



**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](http://www.biocon.com)

Date: June 30, 2016

The Manager  
Dept. of Corporate Services – Listing  
The Bombay Stock Exchange Limited  
P J Tower, Dalal Street  
Mumbai – 400 001

The Manager- Listing Department  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra – East,  
Mumbai - 400051

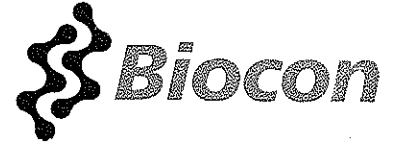
Dear Sirs,

**Subject: Proceedings of 38<sup>th</sup> Annual General Meeting of the Company**

Pursuant to the provisions of the Regulation 30 read with Schedule III- Para A of Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is informed that the following businesses were transacted at the 38<sup>th</sup> Annual General Meeting (AGM) of the Company held on June 30, 2016, at 4:00 p.m. at the Tyler Jack's Auditorium, Biocon Research Centre, Plot No. 2, Biocon Special Economic Zone, Bommasandra-Jigani Link Road, Bengaluru-560 099.

**Ordinary Business:**

1. The audited financial statements( including the consolidated financial statements) of the Company for the year ended March 31, 2016 including the Balance Sheet as at March 2016, the Statement of Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors' report thereon were considered and approved.
2. The payment of interim dividend of Rs 5.00 per equity share (100%) was confirmed as final dividend for the year ended March 31, 2016.
3. Dr. Arun S Chandavarkar (DIN: 01596190), who retired by rotation at the AGM was re-appointed as Director.
4. M/s B S R & Co. LLP Chartered Accountants, having registration No. 101248W / W-100022 were appointed as the Statutory Auditors of the Company, who shall hold office from the conclusion of this 38<sup>th</sup> Annual General Meeting for term of consecutive five years till conclusion of the 43<sup>rd</sup> Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting), in place of M/s S.R. Batliboi & Associates LLP, Chartered



Accountants, who have expressed their inability to continue and the Board was authorised to fix such remuneration as recommended by the Audit Committee.

**Special Business:**

5. Mr. M. Damodaran (DIN: 02106990) was appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office up to the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company to be held in 2019.
6. The remuneration payable to M/s Rao Murthy & Associates., Cost Accountants, appointed by the Board to conduct the audit of the cost records of the Company for the financial year 2016-17 was approved / ratified.
7. The issue of two new ESOP Grants under the existing ESOP Plan -GRANT IX for the eligible new joiners and GRANT X for eligible existing employees & eligible promoted employees respectively and discontinuing of offering of new grants under the existing GRANT VI, VII & VIII was approved.

A copy of AGM Notice and Chairman's Speech are attached here for reference.

Kindly take this intimation on record.

Thanking you

Yours faithfully

For Biocon Limited

A handwritten signature in dark ink, appearing to read "Kiran Kumar", with a long horizontal flourish extending to the right.

Kiran Kumar  
Company Secretary  
E: [Kiran.Kumar@biocon.com](mailto:Kiran.Kumar@biocon.com)  
M: +91 9945315151  
T: +91 8028082037





## Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF BIOCON LIMITED WILL BE HELD ON THURSDAY, JUNE 30, 2016, AT 4:00 P.M. AT THE TYLER JACK'S AUDITORIUM, BIOCON RESEARCH CENTRE, PLOT NO. 2, BIOCON SPECIAL ECONOMIC ZONE, BOMMASANDRA-JIGANI LINK ROAD, BANGALORE 560 099, TO TRANSACT THE FOLLOWING BUSINESS:

### Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon and audited consolidated financial statements of the Company for the financial year ended March 31, 2016.
2. To confirm the interim dividend paid of ₹ 5.00 per equity share (100%), as final dividend for the year ended March 31, 2016.
3. To appoint a director in place of Dr. Arun S Chandavarkar (DIN: 01596190) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors of the company and to fix their remuneration.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

**"RESOLVED THAT**, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Act, consent of the Company be and is hereby accorded to the appointment of M/s B S R & Co. LLP Chartered Accountants, having registration No. 101248W/W-100022 as the Statutory Auditors of the Company, who shall hold office from the conclusion of this 38th Annual General Meeting for term of five consecutive years till conclusion of the 43rd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting), in place of M/s S.R. Batliboi & Associates LLP, Chartered Accountants, who have expressed their inability to continue and that the Board be and is hereby authorised to fix such remuneration as may be recommended by the Audit Committee."

### Special Business

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. M. Damodaran (DIN: 02106990) who was appointed as Additional Director with effect from April 26, 2016 and who holds office till the date of the AGM, in terms of section 161 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to the conclusion of the 41st Annual General Meeting of the Company to be held in 2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and as per the recommendation of Audit & Risk Committee and as approved by the Board of Directors, the remuneration of ₹ 4,50,000/- per annum plus applicable service tax and out of pocket expenses payable to M/s Rao Murthy & Associates, Cost Accountants appointed as Cost Auditors for the financial year 2016-17 be and is hereby ratified"

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

**"RESOLVED THAT**, pursuant to the applicable provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Companies Act, 2013 and any other applicable laws, rules and regulations for the time being in force, the members do approve new ESOP Grants under the existing ESOP Plan - Grant IX for the eligible new joiners and Grant X for eligible existing employees respectively and further do approve discontinuation of offering of new grants under the existing Grant VI, VII & VIII."

**"RESOLVED FURTHER THAT**, the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

By Order of the Board of Directors

For Biocon Limited

(Sd/-)

**Kiran Mazumdar-Shaw**

Chairperson and Managing Director

Place: Bangalore

Date: April 26, 2016

**Biocon Limited**

Regd. Office: 20th KM, Hosur Road,

Electronics City, P O, Bangalore – 560100

CIN: L24234KA1978PLC003417

Email: [Investor.relations@biocon.com](mailto:Investor.relations@biocon.com) ; website: [www.biocon.com](http://www.biocon.com)

Phone: 080 – 2808 2808 Fax : 080 – 2852 3423

**NOTES:**

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the company.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. The instrument appointing a proxy, in order to be effective, should be deposited at the registered office of the company, duly completed signed and stamped, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members/proxies should bring attendance slips along with their copy of annual report to attend the meeting.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
6. The Register of Directors Shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, June 24, 2016 to Thursday, June 30, 2016 (both days inclusive).
8. Members holding shares in Electronic (demat) form are advised to inform the particulars of their bank account, change of address and email ids to their respective Depository Participants only. The Company or its R & T Agents i.e. Karvy cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars etc., and such instructions shall be given directly to the depository participants by the members.
9. Members holding shares in physical form are advised to inform the particulars of their bank account, change of address and email ids to Karvy Computershare Private Ltd. (Unit: Biocon Ltd), Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081.
10. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DP ID & Client ID or Folio details respectively in all correspondences, including dividend matters to the Registrar and Share Transfer Agents, Karvy Computershare Private Ltd. (Unit: Biocon Ltd), Plot No. 17 – 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081.
11. Members who have not registered their mail address so far with their Depository Participants are requested to registered their email address for receiving all the communications including annual report, notices etc., in electronic mode.
12. Members are requested to note that as per section 123 of the Companies Act, 2013, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government. Therefore, the amount of unclaimed dividend upto financial years ended March 31, 2008 has been transferred, and for the financial year ended March 31, 2009 is due for transfer to IEPF in August 2016. The status of the dividends remaining unclaimed /unpaid with the respective due dates of transfer to IEPF is provided in the Corporate Governance report of this annual report.
13. Copies of Notice, Annual report are being sent by electronic mode to those members whose email ids are available with our R&T agents unless members requested for physical copy. For members whose email ids are not available physical copy has been sent by permitted mode.
14. Members may note that 38th AGM Notice, Annual Report, attendance slip, proxy form and e-voting instructions are also available in the company's website i.e. [www.biocon.com](http://www.biocon.com).
15. Member's note that the Company is providing the facility of e-voting and all businesses may be transacted through e-voting facility. The complete instructions on e-voting facility provided by the Company is annexed to this notice.
16. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a certified true copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (8:30 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
18. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 and 5 is as follows:

| Particulars                             | Mr. M. Damodaran                                                                                                                                                                                                                                                                                                                                                                                         | Dr. Arun S Chandavarkar                                                                                                                                                                                                                                             |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                     | 02106990                                                                                                                                                                                                                                                                                                                                                                                                 | 01596180                                                                                                                                                                                                                                                            |
| Date of Birth                           | 04/05/1947                                                                                                                                                                                                                                                                                                                                                                                               | 11/11/1961                                                                                                                                                                                                                                                          |
| Date of Appointment                     | 26/04/2016                                                                                                                                                                                                                                                                                                                                                                                               | 24/04/2014                                                                                                                                                                                                                                                          |
| Qualifications                          | B.A., LL.B.                                                                                                                                                                                                                                                                                                                                                                                              | B. Tech from IIT, Bombay, Ph.D. in Biochemical Engineering from the Massachusetts Institute of Technology, Cambridge, USA.                                                                                                                                          |
| Experience in specific functional areas | <p>Played a pioneering role in promoting Corporate Governance in India.</p> <p>Held a number of important positions in the Central and State Governments and in India's financial sector, including Chairman, Securities Exchange Board of India (SEBI), Chairman, Unit Trust of India (UTI), and Chairman, Industrial Development Bank of India (IDBI), and Chief Secretary, Government of Tripura.</p> | <p>Played a pivotal role in the evolution of the Company over the last 26 years including leading key strategic initiatives.</p> <p>Has expertise across diverse technology platforms spanning recombinant proteins, monoclonal antibodies and small molecules.</p> |

| Particulars                                                | Mr. M. Damodaran  | Dr. Arun S Chandavarkar |
|------------------------------------------------------------|-------------------|-------------------------|
| Relationship with any Director(s) of the Company           | None              | None                    |
| Directorship held in other listed entities                 | Refer table below | None                    |
| Membership/Chairmanship of Committees of listed - entities | Refer table below | None                    |
| Number of shares held in the company                       | None              | 2200000                 |

Details of Directorship/Membership/Chairmanship of Committees held in other listed entities by Mr. Damodaran:

| Name of the Company in which he holds Directorship | Committee                          | Chairman/Member |
|----------------------------------------------------|------------------------------------|-----------------|
| Sobha Limited                                      | Audit Committee                    | Member          |
| Hero MotoCorp Limited                              | Audit Committee                    | Member          |
|                                                    | Risk Management Committee          | Chairman        |
|                                                    | Stakeholder Relationship Committee | Member          |
| Tech Mahindra Limited                              | Audit Committee                    | Member          |
|                                                    | Risk Management Committee          | Member          |
| Larsen & Turbo Limited                             | Audit Committee                    | Member          |
| CRISIL Limited                                     | Audit Committee                    | Chairman        |
|                                                    | Stakeholder Relationship Committee | Chairman        |
|                                                    | Investment Committee               | Member          |

#### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

##### Resolution No. 4

S.R. Batliboi & Associates LLP. have been Statutory Auditors of the Company for more than a decade. Considering the requirement of rotation of auditors as per the provisions of the Companies Act 2013, the statutory auditors have expressed their inability to continue post this AGM and have accordingly informed their decision to step down.

A special notice has been received under Section 140(4)(i) of the Companies Act, 2013 from a member proposing appointment of M/s B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors. The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered and recommend the passing of the Special Resolution appointing M/s B S R & Co. LLP, Chartered Accountants, as Statutory Auditors in place of M/s S.R. Batliboi & Associates LLP. Written consent of the proposed auditors together with a certificate that the appointment, if made, would be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

The Board recommends the resolution for the approval of the members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested or otherwise, in the resolution.

##### Resolution No. 5

The Board of Directors at their meeting held on April 26, 2016 appointed Mr. M. Damodaran as an Additional Director of the Company. Pursuant to the provisions of Section 161 of the Companies Act 2013, Mr. M. Damodaran, will hold office up to the date of ensuing AGM. The Company has received notice in writing under Section 160 of the Companies Act from a member proposing the appointment of Mr. M. Damodaran as Independent Director, not liable to retire by rotation, under Section 149 of the Companies Act, 2013.

The Company has received declaration from Mr. M. Damodaran that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions for appointment as Independent Director, as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Independent Director is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days upto the date of the AGM.

No Director, Key Managerial Personnel or their relatives except Mr. M. Damodaran, to whom the resolution relates are interested or concerned in the resolution.

The Board recommends the resolution for the approval of the members



##### Brief profile of Mr. M Damodaran

**M. Damodaran** has held a number of important positions in the Central and State Governments and in India's financial sector, including Chairman, Securities Exchange Board of India (SEBI), Chairman, Unit Trust of India (UTI), Chairman, Industrial Development Bank of India (IDBI), Chief Secretary, Government of Tripura. After successful stints at UTI, IDBI and SEBI, he has set up Excellence Enablers Private Limited (EEPL), a Corporate Governance and Board Advisory consultancy firm. His pioneering role in promoting Corporate Governance in India enables EEPL with an experience-based leadership role in corporate governance advisory work. In addition, he is presently a consultant, advisor, coach and mentor and sits on the Boards of some leading companies as well as on the Advisory Boards of some foreign institutions.

Other details:

|                                                                                         |            |
|-----------------------------------------------------------------------------------------|------------|
| Date of Birth                                                                           | 04/05/1947 |
| Date of Appointment on the Board                                                        | 26/04/2016 |
| Shareholding in Equity shares of the Company and percentage of holding in share capital | NIL        |

**Resolution No. 6**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of M/s Rao Murthy & Associates, Cost Auditors at remuneration of ₹ 4.50 lakhs plus applicable service tax and out of pocket expenses payable to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Hence this resolution is put for the consideration of the shareholders.

The Board recommends the resolution for the approval of the members

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**Resolution No. 7**

The Securities and Exchange Board of India, replaced the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("New Regulation"), with effect from October 28, 2014.

The Company has an Employee Stock Option Plan ('ESOP') which is administered by the Nomination & Remuneration Committee for the benefit of employees of the Group, through the Biocon India Limited Employees Welfare Trust ('Trust'). The details of stock options granted and outstanding forms part of the Board's Report.

On September 27, 2001, Biocon's Board of Directors approved the Biocon Employee Stock Option Plan ('ESOP Plan 2000') for the grant of stock options to the employees of the Company and its subsidiaries/joint-venture company. A Nomination and Remuneration Committee has been constituted to administer the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust) which was also approved by the members at the AGM held on July 24, 2015.

Considering that the exercise price under the existing ESOP scheme is prohibitive, it is proposed to vary the scheme by reducing the number of the options granted to employees from the stock option pool and also to price such reduced options at a discount on the original exercise price. It is proposed to roll out two new Grants under the existing ESOP Plan /scheme and to discontinue offering of new options/grants under the existing Grants VI, VII & VIII.

**The features of new ESOP Grant –**

- Grant IX for the eligible new joiners
- Grant X for the eligible existing employees
- The new grants will be rolled out prospectively from date of approval of shareholders.
- The new grants will offer lesser number (50% of the original grant) of shares at 50% of the market price (NSE close price) of the preceding day to the date of grant.
- All other terms viz., the beneficiaries, vesting period, exercise period, performance criteria would remain the same as of Grant VI & Grant VII as determined by Nomination and Remuneration Committee.

Board is of the view that the new Grants under the existing ESOP Plan would be more attractive, considering the discount to the market price and the reduced upfront payment for exercise of shares and that they are in the interest of the employees.

As per regulation 7(2) of the New Regulation, the Company is required to obtain the consent of the members by way of a Special Resolution to vary the terms of an ESOP or ESPS Scheme of the Company. Hence the resolution at item no 7.

**Brief description of the scheme**

|                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total no of options to be granted.                                                                                       | The ESOP trust holds 38,76,828 shares as at March 31, 2016. Further the trust is authorised to make secondary market purchases and such additional shares would also form part of ESOP grant pool.                                                                                                                                                                                                                                                                         |
| Identification and appraisal of classes of employees/ participants entitled to participate in Employee stock option plan | As may be determined by the Nomination and Remuneration Committee.<br>The criteria for determining the eligibility of an Employee/ Participant to receive options may be prescribed and/ or revised from time to time at the discretion of the Nomination and Remuneration Committee.                                                                                                                                                                                      |
| Requirement of vesting & vesting period                                                                                  | The options shall vest in the ratio as decided by the Nomination and Remuneration Committee<br>The options granted shall vest so long as the employee continues to be in the employment of the Company.                                                                                                                                                                                                                                                                    |
| Maximum Period within which the options/benefits shall be vested                                                         | The options shall vest over a maximum period of 5 years.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Exercise Price, Exercise Period & process                                                                                | The Nomination and Remuneration Committee will determine the exercise price based on the pricing formula which shall not be less than the face value of shares as on the date of grant of the options.<br>Options granted under the plan and vested with the participants shall be exercised within the period as specified by the Nomination and Remuneration Committee from the date of each vesting and may be exercised as per the process specified from time to time |
| Maximum no of options, shares as the case may to be issued per employee and in aggregate.                                | Total no of shares transferred to an individual Participant will not exceed 500,000 shares.                                                                                                                                                                                                                                                                                                                                                                                |
| Implementation of Employee stock option plan 2000 through ESOP Trust                                                     | The plan/ shall be implemented through Biocon India Limited Employees Welfare trust created pursuant to the ESOP trust deed.                                                                                                                                                                                                                                                                                                                                               |

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee/Participants             | <p>A permanent employee of the Company, or of its subsidiary, in India or outside India.</p> <p>Executive Directors of the Company, excluding an Independent director, or that of its subsidiary.</p> <p>Excludes an employee who is a Promoter of the company or belongs to the promoter group or a director who either himself or through his relatives or anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company.</p>                                                                                                                                                                                  |
| Primary/Secondary Route:          | <p>The Nomination and Remuneration Committee shall decide on exploring the option for issuance of shares upon exercise, either by way of primary issue or by way of secondary acquisition by the trust, subject however to adherence with applicable laws and regulations as prevailing and in force from time to time.</p> <p>The maximum percentage of secondary acquisition that may be made by the trust for the purposes of ESOP shall be decided by the Nomination and Remuneration Committee from time to time not exceeding 2% of the paid up capital of the Company, in compliance with applicable laws and regulations as prevailing and in force.</p> |
| Loan for implementation of scheme | <p>The Company may from time to time, if required, subject to such approval, give loan to the trust for implementation of scheme for such tenure, utilisation and pre-defined repayment terms as agreed upon.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                |

The Company shall comply with the accounting policy as applicable from time to time and as specified in the SEBI ESOP Regulations. The Company shall use fair value method to value its options.

Considering that no shares are proposed to be issued by the Company, there would not be any dilution of rights by shareholders.

The Board recommends the resolution for the approval of the members.

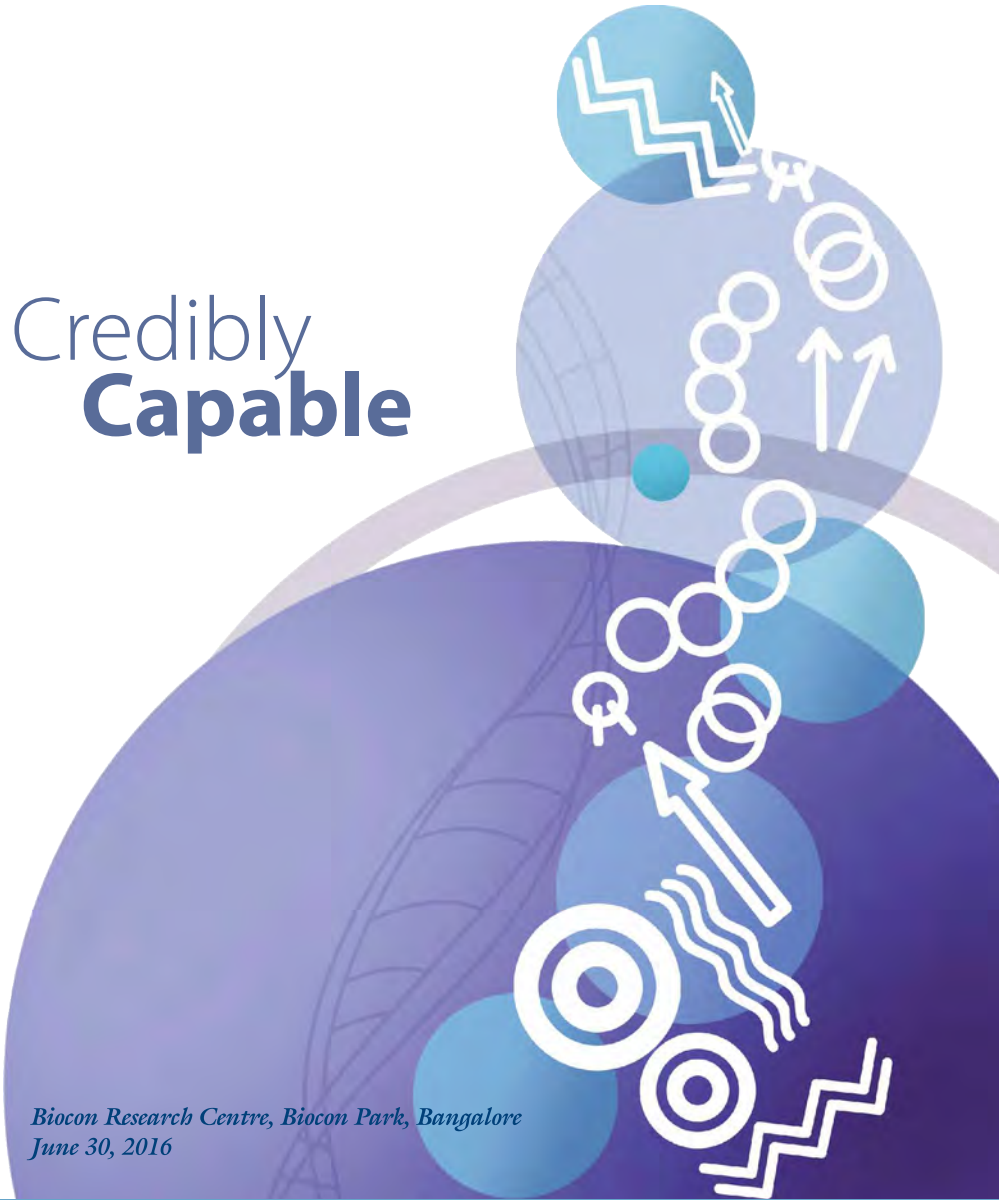
None of the Directors and their relatives, Key Managerial Personnel of the Company are deemed to be interested in the resolution except to the extent of their ESOP entitlements.

# 38<sup>th</sup> Annual General Meeting

*Chairperson's Speech*

Credibly  
**Capable**

*Biocon Research Centre, Biocon Park, Bangalore  
June 30, 2016*



# Credibly Capable



*Dear Shareholders,*

**I**t gives me great pleasure to welcome you to the 38th Annual General Meeting of your company, which marks a landmark year of delivering on our 'credibly capable' promise to our patients, partners and shareholders.

I am happy to note that your company has made significant advances in its mission to address global healthcare. We are the first company in India to receive an approval from Japan's health regulator for our biosimilar Insulin Glargine. More recently, we demonstrated again that our biosimilar Trastuzumab is equivalent in safety and effectiveness to branded Trastuzumab through successful global clinical trials.

These exciting developments are an outcome of the differentiated capabilities we have built by leveraging our inherent strengths in cutting-edge science. We have used complex technology platforms to develop a rich portfolio of small molecules, novel biologics and biosimilars including monoclonal antibodies, rh-Insulin and analogs.

The credibility that we have earned as an innovation-led biopharma organization and our value proposition built around differentiation and scale have enabled us to seek global leadership to provide access to affordable biopharmaceuticals for patients and partners across the globe. Our patient-centric approach and commitment to world-class quality have earned us the reputation of a credibly capable biopharmaceutical organization.

## Strategic Capabilities

We are living in extraordinary times, where technology is revolutionizing life sciences by decoding diseases at the cellular and genetic level and helping usher in safer and more effective therapies for patients. Today's medical paradigm is rapidly evolving from a 'one size fits all to a customized solution of the right treatment for the right patient at the right time' with the aim to minimize side effects and maximize positive outcomes.

These advances in understanding disease mechanisms, diagnosis and treatment using genomics and cell biology are coinciding with the rapid spread of a pandemic of non-communicable diseases (NCD) worldwide.

It is estimated that 38 million people succumb to NCDs like cancer, diabetes, cardiovascular diseases and chronic respiratory disease annually. Low- and middle-income countries (LMICs) bear a disproportionate share of the NCD burden, accounting for nearly three-quarters of NCD deaths. Of these, NCDs like cancer and diabetes have not only emerged as the leading causes of death and disability in the developing world, but are forcing about



Our patient-centric approach and commitment to world-class quality have earned us the reputation of a credibly capable biopharmaceutical organization.



100 million people into poverty every year, owing to unaffordable access to life-saving drugs. Today, cancer is the cause of 'one in seven' deaths worldwide, while diabetes now affects nearly 'one in 11' adults globally. This looming crisis is spurring a flurry of research activity to develop more effective diagnostics and therapies for addressing these diseases.

Biocon has been committed to addressing challenges associated with NCDs for over a decade with the objective to develop affordable chronic therapies for diabetes and cancer. In this endeavour we have leveraged our expertise in fermentation technology, refined it and brought it to a global scale. We have created a highly cross-functional matrix focused on products, processes and people to reliably and consistently develop and deliver differentiated products. We have rapidly moved up the pharmaceutical value chain from small molecules to recombinant proteins to antibodies. We have leveraged India's value advantage of unmatched scientific talent and cost-competitive manufacturing to deliver scale, speed and quality. We have increased operating efficiencies and production capacities through calibrated manufacturing expansion in India and overseas. We have balanced high cost of R&D and market affordability. Most notably, we have enhanced our

credibility through an excellent track record of intellectual property creation, regulatory compliance, good corporate governance, industry leadership and a high commitment to socially responsible practices.

Over the years, we have successfully met many of our goals of providing key life-saving advanced biopharmaceuticals for diabetes and cancer to patients in India and other developing countries at price points that make them affordable and thus accessible. We are proud of the impact our efforts are making and are better positioned than ever to leverage advances in biology, genomics and technology for tackling chronic diseases. We are now 'credibly capable' of extending the benefits of our low-cost, high-quality products to a global patient population.

## Being Credible

Biologics like insulins and monoclonal antibodies have emerged as a class of highly effective transformational life-saving drugs targeted at chronic diseases like diabetes and cancer. Biologics differ from chemically synthesized drugs in that the regulatory, clinical and development requirements are considerably more exacting, making them 20-50 times more expensive than



We are now 'credibly capable' of extending the benefits of our low-cost, high-quality products to a global patient population.

conventional drugs. The high cost of biologic therapies pushes them out of the reach of many patients, especially those in LMICs like India where drug regimens can cost several months' wages making the treatment of chronic disease like diabetes and cancer simply unaffordable.

This large unmet need can only be addressed through affordable generic versions of biologic drugs or biosimilars that provide cost-effective alternatives to expensive reference biologics. Unlike conventional chemical synthesis based generic pharmaceuticals, the development of biosimilars involve complex processes and analytical skills along with fairly large and lengthy clinical trials to establish comparable safety and efficacy with the reference product. Biocon is among the pioneers in bringing the benefit of high quality, yet affordable, novel biologics and biosimilars to thousands of patients.

## Fighting Diabetes

There are nearly half a billion diabetes patients in the world. Of the 100 million people who need insulin, only 'one in two' can manage and afford costs associated with chronic insulin therapy. As the largest Asian

insulins player and the fourth largest producer of insulins in the world, our aim over the next 10 years is to provide our insulin products to 'one in five' diabetes patients in need of insulin-based therapy anywhere in the world.

This year we achieved a major regulatory milestone with our first biosimilar approval for Insulin Glargine in a highly regulated market like Japan. This, we believe, earns us huge credibility and validates our mission of delivering the highest quality at the lowest cost. Our partner FUJI Pharma expects to launch this product soon. We see this as a significant achievement in our journey to make a global impact in diabetes management through our affordable biosimilar insulins. This also paves the way for our foray into several other overseas markets, including key ones like Brazil, Russia and South Africa. Currently, our insulins are registered in over 65 markets that represent 40% of the global diabetes population.

We continue to progress our efforts to take Insulin Glargine to other key developed markets in Europe and US with our co-development partner, Mylan. We expect to file for regulatory approvals in EU and in US in FY17.

This year we achieved a major regulatory milestone with our first biosimilar approval for Insulin Glargine in a highly regulated market like Japan.





The increasing regulatory clarity around biosimilars in the US led us to collaborate with our longstanding partner in Mexico, Laboratorios PiSA, for the development and commercialization of our rh-Insulin for the US market.

Through this collaboration, we will introduce rh-Insulin under the Biocon brand to address the USD 1.5 billion US market opportunity.

## Battling Cancer

By 2030, new cancer cases worldwide are expected to rise to 22 million, resulting in 13 million deaths annually. This cancer burden is expected to be sizeably larger in developing countries. By introducing the world's most affordable follow-on Trastuzumab (CANMAb™) in 2014, we enhanced access to a more affordable treatment for HER2-positive metastatic breast cancer in India.

This important life-saving drug has already made a significant difference in the lives of several thousand patients.

We also commenced Trastuzumab sales in emerging markets this year and expect to take this important biosimilar drug to several more in FY17.

We continued to successfully execute on our various programs with Mylan, with good progress in the clinical development of our biosimilars for cancer and autoimmune diseases during the year.

We have recently reported encouraging results from the global Phase III clinical trials for Trastuzumab in first-line metastatic breast cancer patients. The study has confirmed the

efficacy, safety and immunogenicity of the proposed biosimilar Trastuzumab co-developed by Biocon and Mylan, in comparison to branded Trastuzumab. These results were presented at the 2016 American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago – one of the most prestigious annual conferences on cancer globally – earlier this month. The trial will enable regulatory filings of our product in the developed markets in FY17.

We also successfully completed the global Phase III study for Pegfilgrastim, another biosimilar from our portfolio being developed for cancer. This study met the primary endpoints of demonstrating clinical equivalence with the reference product, putting us on track for regulatory submissions in US and Europe in FY17. Regulatory filings for the four most advanced biosimilar programs - Insulin Glargine, Trastuzumab, Pegfilgrastim and Adalimumab - are likely to provide us an early mover advantage in an over USD 30 billion addressable market. We are positioned among the early wave of biosimilar entrants in the developed markets.



## Developing Novel Therapies

During the year, we also made good progress in the clinical development of two of our breakthrough therapies – oral insulin or Insulin Tregopil and the first-in-class anti-CD6 antibody, Itolizumab.

Biocon is committed to develop Insulin Tregopil for Type 1 and Type 2 diabetes patients as a follow-up to the successful outcome of the Phase I clinical studies conducted in the US. We are in consultation with our scientific board to design the next clinical study in FY17.

To make our 'first-in-class' novel anti-CD6 biologic Itolizumab more patient-friendly, we are conducting a bridging Phase I pharmacokinetic and safety study in healthy volunteers in Australia. The completion of the first sentinel dosing, demonstrated that the drug was well-tolerated with no adverse effects. The study is expected to enable a global IND filing with a subcutaneous route of administration.

Novel immune check-point inhibitors have created much excitement in the field of cancer in general and cancer immunotherapy in particular. We are enhancing our scientific capability and credibility in the path-breaking

area of immuno-oncology by building an exciting pipeline of fusion MAb molecules. The lead molecule in this program achieved preclinical 'proof of concept' and is currently in advanced preclinical development.

Our collaboration with Quark Pharma, a leader in siRNA therapeutics, is progressing with an ongoing pivotal Global Phase II / III study investigating QPI-1007 in Non-Arteritic Anterior Ischemic Optic Neuropathy (NAION) patients.

## Unlocking Value: Syngene IPO

A crowning moment of this fiscal was the successful IPO of our research services subsidiary Syngene. The resounding oversubscription of the IPO reflected the trust and confidence of the investor community in Syngene's value proposition. Our ability to create long-term value for our shareholders was evident from Syngene's market capitalization crossing USD 1 billion within a week of listing, a milestone Biocon had crossed at its public listing a little over a decade ago.

The resounding oversubscription of Syngene's IPO has reflected the trust and confidence of the investor community in our research services subsidiary's value proposition.



## Maintaining A Quality Track Record

Our commitment to high cGMP standards and quality compliance helped us maintain a strong track record in regulatory inspections with no critical observations. During the year, Biocon and Syngene facilities successfully cleared all audits by various regulators, including those from the US, EU and Japan. Our state-of-the-art disposable pen assembly facility in Bangalore was also inspected and approved by the Indian and Japanese regulatory authorities. These certifications enabled new product approvals for commercial supplies and initiation of clinical studies for new products under development. Our integrated Insulins

manufacturing facility in Malaysia received cGMP certification from Malaysia's National Pharmaceutical Control Bureau and we expect to receive regulatory approvals to initiate commercial sales of Insulins in Malaysia and other emerging markets in the second half of FY17.

Our compliance with global standards was underscored by the European approval for our first generic formulation of Rosuvastatin Calcium, a milestone in Biocon's strategic forward integration from APIs to generic finished dosages.



Our compliance with global standards was underscored by the European approval for our first generic formulation of Rosuvastatin Calcium, a milestone in Biocon's strategic forward integration from APIs to generic finished dosages.

## Building Talent Excellence

Our reputation as an admired global Employer Brand was strengthened with the recognition by US-based Science magazine, which once again listed us among the Top 20 Global Biotech Employers for 2015, for being the most innovative leader in the industry, having loyal employees and being socially responsible.

## Corporate Restructuring

We restructured our legal entities this year to align them with our key business drivers. We believe this will enable us to unlock greater value from our strategic businesses at an opportune time. As a part of this exercise, all our biosimilar assets will now be consolidated under Biocon Biologics Ltd, a new legal entity incorporated in UK and a subsidiary of Biocon Ltd, India.

## Expanding Management Bandwidth

**Narendra Chirmule**, our new R&D head at Biocon, infused fresh energy and vigour into this key function. His knowledge of the regulatory landscape for biologics and biosimilars in EU and US and his leadership experience gained at Amgen and Merck are enhancing the capability and credibility quotient of Biocon's innovation pursuit.



**Narendra Chirmule**  
Sr. Vice President, R&D

I would like to express my deepest gratitude to **Peter Bains** for his contribution in building Syngene's reputation as a trusted 'innovation partner' in the contract research space. He has been succeeded by **Jonathan Hunt**, whose experience in building customer-focused organizations and experienced leadership at AstraZeneca made him the ideal choice for the role of Syngene's CEO.



**Jonathan Hunt**  
Chief Executive Officer  
Syngene International

We strengthened Biocon's Board of Directors by inducting **M. Damodaran**, a renowned financial expert and former Chairman of SEBI, India's market regulator, as an additional Independent Director.



**M. Damodaran**  
Independent and  
Non-Executive Director

Our reputation as an admired global Employer Brand was strengthened with the recognition by US-based Science magazine, which once again listed us among the Top 20 Global Biotech Employers for 2015.



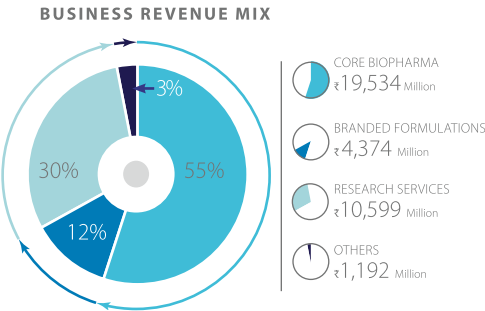
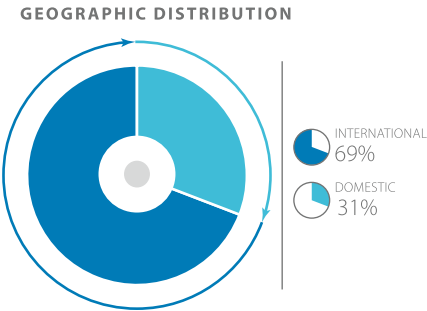
# Financial Highlights

FY16 was a landmark year as we finished on a strong note with many firsts to our credit. Biocon's consolidated quarterly revenues crossed Rs 10,000 million for the first time in the fourth fiscal quarter of FY16, while Syngene crossed Rs 10,000 million in revenues for the full year. Our consolidated top line for the year grew 14% to Rs 35,699 million, driven by robust growth in research services revenues (29% Y-O-Y), increased sales of insulins and the launch of a key biosimilar in emerging markets. Our bottom-line increased 80% to reach Rs 8,961 million on account of exceptional income booked

from the proceeds derived from the divestment of a part of our shareholding in Syngene at the time of IPO as well as from recognizing deferred income pertaining to rh-Insulin development. Adjusting for exceptional income, our Net Profit stood at Rs 4,372 million. Our EBITDA for the year rose 21% to reach Rs 9,045 million, with a healthy margin of 25%. We improved our operating margin despite a 63% jump in net R&D spend. Biocon's R&D expenditure at a gross level touched Rs 4,270 million during the fiscal.

## F Y 1 6   A T   A   G L A N C E

|                   |           |               |
|-------------------|-----------|---------------|
| REVENUE           | PAT       | EBITDA MARGIN |
| 35,699            | 8,961     | 25%           |
| ₹ Million         | ₹ Million |               |
| R&D SPEND (GROSS) | EPS       | EMPLOYEES     |
| 4,270             | 45        | 8,000+        |
| ₹ Million         | ₹         |               |



## Corporate Social Responsibility

As an organization that prides itself on being 'credibly capable', Biocon has, for over a decade, made credible efforts to build our Corporate Social Responsibility (CSR) programs around the delivery of primary healthcare services, basic education and better sanitation facilities.

Our CSR arm Biocon Foundation has been active in addressing child malnutrition, which is responsible for 50% of all childhood deaths in India. Our initiatives this year helped improve the nutritional level of over 1,200 malnourished children, 115 of whom progressed from Severe Acute Malnutrition (SAM) to a normal nutritional status.

The Foundation is harnessing a number of technological innovations to address challenges associated with the prevention, early detection and treatment of diseases in rural areas. Our pathbreaking mobile phone-based health (mHealth) initiative ensures that healthcare reaches remote and undeserved communities in a cost-effective manner. Over 8,500 individuals were screened for oral cancer in FY16, of which more than 1,000 were diagnosed with pre-cancerous lesions and provided immediate medical advice and attention. Similarly, over 800 women underwent cervical cancer screening this year and a majority of the 40-odd who exhibited abnormal results received treatment and follow-ups at a tertiary care centre. We also intensified our diabetes and hypertension awareness programs, which led to over 6,000 footfalls at these camps. Nearly 6,000 more benefited from the home visits that we conducted under this program.

The success of our primary healthcare programs in Karnataka has given us the confidence to extend into other states. During the year, we partnered with the



Rajasthan government for the first time to run three of its Primary Health Centres (PHCs) with the aim of providing economical, effective and efficient healthcare services to over 70,000 people.

The Foundation also established clinics in Karnataka based on the unique eLAJ platform, wherein electronic medical records will be linked to an individual's unique identification number for creating a birth-to-death health tracker that will facilitate effective preventive and primary healthcare interventions.

Biocon Academy, the Centre of Excellence for Advanced Learning in Biosciences, continued to address the skill deficit in the country's biotechnology ecosystem by imparting high quality, industry-oriented life sciences education.

To address the knowledge and skill gap of aspiring microbiologists, pharmacy and biotech graduates, the Academy introduced an intensive eight-week program in Quality Control in Microbiology, in collaboration with a new partner, BITS, Pilani.

Our flagship Biocon-KGI program continues to develop high quality talent and all 150 students of the first five batches have been employed by various pharma and biotech companies and are adding value to their functions.

## Looking Ahead

We are fully geared to address the unfolding biosimilars opportunity in emerging markets and through market filings in key developed markets.

We believe that FY17 will set the stage for Biocon to emerge as a leading global player in the realm of biosimilars.

The Generic Formulations business is expected to gather momentum in FY17 as we intensify our focus on being a vertically integrated player in the niche space of difficult-to-make and technologically intensive generic drugs.

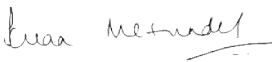
Regulatory approvals of our new manufacturing facilities, increased penetration of our biosimilar products and resilience in our Branded Formulations business are expected to boost our biopharma business.

Syngene is expected to accelerate revenue growth on the back of capacity additions and new services in FY17.

In conclusion, I would like to say that our capabilities have led to rapid and tangible progress, which have, in turn, translated into commercial success. We are starting to see attractive returns on our long-term investments in innovative R&D, which are beginning to generate rich dividends. We are now closer than ever to unlocking the full potential of our various businesses.

I wish to thank our entire stakeholder family for providing us their unstinted support throughout this 'in-credible' journey.

Thanks You



**Kiran Mazumdar-Shaw**

Chairperson



**Biocon Limited**  
20th KM, Hosur Road  
Electronic City PO, Bangalore 560 100. India  
T +91 80 2808 2808

[www.biocon.com](http://www.biocon.com)  
E: [corporate.communications@biocon.com](mailto:corporate.communications@biocon.com)

*Biocon Research Centre, Biocon Park, Bangalore*