

# Independent Auditor's Report

To the Members of Biocon Biosphere Limited  
Report on the Audit of the Financial Statements

## Opinion

We have audited the financial statements of Biocon Biosphere Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2025, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and

cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. 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 purposes 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 4 April 2025, 9 April 2025 and 10 April 2025 taken on record by the Board of Directors, none of the directors

is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modification relating to the maintenance of accounts and other matters connected there with are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d.
    - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company have neither declared nor paid any dividend during the year.

- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level for the period from 1 April 2024 to 24 October 2024. Also, for one database user, the audit trail was not enabled for the period from 1 April 2024 to 25 February 2025; (ii) at the application level for certain fields / tables relating to all the significant processes and (iii) for certain changes at the application level which were performed by users having privileged access rights. Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with. Additionally, except where the audit trail was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Sanjay Sharma**

Partner

Membership No.: 063980

ICAI UDIN:25063980BMONVR9223

Place: Bengaluru

Date: 08 May 2025

# Annexure A to the Independent Auditor's Report

on the Financial Statements of Biocon Biosphere Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.  
  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Good and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the company with the appropriate authorities.  
  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.



- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 57 million in the current financial year and Rs 19 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Sanjay Sharma**

Partner

Membership No.: 063980

ICAI UDIN:25063980BMONVR9223

Place: Bengaluru

Date: 08 May 2025

# Annexure B to the Independent Auditor's Report

on the Financial Statements of Biocon Biosphere Limited for the year ended 31 March 2025

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to financial statements of Biocon Biosphere Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the "Guidance Note"). 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 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 Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls with reference to financial statements.

## Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Sanjay Sharma**

Partner

Membership No.: 063980

ICAI UDIN:25063980BMONVR9223

Place: Bengaluru

Date: 08 May 2025



# Balance Sheet

as at March 31, 2025

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

Particulars	Note	March 31, 2025	March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,660	1,439
Capital work in progress	3(a)	4,099	5,497
Right-of-use-assets	4(a)	9	11
Intangible assets	4(b)	22	-
Financial assets			
(i) Derivative assets		60	173
Deferred tax Asset (net)	16	8	-
Income-tax assets (net)		1	1
Other non-current assets	8 (a)	346	435
<b>Total non-current assets</b>		<b>10,205</b>	<b>7,556</b>
<b>Current assets</b>			
Inventories	6	278	333
Financial assets			
(i) Trade receivables	7	130	6
(ii) Derivative assets		106	179
(iii) Cash and cash equivalents	9(a)	22	-
(iv) Bank balances other than (iii) above	9(b)	20	-
(v) Other financial assets	5	1	-
Other current assets	8 (b)	182	158
<b>Total current assets</b>		<b>739</b>	<b>676</b>
<b>TOTAL ASSETS</b>		<b>10,944</b>	<b>8,232</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	10 (a)	1	1
Other equity	10 (b)	(96)	255
<b>Total equity</b>		<b>(95)</b>	<b>256</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	11 (a)	3,203	4,167
(ii) Lease liabilities	17	13	15
Provisions	15(a)	3	1
Deferred tax liabilities (net)	16	-	57
<b>Total non-current liabilities</b>		<b>3,219</b>	<b>4,240</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	11(b)	6,457	2,527
(ii) Lease liabilities	17	4	4
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	12	19	3
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	140	3
(iv) Other financial liabilities	13	1,172	1,187
Other current liabilities	14	21	8
Provisions	15(b)	7	4
<b>Total current liabilities</b>		<b>7,820</b>	<b>3,736</b>
<b>TOTAL LIABILITIES</b>		<b>11,039</b>	<b>7,976</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,944</b>	<b>8,232</b>

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number.: 101248W/W-100022

for and on behalf of the Board of Directors of Biocon Biosphere Limited

**Sanjay Sharma**

Partner

Membership No.: 063980

Bengaluru

May 8, 2025

**Kiran Mazumdar-Shaw**

Director

DIN: 00347229

**Mukesh Kamath**

Chief Financial Officer

Bengaluru

May 8, 2025

**Siddharth Mittal**

Director

DIN: 03230757

**Ekta Agarwal**

Company Secretary

FCS: 11388

# Statement of Profit and Loss

for the year ended March 31, 2025

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

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
<b>Income</b>			
Revenue from operations	18	130	6
Other income	19	-	-
<b>Total income</b>		<b>130</b>	<b>6</b>
<b>Expenses</b>			
Cost of materials consumed	20	46	115
Changes in inventories of finished goods and work-in-progress	21	(19)	(113)
Employee Benefits Expense	22	94	1
Finance Cost	23	45	1
Depreciation and amortisation expense	24	96	2
Other expenses	25	87	21
<b>Total expenses</b>		<b>349</b>	<b>27</b>
<b>Loss before tax for the year</b>		<b>(219)</b>	<b>(21)</b>
<b>Tax expense</b>			
Current tax	27	-	-
Deferred tax	27	(33)	(3)
<b>Loss after tax for the year</b>		<b>(186)</b>	<b>(18)</b>
<b>Other comprehensive income/(expense)</b>			
<b>(i) Items that will be reclassified subsequently to profit or loss</b>			
Effective portion of losses on hedging instrument in cash flow hedges		(187)	(66)
Income tax effect		32	45
<b>Other comprehensive income for the year, net of taxes</b>		<b>(155)</b>	<b>(21)</b>
<b>Total comprehensive loss for the year</b>		<b>(341)</b>	<b>(39)</b>
<b>Loss per equity share</b>	34		
Basic (in Rs.)		(3,712)	(357)
Diluted (in Rs.)		(3,712)	(357)

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

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

**Sanjay Sharma**  
Partner  
Membership No: 063980

Bengaluru  
May 8, 2025

for and on behalf of the Board of Directors of Biocon Biosphere Limited

**Kiran Mazumdar-Shaw**  
Director  
DIN: 00347229

**Mukesh Kamath**  
Chief Financial Officer  
Bengaluru  
May 8, 2025

**Siddharth Mittal**  
Director  
DIN: 03230757

**Ekta Agarwal**  
Company Secretary  
FCS: 11388

# Statement of Changes in Equity

for the year ended March 31, 2025

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

## A. Equity share capital

Particulars	March 31, 2025	March 31, 2024
Opening balance	1	1
Changes in equity share capital during the year	-	-
<b>Closing balance</b>	<b>1</b>	<b>1</b>

## B. Other equity

Particulars	Reserves and surplus	Items of other comprehensive income	Total other equity
	Retained earnings	Cash flow hedging reserves	
<b>Balance as on April 01, 2023</b>	(19)	314	295
Loss for the year	(18)	-	(18)
Other comprehensive income, net of tax	-	(22)	(22)
<b>Balance as at March 31, 2024</b>	<b>(37)</b>	<b>292</b>	<b>255</b>
Loss for the year	(186)	-	(186)
Other comprehensive loss, net of tax	-	(155)	(155)
<b>Total comprehensive income for the year</b>	<b>(223)</b>	<b>137</b>	<b>(86)</b>
<b>Transactions recorded directly in equity</b>			
Utilisation towards increase in authorised capital	(10)	-	(10)
<b>Balance at March 31, 2025</b>	<b>(233)</b>	<b>137</b>	<b>(96)</b>

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number.: 101248W/W-100022

**Sanjay Sharma**

Partner

Membership No.: 063980

Bengaluru

May 8, 2025

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Bengaluru

May 8, 2025

**Siddharth Mittal**

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DIN: 03230757

**Ekta Agarwal**

Company Secretary

FCS: 11388



# Statement of Cash Flows

for the year ended March 31, 2025

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>I Cash flows from operating activities</b>		
Loss for the year	(186)	(18)
<b>Adjustments to reconcile loss for the year to net cash flows</b>		
Depreciation and amortisation expense	96	2
Finance cost	45	1
Interest income	(1)	-
Tax expense	(33)	(3)
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(79)</b>	<b>(18)</b>
<b>Movements in operating assets and liabilities</b>		
(Increase)/Decrease in inventories	55	(333)
Increase in trade receivables and other assets	(149)	(139)
Increase in trade payable, other liabilities and provisions	158	17
<b>Cash used in operations</b>	<b>(15)</b>	<b>(473)</b>
Income taxes paid (net of refunds)	-	-
<b>Net cash flow used in operating activities (I)</b>	<b>(15)</b>	<b>(473)</b>
<b>II Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(2,599)	(894)
Purchase of intangible assets	(22)	-
Investment in bank deposits	(20)	-
Redemption/maturity of bank deposits	-	100
<b>Net cash flow used in investing activities (II)</b>	<b>(2,641)</b>	<b>(794)</b>
<b>III Cash flows from financing activities</b>		
Proceeds from short term borrowings	2,862	1,374
Interest paid	(181)	(114)
Lease payment	(3)	(3)
<b>Net cash flow generated from financing activities (III)</b>	<b>2,678</b>	<b>1,257</b>
<b>IV Net increase in cash and cash equivalents (I + II + III)</b>	<b>22</b>	<b>(10)</b>
<b>V Cash and cash equivalents at the beginning of the year</b>	<b>-</b>	<b>10</b>
<b>VI Cash and cash equivalents at the end of the year (IV+V)</b>	<b>22</b>	<b>-</b>
Reconciliation of cash and cash equivalents as per Statement of cash flow		
Cash and cash equivalents ( Note 9(a))		
Balances with banks - on current accounts	22	-
<b>Balance as per statement of cash flows</b>	<b>22</b>	<b>-</b>

# Statement of Cash Flows

for the year ended March 31, 2025

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

## Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as March 31, 2025

Particulars	Opening balance April 01, 2024	Cash flows	Non-cash movement	Closing balance March 31, 2025
Borrowings (including current maturities)	6,694	2,862	104	9,660
Interest accrued	1	(181)	181	1
Lease liabilities (including current)	18	(3)	2	17
<b>Total liabilities from financing activities</b>	<b>6,713</b>	<b>2,678</b>	<b>287</b>	<b>9,678</b>

## Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as March 31, 2024

Particulars	Opening balance April 01, 2023	Cash flows	Non-cash movement	Closing balance March 31, 2024
Borrowings (including current maturities)	5,262	1,374	58	6,694
Interest accrued	1	(113)	113	1
Lease liabilities (including current)	19	(3)	2	18
<b>Total liabilities from financing activities</b>	<b>5,282</b>	<b>1,258</b>	<b>173</b>	<b>6,713</b>

(a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of Biocon Biosphere Limited

**Sanjay Sharma**

Partner

Membership No.: 063980

**Kiran Mazumdar-Shaw**

Director

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**Siddharth Mittal**

Director

DIN: 03230757

Bengaluru

May 8, 2025

**Mukesh Kamath**

Chief Financial Officer

Bengaluru

May 8, 2025

**Ekta Agarwal**

Company Secretary

FCS: 11388



# Notes to financial statements

for the year ended March 31, 2025

## 1. Company overview

### 1.1 Reporting entity

Biocon Biosphere Limited ("BBSL" or "the Company"), subsidiary of Biocon Limited was incorporated on December 24, 2019 under the Companies Act, 2013. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka. The Company is in process of setting up its manufacturing facility for Active Pharmaceutical Ingredients (API).

### 1.2 Basis of preparation of financial statements

#### a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company has accumulated losses of Rs. 96 Million (March 31, 2024: Rs. Nil) and net current liability position of Rs. 7081 Million (March 31, 2024: Rs. 3,060 Million) as at March 31, 2025. Notwithstanding past losses and erosion of its net worth, the management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on its future cash flow projections and continued financial support from Biocon Limited, "the Holding Company". Accordingly, these financial statements have been prepared on a going concern assumption. These financial statements were authorized for issuance by the Company's Board of Directors on May 8th, 2025.

Details of the Company's material accounting policies are included in Note 2.

#### b) Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest Million, unless otherwise indicated.

#### c) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value

#### d) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities,

the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

- Note 1.2(b) — Assessment of functional currency
- Note 2(c) — Provision for income taxes
- Note 2(a) — Financial Instruments

### 1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2025 is included in the following notes:

- Note 31 – recognition and measurement of contingencies and commitments: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 2(d) – Impairment of Financial and Non-Financial Assets

### 1.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.



# Notes to financial statements

for the year ended March 31, 2025

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 2(a) – financial instruments.

## 2 Material accounting policies

### a. Financial instruments

#### i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial instruments

#### Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.



# Notes to financial statements

for the year ended March 31, 2025

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

### iii. Derecognition

#### Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### v. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash /management.

### b. Property Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price including import duty and non-refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

### c. Income taxes

Income tax comprises current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.





# Notes to financial statements

for the year ended March 31, 2025

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilized. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## d. Impairment

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on following:

- financial assets measured at amortised cost; and
- Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

### Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss.

The recoverable amount of a CGU (or an individual asset) is higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to CGU (or the asset).

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## e. Provisions (other than for employee benefits)

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

# Notes to financial statements

for the year ended March 31, 2025

## Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

## f. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

## g. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

## h. Revenue from contracts with customers

### i. Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. However, in certain cases, revenue is recognized on sale of products where shipment is on hold at specific request of the customer provided performance obligation conditions has been satisfied and control is transferred, with customer taking title of the goods. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and service tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance

obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

For contracts with distributors, no sales are recognised when goods are physically transferred to the distributor under a consignment arrangement, or if the distributor acts as an agent. In such cases, sales are recognised when control over the goods transfers to the end-customer, and distributor's commissions are presented within marketing and distribution.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

### ii. Sales Return Allowances

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

### iii. Interest income and expense

Interest income or expense is recognised using the effective interest method.

## i. Employee benefits

### i. Short-term employee benefits:

All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly."

### ii. Post-employment benefits:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under."

### Gratuity:

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.



# Notes to financial statements

for the year ended March 31, 2025

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

## Provident Fund:

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

### iii. Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absence occurs.

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and

Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### j. Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

### k. Leases

#### (i) The Company as lessee:

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange /for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term

# Notes to financial statements

for the year ended March 31, 2025

and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease. Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) The Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease

**l. Equity share capital**

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12

**m. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated

**n. Foreign currency transactions and translations**

Foreign exchange transactions are recorded using the exchange rate prevailing on the date of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the statement of profit and loss for the period.

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. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss for the period. 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.

**o. Convertible Preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized

**p. Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains



# Notes to financial statements

for the year ended March 31, 2025

there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

## q. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the

Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

## Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



# Notes to financial statements

for the year ended March 31, 2025

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

## 3. Property, plant and equipment and Capital work-in-progress

	Buildings	Plant and equipment [Refer note (a)]	Furniture and fixtures	Computers	Total	Capital work-in-progress
<b>Gross carrying amount</b>						
<b>At April 01, 2023</b>	-	-	-	-	-	<b>5,773</b>
Additions	917	516	9	-	1,442	1,166
Disposals/transfer	-	-	-	-	-	(1,442)
<b>At April 01, 2024</b>	<b>917</b>	<b>516</b>	<b>9</b>	<b>-</b>	<b>1,442</b>	<b>5,497</b>
Additions [refer note 26]	1,387	2,841	30	57	4,315	2,917
Disposals/transfer	-	-	-	-	-	(4,315)
<b>At March 31, 2025</b>	<b>2,304</b>	<b>3,357</b>	<b>39</b>	<b>57</b>	<b>5,757</b>	<b>4,099</b>
<b>Accumulated depreciation</b>						
<b>At April 01, 2023</b>	-	-	-	-	-	-
Depreciation for the year	1	1	1	-	3	-
<b>At April 01, 2024</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>-</b>
Depreciation for the year	37	55	2	1	95	-
<b>At March 31, 2025</b>	<b>38</b>	<b>56</b>	<b>3</b>	<b>1</b>	<b>98</b>	<b>-</b>
Net carrying amount						
At March 31, 2024	916	515	8	-	1,439	5,497
<b>At March 31, 2025</b>	<b>2,266</b>	<b>3,301</b>	<b>36</b>	<b>56</b>	<b>5,659</b>	<b>4,099</b>

(a) Plant and equipment include office equipment.

(b) The Company capitalises its cost of general borrowings at the rates mentioned in note 11. Borrowing costs capitalised during the year amounted to Rs. 219 (March 31, 2024 - Rs. 116).

(c) Refer note 31 (i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### 3(a). Capital work in progress ageing schedule

As at March 31, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>	1,278	862	900	1,059	4,099
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,278</b>	<b>862</b>	<b>900</b>	<b>1,059</b>	<b>4,099</b>

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>	1,051	1,556	2,537	352	5,497
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,051</b>	<b>1,556</b>	<b>2,537</b>	<b>352</b>	<b>5,497</b>

(i) There are no capital work-in-process whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025 and March 31, 2024.

(ii) The Company on-going projects are subject to various phases of validations and related approvals. There is no approval completion date for these on-going projects.

# Notes to financial statements

for the year ended March 31, 2025

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

## 4(a) . Right-of-Use-assets

	Land	Total
<b>Gross carrying amount</b>		
At April 01, 2023	17	17
Additions	-	-
Disposals/transfer	-	-
<b>At March 31, 2024</b>	<b>17</b>	<b>17</b>
Additions	-	-
Disposals/transfer	-	-
<b>At March 31, 2025</b>	<b>17</b>	<b>17</b>
<b>Accumulated Depreciation</b>		
At April 01, 2023	4	4
Disposals/transfer	-	-
Depreciation for the year (capitalised in capital work in progress)	2	2
Depreciation for the year	0	0
<b>At March 31, 2024</b>	<b>6</b>	<b>6</b>
Disposals/transfer	-	-
Depreciation for the year (capitalised in capital work in progress)	1	1
Depreciation for the year	1	1
<b>At March 31, 2025</b>	<b>8</b>	<b>8</b>
Net carrying amount		
<b>At March 31, 2024</b>	<b>11</b>	<b>11</b>
<b>At March 31, 2025</b>	<b>9</b>	<b>9</b>

## 4 (b).Intangible assets

	Software	Total
<b>Gross carrying amount</b>		
At April 01, 2023	-	-
Additions	-	-
Disposals	-	-
<b>At March 31, 2024</b>	<b>-</b>	<b>-</b>
Additions	22	22
Disposals	-	-
<b>At March 31, 2025</b>	<b>22</b>	<b>22</b>
<b>Accumulated amortisation</b>		
At April 01, 2023	-	-
Disposals	-	-
Amortisation for the year	-	-
<b>At March 31, 2024</b>	<b>-</b>	<b>-</b>
Disposals	-	-
Amortisation for the year	-	-
<b>At March 31, 2025</b>	<b>-</b>	<b>-</b>
Net carrying amount		
<b>At March 31, 2024</b>	<b>-</b>	<b>-</b>
<b>At March 31, 2025</b>	<b>22</b>	<b>22</b>



# Notes to financial statements

for the year ended March 31, 2025

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

## 5. Other financial assets

	March 31, 2025	March 31, 2024
<b>Unsecured considered good, unless otherwise stated</b>		
Interest Accrued but not due	1	-
	<b>1</b>	<b>-</b>

## 6. Inventories

	March 31, 2025	March 31, 2024
Work-in-progress	185	171
Raw Materials	93	162
	<b>278</b>	<b>333</b>

## 7. Trade receivables

	March 31, 2025	March 31, 2024
(a) Trade receivables considered good - Unsecured	130	6
(b) Trade receivables - credit impaired	-	-
	130	6
Allowance for credit loss	-	-
<b>Total Trade Receivable</b>	<b>130</b>	<b>6</b>

(i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 29

(ii) Includes receivables from related parties [refer note 28]

### Trade receivables ageing schedule

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	More than 3 years	
	-	130	-	-	-	-	130
	-	-	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130</b>

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	More than 3 years	
	-	6	-	-	-	-	6
	-	-	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>

## 8. Other assets

	March 31, 2025	March 31, 2024
<b>(Unsecured considered good, unless otherwise stated)</b>		
<b>(a) Non-current</b>		
Capital advances	346	435
	<b>346</b>	<b>435</b>

# Notes to financial statements

for the year ended March 31, 2025

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

## (b) Current

	March 31, 2025	March 31, 2024
Advance to suppliers	8	29
Other receivables	164	120
Prepayments	10	9
	182	158

## 9(a). Cash and cash equivalents

	March 31, 2025	March 31, 2024
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	22	-
<b>Total Cash and cash equivalents</b>	22	-

## 9(b). Other bank balances

	March 31, 2025	March 31, 2024
Deposits with banks with original maturity of more than 3 months but less than 12 months	20	-
		-
<b>Total other bank balances</b>	20	-

## 10 (a). Equity share capital

	March 31, 2025	March 31, 2024
<b>Authorised</b>		
1,000,000 (March 31, 2024 - 1,000,000) equity shares of Rs. 10 each (March 31, 2024 - Rs. 10 each)	10	10
749,000,000 (March 31, 2024 - 449,000,000) preference shares of Rs 10 each (March 31, 2024 - Rs 10 each)	7,490	4,990
<b>Issued, subscribed and fully paid-up share capital</b>		
50,000 (March 31, 2024: 50,000) equity shares of Rs. 10 each	1	1
538,911,565 (March 31, 2024: 252,693,642) Optionally Convertible Redeemable Non cumulative Preference Shares ("OCRPS") of Rs. 10 each	5,389	2,527
	5,390	2,527
Less : Optionally Convertible Redeemable Preference share capital classified as a financial liability [refer note 11]	(5,389)	(2,527)
<b>Equity share capital</b>	1	1



# Notes to financial statements

for the year ended March 31, 2025

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

## (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(a) Equity shares	March 31, 2025		March 31, 2024	
	No.	Rs. Million	No.	Rs. Million
At the beginning of the year	50,000	1	50,000	1
Equity Share Capital issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>50,000</b>	<b>1</b>	<b>50,000</b>	<b>1</b>

  

(b) Preference shares	March 31, 2025		March 31, 2024	
	No.	Rs. Million	No.	Rs. Million
At the beginning of the year	252,693,642	2,527	115,320,070	1,153
Issued during the year	286,217,923	2,862	137,373,572	1,374
<b>Outstanding at the end of the year</b>	<b>538,911,565</b>	<b>5,389</b>	<b>252,693,642</b>	<b>2,527</b>

## (ii) Terms/ rights attached to shares

### (a) Equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the six years ended March 31, 2025, the Company has not allotted any bonus shares or issued shares for consideration other than cash. No shares have been bought back by the Company.

### (b) Optionally Convertible Redeemable Non cumulative Preference Shares

(i) The tenure of the OCRPS shall be 10 years.

(ii) The Company shall have the option to redeem the OCRPS at any time during the tenure of the OCRPS at its face value. The OCRPS shall become redeemable at its face value at the end of the tenure.

(iii) The OCRPS holder shall have the option to convert the OCRPS into equity shares of the Company at any time during the tenure of the OCRPS at a ratio based on fair value or face value of the equity shares as on the date of exercise of the option whichever is higher.

(iv) The holder of the OCRPS shall be entitled to preferential dividend of 3% per annum on the face value of the OCRPS as may be mutually decided between the Company and the OCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.

(v) Until redemption of the OCRPS, the OCRPS holder shall have priority of payment of dividend over the equity shareholders.

(c) The aforesaid preference shares are convertible (variable number of equity shares) any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been classified as financial liability and disclosed at its fair value which is equivalent to the face value. Also refer note 11.

## (iii) Details of shareholders holding more than 5% shares in the Company \*

(b) Preference shares	March 31, 2025		March 31, 2024	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Biocon Limited, the holding company (including shares held through nominees)	50,000	100%	50,000	100%
OCRPS of Rs. 10 each fully paid				
Biocon Limited, the holding company	538,911,565	100%	252,693,642	100%

\* Also represents shares held by promoters

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) During the six years ended March 31, 2025, the Company has not allotted any bonus shares or issued shares for consideration other than cash. No shares have been bought back by the Company.



# Notes to financial statements

for the year ended March 31, 2025

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

## 10 (b). Other equity

	March 31, 2025	March 31, 2024
Retained earnings	(233)	(37)
Cash flow hedging reserves	137	292
	(96)	255

### Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

### Cash flow hedging reserves

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

## 11. Borrowings

(a). Long- term borrowings	March 31, 2025	March 31, 2024
<b>Loans from banks (Secured)</b>		
Term loan [Refer Note (i)]	3,203	4,167
	3,203	4,167
<b>Other loans and advances (Unsecured)</b>		
Optionally convertible redeemable non cumulative preference shares [refer note 10 (a) (ii)(b)]	5,389	2,527
	8,592	6,694
Less: Amount disclosed under the head "Short term borrowings" [refer note 11 (b)]	(5,389)	(2,527)
	3,203	4,167
<b>(b). Short term borrowings</b>		
Current maturities of long-term borrowings [refer note 11 (a)]	5,389	2,527
Term loan [Refer Note (i)]	1,068	-
	6,457	2,527
<b>The above amount includes</b>		
Secured borrowings	4,271	4,167
Unsecured borrowings	5,389	2,527
<b>Net amount</b>	<b>9,660</b>	<b>6,694</b>

- (i) The Company has drawn ECB of USD 50 million carrying interest @ SOFR + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 15, 2025. The loan is secured by exclusive charge on the property, plant and equipments created out of the term loan facility. The Company has entered into interest rate swap converting the floating rate to fixed rate of interest.

## 12. Trade payables

	March 31, 2025	March 31, 2024
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises; and	19	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	140	3
	159	6



# Notes to financial statements

for the year ended March 31, 2025

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

## 12. Trade payables (continued)

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	2	17	1	-	-	19
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	102	38	-	-	-	140
<b>As at March 31, 2025</b>	-	104	54	1	-	-	159
Total outstanding dues of micro enterprises and small enterprises	-	2	1	0	-	-	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	1	2	-	-	-	3
<b>As at March 31, 2024</b>	-	3	3	0	-	-	6

(a) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 29.

\*Includes dues to related parties [refer note 28]

### (b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	March 31, 2025	March 31, 2024
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year.		
Principal amount due to micro and small enterprises	19	3
Interest due on the above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	20	17
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0	2
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	4	4

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

## 13. Other financial liabilities

Current	March 31, 2025	March 31, 2024
Capital creditors	1,171	1,178
Bank overdraft	-	7
Interest accrued but not due	1	2
	1,172	1,187

## 14. Other liabilities

Current	March 31, 2025	March 31, 2024
Advances from customers	-	0
Employee benefits payable	11	7
Statutory taxes and dues payable	10	1
	21	8

# Notes to financial statements

for the year ended March 31, 2025

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

## 15. Provisions

	March 31, 2025	March 31, 2024
<b>(a) Non-current</b>		
Provision for employee benefits		
Gratuity [refer note 32]	3	1
	<b>3</b>	<b>1</b>

	March 31, 2025	March 31, 2024
<b>(b) Current</b>		
Provision for employee benefits		
Gratuity [refer note 32]	0	0
Compensated absences	7	4
	<b>7</b>	<b>4</b>

## Movement in provisions

	Gratuity	Compensated absences
Opening balance as at April 01, 2024	1	4
Provision recognised/(utilised) during the year	2	3
<b>Closing balance as at March 31, 2025</b>	<b>3</b>	<b>7</b>

	Gratuity	Compensated absences
Opening balance as at April 01, 2023	1	3
Provision recognised/(utilised) during the year	0	1
<b>Closing balance as at March 31, 2024</b>	<b>1</b>	<b>4</b>

## 16. Deferred tax liabilities/(assets) (net)

	March 31, 2025	March 31, 2024
<b>Deferred tax liabilities</b>		
Derivative asset	29	61
Property, plant and equipments	190	132
<b>Gross deferred tax liabilities</b>	<b>219</b>	<b>193</b>
<b>Deferred tax assets</b>		
Unabsorbed business loss	227	136
<b>Gross deferred tax assets</b>	<b>227</b>	<b>136</b>
<b>Net deferred tax Assets</b>	<b>8</b>	<b>(57)</b>



# Notes to financial statements

for the year ended March 31, 2025

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

## 17. Lease

The Company has entered into lease agreement for use of land which expires in year 2030.

The following is the movement in lease liabilities during the year ended :

Particulars	Land	
	FY2024-25	FY2023-24
Balance as at 1 <sup>st</sup> April 2024	18	19
Addition during the year	-	-
Finance cost	2	2
Disposals	-	-
Payment of lease liabilities	(3)	(3)
Balance as at 31 <sup>st</sup> March 2025	17	18

The following is the breakup of current and non current lease liabilities:

	FY2024-25	FY2023-24
Current lease liabilities	4	3
Non current lease liabilities	13	15
	17	18

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Less than one year	4	3
More than one less than five year	16	16
More than five year	2	7
<b>Total</b>	<b>22</b>	<b>26</b>

**The following are the amounts recognised in the statement of Profit or Loss \* :**

Depreciation expenses on right of use-assets	2	2
Interest expenses on lease liabilities	2	2
<b>Total amount recognised in Profit or loss *</b>	<b>4</b>	<b>4</b>

\* During the year ended March 31, 2025 depreciation Rs 1 and finance cost Rs 1 is capitalised in capital work in progress.

## 18. Revenue from operations

	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		
Finished goods	130	26
Traded goods	-	-
Other operating revenue		
Sale of process waste	6	-
Others	48	-
Less: Transferred to capital work-in-progress [refer note 26]	(54)	(20)
	130	6

## 19. Other Income

	Year ended March 31, 2025	Year ended March 31, 2024
Other Income	-	1
Interest income at amortised cost on:		
Interest on deposits with bank	1	-
Less: Transferred to capital work-in-progress	(1)	(1)
	-	-

# Notes to financial statements

for the year ended March 31, 2025

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

## 20. Cost of materials consumed

	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year	162	-
Add : Transferred from capital work-in-progress	-	110
Add : Purchases	145	184
Less : Inventory at the end of the year	(93)	(162)
Less: Transferred to capital work-in-progress [refer note 26]	(168)	(17)
Cost of materials consumed	46	115

## 21. Changes in inventories of finished goods and work-in-progress

	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year		
Work-in-progress	171	-
Add : Transferred from/ (to) capital work-in-progress	(18)	22
Add : Purchases of semi-finished and finished goods	13	36
Inventory at the end of the year		
Work-in-progress	185	171
	(19)	(113)

## 22. Employee Benefits Expense

	Year ended March 31, 2025	Year ended March 31, 202
Salaries, wages and bonus	310	47
Contribution to provided and other funds	6	2
Gratuity [refer note 32]	1	0
Staff welfare expenses	27	23
Less: Transferred to capital work-in-progress [refer note 26]	(250)	(72)
	94	1

## 23. Finance Cost

	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on financial liability measured at amortised cost	179	108
Interest on Lease obligation	2	1
Less: Transferred to capital work-in-progress [refer note 26]	(136)	(108)
	45	1

## 24. Depreciation and amortisation expense

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on Property, plant and equipment [refer note 3]	95	2
Depreciation on Right-of-use-assets [refer note 4(a)]	1	0
Depreciation on Intangible assets [refer note 4(b)]	-	-
	96	2

# Notes to financial statements

for the year ended March 31, 2025

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

## 25. Other expenses

	Year ended March 31, 2025	Year ended March 31, 2024
Rates, taxes and fees	7	17
Professional charges	2	1
Power and fuel	126	-
Insurance Charges	7	1
Travelling and Conveyance	10	4
Payments to auditors	1	1
Repairs and Maintenance - Equipments	59	0
Repairs and Maintenance - Civil	16	7
Repairs and Maintenance - Others	49	17
Lab consumables	24	-
Printing and stationery	1	1
Foreign exchange loss, net	92	-
Freight outwards	2	2
Selling expenses	-	0
Miscellaneous expenses	3	-
Less: Transferred to capital work-in-progress [refer note 26]	(312)	(29)
	87	21

### (a) Payments to auditors:

	Year ended March 31, 2025	Year ended March 31, 2024
As auditor:		
Statutory audit fee	1	1

26. The Company has set up its manufacturing facility in Visakhapatnam for production of Tacrolimus Active Pharmaceutical Ingredients (API), Pimecrolimus API and Immunomycin. Tacrolimus and Pimecrolimus will be produced primarily for regulated markets like United States of America (USA) whereas Immunomycin will be produced primarily for unregulated markets like India and Other countries. The Company had in previous year not capitalised the Tacrolimus production line in the statutory books pending final approval from USFDA. Since, the facility was put to use, it was capitalised for Income Tax purposes. In the current year, the Tacrolimus & Pimecrolimus plants have been capitalized as these have received the necessary approvals and were ready for commercial production. Further the company is eligible for concessional tax rate 15% (plus surcharge and cess) under section 115BAB of income tax act 1961 and has availed the benefit since it has complied with all condition of the provision of the income tax act under the said provision.

## 27. Tax expense

### (a) Amount recognised in statement of profit and loss

	Year ended March 31, 2025	Year ended March 31, 2024
Current tax	-	-
Deferred tax expense/(income) related to:		
Origination and reversal of temporary differences:	(33)	(3)
<b>Tax expense for the year</b>	<b>(33)</b>	<b>(3)</b>
<b>(b) Income tax recognised in other comprehensive income</b>		
Tax impact of effective portion of gains on hedging instrument in cash flow hedges	(32)	(45)
	(32)	(45)

# Notes to financial statements

for the year ended March 31, 2025

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

## 27. Tax expense (continued)

	Year ended March 31, 2025	Year ended March 31, 2024
(c) Reconciliation of effective tax rate		
(Loss) / Profit before tax	(219)	(21)
Tax at statutory income tax rate 17.16% (March 31, 2024 - 17.16%)	(38)	(4)
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Tax effect on changes in tax rate due to 115BAB	-	(5)
Tax Losses for which no deferred income tax was recognised	38	9
Income tax expense on income, which is capitalised (adjusted with capital work in progress) in accordance with accounting standards	(33)	(3)
<b>Income tax expense</b>	<b>(33)</b>	<b>(3)</b>

### (d) Recognized deferred tax liability (net)

The following is the movement of deferred tax liability presented in the balance sheet:

For the year ended March 31, 2025	Opening Balance	Recognised in profit or loss	Recognized in OCI	Closing Balance
<b>Deferred tax liabilities</b>				
Derivative asset	61	-	(32)	29
Property, plant and equipments	132	58	-	190
<b>Gross deferred tax liabilities</b>	<b>193</b>	<b>58</b>	<b>(32)</b>	<b>219</b>
<b>Deferred tax assets</b>				
Unabsorbed business loss	136	91	-	227
<b>Gross deferred tax assets</b>	<b>136</b>	<b>91</b>	<b>-</b>	<b>227</b>
<b>Net deferred tax liabilities</b>	<b>57</b>	<b>(33)</b>	<b>(32)</b>	<b>(8)</b>

For the year ended March 31, 2024	Opening Balance	Recognised in profit or loss	Recognized in OCI	Closing Balance
<b>Deferred tax liabilities</b>				
Derivative asset	105	-	(45)	61
Property, plant and equipments	-	132	-	132
<b>Gross deferred tax liabilities</b>	<b>105</b>	<b>132</b>	<b>(45)</b>	<b>193</b>
<b>Deferred tax assets</b>				
Unabsorbed business loss	-	136	-	136
<b>Gross deferred tax assets</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>136</b>
<b>Net deferred tax liabilities</b>	<b>105</b>	<b>(3)</b>	<b>(45)</b>	<b>57</b>





# Notes to financial statements

for the year ended March 31, 2025

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

## 28. Related Party Disclosures:

(a) The following table provides the value of transactions that have been entered into with related parties during the financial year:

Sl No	Name of related party	Relationship	Description	For the year ended March 31, 2025 Expenses / (Income) / Other Transaction	March 31, 2025 Payables/ (Receivables)	For the year ended March 31, 2024 Expenses / (Income) / Other Transaction	March 31, 2024 Payables/ (Receivables)
1	Biocon Limited	Holding Company	Issue of equity/ Preference Shares	2,862	-	1,891	-
			Capex purchases/ Sale	-	-	44	-
			Sale of products	(120)	-	-	-
			Interest expenses	22	-	9	-
			Charges for lease of land and office space	3	-	3	-
			Reimbursement of expenses	456	-	513	-
			Other receivable	-	(263)	-	(86)
			Other Payables	-	432	-	962
			Loan received	-	-	-	-
			Guarantee received	42	4,271	58	4,167
2	Biocon Pharma Limited	Fellow subsidiary	Cross charges towards other expenses	4	-	-	-
			Other receivable	-	-	-	-
			Other Payables	-	4	-	-
3	Biocon Academy	Fellow subsidiary	Other receivable	-	-	-	-
				-	-	-	-
4	Biocon Biologics	Fellow subsidiary	Cross charges towards other expenses	14	-	-	-
				-	15	-	-

(b) Fellow subsidiaries/subsidiaries companies with whom the Company did not have any transactions:

Syngene International Limited

Syngene USA Inc.

Biocon SA

Biocon Biologics UK Limited

Biocon FZ LLC

Biocon Biologics Healthcare Malaysia Sdn Bhd

Biocon Biosphere Limited

Biocon Pharma Inc

Biocon Sdn.Bhd.

Biocon Pharma Ireland Limited

Biocon Pharma UK Limited

Biocon Biologics Inc. USA

Biocon Biologics FZ LLC

Biocon Biologics Do Brasil Ltda

Biocon Pharma Malta Limited

Biocon Pharma Malta I Limited

Biocon Generics Inc

Biofusion Therapeutics Limited

Syngene Manufacturing Solutions Limited

Subsidiary

Wholly-owned subsidiary of Syngene International Limited

Wholly-owned subsidiary

Wholly-owned subsidiary of Biocon Biologics Limited

Wholly-owned subsidiary

Wholly-owned subsidiary of Biocon Biologics UK Limited

Wholly-owned subsidiary

Wholly-owned subsidiary of Biocon Pharma Limited

Wholly-owned subsidiary of Biocon Biologics UK Limited

Wholly-owned subsidiary of Biocon Pharma Limited

Wholly-owned subsidiary of Biocon Pharma Limited

Wholly-owned subsidiary of Biocon Biologics UK Limited

Wholly-owned subsidiary of Biocon Biologics UK Limited

Wholly-owned subsidiary of Biocon Biologics UK Limited

Wholly-owned subsidiary of Biocon Pharma Limited

Wholly-owned subsidiary of Biocon Pharma Limited

Wholly-owned subsidiary of Biocon Pharma Limited

Wholly-owned subsidiary

Wholly-owned subsidiary of Syngene International Limited



# Notes to financial statements

for the year ended March 31, 2025

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

Syngene Scientific Solutions Limited	Wholly-owned subsidiary of Syngene International Limited
Biosimilars Newco Limited	Wholly-owned subsidiary of Biocon Biologics Limited
Biosimilar Collaboration Ireland Limited	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Canada Inc.	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Germany GmbH	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics France S.A.S	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Spain, S.L.	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Switzerland AG	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Belgium BV	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Finland OY	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Morocco S.A.R.L.A.U	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Greece SINGLE MEMBER PC	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics South Africa (PTY) Ltd	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics (Thailand) Co. Ltd	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Philippines Inc	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Italy S.R.L	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Croatia LLC	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon Biologics Global PLC	Wholly-owned subsidiary of Biocon Biologics Limited

(c) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

(d) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures".

## 29. Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

March 31, 2025	Carrying amount				Fair value			
	FVTPL #	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3 #	Total
<b>Financial assets</b>								
Trade Receivables	-	-	130	130	-	-	-	-
Cash and cash equivalents	-	-	22	22	-	-	-	-
Other bank balances	-	-	20	20	-	-	-	-
Derivative assets	-	166	-	166	-	166	-	166
Other financial assets	-	-	1	1	-	-	-	-
	-	166	173	339	-	166	-	166
<b>Financial liabilities</b>								
Lease liabilities	-	-	17	17	-	-	-	-
Borrowings	5,389	-	4,271	9,660	-	-	5,389	5,389
Trade payables	-	-	159	159	-	-	-	-
Other financial liabilities	-	-	1,172	1,172	-	-	-	-
	5,389	-	5,619	11,008	-	-	5,389	5,389



# Notes to financial statements

for the year ended March 31, 2025

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

## 29. Financial instruments: Fair value and risk managements (continued)

March 31, 2024	Carrying amount				Fair value			
	FVTPL #	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3 #	Total
<b>Financial assets</b>								
Trade Receivables	-	-	6	6	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Other bank balances	-	-	-	-	-	-	-	-
Derivative assets		353	-	353	-	353	-	353
	-	353	6	359	-	353	-	353
<b>Financial liabilities</b>								
Lease liabilities	-	-	18	18	-	-	-	-
Borrowings	2,527	-	4,167	6,694	-	-	2,527	2,527
Trade payables	-	-	6	6	-	-	-	-
Other financial liabilities	-	-	1,187	1,187	-	-	-	-
	2,527	-	5,378	7,905	-	-	2,527	2,527

- (a) The fair value of trade payables and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

### B. Measurement of fair values

Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

#### Sensitivity analysis

For the fair values of interest rate swaps, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects in other comprehensive income (OCI).

Significant observable inputs	March 31, 2025		March 31, 2024	
	Increase	Decrease	Increase	Decrease
Interest rates (100 bps movement)	41	(41)	65	(65)

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### (i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

#### (ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk is managed by each business unit subject to Company's established policy, procedures and control relating to customer credit risk management. The Audit and Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. Nil (March 31, 2024: Rs.Nil) The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

# Notes to financial statements

for the year ended March 31, 2025

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

## 29. Financial instruments: Fair value and risk managements (continued)

Allowance for Impairment	March 31, 2025	March 31, 2024
Opening balance	-	-
Impairment loss recognised	-	-
Impairment loss reversed/transferred	-	-
Closing balance	-	-

Refer note 7 for ageing of trade receivables.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Based on the support of the Holding Company to provide funding as and when required till the company starts commercial production, the Company believes that it will be able to meet its working capital requirements. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of financial liabilities and excluding interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

### March 31, 2025

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	1,068	1,495	1,708	-	4,271
Trade payables	159	-	-	-	159
Other current financial liabilities	1,172	-	-	-	1,172
Lease Liabilities	4	3	13	2	22
<b>Total</b>	<b>2,403</b>	<b>1,498</b>	<b>1,721</b>	<b>2</b>	<b>5,624</b>

### March 31, 2024

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	2,527	1,042	598	-	4,167
Trade payables	6	-	-	-	6
Other current financial liabilities	1,187	-	-	-	1,187
Lease Liabilities	3	3	12	7	26
<b>Total</b>	<b>3,723</b>	<b>1,045</b>	<b>610</b>	<b>7</b>	<b>5,385</b>

### (iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

#### Foreign currency risk

The Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency.

The currency profile of financial assets and financial liabilities as at March 31, 2025 and March 31, 2024 are as below:

March 31, 2025	USD	EUR	Others	Total
<b>Financial Assets</b>				
Derivative assets	166	-	-	166
Trade receivables	-	-	-	-
Other current assets	4	-	-	4
<b>Financial liabilities</b>				
Borrowings	(4,271)	-	-	(4,271)
Other current financial liabilities	72	615	-	687
<b>Net assets / (liabilities)</b>	<b>(4,029)</b>	<b>615</b>	<b>-</b>	<b>(3,414)</b>



# Notes to financial statements

for the year ended March 31, 2025

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

March 31, 2024	USD	EUR	Others	Total
<b>Financial Assets</b>				
Derivative assets	353	-	-	353
Trade receivables	6	-	-	6
Borrowings	(4,167)	-	-	(4,167)
Other current financial liabilities	(26)	(1)	-	(27)
<b>Net assets / (liabilities)</b>	<b>(3,835)</b>	<b>(1)</b>	<b>-</b>	<b>(3,835)</b>

## Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

Particulars	Impact on profit or loss		Impact on other components of equity	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
<b>USD Sensitivity</b>				
INR/USD - Increase by 1%	(40)	(38)	(40)	(38)
INR/USD - Decrease by 1%	40	38	40	38
<b>EUR Sensitivity</b>				
INR/EUR - Increase by 1%	6	(0)	6	(0)
INR/EUR - Decrease by 1%	(6)	0	(6)	0

## Derivative financial instruments

The following table gives details in respect of outstanding interest rate swaps contracts:

Particulars	(USD in Million)	
	March 31, 2025	March 31, 2024
Interest rate swaps used for hedging SOFR component in external commercial borrowings with periodical maturity dates between 0-6 Years	50	50

All of the above contracts are effective as at March 31, 2025 and March 31, 2024 and designated through other comprehensive income.

## Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended March 31, 2025 the Company's borrowings at variable rate were mainly denominated in USD.

### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2025	March 31, 2024
Fixed rate borrowings	4,271	4,167
Total borrowings	4,271	4,167

### (b) Sensitivity

The Company policy is to address interest rate risk exposure using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107

## 30. Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The Company has issued Optionally Convertible Redeemable Non cumulative Preference Shares ("OCRPS") to the Holding Company which are classified as financial liabilities in these financial statements. However, the Company has considered OCRPS as part of capital for below disclosure.

The capital structure as of March 31, 2025 and March 31, 2024 was as follows:

# Notes to financial statements

for the year ended March 31, 2025

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

Particulars	March 31, 2025	March 31, 2024
Total equity	(95)	256
Preference share capital (OCRPS)	5,389	2,527
<b>Total capital attributable to the shareholders of the Company (including OCRPS)</b>	<b>5,294</b>	<b>2,783</b>
<b>As a percentage of total capital</b>	<b>55%</b>	<b>40%</b>
Borrowings	4,271	4,167
<b>Total borrowings</b>	<b>4,271</b>	<b>4,167</b>
<b>Debt Equity Ratio</b>	<b>45%</b>	<b>60%</b>
<b>Total capital (Equity capital, preference capital and borrowings)</b>	<b>9,565</b>	<b>6,950</b>

## 31. Contingent liabilities and commitments

### (i) Capital commitments:

The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2025, net of advances, is Rs. 722 (March 31, 2024:- Rs. 1335).

### (ii) Contingent liabilities:

The Company has no contingent liability as at March 31, 2025

## 32. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
<b>Balance as on April 01, 2024</b>	1	-	1
Remeasurements:			
Current service cost	1	-	1
Interest expenses	0*		0
Re-measurement			
Financial assumptions			-
<b>Amount recognised in Statement of profit and loss (capitalised in capital work in progress)</b>	<b>1</b>	<b>-</b>	<b>1</b>
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	0*		0
Experience adjustment	1		1
<b>Amount recognised in other comprehensive income</b>	<b>1</b>	<b>-</b>	<b>1</b>
Employers contribution	-	-	-
Benefits paid	(0)		(0)
<b>Balance as at March 31, 2025</b>	<b>3</b>	<b>-</b>	<b>3</b>



# Notes to financial statements

for the year ended March 31, 2025

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

## 32. Employee benefit plans (continued)

	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
<b>Balance as on April 01, 2023</b>	1	-	1
Remeasurements:			
Current service cost	0	-	0
Interest expenses	0	-	0
Re-measurement			
Financial assumptions	0	-	-
<b>Amount recognised in Statement of profit and loss (capitalised in capital work in progress)</b>	<b>1</b>	<b>-</b>	<b>1</b>
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
Actuarial (gain)/loss arising from:	-	-	-
Demographic assumptions	-	-	-
Financial assumptions	0	-	0
Experience adjustment	0	-	0
<b>Amount recognised in other comprehensive income</b>	<b>0</b>	<b>-</b>	<b>0</b>
Employers contribution	(0)*	-	(0)
Benefits paid	-	-	-
<b>Balance as at March 31, 2024</b>	<b>1</b>	<b>-</b>	<b>1</b>

\* Amount is less than a million

	March 31, 2025	March 31, 2024
Non-current	3	1
Current	-	0
	<b>3</b>	<b>1</b>

(ii) The assumptions used for gratuity valuation are as below:

	March 31, 2025	March 31, 2024
Interest rate	6.5%	7.2%
Discount rate	6.5%	7.2%
Expected return on plan assets	6.5%	7.3%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 9 years (March 31, 2024 - 9 years).

The defined benefit plan exposes the Company to actuarial risks, such as longevity and interest rate risk.

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	March 31, 2025		March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Change)	-	-	-	-
Salary increase (1% Change)	-	-	-	-
Attrition rate (1% Change)	-	-	-	-

\* Amount is less than a million



# Notes to financial statements

for the year ended March 31, 2025

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

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

As of March 31, 2024 and March 31, 2025, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2025, is approximately Rs Nil (March 31, 2024 - Rs Nil)

## Maturity profile of defined benefit obligation

Particulars	March 31, 2025	March 31, 2024
1st Following year	-	-
2nd Following year	-	-
3rd Following year	-	-
4th Following year	-	-
5th Following year	-	-
Years 6 to 10	1	1
Sum of Years 11 and above	2	1

## 33. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	%change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.09	0.18	-48%	Refer Note (i)
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-102.22	26.16	-491%	Refer Note (ii)
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest & Lease Payments + Principal Repayments	0.25	0.13	87%	Refer note (iii)
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-2.30	-0.06	3471%	Refer note (iv)
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.09	0.02	339%	Refer note (v)
Trade Receivables Turnover Ratio	Net credit sales = Revenue from operations	Average Trade Receivable	1.91	2.07	-8%	
Trade Payables Turnover Ratio	Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses	Average Trade Payables	1.06	4.45	-76%	Refer note (vi)
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.10	0.19	-45%	Refer note (vii)
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-1.68	-3.69	-54%	Refer note (viii)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset	0.03	NA		
Return on Investment	Interest income on deposits	Average Investment in deposits	0.03	0.03	0%	

# Notes to financial statements for the year ended March 31, 2025

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

## 33. Ratio Analysis and its elements (continued)

- (i) The current ratio has decreased due to increase in current liabilities
- (ii) The Change in debt equity ratio is due to additional borrowings taken during the year
- (iii) The Change in debt service coverage is due to additional interest on borrowings during the year
- (iv) The Change in return on equity is due to decrease in equity during the year
- (v) The Change in inventory turnover is due to increase in turnover during the year
- (vi) The Change in trade payable turnover is due to increase in trade payables during the year
- (vii) The Change in net capital turnover is due to increase in networking capital during the year
- (viii) The Change in net profit ratio is due to decrease in net profit during the year

## 34. Earnings per share (EPS)

Particulars	March 31, 2025	March 31, 2024
Earnings		
Loss for the year	(186)	(18)
Shares		
Basic outstanding shares	50,000	50,000
Add : Weighted average shares issued during the year	-	-
<b>Weighted average shares used for computing basic and diluted EPS</b>	<b>50,000</b>	<b>50,000</b>
Add: Effect of dilutive options granted but not yet exercised	-	-
<b>Weighted average shares used for computing diluted EPS</b>	<b>50,000</b>	<b>50,000</b>
<b>Earnings / (loss) per equity share</b>		
Basic (in Rs)	(3,712)	(357)
Diluted (in Rs)	(3,712)	(357)

## 35. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) The Company does not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

**36.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

Further, The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number.: 101248W/W-100022

for and on behalf of the Board of Directors of Biocon Biosphere Limited

**Sanjay Sharma**

Partner

Membership No.: 063980

**Kiran Mazumdar-Shaw**

Director

DIN: 00347229

**Siddharth Mittal**

Director

DIN: 03230757

**Mukesh Kamath**

Chief Financial Officer

Bengaluru

May 8, 2025

**Ekta Agarwal**

Company Secretary

FCS: 11388

Bengaluru

May 8, 2025