

Independent Auditor's Report

To the Members of BIOCON ACADEMY

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of BIOCON ACADEMY ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017 for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the company
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigation.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

for **S. Krishnaswamy & Co.,**
Chartered Accountants
ICAI Firm registration number: 0015565

Ravindra T
Partner
Membership No.: 206864
Place: Bengaluru
Date: 21 April 2017

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Annexure 1 to the Independent Auditor's Report of even date on the Financial Statements of Biocon Academy

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of BIOCON ACADEMY

We have audited the internal financial controls over financial reporting of BIOCON ACADEMY ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 21, 2017 expressed an unqualified opinion.

for **S. Krishnaswamy & Co.,**
Chartered Accountants
ICAI Firm registration number: 0015565

Ravindra T
Partner
Membership No.: 206864

Place: Bengaluru
Date: 21 April 2017

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Balance Sheet as at March 31, 2017

(All amounts are in Indian Rupees thousands, except share data & per share data, unless otherwise stated)

	Note	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	500	500
Reserves and Surplus			
Current liabilities			
Trade payables	3	12,631	6,528
Other current liabilities	4	2,553	3,691
Total		15,684	10,719
ASSETS			
Non-Current assets			
Fixed Assets			
Property, Plant & Equipment	5	19	96
Capital work in progress		621	-
Current assets			
Cash and cash equivalents	6	6,939	1,172
Short-term loans and advances	7	8,105	9,451
Total		15,684	10,719
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for **S. Krishnaswamy & Co.**

Firm Registration Number: 0015565

Chartered Accountants

for and on behalf of the Board of Directors of Biocon Academy

Ravindra T.

Partner

Membership No.: 206864

Bengaluru

21 April, 2017

Kiran Mazumdar-Shaw

Director

DIN: 00347229

Bengaluru

21 April, 2017

John M M Shaw

Director

DIN: 00347250

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Statement of Profit and Loss for the year ended March 31, 2017

(All amounts are in Indian Rupees thousands, except share data & per share data, unless otherwise stated)

	Note	Year Ended March 31, 2017	Year Ended March 31, 2016
Income			
Tuition Fees		16,918	11,634
Other Income			43
Total		16,918	11,677
Expenses			
Salaries wages and bonus		6,621	5,757
Other expenses	8	10,221	5,844
Depreciation and amortisation expense	5	76	76
		16,918	11,677
Surplus / deficit for the year		-	-
Earnings per share [nominal value of share ₹ 10] Basic and Diluted (in ₹)		-	-
Weighted average no. of shares used in computing Earnings per share Basic and Diluted		50,000	50,000
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for **S. Krishnaswamy & Co.**

Firm Registration Number: 0015565

Chartered Accountants

for and on behalf of the Board of Directors of Biocon Academy

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Notes to the financial statements for the year ended March 31, 2017

(All amounts are in Indian Rupees thousands, except share data & per share data, unless otherwise stated)

1. Background

Biocon Academy ("the Company") was incorporated in India on December 3, 2013 as a Private Limited company under Section 25 of the Companies Act, 1956. The Company is a wholly-owned subsidiary of Biocon Limited. The main objects of the company is to provide educational courses, training and research in biosciences, life sciences and all fields of study.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

(a) Revenue recognition

Revenues consist of Fee from students and is recognized on accrual basis.

(b) Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(c) Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The cost comprises purchase price and other directly attributable cost of bringing the asset to its working condition for the intended use.

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

Plant and Equipment (including computers)	- 33.33%
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(e) Foreign currency translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange differences

Exchange differences arising on the settlement of the monetary items or on reporting such monetary items of company at rates different from those at which they are initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

(f) Earnings per share

The earnings considered to ascertain the company's earnings per share comprise of the net profit after tax for the year. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the year.

(g) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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	March 31, 2017	March 31, 2016
2. Share Capital		
Authorised		
50,000 Equity Shares of ₹ 10/- each	500	500
Issued, subscribed and fully paid-up		
50,000 Equity Shares of ₹ 10/- each	500	500
Total issued, subscribed and fully paid-up share capital	500	500

(a) Reconciliation of the share outstanding at the beginning and at the end of the reporting period**Equity Shares**

	March 31, 2017		March 31, 2016	
	No	₹	No	₹
At the beginning of the year	50,000	500	50,000	500
Issued during the year	-	-		
Outstanding at the end of the year	50,000	500	50,000	500

(b) Terms and Rights attached to equity shares

The Company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote each. As per Clause X of Memorandum of Association (MOA) of the Company, in the event of liquidation of the Company, the holders of equity share will not be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The remaining shall be given or transferred to such other company having similar objects, to be determined by the member of the company at or before the time of dissolution or in default thereof by the High Court of Judicature that has or may acquire jurisdiction in the manner.

(c) Equity shares held by holding company and details of shareholders holding more than 5% shares held in the company.

	March 31, 2017		March 31, 2016	
	No	% holding	No	% holding
Biocon Limited	49,998	100.00%	49,998	100.00%
Holding company				

	March 31, 2017	March 31, 2016
3. Trade Payables		
Trade payables	12,631	6,528
	12,631	6,528
There are no payables under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006		
4. Other current liabilities		
Statutory dues *	122	104
Advance fee received from students	2,431	3,587
	2,553	3,691

*Statutory dues include profession tax and withholding taxes payable

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5. Property, Plant & Equipment

	Plant and Equipment	Total
Cost		
At April 1, 2015	229	229
Additions/(Disposals)	-	-
As at March 31, 2016	229	229
Additions/(Disposals)	-	-
At March 31, 2017	229	229
Depreciation		
As at April 1, 2015	57	57
Charge for the year	76	76
As at March 31, 2016	133	133
Charge for the year	76	76
As at March 31, 2017	209	209
Net Block		
At 31 March 2016	96	96
At 31 March 2017	19	19
	March 31, 2017	March 31, 2016
6. Cash and Cash Equivalents		
Balances with Banks		
On current account	6,939	1,172
	6,939	1,172

*The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	Nil
(+) Permitted receipts	-	-	Nil
(-) Permitted payments	-	-	Nil
(-) Amount deposited in Banks	-	-	Nil
Closing cash in hand as on 30.12.2016	-	-	Nil
	March 31, 2017	March 31, 2016	
7. Short term loans and advances			
Unsecured and considered good			
Balance with statutory authorities	7,778		4,135
Other Receivable	326		5,316
	8,105		9,451

	March 31, 2017	March 31, 2016
8. Other expenses		
Training Expenses (Net)	2,021	164
Audit Fees	40	40
Advertisement	956	1,158
Travelling and conveyance	420	343
Communication expenses	911	313
Legal and Professional fee	2,012	422
Printing and Stationery	336	493
Loss / Gain on Foreign Exchange transactions	70	(15)
Miscellaneous expenses	3,454	2,926
	10,221	5,844

9. Related Party Disclosures

Name of Related Party	Relationship	Nature of Transaction	2016-17	2015-16
Biocon Limited	Holding Company	Amount receivable	-	-
		Donations during the year	30,700	29,645
		Amount payable	-	1,415

	March 31, 2017	March 31, 2016
10. Expenditure in Foreign Currency		
Training Expenses	28,604	26,407

As per our report of even date

for **S. Krishnaswamy & Co.**

Firm Registration Number: 001556S

Chartered Accountants

for and on behalf of the Board of Directors of Biocon Academy

Ravindra T.

Partner

Membership No.: 206864

Bengaluru

21 April, 2017

Kiran Mazumdar-Shaw

Director

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