
	h) Other expenses	3,992	3,290	2,415	9,531	6,622	9,018
		13,570	11,956	10,127	35,895	28,379	39,219
	Less: Recovery of cost from co-development partners (net)	(616)	(832)	(644)	(2,068)	(1,394)	(1,747)
	Total expenses	12,954	11,124	9,483	33,827	26,985	37,472
3	Profit before share of profit of joint venture and associates, exceptional items and tax (1-2)	2,710	2,630	1,435	7,239	4,004	5,887
4	Share of profit of joint venture and associates, net	125	(9)	62	121	162	213
5	Profit before tax and exceptional items (3+4)	2,835	2,621	1,497	7,360	4,166	6,100
6	Exceptional items (net) [refer note 4 and 5 below]	58	1,888	-	1,946	-	-
7	Profit before tax (5+6)	2,893	4,509	1,497	9,306	4,166	6,100
8	Tax expense	461	732	361	1,714	1,162	1,569
9	Profit for the period / year before non-controlling interest (7-8)	2,432	3,777	1,136	7,592	3,004	4,531
10	Non-controlling interest	(260)	(230)	(217)	(676)	(584)	(807)
11	Profit for the period / year (9+10)	2,172	3,547	919	6,916	2,420	3,724
12	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	(666)	148	(14)	(557)	(42)	(19)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	79	82	1	169	3	6
	B (i) Items that will be reclassified to profit or loss	1,490	(1,261)	427	(1,116)	549	166
	(ii) Income tax relating to items that will be reclassified to profit or loss	(449)	425	(114)	379	(114)	-
	Total other comprehensive income, net of tax	454	(606)	300	(1,125)	396	153
13	Non-controlling interest	(413)	380	(103)	340	(118)	(23)
14	Other comprehensive income attributable to Shareholders (12+13)	41	(226)	197	(785)	278	130
	Total comprehensive income attributable to:						
	Shareholders of the Company	2,213	3,321	1,116	6,131	2,698	3,854
	Non-controlling interest	673	(150)	320	336	702	830
	Total comprehensive income	2,886	3,171	1,436	6,467	3,400	4,684
15	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	3,000	3,000	3,000	3,000	3,000
16	Reserves i.e. Other equity						48,808
17	Earnings per share (of Rs. 5 each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	3.67	6.00	1.56	11.69	4.10	6.31
	(b) Diluted	3.64	5.95	1.55	11.61	4.08	6.27
	See accompanying notes to the financial results						



BIOCON LIMITED

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SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

(Rs. in Million)

Particulars	3 months ended 31.12.2018	3 months ended 30.09.2018	3 months ended 31.12.2017	9 months ended 31.12.2018	9 months ended 31.12.2017	Previous Year ended 31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
a. Small molecules	4,689	4,319	3,688	13,009	10,822	15,077
b. Biologics	4,486	3,675	1,898	10,658	5,294	7,702
c. Branded formulations	2,122	1,639	1,561	5,234	4,624	6,115
d. Research services	4,671	4,186	3,877	12,917	10,140	14,231
Total	15,968	13,819	11,024	41,818	30,880	43,125
Less: Inter-segment revenue	(560)	(609)	(445)	(1,962)	(1,278)	(1,828)
Net sales / Income from continuing operations	15,408	13,210	10,579	39,856	29,602	41,297
Segment results						
Profit before interest and tax from each segment						
a. Small molecules	976	869	820	2,573	1,991	2,843
b. Biologics #	1,331	908	(48)	2,508	(313)	(119)
c. Branded formulations #	274	118	79	573	305	428
d. Research services	1,068	969	977	2,868	2,681	3,725
Total	3,649	2,864	1,828	8,522	4,664	6,877
Less: Interest	104	105	94	306	290	388
Other un-allocable expenditure / (income), net	710	138	237	856	208	389
Profit before tax and before exceptional items #	2,835	2,621	1,497	7,360	4,166	6,100
Segment assets						
a. Small molecules	19,573	19,116	17,759	19,573	17,759	17,681
b. Biologics	45,845	43,737	34,434	45,845	34,434	36,038
c. Branded formulations	3,656	3,329	3,039	3,656	3,039	2,927
d. Research services	33,998	32,905	28,588	33,998	28,588	31,890
	1,03,072	99,087	83,820	1,03,072	83,820	88,536
e. Unallocable	13,159	15,352	12,447	13,159	12,447	11,361
Total segment assets	1,16,231	1,14,439	96,267	1,16,231	96,267	99,897
Segment liabilities						
a. Small molecules	4,685	4,833	4,722	4,685	4,722	4,320
b. Biologics	10,282	9,503	7,037	10,282	7,037	7,704
c. Branded formulations	2,692	2,303	2,135	2,692	2,135	1,872
d. Research services	15,893	17,094	11,899	15,893	11,899	14,686
	33,552	33,733	25,793	33,552	25,793	28,582
e. Unallocable	17,876	18,815	15,325	17,876	15,325	14,830
Total segment liabilities	51,428	52,548	41,118	51,428	41,118	43,412
Capital employed						
a. Small molecules	14,888	14,283	13,037	14,888	13,037	13,361
b. Biologics	35,563	34,234	27,397	35,563	27,397	28,334
c. Branded formulations	964	1,026	904	964	904	1,055
d. Research services	18,105	15,811	16,689	18,105	16,689	17,204
	69,520	65,354	58,027	69,520	58,027	59,954
e. Unallocable	(4,717)	(3,463)	(2,878)	(4,717)	(2,878)	(3,469)
Total capital employed	64,803	61,891	55,149	64,803	55,149	56,485
# includes share of profit/loss of joint venture and associates						



Biocon Limited

Unaudited financial results for the quarter and nine months ended December 31, 2018

Notes:

1. The unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2018 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 January 24, 2019. 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 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 ("BRL")
 - 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
 - Bicara Therapeutics Inc.
 - Biocon Pharma Ireland Limited
 - Biocon Pharma UK Limited
 - Syngene USA Inc.

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 associates i.e. Iatrica Inc. and Equillum Inc., (also refer note 5) if any under the equity method. Biocon Limited, its subsidiaries, associate and a joint venture are collectively referred to as 'the Group'.

4. Pursuant to a fire incident on December 12, 2016 at Syngene, certain fixed assets, inventory and other contents in one of the buildings were damaged. Syngene lodged an estimate of loss with the insurance company and the survey is currently ongoing. The Company had recorded a loss of Rs. 1,032 million arising from such incident till March 31, 2018. Syngene has recorded a further loss of Rs. 23 million during the nine months ended December 31, 2018. Syngene also recognised a minimum Insurance claim receivable for equivalent amounts in the respective periods. The aforementioned loss and the corresponding credit arising from insurance claim receivable has been presented on a net basis (Rs. Nil) under Exceptional items in these financial results.

In addition, Syngene is in the process of determining its final claim for loss of fixed assets and Business Interruption and has accordingly not recorded any further claim arising therefrom at this stage.



Biocon Limited

Unaudited financial results for the quarter and nine months ended December 31, 2018

5. During the year ended March 31, 2018, the Group, had accounted for its 19.5% equity investment in Equillum Inc. as an associate. During the quarter ended September 30, 2018, Equillum initiated its initial public offering (IPO) process and consequently had changes in its Board composition, which resulted in loss of significant influence over the investee. In accordance with Ind AS 28: Investments in Associates and Joint Ventures, the Company fair valued its investment on the date of loss of significant influence and the anti dilutive rights on the date of IPO which resulted in a gain of Rs. 55 and Rs. 1,762 million, net of tax expenses of Rs. 3 and Rs. 184 million for the quarter and nine months ended December 31, 2018 respectively, which has been disclosed as an Exceptional item in these financial results. The Group, going forward has designated its investment in equity of Equillum to be accounted for at Fair value through other comprehensive income (FVOCI). Equillum completed its IPO and listed on NASDAQ on October 12, 2018.
6. 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.
7. During the nine months ended December 31, 2018, the Company along with its subsidiary BRL sold 6,597,130 equity shares of Rs. 10 each of Syngene in the open market. Post the sale, the Company and its subsidiary's holding in equity shares of Syngene has reduced to 70.24%. Gain arising from such sale of equity shares, net of related expense and cost of equity shares amounting to Rs. 1,987 has been recorded as exceptional item in the standalone financial results for the nine months ended December 31, 2018.

The gain arising from such sale of equity shares, net of related expenses and cost of equity shares, for the nine months ended December 31, 2018 has been accounted in equity reserves in the consolidated financial results for the nine months ended December 31, 2018, as there is no loss of control.

8. Pursuant to the requirements of Ind AS 115: Revenues from Contracts with Customers, the Group evaluated its open arrangements on out-licensing with reference to upfront non-refundable fees received in earlier periods and concluded that some of the performance obligations may not be distinct and hence would need to be bundled with the subsequent product supply obligations.

Accordingly, the Group has recognised an incremental deferred revenue relating to such open contracts. The adoption of this standard and the consequential impact on change in some of the licensing arrangements did not have a material impact on the Revenue from Operations and results for the quarter and nine months ended December 31, 2018. The cumulative effect of transition recorded as of April 1, 2018 on retained earnings is Rs. 1,580 with the corresponding effect on deferred revenue and deferred tax asset amounting to Rs. 1,847 and Rs. 267 respectively. Comparative periods were not restated given the Group adopted the standard using the cumulative effect approach.



Biocon Limited
Unaudited financial results for the quarter and nine months ended December 31, 2018

9. 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,
January 24, 2019

Kiran Mazumdar Shaw
Chairman and Managing Director

