July 05, 2022

To,
The Manager
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code – 532523

To,
The Manager
National Stock Exchange of India Limited
Corporate Communication Department
Exchange Plaza, Bandra Kurla Complex
Mumbai – 400 050

Scrip Symbol – Biocon

Dear Sir/Madam,

Subject: Notice of 44th Annual General Meeting and the Annual Report for the FY 2021-22.

This is further to our letter dated July 01, 2022 intimating that the 44th Annual General Meeting (AGM) of the Company will be held on Thursday, July 28, 2022 at 3:30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with applicable Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).


In compliance with the applicable Circulars issued by MCA and SEBI, the Notice of the 44th AGM along with the Annual Report for the FY 2021-22 are being sent only through electronic mode to those members whose email IDs are registered with the Company/ Depositories.

Request you to kindly take the above intimation on record.

Thanking You,

Yours faithfully,
For Biocon Limited

Mayank Verma
Company Secretary and Compliance Officer

### 44th Annual General Meeting of Biocon Limited - Information at a Glance

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<th>S. No.</th>
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<td>Registrar and Share Transfer Agent (‘RTA’) contact</td>
<td>Mr. Suresh D Babu&lt;br&gt;(Unit: Biocon Limited)&lt;br&gt;KFin Technologies Limited,&lt;br&gt;Selenium Tower B, Plot 31-32,&lt;br&gt;Gachibowli, Financial District, Nanakramguda,&lt;br&gt;Hyderabad - 500 032</td>
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The metaverse, which will encompass a set of interconnected virtual worlds, is going to radically transform every aspect of the human experience.
Biocon 5.0

With the metaverse poised to reshape the world, enterprises will need to undergo the kind of metamorphosis that prepares them to thrive in this brave new future.

This organizational metamorphosis will be multi-dimensional, from acquiring and integrating new skills to creating a culture of continuous innovation, from achieving operational excellence to increasing risk taking agility, from reimagining business models to digital reinvention. The focus of organizational metamorphosis will be on ensuring sustainable performance across operational, financial, environmental, societal, governance and humanitarian facets of our enterprise.

Biocon is an organization that thrives on change. Since our foundation in 1978, we have witnessed a transformational event every decade, enabling us to expand our business and unlock value across segments. From our founding business of enzymes, we gradually evolved into a company making fermentation-based small molecule generics, followed by a rapid metamorphosis into a diversified biopharmaceuticals group with businesses spanning bulk drugs and finished formulations at our Generics vertical, novel biologics and biosimilars at Biocon Biologics, and research services at Syngene.

FY22 marks the beginning of a process of accelerated transformation that will not only take us closer to patients but also steer us into new growth paths. It heralds the emergence of Biocon 5.0 – a technology-enabled, future-ready biopharmaceuticals leader and a well-recognized, global brand, touching a billion lives.
The Emergence of Biocon 5.0

Biocon 1.0
Innovating Enzyme Technologies

Biocon 2.0
Evolving from Enzymes to Research Services to Biopharmaceuticals

Biocon 3.0
Working Towards Health Equity
Biocon 4.0
Building Scale for Global Impact

Biocon 5.0
Building a Company of the Future
Subsequently, we developed a solid-state fermentation technology for producing novel bio-enzymes for global customers in the food and pharmaceutical industries. Our focus on innovation led us to develop PlaFractor technology using a unique bioreactor which allowed us to acquire our first patent. We progressed to develop other proprietary fermentation technologies, such as a *Pichia pastoris* yeast based expression system, for producing a range of specialty enzymes. These enzymes were a new technological intervention to replace polluting chemical processes with eco-friendly enzymatic bio-processes in textiles, paper, leather and starch processing industries. In 1989, Unilever Plc acquired our Irish partners and made Biocon India a part of the Unilever system, allowing us to professionalize rapidly by adopting international best practices. The association with this global conglomerate enabled us to build world-class manufacturing capabilities and a strong quality culture. We also learnt the nuances of building intellectual property. We became the first life sciences company in India to get the ISO 9001 Certification from RWTUV, Germany in 1993. Biocon in its first avatar was an export-driven enzymes company supplying to customers worldwide.
As the enzymes business grew steadily, we explored the opportunity of starting another business that would emulate the success of India’s information technology (IT) services model. We set up a new subsidiary, Syngene, as a ‘pure play’ research services company catering to the R&D needs of the global pharmaceutical industry. We then applied our recombinant technologies for enzymes to biopharmaceuticals, starting with our proprietary fungal solid-state fermentation technology to produce statins. We used our microbial fermentation platforms to develop immunosuppressants and harnessed our proprietary yeast-based platform to develop the world’s first Pichia pastoris-derived recombinant human Insulin. This heralded our entry into biopharmaceuticals. Going beyond insulins, we ventured into developing monoclonal antibodies. The combination of research services and biopharmaceuticals made Biocon a unique and diversified biotechnology enterprise.
As early movers in the domain of biologics, we realized that patients in most of the developing world could not afford these advanced therapeutics.

This catalyzed our early entry into biosimilars. We wanted to bring in competition for expensive innovator biologics through our biosimilars for diabetes and cancer. However, the long gestation period for development and the capital intensity of creating new capacity for biosimilars entailed effective management of scientific and regulatory uncertainty and financial risk. To fuel our mission, we unlocked value through an IPO in 2004 and divested our enzymes business in 2007. To bring in complementary skills and experience as well as share risks and rewards, we entered into a global partnership with Mylan (now Viatris) for a range of biosimilar antibodies and insulin analogs. Biocon was aligned to the global imperative of driving greater health equity through its diversified and differentiated pipeline of fermentation-derived complex generics, biosimilars that included insulins & monoclonal antibodies, and novel biologics.
To benefit from our first-mover advantage, we embarked on building global scale and credibility.

We invested in cutting-edge R&D and commercial scale, globally compliant manufacturing facilities across diverse technology platforms spanning insulins, monoclonal antibodies and conjugated recombinant proteins. We established global credibility as a serious biosimilars player through several ground-breaking achievements, starting with the Indian approval for the world’s first bTrastuzumab in 2014 and the Japanese approval for bGlargine in 2016. We were the first in the world to obtain U.S. approvals for bTrastuzumab in 2017 and bPegfilgrastim in 2018. Our investments in building global scale have led us to rank among the world’s Top 15 biomanufacturing companies. We are among the leading insulin producers worldwide and have one of the largest antibodies manufacturing capacities in South Asia. Our Generics business forward integrated into formulations for our differentiated APIs to capture a bigger share of the value through a direct commercial presence in U.S. and Europe. Syngene’s emergence as India’s leading contract development and manufacturing company (CDMO) triggered its successful public listing in 2015.
Biocon 5.0
Building a Company of the Future

Having emerged as one of the leading global biopharmaceutical companies with consolidated revenues of USD 1.1 billion and a ~15,000-strong workforce, we have started building an organization of the future.
We are building Biocon into an innovative and trustworthy global brand. We are leveraging our scale and cost advantages to gain world leadership. We are creating a business with impeccable quality compliance, world-class ethics and a robust corporate governance structure. We are harnessing digital and data analytics to get closer to patients, as well as reach a larger patient population. Each of our three business segments, Generics, Biosimilars and Research Services, is well positioned for future growth.

The acquisition of Viatris’ biosimilars business by our subsidiary Biocon Biologics will create a fully, vertically integrated biosimilars company with a direct commercial presence in the developed and emerging markets. The strategic alliance with Serum Institute Life Sciences provides us an ‘asset-light’ and accelerated entry into vaccines. These strategic developments will catapult us to a higher growth orbit, setting us up for significant value unlocking through Biocon Biologics’ future IPO.

Our Generics business is scripting the next leg of its growth story through portfolio and geographical expansions, capacity additions, improved cost competitiveness and operational excellence.

Syngene is moving beyond a traditional research services outsourcing model expediting innovation for its customers towards true end-to-end discovery, development and manufacturing collaborations. It is building expertise in immuno-oncology, CAR-T, mRNA and small interfering RNA (siRNA) platforms for researching next-generation therapies.

IN OUR BIOCON 5.0 AVATAR, WE ENDEAVOR TO FOCUS ON CONSCIOUS CAPITALISM, ENVIRONMENTAL STEWARDSHIP, DIVERSITY, EQUITY & INCLUSION, COMPLIANCE & GOVERNANCE AND PATIENT-CENTRICITY. WE ARE BUILDING A TECHNOLOGY-LED, ESG-CONSCIOUS COMPANY THAT WILL CREATE EXPONENTIAL AND ENDURING VALUE FOR ALL OUR STAKEHOLDERS WHILE IMPACTING HUMANITY IN PROFOUND WAYS.
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**A separate report ‘TransformAction’, encompassing Business Responsibility & Sustainability Report (BRSR) and Environmental, Social & Governance (ESG) Report, is being released as a supplement to Annual Report 2022.**

Scan this QR code to download the ESG Report.  
Scan this QR code to download the Annual Report.
FY22 at a Glance

**Revenue**
83,967 ₹ Million

**EBITDA Margin**
26%

**R&D Spend**
7,105 ₹ Million

**Profit for the year**
6,484 ₹ Million

**EPS**
5.44 ₹

**Employees**
~15,000

**Geographic Distribution**
- International: 17%
- Domestic: 83%

**Business Segment Revenue**

- **Generics**
23,409 ₹ Million

- **Biosimilars**
34,643 ₹ Million

- **Research Services**
26,042 ₹ Million

**Business Revenue Mix**
- Generics: 31%
- Biosimilars: 28%
- Research Services: 41%

*Includes exceptional items*

*Includes inter-segment revenue*
CHAIRPERSON’S MESSAGE

Kiran Mazumdar-Shaw
Executive Chairperson
Biocon Limited &
Biocon Biologics Limited
Dear Shareholders,

Biocon’s pioneering journey of over four decades in biotechnology has an underlying theme of metamorphosis. From enzymes to biopharmaceuticals, from research services to integrated drug development and from active pharmaceutical ingredients (APIs) to finished formulations, the evolution has sustained and is now accelerating to an inflection point of transformational advancement. Biocon 5.0 denotes our fifth decade which is poised for breakthrough growth derived from two decades of investing in advanced scientific research and global-scale bio-manufacturing. Each of our businesses is uniquely differentiated and has attained a leadership profile that prepares us for an exciting future.

Our endeavor to build global health equity through affordable access to essential and lifesaving therapeutics has brought in a patient-centric focus in all that we measure. From a fledgling biotech company in 1978, we are today among the largest in Asia with ~15,000* employees and consolidated revenues of USD 1.1 billion.

Biocon is exclusively positioned with three distinctive and diverse businesses that balance the headwinds of one business with tailwinds in others. Pricing pressure on generics, for example, is mitigated with preferential pricing both from contract manufacturing and market exclusivity.

Our relentless strategic intent to stand out and stand apart through research and innovation has steered us into new growth paths that include a mega acquisition and multiple new investments that will generate both inorganic and organic growth momentum in the decade ahead.
A Transformative Acquisition

Our landmark decision to acquire the global biosimilars business of our long-term partner Viatris for USD 3.335 billion in cash and stock, is a transformational inflection point that steers us into accelerated, inorganic business expansion.

This game-changing transaction will create a world leader in a space that is extremely attractive for investors. Biologic brands worth over USD 70 billion\(^{^\text{a}}\) will lose exclusivity over the next five years, presenting multiple new opportunities for the biosimilars sector.

This acquisition by Biocon Biologics will enable the Company to seamlessly move from the current collaboration model to full ownership of Viatris’ rights in partnered and in-licensed biosimilars assets, allowing recognition of 100% of revenues and profits. Furthermore, it will enable full vertical integration across the biosimilars value chain from lab to market and take us closer to patients, payors and healthcare providers in developed and emerging markets.

The deal is a strategic fit for Biocon Biologics and valued fairly. By giving us visibility on the growth trajectory of our Biosimilars portfolio over the next decade, this deal is going to be highly value accretive to both Biocon and Biocon Biologics shareholders. Viatris’ biosimilar business is expected to generate over USD 1 billion in revenue in calendar year 2023.

Foraying into Vaccines and Infectious Diseases

Biocon’s quest to impact global healthcare has steered us towards a strategic expansion into adjacencies such as vaccines.

Biocon Biologics has entered into an alliance with Serum Institute Life Sciences (SILS) to join the effort of addressing the inequitable access to vaccines.

We expect a very attractive return on investment from this strategic transaction.

Strong Biosimilars Business Performance

Prudent investments over the years in advanced R&D and global manufacturing scale have led Biocon Biologics to build a unique biosimilars portfolio comprising basal and rapid acting insulins, as well as antibodies for cancer and inflammatory diseases.

The performance of our portfolio of commercialized biosimilars in both developed and emerging markets yielded a 24% growth in our Biosimilars business revenues this year.

The highlight of the year was the historic approval of the world’s first interchangeable biosimilar, our bGlargine, in the U.S. The launch of our interchangeable bGlargine in the U.S. by our partner Viatris is in line with our

\(^{\text{a}}\)IQVIA 2021

THE VIATRIS DEAL IS GOING TO BE HIGHLY VALUE ACCRETIVE TO BOTH BIOCON AND BIOCON BIOLOGICS SHAREHOLDERS.
aspiration to provide our biosimilar insulins to ‘one in five’ insulin-dependent people with diabetes, globally. Post this launch, the market share of our bGlargine in the U.S. has moved up from a low single-digit share last year to a double-digit market share in March 2022.

As we commemorate 100 years of the discovery of Insulin, we are positioning ourselves to build global leadership through unlocking equitable access to insulin and meeting varied patient needs through our comprehensive portfolio.

We have also focused on best-in-class therapies for cancer patients worldwide through our biosimilars such as bTrastuzumab, bPegfilgrastim and bBevacizumab. Our bTrastuzumab, which was the first to receive U.S. FDA regulatory approval in the world, continued to witness good demand in both developed and emerging markets. We commercialized our bBevacizumab in selected European markets during the year to bolster our oncology franchise.

**Saving Lives During the Pandemic**

At the height of the pandemic, we were able to realize the potential of bio-therapeutics in the fight against COVID-19 induced cytokine storm. Our repurposed novel biologic ALZUMAb-L (Itolizumab) has benefited over 40,000 COVID-19 patients so far.

**Good Progress in Generic Formulations**

Our investments in our Generics business have translated into new DMF and ANDA filings as well as approvals globally, which led to our first ‘Day 1’ launch in the U.S. for generic Everolimus 10 mg tablets. We also have made steady progress in establishing a strong global footprint for our Generics business during the year.

We continue to build a strong pipeline of niche formulations such as injectables, as well as peptides and potent APIs. A key element of our investment is a large greenfield fermentation-based manufacturing plant, largely for immunosuppressants, in the Visakhapatnam SEZ that will be operational in FY23.

We believe our API business stands to benefit from the ‘China Plus One’ strategy at a time when pharma MNCs are trying to diversify their supply chains to include sourcing from India to mitigate their dependence on China.

**A Strong Year for Research Services**

Our Research Services business, Syngene, which delivered a revenue growth of 19%, is well poised to capture opportunities arising from the growing global demand for CRO and CDMO services through its offering of integrated research, development and manufacturing services. Syngene is leveraging its existing relationships to provide forward integration on the discovery and
development continuum by catering to its clients’ requirements for early-stage, late-stage and commercial launch supplies.

Syngene extended its long-standing research collaboration with Amgen this year. These contract extensions confirm the stability of the relationship with both key clients and provide a very clear perspective on the future of Syngene’s Dedicated Centers.

To capture a higher share of biologics manufacturing opportunities, Syngene is also investing in expanding both microbial and mammalian manufacturing capacities.

**Embedding ESG at the Core of our Business**

At Biocon Group, our key priorities of ‘patient centricity’ and ‘access to all’ drive our strategy and the way we operate. Our philosophy of ensuring health equity resonates with our Environmental, Social and Governance (ESG) aspirations, which have assumed a greater prominence in our business objectives. By serving patients, protecting the environment and promoting business integrity, we are reinforcing our commitment to building a sustainable future. Our recent entry in the prestigious Dow Jones Sustainability Index (DJSI) Emerging Markets Index, where we achieved a 93rd percentile position with a Total Sustainability Score of 45, is a testimony to our responsible and sustainable business practices.

We were also certified by Great Place to Work® India as a Workplace with Inclusive Practices, acknowledging our investment in our people and our inclusive culture. We are refining our policies and increasing career opportunities for women to improve gender diversity at the Group, where women currently constitute 21% of our workforce.

As a Group, we believe that health equity is synergistic with restoring the ecological balance. This belief is driving us in continuously identifying opportunities to increase the share of renewables in our energy mix, improving energy efficiency, innovating to drive productivity across our value chain, implementing the principles of a circular economy and adopting digital solutions that minimize inefficiencies. Onsite solar installations and sourcing of power from renewable sources have increased the share of ‘green power’ to 54%* of our total energy consumption for FY22 across Biocon Group. We reduced our total carbon footprint by 186,500* tCO2 during the year. Through our water conservation initiatives across the global manufacturing operations of Biocon and Biocon Biologics we achieved 680,000 liters of incremental water savings per day.

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*Biocon Group: Biocon + Biocon Biologics + Syngene*
Ensuring Sustainable Social Change

Biocon Group’s corporate philanthropy aims to build resilient solutions that enable and empower disadvantaged communities to live better. In FY22, we implemented several initiatives targeted at increasing access to healthcare for underserved communities, improving the nutritional standing of school-age children, promoting science & technology and sponsoring urban afforestation initiatives.

Biocon Foundation supported the Government of Karnataka in the implementation of its ‘test, treat, track and vaccinate’ strategy at 20 Primary Health Centers across seven districts. We helped strengthen hospital infrastructure by installing a 2,000-liter Liquid Medical Oxygen (LMO) storage tank at the Anekal General Hospital in Karnataka. As a part of our healthcare initiatives, we contributed to the capacity building of frontline health workers and screened over 4,000 people using the mHealth oral cancer screening tool.

Continuing our partnership with the Akshaya Patra Foundation, we contributed to raising the nutrition profile of students in over 70 government schools through the PM Poshan, Mid Day Meal Scheme.

As a part of our environmental outreach program, the Foundation is developing a second Miyawaki micro-forest in Mangaluru.

The Foundation is funding construction of the proposed Biocon-Hebbagodi Metro Station. Metro connectivity will reduce traffic congestion in Bengaluru and help lower the environmental impact from vehicular pollution.

As a part of our commitment to strengthen the medical science ecosystem in the country, the Foundation signed a memorandum of understanding with the Indian Institute of Science to contribute funds for the construction of a not-for-profit, 490-bed multi-specialty hospital and medical school in Bengaluru. This hospital will offer an integrated dual degree MD-PhD program in clinical research. In recognition of the funding support, the General Medicine Block will bear the name of Biocon-Syngene.

Our flagship initiative, Biocon Academy, which aims to build the talent ecosystem for biotech-related skills, saw over 180 young life sciences students graduate this year.
A Technology-Enabled Organization for the Future

The digital transformation journey we embarked on in 2020 was further accelerated as we maneuvered through the COVID-19 pandemic.

The significant investments we are making in organization-wide digital transformation initiatives are going to transform the Biocon Group into a data and digital-led global biopharmaceuticals organization, spearheading Biocon 5.0. Digitalization, we firmly believe, can build higher standards of governance and deliver greater levels of trust to all our stakeholders.

Good Financial Performance

Biocon’s consolidated revenues grew 14% to ₹83,967 million for the full year, led by Biosimilars and Research Services revenues increasing 24% and 19%, respectively. For the year, the Biosimilars business posted revenue of ₹34,643 million, Generics reported ₹23,409 million and Research Services turned in ₹26,042 million. Our EBITDA increased 14% to ₹21,829 million for the year, representing a healthy margin of 26%. Adjusted for licensing, forex, gain on dilution in Bicara, mark-to-market loss on investments and R&D expense, Core EBITDA for the year grew 18% to ₹26,690 million, representing a margin of 32%. Our Net Profit for the year was ₹6,484 million. Net Profit was impacted on account of certain exceptional items, mark-to-market losses on investments and gain on dilution in Bicara. Adjusted for these items, Net Profit grew by 23% for the full year.

Management & Board Updates

We have appointed Naina Lal Kidwai, an accomplished banker and business leader, as an Additional Director on the Board of Biocon Limited, with effect from April 28, 2022 for a period of three years. We also appointed Dr. Eric Mazumdar as a Non-Executive Director to the Board, with effect from November 1, 2021.

I would like to express my deep appreciation and gratitude to John Shaw for his stewardship and judicious guidance as a key member of the Board and the management team since 1999. He has contributed significantly to the transformation of Biocon from a small enzymes company to a globally recognized biopharmaceutical enterprise. He has played a critical role in building Biocon, ensuring the highest levels of corporate governance, as well as contributing to the financial and strategic development of the Group in his role as Vice Chairman for over two decades.
Dividend
The Company and its Board of Directors acknowledge with deep appreciation, the support received from the shareholders during the pandemic over the last two years. As we come out of the pandemic with a strong financial performance, the Board of Directors has recommended a dividend of 10% of the face value of each share for FY22.

Ushering in Transformative Change
We have demonstrated a clear commitment to the highest standards of corporate governance as we pursue our purpose and deliver on our promise to protect patients from both communicable and non-communicable diseases. We have invested with a clear focus on efficiency and end-to-end digital transformation, coupled with ambitious targets in exciting new growth avenues, namely, a comprehensive portfolio of generic formulations, complex APIs, biosimilars, vaccines and research services.

The year ahead holds tremendous promise for all our business segments. We expect strong growth from our Biosimilars business on the back of the strategic transactions with SILS and Viatris, which are progressing towards various regulatory approvals. We expect these deals to close by the second half of calendar year 2022.

I would like to appreciate the contribution of our employees, executives and Boards who have worked tirelessly and passionately throughout the pandemic to realize our core purpose of serving patients and partners.

I would also like to thank all our shareholders for trusting our uniquely differentiated Company, over the years. With your unstinted support, we will continue to make progress towards ushering in transformative change that will make our world a healthier place.

Thank You.

Yours sincerely,
Sd/-
Kiran Mazumdar-Shaw
Executive Chairperson
May 27, 2022
CEO’S MESSAGE

Siddharth Mittal
Managing Director and Chief Executive Officer, Biocon Limited
Dear Shareholders,

Biocon’s transcendence to a global biopharmaceutical company, serving millions of patients around the world, has been defined by repeated and purposeful transformation throughout its four-decade-long journey. Right from inception, when we started out as a manufacturer of enzymes, we have responded to changing market needs and constantly reinvented ourselves to emerge as one of the leading biotech companies.

The last two years brought to the forefront, like never before, the need for agility, adaptability and transformation, as industry and businesses battled one of the most challenging periods in recent history. Biocon once again rose to the challenge, going above and beyond during this period of disruption. We adapted with agility to changed paradigms and continued to deliver the best possible outcomes for our patients, customers, employees, shareholders, and society at large.

While the first half of FY22 brought its share of headwinds, it was a relief to see the year close on a note of resurgence and optimism.

Let me now discuss the performance of our business verticals during the year.

**Generics**

Our Generics business remained flat over the previous year, clocking revenues of ₹23,409 million for FY22. This muted performance was largely due to pandemic-related supply and operational challenges earlier in the year, even as the business battled pricing pressure in various markets and price increases
of key raw materials and solvents, which squeezed margins further. Besides this, travel restrictions that were imposed on account of the pandemic, delayed the inspection of our facilities, and consequently, product launches as well as expansion into some key markets. The curve began to tick upwards in the second half of the year on the back of contributions from new product launches in the U.S., a resurgence in our API business and the easing of supply chain challenges.

You may recall that in last year’s message to you, I had stated that we would continue to focus on portfolio and geographical expansion, strengthening our development pipeline, expediting our capex projects and accelerating our digitalization programs. I am happy to inform you that we have made progress in these areas, the details of which I will now outline for you.

To begin with, our statin formulations portfolio in the U.S., comprising Atorvastatin, Simvastatin and Rosuvastatin, held on to its market share, despite intense pricing pressure. We further strengthened our U.S. formulations portfolio with the launch of Labetalol Hydrochloride tablets and Esomeprazole Magnesium Delayed-Release capsules early in the year. Labetalol Hydrochloride is used to treat high blood pressure and helps in the prevention of cardiovascular complications, while Esomeprazole Magnesium, a proton pump inhibitor, is indicated in the treatment of gastroesophageal reflux diseases. This was followed by the key launch of Everolimus tablets, our vertically integrated complex formulation, which we took to the market in four strengths of 2.5mg, 5mg, 7.5mg and 10mg, with the 10mg tablet being a ‘Day-1’ generic launch. Everolimus is a prescription medicine used in the treatment of certain types of cancers and tumors. We closed the year with two more launches in the fourth quarter – Posaconazole, an anti-fungal drug, and Dorzolamide, an ophthalmic product.

During the year, we received approval from the U.S. FDA for our ANDA for Mycophenolic Acid, which is indicated for the prophylaxis of organ rejection in adult patients receiving kidney transplants.

In other geographies, we commenced our first Most of the World (MoW) market supply of Tacrolimus capsules to Mexico, and received our first approval for Tacrolimus in Singapore, and for Rosuvastatin and Tacrolimus in the UAE. We also obtained Marketing Authorization for Everolimus tablets in the Netherlands and Spain. With the filing of 34 Drug Master Files (DMFs) globally, including five in the U.S. and 16 DMF approvals that we received in the U.S., Europe and MoW markets, our portfolio expansion holds promise for the near future. Our regional expansion efforts got a boost as we concluded a partnering deal with Tabuk Pharmaceuticals to commercialize select specialty generic medicines in the Middle East and North Africa. All of this underscores our commitment to make high-quality, affordable medicines available to patients who need them around the world.

Quality is at the core of all we do at Biocon. I am, therefore, pleased to report some key successful inspections that were conducted at our facilities
during the year. In September, the U.S. FDA conducted a Remote Interactive Evaluation for our oral solid dosage manufacturing facility in Bengaluru, as part of a pre-approval review for previously filed ANDAs. The Medicines and Healthcare Products Regulatory Agency (MHRA), U.K., gave our oral solid dosage formulations manufacturing facility located at Biocon Park in Bengaluru a certificate of Good Manufacturing Practice (GMP) Compliance based on a remote inspection. We also received a Certificate of Good Distribution Practice (GDP) Compliance of a Wholesale Distributor from the Maltese authorities for the import and marketing of drug products in the European Union. More recently, we received a Compliant rating from Health Canada for our API manufacturing facility in Bengaluru.

These approvals speak of our quality and compliance track record. We continue to improve our systems and processes through continuous training to build an all-pervasive culture of quality.

Turning to our capacity expansion projects, while we did encounter some pandemic-related delays in our greenfield immunosuppressant API manufacturing project in Visakhapatnam, Andhra Pradesh, I am happy to report that commissioning is nearing completion, soon after which, we will commence qualification and validation. During the year, we also repurposed a few of our existing facilities to add incremental capacities, which will enable us to meet customer demand. We are also investing in a synthetic API facility in Hyderabad and an injectable facility in Bengaluru, both of which are strategically important for our long-term growth.

I am also happy to inform you that the Company has been selected to participate in the Production Linked Incentive (PLI) scheme announced by the Government of India, which will provide financial incentives linked to investments in manufacturing infrastructure and corresponding revenue growth.

Cognizant of the fact that cost competitiveness is going to be a critical factor in our success, we undertook several cost improvement projects across the organization, which are at various stages of execution. Many new projects were also identified to mitigate the impact of rising prices, especially of solvents and reagents. We also continue our efforts to de-risk the supply chain, by identifying and developing alternative vendors for materials. Our energy cost savings too got a fillip as we diversified our renewable energy sources to include both wind and solar.

Our journey to all pervasive excellence gathered momentum in FY22 with several digital tools being implemented, including a Quality Management System, Document Management System and Scientific Data Management System, among others. We also simplified Standard Operating Procedures and Batch Manufacturing Records to enhance efficiencies in the system. We have taken a major step towards digital manufacturing, with our Industry 4.0 standard new facility in Visakhapatnam, which will be equipped with a
state-of-the-art Manufacturing Execution System. Excellence is, of course, a journey, and we will continue to accelerate our progress towards becoming a Company with a deep, rich and comprehensive culture of quality.

Going forward, I believe that the Generics business is well-positioned to grow in FY23, as we focus on accelerating our product pipeline, expediting our capacity expansion plans, concentrating on cost improvement projects, furthering our regional expansion and sustaining our base business.

**Biosimilars**

In FY22, Biocon Biologics recorded a healthy 24% growth over the previous year, taking its revenues to ₹34,643 million, with the most significant growth driver being interchangeable bGlargine attaining double-digit market share in the U.S., as well as continued improvement in the market share of some key existing products.

FY22 was a transformational one in many ways for Biocon Biologics.

In July 2021, Biocon Biologics’ bGlargine (Semglee*) made history as it became the world’s first biosimilar to receive interchangeability approval by the U.S. FDA. This also paved the way for a preferred formulary status for the product at two major pharmacy benefit managers in the U.S., Express Scripts & Prime Therapeutics. Intent upon enhancing its impact on global health,

*Our partner Viatris’ brand
Biocon Biologics entered the infectious and non-communicable disease segments through a strategic alliance with the Serum Institute Life Sciences to gain access to 100 million doses of vaccine from their portfolio, with assured revenues and related margins.

FY22 also saw a transformative milestone for Biocon Biologics with the acquisition of Viatris’ global biosimilars business, which positions it to become a fully integrated, world leading, biosimilars enterprise. The acquisition will significantly strengthen the Company’s position in providing affordable access to patients through its portfolio in diabetes, oncology, immunology and other non-communicable diseases.

These strategic moves demonstrate the business’ commitment to creating long-term shareholder value.

**Novel Biologics**

Our Novel Biologics development programs have been progressing at an encouraging pace.

Our partner, Equillium, Inc., initiated a global Phase III clinical study of Itolizumab in patients with acute graft-versus-host-disease (aGVHD) in March 2022. During the year, the European Medicines Agency’s Committee for Orphan Medicinal Products granted an orphan medical product designation to Itolizumab for the treatment of both acute and chronic graft versus host disease. Itolizumab was also at the forefront of our fight against COVID-19 in India.

Our Boston-based associate, Bicara Therapeutics, continues to make progress on its lead molecule, BCA101, a bifunctional antibody designed to target a TGF-β trap to EGFR-positive tumors. It has successfully established the highest dose, both as a single agent and in combination with a PD1 inhibitor, with desired level of safety and tolerability for patients with EGFR-driven advanced solid tumors. The proof of concept is expected in the second half of 2022. Bicara also initiated dose expansion cohorts evaluating BCA101 in patients with head and neck squamous cell carcinoma (HNSCC), squamous cell carcinoma of the anal canal (SCAC) and cutaneous squamous cell carcinoma (cSCC).

**Research Services - Syngene**

In FY22, Syngene, our contract research, development and manufacturing company, delivered revenue growth of 19% to ₹26,042 million on the back of sustained growth in all divisions, across small and large molecules.

During the year, Syngene renewed its strategic collaboration with Amgen Inc. till 2026. The Company also expanded its client base during the year with particular growth from the small to medium-size biotech sector. All of which bear testimony to the clients’ confidence in Syngene’s capabilities and the expertise of highly experienced scientists.
Syngene remains committed to expanding its research and manufacturing facilities to accommodate future growth. During the year, the third phase of expansion of the laboratory campus in Hyderabad was completed and continued expansion in Hyderabad and Bengaluru is planned during the current year. In Development Services, Syngene continued to enhance its capabilities with a new injectable fill finish facility, which is currently under qualification and validation. An expansion of the existing mammalian facility and a new cGMP microbial manufacturing facility were also commissioned during the year. The Mangaluru API manufacturing facility is on track to obtain international regulatory approvals in FY24.

Syngene is well-positioned with its capabilities and infrastructure to leverage the strong market demand for the development and manufacture of biologics. The Company remains focused on augmenting capacity utilization to cater to market demands.

**Sustainability**

The Company fully recognizes its responsibilities towards the environment, the planet and society at large. We have a comprehensive Environmental, Social and Governance (ESG) program in place which ensures that all our
operations comply with global best practices. I am happy to inform you that during FY22, the Company’s ESG efforts and initiatives were recognized at multiple international forums. Biocon was inducted into the DJSI for Emerging Markets with a 93-percentile for the industry sector, placing us amongst the top 15 companies from India to feature in the 2021 listing. We also secured an improved Carbon Disclosure Project (CDP) rating of ‘B’ from ‘C’ earlier as per the 2021 CDP report.

**Conclusion**

Each of our business segments is well-positioned for future growth on the back of capacity expansions, customer acquisitions and a robust pipeline, to address the needs of patients and customers.

I would like to express my appreciation of the Biocon team, who displayed remarkable resilience and tenacity to stay the course, thus ensuring that we were well-positioned to seize opportunities that will further our purpose of providing everyone, everywhere, affordable access to a specialty portfolio of medicines.

Let me also place on record my gratitude to our shareholders for continuing to repose your trust in Biocon as we prepare the Company for the next phase of its growth.

Thank You.

Yours sincerely,

Sd/-

**Siddharth Mittal**  
Managing Director & CEO  
Biocon Limited  
May 27, 2022
MANAGING DIRECTOR’S MESSAGE

Dr. Arun Chandavarkar
Managing Director,
Biocon Biologics Limited
A Year of Transformation

We are living through a time of rapid transformation. Climate disruption, changing geopolitics, technological transformation and digital convergence are challenging our fundamental assumptions about work, the world, and our place in it. The COVID-19 pandemic has made us realize that the next big disruption may just be around the corner. It has also made it clear that dealing with change requires a strong sense of ownership, agility of decision-making, process innovations, operational excellence and forward thinking.

Biocon is no stranger to change. We built our Biosimilars business by effectively navigating a fast-evolving regulatory landscape, rapid scientific advancement and accelerated technological progression. Biocon Biologics is now adapting to a swiftly maturing industry, where agencies like the U.S. FDA are setting precedents, such as deeming biosimilars to be interchangeable with the innovator products.

Up until now, we have maneuvered change through shared risk-reward partnerships that brought in complementary skills and experience, such as our long-standing, successful global partnership with Viatris for a range of biosimilar antibodies and insulin analogs.
Going forward, Biocon Biologics intends to be a fully, vertically integrated company supplementing its established capabilities in development, operations and presence in emerging markets with commercial infrastructure in advanced markets. We have demonstrated success with a proven track record of multiple successful biosimilar approvals in U.S., Europe and several other developed and developing countries. We have created global scale capacities for insulins and antibodies that meet the most stringent of regulatory norms to support our near-term growth. Our commercial footprint for biosimilars straddles the developed and developing countries by leveraging strong regional and global partnerships.

The tectonic shifts afoot in the global healthcare industry calls for bold and transformational changes to adapt to the evolving market dynamics, and drive sustainable growth.

**A Transformative Acquisition**

In FY22, Biocon Biologics announced a transformative acquisition of its long-term partner Viatris’ biosimilars business for USD 3.335 billion in cash and stock. This acquisition, upon closing, will accelerate our strategy to create a fully, vertically integrated company with direct commercial presence in the developed markets.

This acquisition is unique as it brings together the two companies’ teams, which have been collaborating on common projects, into a single, integrated organization driven by a common vision and mission.

Through this deal, we intend to integrate Viatris’ biosimilars commercial infrastructure globally. We will gain from Viatris’ experience on navigating the formulary positioning, contracting, front end sales, regulatory interface and distribution in these markets.

As a vertically integrated enterprise, we will be able to drive efficiencies in the system with quicker decision-making, improved market insights and common focus across functions. This deal gives us better strategic agility to improve overall cost of supply chain, capital allocation and distribution, among others.
Entering Vaccines & Infectious Diseases Segment

The COVID-19 pandemic brought home to us the serious threat posed by viral and other infectious diseases and the role that biologics such as vaccines and antibodies have in addressing this threat. We had responded to the crisis by repurposing Biocon’s novel biologic drug, Itolizumab, to treat COVID-19 patients, especially those with moderate to severe Acute Respiratory Distress Syndrome (ARDS).

Realizing the difference we could make to patient lives, Biocon Biologics entered into a strategic alliance with SILS this year to make a meaningful impact in fighting infectious diseases.

Vaccines and antibodies for infectious disease are a natural adjacency to Biocon Biologics’ existing capabilities in biologics for non-communicable diseases. The structure of the alliance provides us with an ‘asset-light’ and accelerated entry into this segment.

Viatris Biosimilars Business Acquisition: Deal Dynamics

Post completion of the transaction, Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in Biocon Biologics valued at USD 1 billion, equivalent to an equity stake of at least 12.9% on a fully diluted basis.

Cash consideration will be distributed over the next few years with USD 2 billion payable on closing of the transaction and up to USD 335 million as additional payments expected to be paid in 2024. The deferred considerations include USD 175 million to be paid for the acquisition of Viatris’ rights in its bAflibercept. Viatris will pay USD 50 million to Biocon Biologics to fund certain capital expenditures.

Cash payment of USD 2 billion will be funded by ~USD 800 million raised through equity infusion in Biocon Biologics and the remainder will be funded by debt. The equity infusion will see participation from Serum Institute Life Sciences (SILS), Biocon Limited and other private equity investors.

Our long-standing relationship with Viatris will help us integrate smoothly and rapidly. To ensure seamless transition and continued service to our patients and partners, Viatris will provide commercial and other transition services to Biocon Biologics for up to two years.
Together, we believe we can address the needs of patients in various infectious diseases, including COVID-19.

The companies will complement each other by leveraging each other’s commercial strengths in existing and new markets. The greater objective is to address inequitable access both in emerging and developed markets for lifesaving vaccines and biologics.

Biocon Biologics will have access to the entire portfolio of SILS including vaccines already commercialized and the ones in development. Additionally, the partnership will have access to SILS’ current development pipeline to address unmet needs in other communicable diseases like mosquito-borne infections.

The 15-year supply arrangement of 100 million vaccine doses annually from SILS provides Biocon Biologics with an additional assured revenue stream and associated margins from the second half of FY23.

The partnership provides a framework to explore several other opportunities that would be value accretive to both our organizations and make a difference in the often-overlooked infectious diseases segment. Developing both vaccines and biologics for communicable diseases will provide us long-term growth drivers.

**Partnering for a COVID-19 Antibody**

Furthermore, we partnered with U.S.-based Adagio Therapeutics to bring a novel monoclonal antibody for the prevention and treatment of COVID-19 to patients in India and select emerging markets. ADG20 is a novel monoclonal antibody targeting the spike protein of SARS-CoV-2 and related coronaviruses. This treatment potentially offers a convenient outpatient administration as a single intra-muscular injection for both prevention and treatment of COVID-19.

The preliminary results from Phase II / III clinical trials of ADG20 showed that in the pre-Omicron population, ADG20 administered as a single 300mg intra-muscular dose met primary endpoints with statistical significance. However, given the lack of neutralizing activity against the BA.2 variant, Adagio has paused the submission of an Emergency Use Authorization (EUA) request to the U.S. FDA.
Historic Interchangeability Approval

Following the landmark commercialization of bGlargine in the U.S. in FY21, we marked another milestone by obtaining interchangeable designation from the U.S. FDA for our bGlargine in FY22. We are the first to obtain approval for an interchangeable biosimilar product, Semglee*, in the U.S. This approval sets the stage for approvals of our other biosimilars. The interchangeability approval, which allowed substitution of our product for the innovator brand at the pharmacy counter, demonstrated our scientific, quality and regulatory capabilities. The interchangeability status allowed us to get a preferred formulary status from some large formularies, which helped us to rapidly ramp-up market share in the U.S. These developments augur well not only for the future growth of our business but also for our ability to offer people living with diabetes in the U.S. more treatment options, rationalize cost of therapy and generate savings for the overall healthcare system.

*Our partner Viatris’ brand
Building a Robust Product Portfolio

We continue to invest on research and development to support our biosimilars pipeline. We have built a sizeable portfolio of over 20 biosimilar assets, including some which are unpartnered, that are at various stages of development. This year, two of our antibodies, bUstekinumab and bDenosumab, entered the clinical phase, which represents a large part of the overall cost that goes into developing a molecule.

We are developing various presentations of rh-Insulin for the U.S. Our biosimilar referencing Eli Lilly’s Humulin-R, a short-acting rh-Insulin, demonstrated equivalence in a pharmacokinetic and pharmacodynamic study published in the journal, ‘Diabetes, Obesity and Metabolism’, in January 2022.

We exercised the option to acquire Viatris’ rights in bAflibercept, which is an advanced asset and has the status of ‘first to file’ with the U.S. FDA.

Our second wave of biosimilars will address a market opportunity of ~USD 20 billion in innovator sales to drive growth in the medium-term.

Expanding Insulins Manufacturing Capacity

The investments in manufacturing infrastructure in Malaysia to support our insulins franchise have given us the capacity to supply our insulins, including interchangeable bGlargine, to meet patients’ needs in many developed and emerging countries. We have been expanding access to life-saving insulin therapy in Malaysia, too. Recently, we won a three-year contract for rh-Insulin in Malaysia, valued at ~USD 90 million. With sales from Malaysia ramping up, our operations there turned profitable in the fourth quarter of FY22.

Encouraged by the demand for our insulins and in anticipation of new opportunities opening in terms of product approvals and geographic expansion, we have initiated the expansion of our facility in Malaysia. We expect to invest in a phase-wise manner with the investments being within the overall USD 100-150 million range for annual capex over three years.

Making a Difference in India

The Branded Formulations India business recorded a 35% growth in FY22. Whilst our COVID-19 portfolio, including ALZUMAb-L, contributed to our growth in Q1FY22 during the second wave of the pandemic in India, we performed well across therapeutic divisions during the rest of the financial year. We continue to strengthen our patient-centric programs and engagement initiatives with healthcare professionals. This year, we expanded our insulins access program to address the needs of young people with Type 1 diabetes in India in collaboration with the Research Society for the Study of Diabetes in India (RSSDI).
Robust Financial Performance

Biocon Biologics has delivered strong revenue and profit growth this fiscal. Revenues grew by 24% over last year to ₹34,643 million. The biggest driver of growth for FY22 was our bGlargine in the U.S., which expanded its market share from 2% to 10% in six months due to the interchangeable status. Consequently, our revenues moved up from ₹7,581 million in Q1FY22 to ₹9,823 million in Q4FY22. This clearly demonstrates the success that can be achieved by adopting the right strategy when approaching markets that allow a switch from innovator to biosimilar products. Our other products, including bTrastuzumab and bPegfilgrastim, gained market share or held steady. We witnessed good growth for our biosimilars in emerging markets too. Our Core EBITDA margin, which is EBITDA less licensing, forex, mark-to-market loss on investments and R&D expense, was at 39% versus 36% in FY21. The improved margins are a reflection of our strong operating performance. The business delivered EBITDA margins of 29% in FY22.

Stage Set for Long-Term Growth

We expect Biocon Biologics’ earnings momentum to sustain on the back of strong performance in advanced markets like the U.S., with our bGlargine’s market share expected to go up to mid-teens by the end of calendar year 2022. We are awaiting approval for two more products, bAspart and bBevacizumab, in the U.S. which would add significantly to revenues from this market.

FY22 has been a transformational year for Biocon Biologics on account of the two strategic deals with Viatris and SILS. These transactions, which are progressing through regulatory approvals, are expected to close by the second half of calendar year 2022. On their closing, Biocon Biologics will see a significant ramp-up in revenues, enabling continued investments for long-term growth.

At Biocon Biologics, we look forward to leveraging our early successes, robust business fundamentals, technical excellence, high quality operations and global scale to usher in transformational change to global healthcare through our affordable, high quality biologics.

Thank You.

Yours sincerely,

Sd/-

Dr. Arun Chandavarkar
Managing Director
Biocon Biologics Limited
May 27, 2022
Q&A WITH THE CFO

Indranil Sen
Chief Financial Officer, Biocon Limited
Q1 How will you describe the financial performance of Biocon in FY22?

A Our total consolidated revenues grew 14% to ₹83,967 million in FY22 (₹73,976 million in FY21). Revenues from the Biosimilars business grew at a strong rate of 24% to ₹34,643 million (₹28,002 million in FY21), contributing to ~41% of total consolidated revenues. The Research Services business grew at a healthy rate of 19% to ₹26,042 million (₹21,843 million in FY21), which accounts for ~31% of total consolidated revenues. The Generics segment reported revenues of ₹23,409 million (₹23,627 million in FY21), accounting for ~28% of total consolidated revenues.

EBITDA grew 14% to ₹21,829 million (₹19,073 million in FY21), with margins at 26% (same in FY21). Net Profit was at ₹6,484 million (₹7,405 million in FY21).

The current year’s profitability includes certain non-recurring items such as a stake dilution gain in Bicara Therapeutics Inc. and mark-to-market loss on investment in Adagio Therapeutics as well as exceptional items like provisions for export incentives, impact due to modification in terms of a certain debt instrument and professional fees towards strategic deals executed in the Biosimilars business.

The profitability last year, i.e. in FY21, included a gain upon Biocon ceding control over Bicara.

Adjusting for these items, our FY22 EBITDA stood at ₹21,799 million (₹17,476 million), reflecting a growth in EBITDA of 25%. Core EBITDA Margin, that is, EBITDA margin further adjusted for licensing, forex and R&D, stood at 32% (31% in FY21). Adjusted Net Profit stood at ₹7,190 million, reflecting a growth of 23% over FY21.

Q2 While the Generics business saw a turnaround in the latter half of the fiscal, the first half of the year was challenging. What steps have we taken to improve performance of this business in the coming year?

A The Generics business faced COVID led operational and supply challenges at the start of the fiscal, which impacted our API manufacturing. The business saw a turnaround in the second half of the year, driven by new product launches in the U.S., particularly Everolimus and an uptick in our API business. Pricing pressure headwinds in the U.S., higher input costs, particularly solvents and fuel as well as higher cost of logistics also impacted profitability. Profit before Tax (PBT) margin for the business was slightly lower at ~11% in FY22 as against ~12% in the previous fiscal.

Looking ahead, new product launches and additional capacities will drive growth for the Generics business in FY23. While we hope that the supply chain challenges witnessed last year will not continue in FY23, the business continues to focus on de-risking its supply chain by developing alternative vendors for critical raw material or where there is dependence on single vendors.

Another area of focus is operational excellence, which will drive cost efficiencies through yield and productivity improvement. We believe these will enable us to counter continued pricing pressure concerns as well as increasing input costs. Last but not least, we are continuously improving processes through our digitization efforts.

Q3 FY22 has been truly a transformational year for the Biosimilars business, particularly due to the two strategic deals with Serum Institute Life Sciences and Viatris. Could you provide more color on how we plan to fund these transactions? What are your views on the performance and the outlook for this business?

A The Biosimilars business entered into two strategic partnerships during the year to expand vertically through the acquisition of Viatris’ biosimilars business, for
a consideration of ~USD 3.335 billion and horizontally through the alliance with Serum Institute Life Sciences (SILS) for a 15% stake in Biocon Biologics Limited (BBL), on a fully diluted basis.

Of the total consideration for the Viatris deal, USD 2 billion is payable in cash upon closing of the transaction and up to USD 335 million is a deferred consideration, expected to be paid in 2024. For the remaining consideration, we will issue Compulsorily Convertible Preference Shares (CCPS) in BBL valued at USD 1 billion, equivalent to an equity stake of ~12.9% on a fully diluted basis. We have structured this deal optimally to strike a balance between the debt on our balance sheet and retaining equity in Biocon Biologics to benefit from the strong potential in this business. Upfront cash payment of USD 2 billion will be funded by ~USD 800 million raised through equity infusion in Biocon Biologics and the remainder will be funded by debt. The equity infusion will see participation from SILS, Biocon Limited and other private equity investors.

As far as the FY22 performance is concerned, the segment saw a strong revenue growth primarily on account of a higher uptake of interchangeable biosimilar insulin glargine and an improved performance of other products across geographies. The segment also delivered healthy profitability with EBITDA margins of 29% and Core EBITDA margin higher at 39%.

The next milestones on this journey of transformation are the consummation of both the transactions in FY23 upon completion of customary closing conditions and receipt of regulatory approvals and a seamless integration of the acquired Viatris business with our Biosimilars segment. Post this, we will continue to receive transitional services from Viatris for a period of two years. FY23 will also witness a full year’s benefit of interchangeability for insulin glargine in the U.S., advancement of the product pipeline through clinical development and potential approvals for those under review with the regulators. We will continue to invest in R&D as we advance our biosimilar pipeline, with two products entering the clinic in FY22. On the back of these achievements, the Biosimilars business will be well positioned to get separately listed on the bourses in the future to unlock value for its shareholders. Biocon Limited will continue to hold a majority stake in BBL after the listing.

Q4 Can you share your views on the performance of the Research Services segment in FY22 and its outlook going forward?

A Syngene, our Research Services business, delivered a strong performance across all its divisions in FY22. Its Dedicated R&D Centers witnessed renewal of its strategic collaboration with Amgen, Inc. while its Discovery Services saw several client wins. Syngene continues to expand research, development and manufacturing capacities and capabilities in being a world-class partner delivering innovative scientific solutions for its customers. The Research Services business’ growth momentum is expected to continue in FY23.

Q5 Gross R&D investments during the last two years was 13% of revenues (ex-Syngene). Do you see this trend continuing going forward?

A Innovation is at the core of our business model. We continue to make investments in R&D to be able to bring more products into the market in both Generics and Biosimilars, in line with our commitment to making affordable healthcare accessible to all. The R&D investment in Biosimilars will continue to increase as we progress the clinical development of bUSTekinumab and bDenosumab and early-stage development of several biosimilar assets. Novel Biologics will continue to advance its current programs, particularly, Itolizumab.
Gross R&D expenditure is expected to remain between 12% and 14% of revenues for the Generics business and between 10% and 15% for the Biosimilars business.

**Q6** Bicara has secured funding from external sources to fund its development programs. Can you provide an update on the same and explain the accounting implications of this fund raise?

A In the last quarter of FY22, our associate, Bicara, secured its first round of funding from external sources since the ceding of control by Biocon, and continued to raise funds in Q1FY23. We expect the fund raising to complete by the first half of FY23, at which point Biocon will hold ~50% stake in Bicara. Stake dilution due to this fund raise has resulted in a gain which is recorded as ‘Other Income’ in the consolidated financial statements.

Further, as part of the fund raise, Biocon converted debt provided earlier to Bicara to equity. Biocon will continue to consolidate its share of loss from its associate in the proportion of its holding, capped at the carrying value of its investment.

**Q7** Biocon had provided guidance of USD 300 million for capital expenditure across its three businesses in FY22. What is the guidance for FY23?

A In FY22, we injected much needed capital to expand capacities and capabilities across businesses in line with our guidance. The capex guidance for FY23 is ~USD 300-350 million across the three businesses. The capex will be funded through a combination of internal accruals and funds already raised through private equity investments in Biocon Biologics. This will be further supplemented by financial incentives granted to us under the Government of India’s Production Linked Incentive Scheme 2.0 for the Pharmaceutical Sector. Under the scheme, we expect to receive up to ₹2500 million over a period of 6 years, linked to investments in manufacturing infrastructure and corresponding incremental sales of pharmaceutical goods.

**Q8** Given the focus on Environment, Social and Governance (ESG), what initiatives from the CFO’s desk have been taken to strengthen governance practices this year?

A Sustainable growth has always been a key priority in Biocon, and we are in the process of developing a robust framework to strengthen our ESG practices.

In the spirit of good governance, we are voluntarily publishing our first Business Responsibility and Sustainability Report this year, in line with the framework provided by the Securities and Exchange Board of India (SEBI), along with our first Global Reporting Initiative (GRI) aligned ESG Report, which articulates several ESG parameters and initiatives undertaken by the Company.

We are also publishing our Tax Policy as well as our first Tax Transparency Report for FY22. Our Tax Policy articulates the strategies, principles and processes that guide our approach to tax while the Report further talks about our tax management approaches, in addition to tax related information.

We are also in the process of integrating ESG risks within our overall risk management framework. We will continue to implement initiatives that will help maximize value for all our stakeholders through accountability, transparency and good corporate citizenship.
## Financial Highlights

### Segment-wise Revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Generics (₹ Million)</th>
<th>Generics Growth (%)</th>
<th>Biosimilars (₹ Million)</th>
<th>Biosimilars Growth (%)</th>
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** Includes inter-segment revenue

# Effective April 1, 2020, the Group pursuant to its internal restructuring process has restated segment information for FY21 and FY20

### Research (₹ Million)

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<th>Research (₹ Million)</th>
<th>Growth (%)</th>
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### Other Income (₹ Million)

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<th>Growth (%)</th>
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<tbody>
<tr>
<td>2022</td>
<td>2,062</td>
<td>-16%</td>
</tr>
<tr>
<td>2021</td>
<td>2,062</td>
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</tr>
<tr>
<td>2020</td>
<td>1,444</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1,444</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1,444</td>
<td></td>
</tr>
</tbody>
</table>

### Total Revenue (₹ Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (₹ Million)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022*</td>
<td>83,967</td>
<td>14%</td>
</tr>
<tr>
<td>2021*</td>
<td>73,976</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>64,619</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>56,588</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>43,359</td>
<td></td>
</tr>
</tbody>
</table>

* Includes inter-segment revenue

* Effective April 1, 2020, the Group pursuant to its internal restructuring process has restated segment information for FY21 and FY20

^ Includes fair valuation gain of Bicara ₹1,597 million
### Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>6,484</td>
</tr>
<tr>
<td>2021</td>
<td>7,405</td>
</tr>
<tr>
<td>2020</td>
<td>7,482</td>
</tr>
<tr>
<td>2019</td>
<td>9,053</td>
</tr>
<tr>
<td>2018</td>
<td>3,724</td>
</tr>
</tbody>
</table>

-12%  

### Net Worth

<table>
<thead>
<tr>
<th>Year</th>
<th>₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>84,325</td>
</tr>
<tr>
<td>2021</td>
<td>76,269</td>
</tr>
<tr>
<td>2020</td>
<td>67,058</td>
</tr>
<tr>
<td>2019</td>
<td>60,980</td>
</tr>
<tr>
<td>2018</td>
<td>51,808</td>
</tr>
</tbody>
</table>

11%  

### Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>203,940</td>
</tr>
<tr>
<td>2021</td>
<td>185,223</td>
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<tr>
<td>2020</td>
<td>144,438</td>
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<tr>
<td>2019</td>
<td>121,924</td>
</tr>
<tr>
<td>2018</td>
<td>99,897</td>
</tr>
</tbody>
</table>

10%  

### Gross R&D Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>₹ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>7,105</td>
</tr>
<tr>
<td>2021</td>
<td>6,270</td>
</tr>
<tr>
<td>2020</td>
<td>5,271</td>
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<tr>
<td>2019</td>
<td>4,796</td>
</tr>
<tr>
<td>2018</td>
<td>3,804</td>
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13%  

### Current Ratio

<table>
<thead>
<tr>
<th>Year</th>
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<tr>
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<td>2.19</td>
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<tr>
<td>2021</td>
<td>1.81</td>
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<tr>
<td>2020</td>
<td>1.33</td>
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<tr>
<td>2019</td>
<td>1.61</td>
</tr>
<tr>
<td>2018</td>
<td>1.94</td>
</tr>
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### Debt : Equity

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt</th>
<th>Equity</th>
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<td>49,040</td>
<td>84,325</td>
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<tr>
<td>2021</td>
<td>43,586</td>
<td>76,269</td>
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<tr>
<td>2020</td>
<td>26,254</td>
<td>67,058</td>
</tr>
<tr>
<td>2019</td>
<td>24,070</td>
<td>60,980</td>
</tr>
<tr>
<td>2018</td>
<td>22,640</td>
<td>51,808</td>
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</table>

^ includes exceptional items for the year 2019, 2020, 2021 and 2022
EPS AND BOOK VALUE PER SHARE

<table>
<thead>
<tr>
<th>Year</th>
<th>Book Value per share</th>
<th>EPS</th>
</tr>
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<tbody>
<tr>
<td>2018</td>
<td>3.10</td>
<td>70</td>
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<tr>
<td>2019</td>
<td>51.65</td>
<td>56</td>
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<td>2020</td>
<td>6.32</td>
<td>6.24</td>
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<tr>
<td>2021</td>
<td>5.44</td>
<td>5.44</td>
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EPS AND DIVIDEND PER SHARE

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>Dividend per share</th>
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<tbody>
<tr>
<td>2018</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>2019</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>2020</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>2021</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>2022*</td>
<td>0.50</td>
<td>0.50</td>
</tr>
</tbody>
</table>

RETURN ON NET ASSETS

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
<th>Net Assets</th>
<th>Return on Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,724</td>
<td>78,484</td>
<td>5%</td>
</tr>
<tr>
<td>2019</td>
<td>9,053</td>
<td>91,539</td>
<td>10%</td>
</tr>
<tr>
<td>2020</td>
<td>7,482</td>
<td>104,358</td>
<td>7%</td>
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<tr>
<td>2021</td>
<td>7,405</td>
<td>143,122</td>
<td>5%</td>
</tr>
<tr>
<td>2022</td>
<td>6,484</td>
<td>165,660</td>
<td>4%</td>
</tr>
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</table>

RETURN ON NET EQUITY

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
<th>Average Equity</th>
<th>Return on Net Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,724</td>
<td>50,093</td>
<td>5%</td>
</tr>
<tr>
<td>2019</td>
<td>9,053</td>
<td>56,394</td>
<td>7%</td>
</tr>
<tr>
<td>2020</td>
<td>7,482</td>
<td>64,019</td>
<td>12%</td>
</tr>
<tr>
<td>2021</td>
<td>7,405</td>
<td>71,664</td>
<td>10%</td>
</tr>
<tr>
<td>2022</td>
<td>6,484</td>
<td>80,297</td>
<td>8%</td>
</tr>
</tbody>
</table>

* includes exceptional items for the years 2019, 2020, 2021 and 2022
* 2018-2019 are adjusted for bonus issue in 2020
* Net Assets = Total Assets - Current Liabilities
* Proposed a dividend @ 10% of face value per share
Board of Directors

Catalysts in the Metamorphosis

1. Kiran Mazumdar-Shaw
2. M. Damodaran
3. Bobby Parikh
4. Naina Lal Kidwai
5. Dr. Vijay Kuchroo
6. Prof. Ravi Mazumdar
7. Siddharth Mittal
8. Mary Harney
9. Dr. Eric Mazumdar
10. Daniel Bradbury
Professional Experience
- First-generation entrepreneur
- Founded Biocon in 1978
- Executive Chairperson, Biocon Biologics
- Non-Executive Chairperson, Syngene
- Lead Independent Director, Infosys
- Board member, Narayana Hrudayalaya
- Board member, United Breweries
- Member, National Academy of Engineering (NAE), U.S.
- Member, The Advisory Board of The France-India Foundation
- Full-term member, MIT Corporation, U.S.
- Member of the Board of Trustees, Memorial Sloan Kettering Cancer Center, U.S.
- Member, Board of Trustees, Keck Graduate Institute, U.S.
- Global Alumni Ambassador, India, Department of Foreign Affairs and Trade, Australia
- Victorian Business Ambassador, The State Govt. of Victoria, Australia
- Signatory, The Giving Pledge
- 45+ years of experience in Biotechnology

Recognitions
- Elected Fellow of Royal Society of Edinburgh (RSE) (2022)
- Recipient of EY World Entrepreneur of the Year (2020) and EY Entrepreneur of the Year India Award (2019)
- Recipient of Order of Australia (2020)
- Recipient of ICMR’s Lifetime Achievement Award for Outstanding Achievement in Healthcare (2019)
- Recipient of AWSM Award for Excellence (2017)
- Knight of the National Order of the French Legion of Honour (2016)
- Recipient of Othmer Gold Medal (2014)
- Recipient of Global Economy Prize for Business (2014)
- Recognized on ‘Legacies 60’ list honoring 60 biopharma pioneers over 60 by EndPoints News
- University of Glasgow named their Advanced Research Center after John Shaw and Kiran Mazumdar-Shaw to recognize their philanthropic initiatives

Education
- B.Sc. (Zoology Hons.), Bangalore University
- Post-Graduate Diploma, Malting and Brewing, Ballarat Institute of Advanced Education, Melbourne, Australia
- Honorary Doctorates from several prestigious universities, including Deakin University, Victoria, Australia; Heriot-Watt University, Edinburgh, UK; University of Glasgow, Scotland, UK; University of Abertay, Dundee, Scotland, UK; Ballarat University, Australia; Presidency University, Kolkata, India; Bennett University, India.
Siddharth Mittal
Managing Director & CEO
Member of the Board of Directors since 2019
Year of Birth: 1978
Nationality: India

Prof. Ravi Mazumdar
Non-Executive Director
Member of the Board of Directors since 2000
Year of Birth: 1955
Nationality: Canada/OCI

Dr. Eric Mazumdar
Non-Executive Director
Member of the Board of Directors since 2021
Year of Birth: 1993
Nationality: UK / OCI

**Professional Experience**
- Co-Chairman, CII Southern Region – Healthcare & Life Sciences
- Chairman, CII Southern Region Task Force on Pharmaceuticals
- Vice President, Finance and Corporate Controller with Symphony Teleca
- Held senior leadership positions in finance, including Finance Director of BPO and IT divisions at the U.S. subsidiary of Xchanging Plc.
- 20+ years of global and diversified experience in strategic finance and accounting, mergers and acquisitions, taxation and general management

**Education**
- Certified Public Accountant from Colorado, U.S.
- Chartered Accountant, Institute of Chartered Accountants of India
- B.Com, Symbiosis College of Arts and Commerce, Pune

**Professional Experience**
- University Research Chair Professor, Department of Electrical and Computer Engineering, University of Waterloo, Canada
- On the editorial board of several technical journals
- Previously professor in several prestigious universities including:
  - Purdue University, U.S.
  - Columbia University, U.S.
  - University of Essex, UK
  - INRS Telecommunications, Canada
  - McGill University, Canada
- Distinguished Visiting Professor at IIT Bombay
- Adjunct Professor at TIFR, Mumbai

**Recognitions**
- Fellow of the Royal Statistical Society

**Education**
- Ph.D., University of California, Los Angeles (UCLA)
- M.Sc., Imperial College, London
- B. Tech in Electrical Engineering, IIT Bombay

**Professional Experience**
- Assistant Professor, Computing & Mathematical Sciences and Economics at the California Institute of Technology (Caltech)
- Simons-Berkeley Research Fellow for program on Learning in Games at the Simons Institute for Theoretical Computer Science
- Research focused on intersection of Engineering, Machine Learning and Economics
- Developing tools and understanding necessary for deploying Machine Learning algorithms in societal-scale systems

**Recognitions**
- Simons Institute Research Fellowship to pursue research at the intersection of machine learning and economics

**Education**
- Ph.D., Electrical Engineering and Computer Science, University of California, Berkeley
- B.Sc., Electrical Engineering and Computer Science, Massachusetts Institute of Technology, Cambridge, MA
M. Damodaran
Lead Independent Director
Member of the Board of Directors since 2016
Year of Birth: 1947
Nationality: India

Professional Experience
• Former Chairman, Securities and Exchange Board of India (SEBI)
• Former Chairman, Unit Trust of India (UTI)
• Former Chairman, Industrial Development Bank of India (IDBI)
• Former Chief Secretary, Government of Tripura
• Career civil servant from 1971
• 40+ years of experience in financial services & public sector

Recognition
• Recipient of Director of the Year Award from Corporate Directors Forum (2012)
• EY’s Entrepreneur of the Year Finalist (2012)

Education
• LLB, University of Delhi
• B.A. (Economics), Loyola College, University of Madras

Daniel Bradbury
Independent Director
Member of the Board of Directors since 2013
Year of Birth: 1961
Nationality: U.S.

Professional Experience
• Executive Chairman, former CEO and Co-Founder of Equillium Inc., a company developing products to treat severe autoimmune and inflammatory disorders
• Managing Member, BioBrit LLC
• Member, Board of Trustees, Keck Graduate Institute, U.S.
• Director, Intercept Pharmaceuticals and several private companies and philanthropic organizations
• On the boards of leading Indian corporates as well as on the advisory boards of a few foreign entities
• Founder Chairman, Excellence Enablers Pvt Ltd, a Corporate Governance advisory firm
• Founder Chairman, Indian Institute of Management, Tiruchirappalli
• Chairman, RBI Committee on Customer Service in Banks

Recognitions
• Recipient of Director of the Year Award from Corporate Directors Forum (2012)
• EY’s Entrepreneur of the Year Finalist (2012)

Education
• International Executive Program, INSEAD, France
• Diploma in Management Studies, Harrow and Ealing Colleges of Higher Education, UK
• Bachelor of Pharmacy, Nottingham University, UK
Professional Experience
• Samuel L. Wasserstrom Professor of Neurology and Director of Evergrande Center for Immunologic Diseases at Harvard Medical School
• Institute Member, Broad Institute
• Senior Investigator, Klarman Cell Observatory project that focuses on T cell differentiation
• Holds over 50 patents
• Founded 8 different biotech companies including CoStim Pharmaceuticals and Tempero Pharmaceuticals
• Published over 400 original research papers in immunology
• Serves on scientific advisory boards and works in an advisory capacity to several companies, including Pfizer, Novartis and GlaxoSmithKline
• Senior Scientist, Brigham and Women’s Hospital, all in United States

Recognitions
• Dystel Prize for MS Research, National Multiple Sclerosis Society, New York and American Association of Neurology (AAN) (2021)
• AAI 2021 Distinguished Fellow Award, American Association of Immunologists, Rockville, MD (2021)
• ICIS 2020 BioLegend William E. Paul Award, International Cytokine Society, Oradell, NJ (2020)
• Milestones in Research Award, National M.S. Society, New York (2019)
• William E. Paul Distinguished Innovator Award, Lupus Research Alliance, New York (2018)
• Newsome-Davis Lecture, International Society of Neuroimmunology (2016)
• Garber Lecture, French Society of Immunology (2014)
• Eberly Distinguished Lecture, University of Pittsburgh (2014)
• Peter Doherty Distinguished Lecture and Prize (2014)
• Ranbaxy Science Foundation Prize, Award in Medical Research (2011)
• The Javitz Neuroscience Investigator Award, National Institutes of Health, Bethesda, MD (2002-2009)
• N.I.H. FIRST Award (1992)
• Fred Z. Eager Research Prize for best Ph.D. research thesis at the University of Queensland (medal and cash prize) (1985)
• D.B. Duncan Fellowship, (annual USD 10,000) by Queensland Cancer Fund to a young scientist in Australia for cancer research. Recipient of the Daniel Walker McLeod Bursary, Faculty of Veterinary Medicine, University of Queensland (1984)
• Commonwealth Foundations Travel Award to undertake higher studies in Australia (1980)
• Indian Council of Agricultural Research graduate scholarship (based on National competition) (1976)
• University Merit Scholarship (1972-1976)

Education
• Ph.D., University of Queensland, Brisbane, Australia
• Fogarty International Fellow at The National Institutes of Health, Bethesda

Dr. Vijay Kuchroo
Independent Director
Member of the Board of Directors since 2015
Year of Birth: 1955
Nationality: U.S. / OCI
Bobby Parikh  
*Independent Director*  
Member of the Board of Directors since 2018  
**Year of Birth:** 1964  
**Nationality:** India

**Professional Experience**
- Founder, Bobby Parikh Associates  
- Co-founder, BMR Advisors  
- Has been a member of several trade and business associations  
- Member of the advisory or executive boards of non-governmental, not-for-profit organizations and private as well as listed Indian companies  
- Director of several private companies and a public company in pharmaceutical, healthcare, technology and financial services sectors  
- CEO, EY in India  
- Country Managing Partner, Arthur Andersen  
- Works closely with regulators and policy formulators  
- Over 30 years of experience in advising several private equity investors, banking groups, investment banks, brokerage houses, fund managers and other financial services intermediaries

**Education**
- Chartered Accountant, Institute of Chartered Accountants of India  
- B.Com, University of Mumbai

Mary Harney  
*Independent Director*  
Member of the Board of Directors since 2012  
**Year of Birth:** 1953  
**Nationality:** Ireland

**Professional Experience**
- Former Deputy Prime Minister of the Republic of Ireland (1997-2006)  
- President of EU Council of Ministers during Irish presidency  
- First woman leader of an Irish political party  
- Youngest member of the Senate at the time and longest-serving female member of the Irish Parliament  
- Director of several private companies and a public company in pharmaceutical, healthcare, technology and financial services sectors  
- Chancellor, University of Limerick  
- Chairperson, Pharmed Ltd  
- Board member, Diona Technology  
- Board member, Brindley Healthcare  
- Board member, HealthBeacon plc  
- Chancellor, University of Limerick Foundation

**Recognitions**
- Won European awards as employment minister for promoting science and innovation

**Education**
- B.A. (Economics and Social Studies), Trinity College, Dublin  
- Honorary Doctorate, Trinity College, Dublin
Naina Lal Kidwai
Additional Director
(Category: Independent Director)
Member of the Board of Directors since 2022
Year of Birth: 1957
Nationality: India

Professional Experience
• Additional Director and Senior Advisor, Rothschild India
• Senior Advisor, Advent International
• Non-Executive Director on the boards of Holcim, Max Financial Services, Nayara Energy, Gland Pharma, UPL
• Chairperson, Financial Services Working Group of the BRICS Business Council
• Member, INDO-ASEAN Business Council
• Member, Harvard Business School’s South Asia Advisory Board
• Member, Standard Chartered Bank’s International Advisory Council
• Member, Mission Board of the global EQUITIES Future Fund
• Member, India Advisory Council of U.S.-India Business Council (USIBC)
• Member, Army Group Insurance Fund’s investment advisory committee
• Trustee, Asia House in the UK
• Member, Board of Shakti Sustainable Energy Foundation
• Member, International Advisory Council of the United Nations Environment Program (UNEP)
• Chairperson, FICCI Water Mission and India Sanitation Coalition
• Commissioner, The Global Commission on the Economy and Climate
• Member, Advisory Board, Wildlife Conservation Trust
• Member, The Rockefeller Foundation Economic Council for Planetary Health
• Former Executive Director, HSBC Asia Pacific
• Former Chairperson, HSBC India
• Served 12 years as a Non-Executive Director on the global board of Nestlé
• Past President, Federation of Indian Chambers of Commerce & Industry

Recognitions
• Padma Shri
• Alumni Achievement Award, Harvard Business School

Education
• MBA, Harvard Business School
• BA, Economics, Lady Shri Ram College for Women

Key Expertise of the Board

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Research &amp; Innovation</th>
<th>General Management</th>
<th>Finance &amp; Risk Management</th>
<th>Corporate Governance &amp; Compliance</th>
<th>Global Healthcare</th>
<th>Technology &amp; Digital Perspective</th>
<th>Scientific Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Siddharth Mittal</td>
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</tr>
<tr>
<td>Prof. Ravi Mazumdar</td>
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<td>✔</td>
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<tr>
<td>Dr. Eric Mazumdar</td>
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<tr>
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<tr>
<td>Daniel Bradbury</td>
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<td>✔</td>
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<td></td>
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</tr>
<tr>
<td>Dr. Vijay Kuchroo</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Mary Harney</td>
<td>✔</td>
<td></td>
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<td></td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bobby Parikh</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naina Lal Kidwai</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Scientific Advisory Board

Satish K. Garg MD, DM
Professor of Medicine and Pediatrics, Garg Endowed Chairs & Director Adult Program, Barbara Davis Center for Diabetes, University of Colorado, Denver + Editor-in-chief of Diabetes Technology and Therapeutics journal since 2006 + Chair of the planning committee for Clinical Therapeutics and New Technology area for 2007 & 2008 Annual ADA meetings + Member of several Endocrine and Diabetes Societies + On the editorial boards for many diabetes journals globally + Published more than 285 original manuscripts in peer-review journals and several book chapters.

John Petrie Ph.D.
Professor of Diabetic Medicine, Institute of Cardiovascular & Medical Sciences, University of Glasgow + President, European Group for the Study of Insulin Resistance + Lead author of a statement on the risks and benefits of Insulin Pumps in 2015 + Member of the joint ADA and European Association for the Study of Diabetes (EASD) Technology Committee + Associate Editor of the journal EASD, Diabetologia and joined its Advisory Board in 2014 + Currently, Senior Associate Editor of the journal Cardiovascular Endocrinology + Served in the grant-awarding panels of multiple reputed organizations like NIH, JDRF etc. + Authored more than 100 publications in peer-reviewed journals.

Vijay Kuchroo
DVM Ph.D.
Samuel L. Wasserstrom Professor of Neurology and Director of Evergrande Center for Immunologic Diseases at Harvard Medical School, U.S. + Senior Scientist at Brigham and Women’s Hospital & Co-Director of the Center for Infection and Immunity at the Brigham Research Institute, Boston + Associate member of the Broad Institute + Participant in a Klarman Cell Observatory project that focuses on T-cell differentiation + Named ‘Distinguished Eberly Lecturer’ in 2014 + Recipient of Peter Doherty Award for Excellence in STEM in 2014 + Holds 25 patents and numerous publications + Founded 5 different biotech companies including, CoStim Pharmaceuticals and Tempero Pharmaceuticals + Serves on scientific advisory boards and works in advisory capacity to several internationally recognized pharmaceutical companies + Javits Neuroscience Award by NIH.

Shashank R. Joshi MD
President of Indian Academy of Diabetes + Immediate Past President, API (Association of Physicians of India) (2014-15) + Past President of Endocrine Society of India + Past President of RSSDI (Research Society for Study of Diabetes in India) + Consultant Endocrinologist at Lilavati and Bhatia Hospitals & Joshi Clinic + Former faculty at Grant Medical College and Seth GS Medical College in Medicine and Endocrinology + Practicing Endocrinologist and Diabetologist + Fellow of the American College of Endocrinology (USA), American College of Physicians (USA) + Fellow of the Royal College of Physicians (London, Glasgow and Edinburgh) + 800 research publications + Emeritus Editor of JAPI (Journal of The Association of Physicians of India) + Ex Editor of Indian Journal of Obesity, Indian Journal of Endocrinology and Metabolism and Indian Journal of Clinical Pharmacology and Therapeutics and several other leading medical journals + Affiliated to several leading hospitals of the city including Lilavati, Bhatia Hospitals & AIAARO (All India Association of Advancement for Research in Obesity, IASO Affiliate) + Past Chapter Chair (India), American Association of Clinical Endocrinology (AACE) + Visiting faculty to several Indian and International Universities + Actively involved with evidence based work in Endocrinology including Diabetes, Obesity, Thyroid, Osteoporosis and Growth + Awarded “International Clinician of the year 2012” by the American College of Endocrinology + Conferred “Padma Shri” in 2014 by Government of India.
Business Segments Review

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A Year of Transformative Developments

To truly transform, businesses need to rethink how they will create value today and in the future. In FY22, the Biocon Group demonstrated its prowess at agile reinvention by adding new growth avenues, which include two strategic moves and multiple new investments that will generate both inorganic and organic growth momentum in the decade ahead.

Biocon Biologics debuted on the DJSI Emerging Markets Index with a 93rd percentile position and a Total Sustainability Score of 45 for its progressive Environmental, Social and Governance (ESG) practices.

Biocon Biologics announced a landmark acquisition of the global biosimilars business of its long-term partner Viatris for USD 3.335 billion in cash and stock.

Biocon Biologics announced the world’s first interchangeable biosimilar approval from the U.S. FDA for its bGlargine (Semglee*).

*Our partner Viatris’ brand
Biocon Biologics signed a strategic alliance with Serum Institute Life Sciences, marking an ‘asset-light’ and accelerated entry into vaccines.

Biocon Biologics successfully advanced two unpartnered antibody programs, bUstekinumab and bDenosumab, to the clinical phase.

Biocon Limited executed a ‘Day 1’ U.S. launch of Everolimus 10 mg tablet, a generic formulation for treating certain cancers and tumors.

Biocon Limited partnered with Tabuk Pharmaceuticals to commercialize its specialty generic medicines in the Middle East, expanding the global presence of the Generic Formulations business.

Biocon Limited completed 34 product filings globally for APIs, as well as 28 filings for formulations in FY22.

Syngene expanded its bio-manufacturing capacity, commissioning a state-of-the-art microbial facility and enlarging its mammalian facility.

The European Medicines Agency’s Committee for Orphan Medicinal Products granted an orphan medicinal product designation to Itolizumab for the treatment of both acute and chronic graft-versus-host disease.

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Our Vision

To enhance global healthcare through innovative and affordable biopharmaceuticals for patients, partners and healthcare systems across the globe.

Our Values

- Integrity and Ethical Behavior
- Performance-Driven Work Culture
- Value Creation through Innovation and Differentiation
- Quality through Compliance and Best Practices
- Collaboration, Team Work and Mutual Respect
Our Generics Business

Reengineering the Generic Code
Our Generics Business

Executive Leadership Team

Siddharth Mittal
Managing Director and Chief Executive Officer

Amitava Saha
Chief Human Resources Officer

Vijaya Kumar S
Head, Operations

Indranil Sen
Chief Financial Officer

Abhijit Zutshi
Commercial Head, Global Generics

Nehal Vora
Commercial Head, Global APIs

Manoj Kumar Pananchukunnath
Head, R&D and Regulatory Sciences

Prasad Deshpande
Head, Supply Chain and Central Engineering

Sriram AV
Head, Quality
Our Generics Business

Reengineering the Generic Code

The Generics business, which contributed 28% of consolidated group revenues at ₹23,409 million in FY22, saw a resurgence in its performance during the second half of the fiscal, driven mainly by new product launches and an uptick in our Active Pharmaceutical Ingredients (API) business.

Year-on-year growth, however, remained flat, as the business was confronted with COVID-related headwinds in the first half of the year. Operational and supply chain challenges impacted our API manufacturing, while continued pricing pressure and increases in the price of solvents and reagents, as well as a surge in logistical costs affected margins. Revenue growth in the first half of the fiscal was also subdued on account of stockpiling of APIs by customers during the same period in the previous fiscal, i.e. FY21, anticipating COVID-related disruptions at the time. Additionally, travel restrictions delayed facility inspections by regulatory authorities, impacting our product approvals, and consequently, launches and regional expansion plans. On the positive side, meticulous planning and our vertical integration strategy enabled our Generic Formulations business in the U.S. to fulfill customer demand, with no backorders throughout the pandemic.
The year ended on a reassuring note as business saw a recovery in the second half. New products that launched during the year, particularly Everolimus, supported a revival in growth. The API segment too saw the benefit of renewed demand from customers towards the later part of the fiscal. Supply chain disruptions began to abate, and operations slowly but surely began to return to normalcy.

During the year, our API business saw a consistent performance of its immunosuppressants portfolio. The business focused on sustaining its base business, new product launches, and expansion into regions such as China, Japan and Russia. Long-term strategic arrangements were entered into with key customers and customer lock-ins were secured for some important new product launches.

All of these factors provided the impetus for a healthy sequential as well as year-on-year growth in the third and fourth quarters of the fiscal.
Strengthening Our Product Portfolio

Our statins portfolio in the U.S., comprising Atorvastatin, Simvastatin and Rosuvastatin, retained its market share despite continued pricing pressure.

Reaffirming our commitment to establish a global footprint for our formulations to treat chronic conditions, we launched five products in the U.S. in FY22. The year began with the launch of Labetalol Hydrochloride tablets, used in the treatment of high blood pressure and to help prevent cardiovascular complications, and Esomeprazole Magnesium Delayed-Release capsules, a proton pump inhibitor, indicated in the treatment of gastroesophageal reflux diseases. This was followed by the key launch of Everolimus tablets, a generic version of Afinitor®. A prescription medication used to treat certain types of cancers and tumors, it was introduced in four dosage strengths, with the 10mg strength being a ‘Day-1’ generic launch. Posaconazole, a vertically integrated anti-fungal drug, and Dorzolamide, an ophthalmic product, were launched in the fourth quarter of the fiscal.

Leveraging our product pipeline of niche, difficult-to-make molecules, we secured several drug approvals in FY22. The U.S. FDA approved our ANDA for Mycophenolic Acid, which is indicated for the prophylaxis of organ rejection in adult patients receiving kidney transplants and is available in 180mg and 360mg strengths. We also received several product approvals in MoW markets during the year.

In FY22, we completed 34 product filings globally for APIs, including five in the U.S., and 28 filings for formulations, out of which 11 were in the U.S.

Expansion Into Regional Markets

While we continue to consolidate and grow our business in the U.S., we believe it is strategically important to drive growth and expand our footprint in other regions as well.

We commenced our first Most of the World (MoW) market supply of Tacrolimus Capsules in Mexico this fiscal.

We also signed a partnership deal with Tabuk Pharmaceutical Manufacturing Company, a fully-owned subsidiary of Astra Industrial Group, to commercialize select specialty generic medicines in the Middle East region. Under the terms of this agreement, Tabuk Pharmaceuticals will hold the marketing authorization for these products and will be responsible for registering, importing and promoting in Saudi Arabia and other Middle East countries. This development paves the way for expansion into the Middle East and North Africa (MENA) region and is another important milestone in our journey to providing patients around the globe with affordable medications by establishing a strong global portfolio of products, either directly or through strategic partnerships.
Strengthening Quality

Adherence to the highest quality and compliance standards have always taken priority at Biocon. In keeping with this philosophy, we continuously look at ways to strengthen our quality culture and improve our systems and processes to best-in-class regulatory standards.

Digitization is a critical part of our strategy and plays an important role in ensuring consistency of quality and process efficiency. We have implemented multiple digitization initiatives, such as a Quality Management System, Scientific Data Management System, Regulatory Information Management System and Lab Information Management System to ensure quality excellence and compliance. To this end, we have also commenced a project to simplify Batch Manufacturing Records (BMRs) and Standard Operating Procedures (SOPs) for major commercial products across sites.

A Learning Management System that was implemented ensures that our employees are put through regular training programs and refresher courses to equip them with a thorough knowledge of current Good Manufacturing Practices and regulatory requirements.

During the year, we went through various regulatory audits at some of our key sites, with successful outcomes. At our Oral Solid Dosage (OSD) facility in Bengaluru, the U.S. FDA conducted a Remote Interactive Evaluation (RIE) in September 2021, which was a pre-approval review for ANDAs filed earlier. The facility also secured a certificate of Good Manufacturing Practice (GMP) from the Medicines and Healthcare Products Regulatory Agency (MHRA), U.K. based on a remote inspection. The certificate included manufacturing and packaging of tablets and capsules in the non-potent and potent blocks of the facility.

Furthermore, the Maltese authorities conducted a Wholesale Dealer License (WDL) and Manufacturing/Importation Authorization (MIA) inspection, and thereafter, granted us a Certificate of Good Distribution Practice (GDP) of a Wholesale Distributor, that enabled us to import and market our products in the European Union. Towards the end of the fiscal, Health Canada also conducted a remote inspection of our API manufacturing unit in Bengaluru and rated it as ‘Compliant’.

While these outcomes validate the importance we place on quality excellence, we will continue to focus on strengthening our quality management systems across the organization.

Manufacturing Expansion

Our capacity expansion projects, which are important in driving long-term value for the business, have been making progress. Our greenfield, fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam will be commissioned in the first half of FY23, followed by qualification and validation.

This will be our first facility to be Industry 4.0 enabled and will add the much-needed capacity boost to serve our customers better and drive operational efficiencies and compliance.

We have commenced work on a new synthetic API plant that will come up within our Hyderabad facility, as well as a new injectable plant that will come up at Biocon Park, Bengaluru. We have also firmed up plans to repurpose some of our existing API facilities in Bengaluru and Hyderabad to cater to the growing customer demand for a couple of other key products. All of these CAPEX investments are important in providing further impetus to our future growth.
**Cost Competitiveness**

The pricing pressure that the business is encountering is unlikely to diminish any time soon. If anything, it will most likely intensify. We recognize the fact that the only way to stay competitive is by reducing the cost of the product.

Towards this objective, a number of measures have been instituted across the organization. These include setting up a cross-functional Governance Committee and a defined process that ensures the right selection of products for a Cost Improvement Project (CIP), maximizing the use of renewable power across sites, and a continuous process improvement using the Kaizen approach, to name a few. Several CIPs are at various stages of execution, along with new ones that have been identified to de-risk the supply chain, such as the qualification of alternate vendors and the recovery of solvents, to alleviate the pressure of rising raw material costs.

We will continue to identify and implement initiatives that enable us to take our products to market at the right time and cost.
**People Focus**

If there was one factor that enabled the business to successfully confront the challenges we faced during the year, it was the grit and resilience of our employees, who went beyond the call of duty to steer the business through the turbulence.

We have introduced several initiatives that enable employees to fulfill their individual career development aspiration, thereby, helping retain talent.

We launched an in-house career portal called MyCareer, which recommends roles to employees based on their career aspirations, experience and skills, which enables and empowers them to drive their career growth through opportunities within the Company. Our internal job posting process now opens up most vacant positions for employees, before looking for talent outside the Company. This is also a step toward building a role-based organization, where an employee’s growth potential is given as much importance as the technical skills required for a particular role.

Digitalization of the entire employee life cycle, from sourcing and hiring to talent development, career progression and separation, has brought about data-backed decision making, efficiencies and standardization, ultimately resulting in a better employee experience.

We continue to attract and retain a diverse set of talent and aspire to reach a balanced gender ratio by the end of the decade. In line with that, over 200 women employees joined us in FY22. Furthermore, to attract the right talent in an efficient and unbiased manner, we introduced Artificial Intelligence (AI) in talent acquisition, whereby profiles are ranked against job descriptions and shortlisted candidates are taken through video interviews.

The well-being of every employee is important to us and we continue to provide care and wellness programs to improve their health and productivity. To develop our leadership pipeline and create future leaders, we partnered with leading organizations to chart the development journey of high-potential employees.

**Outlook**

The outlook for the Generics business continues to look promising, with the global market expected to grow around 50% by 2030 by most estimates, owing largely to the increasing demand for more affordable generics products, a large number of branded drug product patents expiring and initiatives by governments around the globe to promote affordable healthcare. As the industry re-evaluates its operating model, its growth will rely on its ability to manage the entire value chain more efficiently to become more agile and flexible against shifting paradigms.

We continue to deliver on our mission to improve access to affordable quality medicines for patients across the world. Our focus will remain on growing our portfolio by expeditiously commercializing new products, expanding manufacturing capacities, exploring new cost improvement projects, and leveraging the digital ecosystem to capitalize on the growth opportunities in the generics market.
Drug innovation that pushes scientific frontiers and creates new knowledge can be breakthrough in its impact to human existence. This is what we are trying to do through our Novel Biologics business.

Our portfolio of novel assets comprises an exciting combination of early and advanced stage programs in the therapeutic areas of oncology and autoimmune / inflammatory diseases. All the programs are proceeding as per schedule.
**ITOLIZUMAB**

Our novel molecule, Itolizumab, is currently being developed for indications such as acute graft-versus-host disease (aGVHD) and systemic lupus erythematosus (SLE) or lupus nephritis (LN) by our U.S.-based partner Equillium.

Equillium initiated a Phase III clinical study of Itolizumab in patients with aGVHD in March 2022. The randomized, double-blind study will assess the efficacy and safety of the drug versus placebo as a first-line therapy in combination with corticosteroids.

Equillium also expanded the Part B portion of its Phase I b study for SLE and LN indications to clinical centers in India after observing positive trends in the Part A portion of the clinical trial.

In July 2021, the European Medicines Agency’s Committee for Orphan Medicinal Products granted an orphan medical product designation to Itolizumab for the treatment of both acute and chronic GVHD. This was a milestone for Biocon as we intend to develop this drug for patients in Europe upon regulatory approval.

Itolizumab has been at the forefront of our fight against COVID-19 in India, after we repurposed it for the prevention and treatment of Cytokine Release Syndrome (CRS) in moderate to severe Acute Respiratory Distress Syndrome (ARDS) patients due to COVID-19. We completed our Phase IV study of Itolizumab to treat CRS in moderate to severe ARDS patients.

**BICARA**

Our Boston-based associate, Bicara Therapeutics, continued to make progress on its lead molecule, BCA101. BCA101 is a bifunctional antibody designed to target a TGF-ß trap to EGFR-positive tumors by inhibiting epidermal growth factor receptor (EGFR) and disabling TGF-ß directly at the site of the tumor, ideally achieving superior anti-tumor efficacy with an improved therapeutic window.

BCA101 has a potential to target multiple tumor types and has a higher local tumor concentration of immuno-modulatory arm resulting in a better therapeutic window. A first-in-human, Phase I / II study in EGFR-driven tumors was activated in July 2020 at leading institutions in the U.S. and Canada.

Bicara completed enrollment for the dose finding part of the Phase I trial as a single agent and in combination with a PD1 inhibitor for patients with EGFR-driven advanced solid tumors. Bicara established the highest dose with desired level of safety and tolerability for both formats. Proof of concept is expected in the second half of 2022.

Following the completion of this study, in February 2022, Bicara initiated dose expansion cohorts evaluating BCA101 in patients with head and neck squamous cell carcinoma (HNSCC), squamous cell carcinoma of the anal canal (SCAC) and cutaneous squamous cell carcinoma (cSCC).

Bicara has secured external funding to support clinical development of BCA101 and its pipeline. This has further diluted Biocon’s stake in Bicara.
Our Biosimilars Business

Changing to Win; Transforming to Lead
Biocon Biologics Limited

Board of Directors

Kiran Mazumdar-Shaw
Executive Chairperson

Dr. Arun Chandavarkar
Managing Director

Bobby Parikh
Independent Director

Daniel Bradbury
Independent Director

Russell Walls
Independent Director

Peter Piot
Independent Director

Thomas Roberts
Non-Independent Non-Executive Director

Nivruti Rai
Independent Director
Biocon Biologics Limited

Executive Leadership Team

Dr. Arun Chandavarkar
Managing Director

Shreehas Tambe
Deputy Chief Executive Officer

Chinappa MB
Chief Financial Officer

Dr. Anuj Goel
Chief Scientific Officer

Dr. Sandeep N Athalye
Chief Medical Officer

Susheel Umesh
Chief Commercial Officer, Emerging Markets

Matthew Erick
Chief Commercial Officer, Advanced Markets

Paul Thomas
Chief Commercial Officer U.S., Business Development & Licensing

Ganesh Reddy
Global Head, Biologics Manufacturing

Kiran Kumar Gandhirajan
Site Head, Malaysia

Seema Ahuja
Chief Communications Officer

Akhilesh Nand
Company Secretary and Chief Legal, Risk & Compliance Officer

Amitava Saha
Chief Human Resources Officer, Biocon Group

Naveen Narayanan
Chief Human Resources Officer
DEPUTY CEO’s REVIEW

Shreehas Tambe
President & Deputy CEO, Biocon Biologics
Deputy CEO’s Message

Laying the Runway to Growth

Just when we had begun to think that we had got the better of the coronavirus, it hit back with a vengeance. This time, even harder than it did in 2020. FY22 began under the gloom of the second wave of the COVID-19 pandemic. The devastation it left behind was unprecedented, with a cascading impact on global health, economy and life in general. It changed the world as we knew it. It was against this backdrop, that we, at Biocon Biologics, set out our Three Top Priorities – Strengthen the Core, Accelerate Growth and Invest in the Future.

Strengthen the Core

A key focus area was to ensure that the business delivered a profitable growth on a year-on-year basis and a steady sequential increase over each preceding quarter. In FY22, Biocon Biologics’ revenues grew by 24% over the previous year to ₹34,643 million. Focus on business priorities and operational performance led to an improvement in the quality of our earnings. This was reflected in our Core EBITDA, which is EBITDA less licensing, forex, mark-to-market loss on investments and R&D expense, which grew 30% over FY21. With an increase in market share of our commercialized biosimilars and launches in over 25 new markets, we were able to further our mission to broaden access to essential therapies. In FY22 alone, Biocon Biologics served over 5 million patients through our lifesaving drugs.

Investing in our biosimilars development pipeline has been a top focus and we continue to invest in R&D to advance our portfolio. In FY22, two of our Wave 2 biosimilar assets, bUstekinumab and bDenosumab, entered the clinic. Having now exercised the option to acquire Viatris’ rights in bAflibercept, which is ‘first to file’ with the U.S. Food and Drug Administration (FDA), we have opened a market opportunity of ~USD 20 billion in innovator sales for our Wave 2 biosimilar assets.

Accelerate Growth

On July 28, 2021, the U.S. FDA made a historic decision when it approved bGlargine (Semglee*), co-developed by Biocon Biologics and Viatris, as the first interchangeable biosimilar insulin product to improve glycemic control.

*Our partner Viatris’ brand
in adults and pediatric patients with Type 1 diabetes mellitus and in adults with Type 2 diabetes mellitus. Semglee (insulin glargine-yfgn) was approved both as biosimilar to and interchangeable with (can be substituted for) its reference product Lantus (Insulin Glargine), a long-acting insulin analog. Semglee (insulin glargine-yfgn) is the first interchangeable biosimilar product approved in the U.S. for the treatment of diabetes. Acting FDA Commissioner Janet Woodcock, M.D. called it a “…momentous day for people who rely daily on insulin for treatment of diabetes...” Our bGlargine sales in the U.S. have been the most significant contributor in accelerating growth in FY22. The interchangeability status allowed us to get a preferred listing at some of the largest formularies, which helped us to rapidly ramp-up market share in the U.S.

Business in Emerging Markets also saw significant acceleration with our insulins and bTrastuzumab leading the way. Recently, we won a three-year contract for rh-Insulin in Malaysia, valued at ~USD 90 million, continuing our long-standing relationship with the Ministry of Health (MoH), Malaysia. With sales from Malaysia ramping up, our Malaysia operations turned profitable in the fourth quarter of FY22. Insulins and bTrastuzumab sales in several Latin American markets and the Africa and Middle East region also contributed to growth in the business.

The Branded Formulations India business made us proud as the team went out of the way to ensure continuity in supply of our lifesaving drugs all through the pandemic. Our Critical Care division, armed with ALZUMAb-L (itolizumab) and other products, worked tirelessly with doctors across the country to help manage COVID-19 patients. This made a significant contribution to the India business in the first half of FY22. Most importantly, they touched ~40,000 patients' lives during the year. In FY22, our Branded Formulations India business recorded a growth of 35% over last year on the back of strong performance across therapeutic areas.

**Invest in the Future**

Even as we have continued to strengthen our biosimilars portfolio to broaden access to patients, our investments so far have focused on debilitating non-communicable diseases. The COVID-19 pandemic and the ensuing crisis exposed the inequity in access to global health, particularly when combating communicable diseases. Biocon Biologics has demonstrated scientific credibility, global-scale manufacturing and a proven track record of commercial success across geographies. Our strategy of “Expanding on Adjacencies” is about leveraging our strengths to invest in growth drivers for the future. The strategic alliance with Serum Institute Life Sciences (SILS) is an important step in that direction as we expand into developing vaccines as a potential future growth driver. The ‘asset-light’ deal structure of this alliance with the world’s largest vaccine maker has ensured that Biocon Biologics has access to assured vaccine manufacturing capacity for the next 15 years. This investment becomes accretive to the P&L from the second half of FY23 as we work through the statutory approval process.
The acquisition of Viatris’ global biosimilars business accelerates our vision of building a unique, vertically integrated biologics company. In addition to the immediate accrual of economic benefit to the P&L, this deal enables Biocon Biologics with direct presence in the advanced markets of U.S., Canada, EU, Australia and New Zealand, in addition to several emerging markets. With biosimilars gaining ground globally, particularly in the U.S., and several products from our portfolio lined up for market entry in the near term, the timing of this deal couldn’t have been better. This deal will provide Biocon Biologics greater agility in decision-making and help improve operational efficiencies in supply chain, capital allocation and distribution, and will also bring us closer to patients.

**The Way Ahead**

The coronavirus has morphed to a new variant today and it is possible that there may be more in future, but our achievements show that we have learnt and adapted quickly and are now stronger than ever before. Our track record of endurance, tenacity and more importantly a strong sense of purpose continues to differentiate us and has allowed us to win. With the core business back on track and key products accelerating growth, Biocon Biologics is well placed to leverage its strengths and realize the full potential of the strategic investments that we have made, in the coming years.

Thank You.

Yours sincerely,

Sd/-

**Shreehas Tambe**

President & Deputy CEO

Biocon Biologics

May 27, 2022
Our Biosimilars Business

Changing to Win; Transforming to Lead

Biologics represent the cutting-edge of biomedical research, and biosimilars present an enormous opportunity to provide affordable access to these advanced therapies. Biosimilars can bring in a transformational shift in the treatment paradigm of life-threatening conditions for patients worldwide. We are witnessing a gradual increase in biosimilar adoption, and greater clarity around scientific expectations and the regulatory pathway will further drive a higher uptake of biosimilars globally. To provide patient access to affordable biologics and enable health equity, Biocon Biologics is developing a strong portfolio of biosimilars that will address a USD 70 billion* global market opportunity by FY27.

FY22 was a transformative year for Biocon Biologics as we acted to Strengthen the Core, Accelerate Growth and Invest in the Future. We announced the acquisition of Viatris’ global biosimilars business to get closer to patients and entered a strategic alliance with Serum Institute Life Sciences (SILS) in line with our strategy of ‘Expanding on Adjacencies.’

We believe these strategic moves will fundamentally transform the Company’s position and growth trajectory for sustainable value creation in the coming years.

* Market opportunity size of Biocon Biologics’ portfolio based on reported CY 2021 sales of originator brands and biosimilars
Creating a Unique, Fully Integrated Biosimilars Leader

Strategic Move to Acquire the Global Biosimilars Business of Viatris

The strategic decision to acquire the global biosimilars business of our long-term partner Viatris for USD 3.335 billion in a ‘cash and stock’ deal is a historic inflection point in Biocon Biologics’ journey to become a world leading, fully integrated biosimilars enterprise.

Building Out Commercial Capabilities in Developed Markets

Our collaboration with Viatris for over a decade led us to combine our advanced R&D strengths and robust manufacturing capabilities in biosimilars with our partner’s regulatory and commercialization expertise in developed markets to together achieve many ‘firsts’ and set new global benchmarks.

By bringing together the complementary capabilities and strengths of both partners, this acquisition will help us add regulatory, supply chain and commercialization competencies in U.S., UK, EU, Canada, Australia and New Zealand, as well as key emerging markets.

Direct commercial presence in these markets will support our existing and future pipeline of products. It will take us closer to patients, payors and healthcare systems and strengthen our position as a global biosimilars player.

Fortifying our Biosimilars Portfolio

The deal with Viatris will allow us to have full rights on our partnered assets and Viatris’ rights for in-licensed products like bAdalimumab and bEtanercept.

As a part of this deal, Biocon Biologics has also exercised the option to acquire Viatris’ rights for its bAflibercept asset, a proposed biosimilar to Regeneron’s Eylea, which is indicated for use in multiple ophthalmology indications. Viatris has been the ‘first to file’ for a biosimilar Aflibercept in the U.S.

This acquisition of bAflibercept will expand our portfolio.
Improving our Financial Health

Currently, Viatris enjoys majority of the economic benefit from our partnered biosimilars portfolio. Upon closing of the transaction, Biocon Biologics will realize the full revenue and associated profits from these products; a step-up from the existing arrangement.

Biocon Biologics expects Viatris’ biosimilars business to contribute over USD 1 billion in revenue in CY23.

The deal will expand Biocon Biologics’ EBITDA base and strengthen our overall financials, enabling investments in product portfolio and geographical expansion for sustained long-term growth.

Financial Details of the Transaction

Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in Biocon Biologics valued at USD 1 billion, equivalent to an equity stake of at least 12.9% on a fully diluted basis.

The cash consideration for the acquisition comprises USD 2 billion payable on closing of the transaction and up to USD 335 million deferred payments expected to be paid in 2024.

The deferred considerations include USD 175 million to be paid for the acquisition of Viatris’ rights in its bAflibercept. Viatris will pay USD 50 million to Biocon Biologics to fund certain capital expenditures.

Biocon Biologics will enter into a Transition Service Agreement with Viatris, for an expected two-year period, encompassing commercialization and other services.

Cash payment of USD 2 billion will be funded by ~USD 800 million raised through equity infusion in Biocon Biologics and the remainder will be funded by debt. The equity infusion will see participation from existing and potential investors.

We have firm commitments from lenders for debt financing.

Viatris will designate Rajiv Malik, President of Viatris, to serve on the Biocon Biologics Board of Directors.

Creating Long-Term Value

Our longstanding relationship with Viatris positions us well to integrate seamlessly and rapidly. Vertical integration will drive operational efficiencies and business agility, thereby underpinning cost competitiveness. This acquisition will make us future-ready and help us accelerate our strategy of building a direct commercial presence in developed markets for our next wave of biosimilars.

As a fully integrated global company, we will be able to enhance patient access, reduce healthcare inequities worldwide and drive immense value for all our stakeholders.
Viatris Will Receive up to USD 3.335 billion in Cash & Stock

USD 3.335 Bn
(Additional payments to be paid in 2024)

USD 2 Bn
Cash Payment at Closing

USD 1 Bn
Payment in Equity*
(CCPS)

*CCPS: Compulsorily Convertible Preference Shares equivalent to equity stake of at least 12.9% on a fully diluted basis

Transaction to Add Financial Depth, Commercial Capabilities

1. Financial
   - Biocon Biologics to realize full revenue and profits from all its collaboration programs

2. Operational
   - Commercialization*, Supply Chain and Regulatory capabilities in Developed Markets

3. New Growth Drivers
   - Launch of collaboration products in the U.S.
   - Exercised option for new in-licensed biosimilar asset

Revenue
USD 1.1 bn

EBITDA
USD 250 mn

Viatris Biosimilars CY23 estimate

* Viatris to provide commercial and transition services for an expected two-year period.

1 Biocon Biologics’ estimates of acquired Viatris’ business

Viatris will have one nominee on the Board of Biocon Biologics

bBevacizumab
bAspart
bAdalimumab
bAflibercept

Biocon Biologics to realize full revenue and profits from all its collaboration programs

Commercialization*, Supply Chain and Regulatory capabilities in Developed Markets

Launch of collaboration products in the U.S.
Exercised option for new in-licensed biosimilar asset

USD 1 Bn Payment in Equity*
(CCPS)

Viatris Will Receive up to USD 3.335 billion in Cash & Stock
Positioned for Value Creation Through Vaccines

Strategic Alliance with Serum Institute Life Sciences

The COVID-19 pandemic has led the world to acknowledge the serious threat posed by viral and other infectious diseases and the role that biologics such as vaccines and antibodies have in addressing this danger.

Realizing the acute need for an effective treatment for people hospitalized with COVID-19 and those at risk of developing severe illness, Biocon had repurposed its novel antibody, Itolizumab, to treat patients experiencing moderate to severe Acute Respiratory Distress Syndrome (ARDS) due to COVID-19. We also in-licensed a novel monoclonal antibody therapy from U.S.-based Adagio Therapeutics for the prevention and treatment of COVID-19.

Vaccines and antibodies for infectious disease are a natural adjacency to Biocon Biologics’ existing capabilities in biologics for non-communicable diseases. The strong synergies between our existing capabilities and the evolving demand for biologics or vaccines against infectious diseases led Biocon Biologics to enter into a strategic alliance with Serum Institute Life Sciences (SILS) for vaccines and infectious disease antibodies in September 2021.

Under the terms of the agreement, Biocon Biologics will offer ~15% stake to SILS, at a post-money valuation of ~USD 4.9 billion*. Serum Institute CEO, Adar Poonawala, will join Biocon Biologics’ board following the closing of the Viatris / SILS deal.

‘Asset-Light’ Entry into Vaccines
The structure of the alliance provides Biocon Biologics with an ‘asset-light’ and accelerated entry into the vaccines segment.

*Calculated as on the date of signing of the deal
Serum Institute is the world’s largest vaccine manufacturer by volume of doses produced and sold globally. It has world-class vaccines production facilities, capable of producing multi-billion doses of high quality vaccines.

Upon closing of the transaction, Biocon Biologics will get committed access to a 100 million doses of vaccines annually for ~15 years along with commercialization rights to the entire vaccines portfolio of SILS.

**Adding a Growth Pillar**

Biocon Biologics will have global commercialization rights for SILS’ vaccine portfolio, including COVID-19 vaccines.

Beyond the COVID-19 vaccines portfolio, the partnership provides access to SILS’ current development pipeline to address unmet needs in the areas of infectious and vector-borne diseases.

The SILS alliance will provide a committed annual revenue stream of nearly USD 300 million to Biocon Biologics. This will reflect in our P&L from the second half of FY23, post closing of the deal.

**Leveraging Complementary Capabilities**

Biocon’s investments in biologics over the decades have provided us a strong foundation to contribute to the global fight against infectious diseases.

Biocon Biologics’ manufacturing and R&D strengths in biologics will complement SILS’ capabilities in vaccines. The two companies will leverage each other’s commercial strengths in existing and new markets.

The deal would not only give Biocon Biologics an entry into vaccines, but it would also allow Serum Institute to participate in the global biologics space through its ~15% stake in Biocon Biologics.

Complementing each other’s capabilities and capacities will enable both companies to address the issue of access to cost-effective vaccines and biologics in emerging and developed markets and make a meaningful impact in the infectious diseases space globally.

**Future Plans**

We have agreed to establish a vaccine R&D division to support the development of both vaccines and biologics for communicable diseases, providing long-term growth drivers for this business.

Biocon Biologics will issue shares and receive the rights through a merger with Covidshield Technologies Pvt. Ltd. (CTPL), a wholly-owned subsidiary of SILS, on customary closing conditions and receipt of regulatory approvals. The Competition Commission of India (CCI) has approved the merger.
Achieving Efficient Business Growth

Financial Performance

Biocon Biologics delivered a very strong financial performance in FY22, reporting a robust top line growth with continuous profitability improvement. Revenues grew by 24% to ₹34,643 million in FY22. The growth was driven by a strong uptake of our interchangeable bGlargine in the second half of the year, improved market share of bTrastuzumab in the U.S. and an improved performance in other developed and emerging markets. Core EBITDA margin, which is EBITDA less licensing, forex, mark-to-market loss on investments and R&D expense was at 39% versus 36% in FY21. The business delivered EBITDA margins of 29% in FY22. The improved margins reflect our strong operating performance.

Business Performance

Developed Markets: Setting New Benchmarks

A key milestone in FY22 was the U.S. Food and Drug Administration’s (FDA) approval of our bGlargine 100U as the first interchangeable biosimilar product under the 351(k) regulatory pathway. There has been strong demand for our interchangeable bGlargine in the U.S. and its market share has ramped up from low single-digits at the end of 2021 to double digits in early 2022.
Historic U.S. approval for interchangeable bGlargine

In July 2021, the U.S. Food and Drug Administration deemed our bGlargine to be interchangeable with the innovator product (Lantus) under the 351(k) regulatory pathway, marking another global ‘first’ for Biocon Biologics. The decision set the precedent for approvals of other interchangeable biosimilars.

Interchangeability allows pharmacists to substitute the reference drug with the interchangeable biosimilar, thus providing a convenient and affordable alternative. It has the potential to bring significant cost savings for patients and the healthcare system as a whole. It can also maximize access to an important therapy like bGlargine, regardless of financial circumstances, insurance or channel.

U.S. FDA Commissioner Janet Woodcock hailed it as a “momentous day for people who rely daily on insulin for the treatment of diabetes”.

The interchangeability approval for our bGlargine in the U.S. is a testament to our scientific excellence and robust comparability data. It has improved the confidence of prescribers, patients and payors in our product in the U.S. and beyond.

Our interchangeable product has been listed as a preferred insulin brand on the national formularies of two leading pharmacy benefit managers (PBMs) in the U.S., Express Scripts and Prime Therapeutics, which together have a reach of over 60 million members. It will also be offered through the Walgreens Prescription Savings Club, saving members up to 80% on the cash price of comparable long-acting insulins purchased at Walgreens.

We launched our interchangeable bGlargine in the U.S. in November 2021, paving the way for interchangeable biosimilars in the region.

Making a Difference in Oncology Treatments

Our bTrastuzumab (Ogivri*)), which has made a difference to cancer patients worldwide, witnessed a gradual increase in market share in the U.S. throughout the year. It also reported a strong performance in Canada and Australia.

Our bPegfilgrastim (Fulphila*) was resilient against the competition in the U.S. market, recording an uptick in its market share versus FY21.

In Europe, both these products reported gradual improvement in performance.

Our bBevacizumab (Abevmy*) was commercialized in EU and Canada, further bolstering our oncology franchise in these markets.

Emerging Markets: Widening & Deepening our Presence

Biocon Biologics has been making biosimilars available to patients in key emerging markets through partnerships with leading local pharmaceutical players, as well as through Viatris’ commercial engine. In FY22, we ramped up our presence in emerging markets by signing 44 new partnerships across 50 countries for our products, opening growth opportunities in new and existing markets. These will be an important near-term growth driver for our emerging markets franchise. To build a direct commercial footprint in

*Our partner Viatris’ brand
emerging markets for our biosimilars, we added field force in UAE and Saudi Arabia.

During the year, our Emerging Markets business reported impressive growth, driven by higher sales of our biosimilar insulins and bTrastuzumab in the Africa Middle East and Turkey (AFMET) region.

We continued to see strong demand for a majority of our commercialized biosimilars. Our oncology portfolio led by bTrastuzumab reported strong double-digit growth, capturing close to half the market in Brazil, Indonesia and Algeria. We also commercialized our bTrastuzumab in few new markets through our partners.

We launched our bBevacizumab in Malaysia and received regulatory approvals for the product in several other emerging markets.

Our insulins, which include bGlargine and rh-Insulin, continue to retain a significant share of the market in several countries such as Malaysia, Egypt, Morocco and Mexico.

Going ahead, we expect a greater play in emerging markets following integration of the biosimilars business of Viatris.
India: Picking up Momentum
In FY22, the Branded Formulations India (BFI) business recorded a year-on-year growth of 35%. Even after excluding the sales from the COVID-19 portfolio, the Core BFI business reported a strong double-digit growth in FY22. The good performance came on the back of significant ramp-up in prescriptions for Basalog (bGlargine), improved patient acquisition and key account penetrations for oncology biosimilars such as CANMAb (bTrastuzumab) and KRABEVA (bBevacizumab), targeted engagement with healthcare professionals through judicious use of both digital and physical marketing channels. Our strategy of focusing on building strong brands is showing results. The Top 5 power brands, Basalog, Insugen, ALZUMAb-L, CANMAb and BIOMAb EGFR, identified by the India business recorded strong double-digit growth in FY22.

Our commercial team has served over 60,000 COVID-19 patients so far through our comprehensive COVID Care portfolio, including ALZUMAb-L (Itolizumab).

Expanding Insulins Access to T1D Patients
Biocon Biologics tied up with the Research Society for the Study of Diabetes in India (RSSDI), Asia’s largest organization of researchers and healthcare professionals for diabetes, to identify and train ~400 physicians in different districts across the country on the management of Type 1 diabetes. We will enable them with a free supply of our insulins portfolio to help over 1,000 children with Type 1 diabetes (T1D) from the marginalized communities who otherwise cannot afford this therapy.

Empowering Clinicians
In FY22, we trained over 5,000 physicians through over 180 workshops as part of our ABIDE 2.0 program aimed at empowering clinicians in India with continuously updated in-depth training on diabetes, through a case-based interactive approach.

Contributing to the Battle against Cancer
Our novel biologic, Nimotuzumab, was included in the Indian Cancer Guidelines and National Cancer Grid for the treatment of head & neck cancer.
Our interchangeable bGlargine, produced at our Center of Excellence (CoE) for Insulins in Malaysia, received a historic U.S. approval as the first interchangeable biosimilar under the 351(k) regulatory pathway. The strong uptake of our interchangeable bGlargine in the U.S. helped our Malaysia operations to deliver an operating profit for the first time.

In line with our aspiration of taking our biosimilar insulins to ‘one in five’ insulin-depended people with diabetes worldwide, we have been partnering with the Malaysian government since 2016. Since our entry to Malaysia in 2011, prices of human insulin have dropped by over 20% and insulinization has also improved by 30%. As the only insulin manufacturer in Malaysia, we have been able to achieve insulin self-sufficiency and improved access while providing savings to our partner, Ministry of Health (MoH), Malaysia.

MoH, Malaysia recently awarded our Malaysia subsidiary a 3-year tender worth USD 90 million (MYR 370+ million) for the supply of Insugen (rh-Insulin) products.

Encouraged by the demand for our current insulin portfolio globally and the pipeline ahead of us, we have initiated investments to expand our insulins manufacturing facility in Malaysia.
Biosimilars Pipeline: Forging Ahead

Biocon Biologics has one of the deepest and widest biosimilars pipelines globally. We have a portfolio of 20 biosimilar assets, including those partnered with Viatris and Sandoz, as well as the ones we are developing independently.

During the year, we received regulatory approvals for our key biosimilars in several advanced markets. Health Canada approved our bAspart and bBevacizumab during the year. We also received marketing authorization approval from the European Commission, TGA, Australia and MHRA, UK for our bBevacizumab.

We continued to invest further to advance our pipeline programs. Our net R&D spending in FY22 was ₹3,100 million, representing 9% of revenues.

We are developing various presentations of rh-Insulin for the U.S. Our biosimilar referencing Eli Lilly's Humulin-R, a short-acting rh-Insulin, demonstrated equivalence in a Pharmacokinetic / Pharmacodynamic (PK/PD) study published in the journal, Diabetes, Obesity and Metabolism, in January 2022.

In FY22, we also commenced clinical trials for two of our unpartnered assets, bUstekinumab for inflammatory conditions and bDenosumab to treat osteoporosis and cancer.

The acquisition of bAflibercept from Viatris fits well with our next wave of biosimilar programs, including bUstekinumab and bDenosumab, which will address a market opportunity of over USD 20 billion and are expected to be commercialized in the medium term. These will supplement our commercialized portfolio of eight products.

Our portfolio will be further fortified by 10 early-stage programs, including bPertuzumab and bGlargine U300, allowing us to consistently fuel the commercial engine acquired as a part of the Viatris deal.

Biocon Biologics is trying to reimagine the traditional approach to biosimilars development to get these therapies to patients faster and reduce development costs. Our efforts come at a time when rapid scientific and technological advances are generating new insights and data, helping reduce clinical development timelines without taking undue risks or compromising insight generation.

We have sharpened our development and regulatory strategy to expedite the review and approval of Marketing Authorization Applications for our biosimilars. We have successfully leveraged the approvals received in developed markets to fast-track the review and approval of those biosimilars in several emerging markets.

The efforts of the Regulatory Affairs team led to Biocon Biologics receiving over 50 approvals across the world for its basket of biosimilars in FY22.

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**Our Pipeline**

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<tr>
<th>Today</th>
<th>&lt; 2 years</th>
<th>2-4 years</th>
<th>&gt; 4 years</th>
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<tr>
<td>Pegfilgrastim</td>
<td>Bevacizumab (US)</td>
<td>Afiblercept²</td>
<td>Pertuzumab</td>
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<tr>
<td>Trastuzumab</td>
<td>Aspart (US)</td>
<td>Ustekinumab</td>
<td>Glargine 300 IU</td>
</tr>
<tr>
<td>Bevacizumab (EU)</td>
<td>Adalimumab (US)</td>
<td>Denosumab</td>
<td>Seven undisclosed programs</td>
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<tr>
<td>Glargine 100 IU</td>
<td>rh-Insulin (US)</td>
<td></td>
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<tr>
<td>Aspart (EU)</td>
<td>Vaccines¹ (SILS deal expected to close in H2 2022)</td>
<td>Wave 2 biosimilars to address ~ USD 20 billion market opportunity³</td>
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<tr>
<td>Adalimumab (EU)</td>
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<tr>
<td>Etanercept (EU)</td>
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¹ Subject to completion of the acquisition of Covidshield Technologies Private Limited (CTPL) | ² Expected to be included in BBL portfolio post the completion of BBL's acquisition of Viatris' biosimilar business (Viatris has global rights to the program partnered with Momenta) | ³ Based on reported CY 2021 sales of originator brands

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*Market opportunity based on reported CY 2021 sales of originator brands*
Building Robust Intellectual Property

Biocon Biologics’ robust in-house Intellectual Property (IP) strategy is helping overcome patent issues in the courts as litigation remains one of the key defence tactics used by branded developers to delay biosimilar entry. We successfully enabled access to bGlargine for millions of patients across the U.S. by invalidating certain patents related to the device and formulation of the originator. In FY22, we received favorable rulings from the U.S. Federal Circuit related to patents covering the originator’s device and formulation for administering bGlargine. Biocon Biologics’ IP portfolio currently comprises ~1,000 granted patents.

Ushering in Operational Excellence through Digital Transformation

Biocon Biologics has drawn on the latest global technology trends in the health and life sciences industry to draw up its digital transformation strategy and dovetailed it with the Company’s strategic business goals. We are deploying digital initiatives
to enhance quality and compliance, augment productivity through enhanced operational excellence and enable data integrity through technology-led data transparency.

In FY22, we made significant progress on several key digital projects across various functions, including Quality Assurance, Quality Control, R&D, Supply Chain, Manufacturing Operations, Clinical Trial Management and Learning & Development.

We intensified the use of digital tools to manage ongoing clinical trials. Electronic data capture tools were used in all our clinical trials to collect data in a timely manner from multiple sites globally. Data analytics ensured real-time data review while ensuring high data quality. We deployed an electronic patient-reported outcome (ePRO) tool, allowing patients to fill up questionnaires remotely. This has not only increased adherence to clinical trial protocols but also yielded higher quality data compared with paper-based questionnaires and entries.

We conducted several pilot projects to evaluate Augmented Reality and Artificial Intelligence / Machine Learning technologies in our manufacturing and R&D operations. The results were encouraging and are being evaluated for production scale deployment.

Our Center of Excellence (Quality Systems Digital Transformation & Operation Excellence) has enabled the identification and execution of digital and process solutions through structured root cause analysis. The vision of the CoE is to transform the quality culture of Biocon Group through the adoption of Lean Six Sigma Principles to enable continuous innovation, consistent right-first-time delivery, enhanced efficiency, productivity and agility.

The CoE is developing an overarching operational excellence framework through the deployment of digital solutions to enhance quality and compliance, augment productivity, enable data integrity. It will create an enterprise where everybody works unitedly to build higher standards of governance and deliver greater levels of trust to all our stakeholders.
Caring for Our People

At Biocon Biologics, we pride ourselves on our people-centric approach. We have built a meritocratic and value-driven culture, which is appreciated by our over 5,000-strong workforce.

During the year, we implemented talent strategies to foster learning and growth for our employees thus ensuring a high-performance culture through education, exposure and experiences. We deployed a comprehensive training program to re-skill and cross-skill our employees. We initiated working on designing a Career Pathing Framework for our employees, which will further enable internal talent mobility and help employees to learn and grow.

We continue to make progress on our commitment to Diversity, Equity and Inclusion (DEI) in line with our ambition of becoming a gender equal organization by 2030. We have developed a DEI framework and strategy that will be implemented throughout the organization going forward. We also launched various career development programs for women leaders and institutionalized the DEI Council. In FY22, women comprised 21% of Biocon Biologics workforce, signaling an improvement in our gender diversity ratio compared to last year.

Outlook

Biocon Biologics delivered a healthy performance backed by strong demand and seamless execution in FY22. Continued improvement in the performance of our existing products coupled with potential U.S. launches of bAspart, bBevacizumab and bAdalimumab will enable us to deliver robust growth in developed markets. We continue to see strong demand for our products in emerging markets and expect a greater play in these markets post integration of Viatris’ biosimilars business. As we make progress on the development of our next wave of biosimilars, we expect R&D expenses to increase further. Our consolidated biosimilars portfolio, which targets a USD 70 billion* global opportunity, will provide us with sustainable growth in the years ahead. The two strategic agreements signed with Serum and Viatris will propel us on our path to be a fast-growing, global biologics player with an expected revenue of ~USD 1.8 billion in FY24.

* Market opportunity size of Biocon Biologics’ portfolio based on reported CY 2021 sales of originator brands and biosimilars
Our Research Services Business

Reshaping Scientific Research
“Looking back over the year, I am proud of the adaptability and determination shown by our employees which has enabled us to deliver strong operational performance, despite the continuing pandemic. Syngene’s strong financial fundamentals and business continuity planning delivered a very reliable service to our customers and this in turn delivered sustained growth. We enter the new financial year amid favorable market conditions with strong demand and growth prospects for our services.”

Jonathan Hunt
Managing Director and CEO,
Syngene International Limited
Our Research Services Business

Reshaping Scientific Research

Working with clients around the globe, Syngene, our integrated research, development and manufacturing services subsidiary, delivers innovation to benefit human and animal health and shape next-generation materials to improve people’s lives in the years to come.

Through a combination of prudent management, disciplined implementation of COVID protocols on site and in the laboratories and proactive supply chain management by advancing purchases and securing supplies, Syngene was able to operate at normal levels throughout the year and mitigate the impact of the pandemic on operations. This was particularly important for many clients as the Company was able to advance their science when their own facilities were shut. In addition to expanding existing collaborations, Syngene onboarded new customers and continued to build capability and capacity in line with its growth strategy.

In FY22, overall revenue from operations grew 19% year-on-year to ₹26,042 million driven by solid sustained performances across all revenue streams. Overall, Profit before tax increased 19% year-on-year. Profit after tax and before exceptional items grew 10% to ₹4,211 million as compared to ₹3,821 million in FY21.

During the year, the Company formalized its commitment towards Environmental, Social and Governance (ESG) activities by forming an ESG Council and publishing its first ESG Report for the year FY21, aligned with Global Reporting Initiative reporting standards.
Dedicated R&D Centers

Syngene operates dedicated facilities for three global companies: Amgen, Baxter Inc. and Bristol Myers Squibb (BMS) at its Bengaluru campus. These facilities offer science at scale delivered by teams of scientists working exclusively with in-house client R&D teams to design sustainable solutions to the challenges associated with discovering and developing new medicines.

Following the 10-year extension of the collaboration with BMS at the end of the previous financial year, Syngene’s long-standing contract with Amgen was also renewed and will run until 2026. Under the new contract, the scope of services was expanded and a new dedicated laboratory will be commissioned to accelerate research and development for Amgen projects.

Discovery Services

Discovery Services had a strong year. The majority of research was focused on human health although projects related to specialty chemicals, other materials and consumer packaged goods were also undertaken.

SynVent, the Company’s proprietary platform for integrated drug discovery programs, made strong progress. It is proving to be a particularly attractive model for biotech companies that do not wish to invest in building their own infrastructure or developing their own large-scale discovery and development teams. At the end of SynVent’s first full year, there were 15 active integrated drug discovery programs with more in the pipeline.

To accommodate sustained growth in this division, investment in infrastructure continues. During the year, the third phase of expansion of the laboratory campus in Hyderabad was completed. The facility now houses approximately 600 scientists working on synthetic and organic chemistry and integrated drug discovery projects. Continued expansion in Hyderabad and Bengaluru is planned during the current financial year.

In a year marked by COVID-19, Discovery Biology scientists built on earlier research to continue to contribute to the fight against the global pandemic. Early in the pandemic, high-quality viral proteins (S1, RBD, N) were initiated for use in diagnostic kits and assays used in clinical trials. Syngene is the sole supplier of S1 protein to U.S.-based diagnostics company Diabetomics for use in their point-of-care COVID-19 antibody kit. The maker of COVAXIN, India’s indigenous COVID-19 vaccine, utilized Syngene’s RBD, S1 and N proteins in its assays to monitor clinical efficacy, as published in The Lancet*.

Development Services

In the Development Services division, clients can access differentiated science and expertise from integrated development solutions including chemistry, manufacturing and control (CMC) services, non-GMP and GMP-compliant clinical manufacturing facilities and clinical trials services.

Development Services delivered steady performance throughout the year. A key feature of the year was the continued manufacturing of Remdesivir under a voluntary license
Demand was particularly high in the first quarter of the year as India suffered a second wave of the coronavirus. The Company remains committed to manufacturing this important treatment while the pandemic persists, although it expects demand to be significantly less this year.

Recognition of the skill of Syngene scientists in designing novel solutions was highlighted by the U.S. patent filed by Panbela Therapeutics Inc. citing six employees among the inventors. The patent was related to the synthesis of a lead investigational product in which the number of production steps was reduced from 17 to six. If the drug is approved, a streamlined production process would result in simpler, more cost-effective production and the drug would reach patients quicker.

In Clinical Development, investments in new capabilities during the year included the acquisition of Luminex and flow cytometer technologies for GLP-compliant biologics, biomarker and vaccine studies. Commissioning of a sterile fill-finish facility for injectables to support clinical supplies is on track and completion is planned for the current fiscal year. This facility will enable clients to fulfill the complete product lifecycle from one single location.

Digitization continues to streamline bench and trial data handling with the completion of the project to introduce electronic laboratory notebooks across Clinical Development. This enabled the unit to transition from paper to an e-data laboratory workflow.

Formulations Development is at the forefront of scientific problem-solving. During the year, the team developed a drug combining four APIs in a single tablet, which is a significant challenge from both a formulation development and an analytical development perspective. With one drug serving the purpose of multiple drugs, combination therapies are particularly convenient for elderly patients and for use in animal health.

The analytical research and development facility was expanded by an additional 4,000 sq.ft. of laboratory space. This will help to meet the growing demand for analytical solutions and the specialty chemicals business.

Manufacturing Services
The complexity of manufacturing modern medicines and materials at scale requires state-of-the-art technology, specialist expertise and industry know-how. Syngene’s manufacturing infrastructure includes both GMP and non-GMP facilities for small molecules, as well as a disposables-based mammalian manufacturing facility with multiple 2,000L bioreactors. A microbial manufacturing facility was commissioned during the year under review. The facilities, which are designed to U.S. FDA and EMA standards, are equipped with flexible, single-use systems for both upstream and downstream activities providing advantages of time, cost and compliance.

*Safety and immunogenicity of an inactivated SARS-CoV-2 vaccine, BBV152: interim results from a double-blind, randomized, multicenter, Phase 2 trial, and 3-month follow-up of a double-blind, randomized Phase 1 trial (thelancet.com)
A new cell banking capability was established to manufacture and characterize GMP cell banks. With this, the Company can offer a complete start-to-end service for both microbial and mammalian biopharmaceutical product developers.

The API manufacturing facility in Mangaluru was certified by the Central Drugs Standard Control Organization (CDSCO), the Indian regulatory body for pharmaceuticals. Spread across 46 acres, the site has benefited from some USD 80 million in investment to create a facility well suited to manufacturing high-value bulk drugs and new chemical entities. Commercial manufacturing is underway with a plan to achieve regulatory approvals from major global regulators in the next two years.

In Manufacturing Services, biologics manufacturing continued to gain momentum. This business was impacted by global supply chain challenges as a result of high demand for certain raw materials due to COVID-19 vaccine manufacturing. Looking ahead, there is strong demand for biologics development and manufacturing capacity reflecting the growing range of applications of these therapies to treat viruses and diseases such as cancer. Recent investments in mammalian and microbial facilities put Syngene in a strong position to capture some of that demand.

**Outlook**

Syngene has entered the new financial year amid favorable market conditions with strong demand and growth prospects for its services. In the Discovery Research division, Syngene will continue to drive Integrated Drug Discovery solutions and invest in different capabilities, technologies and platforms, including AI-enabled drug discovery. Alongside the emphasis on digitization and automation, the Company is also evolving its business models to offer clients the choice between existing FTE- or fee-based contracts and contracts based on the achievement of predefined milestones.

In biologics development and manufacturing, the Company remains focused on building operational momentum while increasing overall capacity to meet demand. For small molecules, Syngene’s focus on new chemical entities and molecule flow-through from Discovery Services is expected to accelerate capacity utilization.

**Operational Excellence**

Operational excellence is a continuing focus across all operations. During the year, Syngene made improvements on multiple metrics and reaped the benefit of continued investment in training employees on tools such as Lean and Six Sigma. The Company also embraced the Japanese practices of Gemba and Kaizen which, in different ways, harness the ideas and creativity of all its employees to drive improvement.

**Mitigating the Impact of COVID-19**

Despite the pandemic showing signs of receding toward the end of the financial year, protecting the health and safety of Syngene’s workforce remained a key area of focus. The Company continued to implement COVID appropriate safety and control measures such as regular testing, working in shift patterns and social distancing in line with government regulations. There was a campus-wide vaccination drive for employees, their families and the community. By the end of the financial year, 100% employees had been vaccinated with at least one dose and 96% of employees had received both doses.
Corporate Social Responsibility

Driving Sustainable Social Change
At Biocon, we are intensely conscious of our role as a responsible corporate citizen. Our business philosophy, emphasizing on sustainable healthcare solutions, finds resonance in our engagement with our employees, the environment and the society at large. Our Corporate Social Responsibility (CSR) initiatives are based on the principle of making transformational and sustainable impact through programs that promote social and economic inclusion.
The Biocon Foundation is the principal channel for our corporate philanthropy to build resilient solutions.

**eLAJ Smart Clinics**

Biocon Foundation has continually invested in ICT-enabled process innovations to build sustainable primary healthcare delivery systems. The eLAJ Smart Clinic platform, developed in-house, has been deployed to transform Primary Health Centers (PHCs) into clinics providing digitized clinical consultation, advanced diagnostic services and non-communicable diseases (NCDs) screening.

The 23 eLAJ centers run by the Foundation across seven districts of Karnataka recorded over 70,000 patients' visits. These smart clinics benefited over 46,000 patients in FY22. Over 22,000 hematology and biochemistry lab investigations were performed at the clinics during the year.

Trained on the use of electronic medical records (EMRs) and integrated diagnostics, staff at these eLAJ clinics have been at the forefront of the government’s ‘test, track, treat and vaccinate’ strategy for COVID-19.

**Oral Cancer Screening**

Over 4,000 individuals were screened through our Oral Cancer Screening program using the mobile phone-based health (mHealth) application. A fourth of those screened were diagnosed and treated for abnormal lesions. This program connects high-risk rural populations in resource-limited settings with specialists for early diagnosis and treatment of oral cancer.

**Specialist Clinics**

Over 14,000 patients availed services at the Foundation’s community-based Specialist Clinics, which address issues related to maternal and child health, geriatric health, oral health, and chronic diseases such as diabetes, hypertension and common cancers. The continuum of care is ensured through regular follow-ups by Community Health Workers (CHWs) with connecting care given between households and health facilities.

**Community Vaccination Drive**

More than 2,700 eligible individuals, including senior citizens, people with co-morbidities and differently abled individuals, were vaccinated for COVID-19 as part of a community vaccination drive in Huskur panchayat, utilizing vaccines donated by Syngene International.
COVID Care Infrastructure

The Foundation supplied oxygen concentrators, Intensive Care Unit (ICU) monitors, digital X-Ray machines, ultrasound machines, pulse oximeters and other medical equipment to bolster the COVID care infrastructure at the Anekal General Hospital. A Liquid Medical Oxygen (LMO) storage tank of 2,000-liter capacity was installed at the hospital, more than doubling the availability of oxygen-supported beds to 100. It also led to five extra ICU beds being added to the existing capacity of three ICU beds.

Rejuvenation of Waterbodies

Biocon Foundation continued to maintain the resuscitated 35-acre Hebbagodi Lake through regular weeding, clearing of sludge and garbage, bioremediation, aeration, floating wetlands treatment, cleaning of lake surroundings and upkeep of the children’s park. Security cameras have been installed for enhanced surveillance. An annual trend analysis by a third party NABL-accredited laboratory found the values related to the water quality index of Hebbagodi Lake showed incremental improvement as the water moves from inlet towards outlet.

The Foundation also continued to maintain the Huskur Kalyani (pond) through routine cleaning of garbage, weeding and increasing the green cover.

Mass Transit System

The Foundation released funds for the construction of Bengaluru Metro Rail Corporation Ltd’s (BMRCL) Biocon-Hebbagodi Metro Station. Once inaugurated, the mass rail transit system will provide a people-oriented and environment-friendly transport alternative to commuters.

Higher Education

The Foundation sponsored the Biocon Chair at the Institute of Bioinformatics and Applied Biotechnology (IBAB). Dr H.S. Subramanya, Director, IBAB, holds the chair which drives high quality training and research in biological sciences.

Awards & Recognitions

- Mahatma Award 2021 under ‘Good Health and Well-being’ category
- Biocon Foundation Mission Director Anupama Shetty conferred with South India’s Best CSR Leaders Award at the National CSR Leadership Congress & Awards
- Anupama Shetty conferred with Bengaluru Women Achievers Award 2022 by Bangalore Political Action Committee (B.PAC)
- Biocon Foundation’s Oral Cancer mHealth program recognized by the CSR Journal as one of the Top CSR Initiatives for cancer prevention and early detection on the occasion of the National Cancer Awareness Day 2021

Read more on Biocon’s efforts to ensure a sustainable and equitable future in the ESG Report for FY22.
Biocon Academy, which is helping build the ecosystem for biotech-related skills in India, launched a new course in Global Regulatory Affairs in collaboration with JSS University, Mysuru.

The Academy also inducted new batches for its existing courses, including the Certificate Program in Biosciences in partnership with Keck Graduate Institute, California; Certificate Program in Applied Industrial Microbiology in partnership with Birla Institute of Technology & Science, Pilani; and the Certificate Program in Quality Control Analytical with MS Ramaiah College of Arts, Science & Commerce, Bengaluru.

In FY22, over 180 students graduated from the Academy and all of them were placed with leading life sciences and pharmaceutical companies. Apart from Biocon and Syngene, companies like Thermo Fisher, Dr. Reddy’s Laboratories, Baxter, Kemwell, Farcast Biosciences, String Bio, Symbio Generics, Omix Labs etc. participated in our placement drives this year.

The Academy was conferred with the Smart Bio Award 2021 in the category of ‘Best Social Enterprise/Institute’ at the Bengaluru Tech Summit 2021 for training biotech students to bridge the academia-industry skill gap.
Corporate Information

BOARD OF DIRECTORS

**Executive Chairperson**
Kiran Mazumdar-Shaw

**Managing Director and CEO**
Siddharth Mittal

**Non-Executive, Non-Independent Directors**
Prof. Ravi Rasendra Mazumdar
Eric Vivek Mazumdar

**Independent Directors**
Meleveetil Damodaran – Lead Independent Director
Bobby Kanubhai Parikh
Dr. Vijay Kumar Kuchroo
Daniel Mark Bradbury
Mary Harney
Naina Lal Kidwai (Inducted on April 28, 2022)

BOARD COMMITTEES

**Audit Committee**
Bobby Kanubhai Parikh, Chairperson
Daniel Mark Bradbury
Meleveetil Damodaran

**Risk Management Committee**
Bobby Kanubhai Parikh, Chairperson
Daniel Mark Bradbury
Meleveetil Damodaran
Kiran Mazumdar-Shaw
Siddharth Mittal
Eric Vivek Mazumdar

**Nomination and Remuneration Committee**
Mary Harney, Chairperson
Dr. Vijay Kumar Kuchroo
Daniel Mark Bradbury
Prof. Ravi Rasendra Mazumdar
Naina Lal Kidwai (Inducted on April 28, 2022)

**Corporate Social Responsibility and ESG Committee**
Mary Harney, Chairperson
Dr. Vijay Kumar Kuchroo
Prof. Ravi Rasendra Mazumdar
Siddharth Mittal
Eric Vivek Mazumdar
Naina Lal Kidwai (Inducted on April 28, 2022)

**Stakeholders Relationship Committee**
Daniel Mark Bradbury, Chairperson
Bobby Kanubhai Parikh
Prof. Ravi Rasendra Mazumdar

**Chief Financial Officer**
Indranil Sen

**Company Secretary and Compliance Officer**
Mayank Verma

**Statutory Auditors**
M/s. B S R & Co. LLP
Chartered Accountants
3rd Floor, Embassy Golf Links Business Park,
Pebble Beach, Off Intermediate Road,
Domlur, Bengaluru – 560 071, Karnataka, India

**Secretarial Auditors**
M/s. V Sreedharan & Associates
Company Secretaries
No. 291, 1st Floor, 10th Main Road,
3rd Block, Jayanagar, Bengaluru - 560 011
Karnataka, India

**Cost Auditors**
M/s. Rao, Murthy & Associates
Cost Accountants
Sampurna Chambers
No. 13, 1st Floor-FF2,
Vasavi Temple Road, VV Puram,
Bengaluru, Karnataka, 560 004, India

**Registered Office**
Biocon Limited
20th KM, Hosur Road, Electronic City,
Bengaluru, Karnataka, 560 100, India

**Registrar and Share Transfer Agents (‘RTA’)**
KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
(Unit: Biocon Limited)
Selenium, Tower – B, Plot No. 31 & 32, Financial District,
Nanakramguda, Hyderabad - 500 032, India
E-mail id: einward.ris@kfintech.com
FINANCIAL REPORT

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Financial Statements

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Dear Members,

We are pleased to present the Forty-Fourth (44th) Annual Report on the business and operations along with the audited standalone and consolidated financial statements and the Auditor’s Report of the Company, for the financial year ended March 31, 2022.

Financial Highlights

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Standalone</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>19,254</td>
<td>83,967</td>
</tr>
<tr>
<td>Expenses</td>
<td>17,857</td>
<td>70,956</td>
</tr>
<tr>
<td>Share of Loss of joint venture and associate, net</td>
<td>-</td>
<td>(2,069)</td>
</tr>
<tr>
<td><strong>Profit before tax and exceptional items</strong></td>
<td>1,397</td>
<td>10,942</td>
</tr>
<tr>
<td>Exceptional items, net</td>
<td>-</td>
<td>(1,111)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>1,397</td>
<td>9,831</td>
</tr>
<tr>
<td>Income tax</td>
<td>536</td>
<td>2,115</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>-</td>
<td>1,232</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>861</td>
<td>6,484</td>
</tr>
<tr>
<td>Other comprehensive income, net</td>
<td>80</td>
<td>967</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>941</td>
<td>7,451</td>
</tr>
<tr>
<td>Earnings per Share (EPS) after exceptional items</td>
<td>0.72</td>
<td>5.44</td>
</tr>
</tbody>
</table>

Standalone and Consolidated Financial Statements

The highlights of the Company’s Consolidated Financial performance are as under:

- During the year, our consolidated revenues registered a growth of 13% to ₹ 83,967 mn from ₹ 73,976 mn in FY21. From a segment perspective, Biologics recorded an annual growth of 24% and Research services grew by 19% while Generics registered a de-growth of 1%.

- Adjusting for the market to market loss of Biocon Biologics’ equity investment in Adagio, Core operating margins (EBITDA margins net of licensing, forex and R&D) stood at 32% in line with FY21.

- Profit for the year including non-controlling interest stood at ₹ 7,716 mn compared to ₹ 8,462 mn for FY21.
The effective tax rate (ETR) for the year before the exceptional item was 22% (20% in FY21). ETR is up 2% since FY21 included credit for reversal of tax provision for earlier years.

Exceptional items (Consolidated):

- During the year, Biocon Biologics Limited (“BBL”), a subsidiary of the Company and Goldman Sachs India AIF Scheme – 1 (Goldman Sachs) entered into an amendment agreement which resulted in modification in the terms of the compound financial instrument. This resulted into a charge of ₹ 274 million which is presented under Exceptional items in the financial statements. Consequential tax impact of ₹49 million is included within tax expense during the year ended March 31, 2022.

- The Government of India capped the total entitlement of benefit under the Service Exports from India Scheme (SEIS) for services rendered in financial year 2019-2020 to ₹50 million per exporter for the period. The Group reversed the SEIS claim receivables of ₹ 427 million for the financial year 2019-2020 and the same has been presented under exceptional items in the financial statements. Consequential tax impact of ₹75 million is included within tax expense.

- BBL had obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the asset acquisition deal with Viatris and Merger by absorption of Covidshield technologies. These services were availed during the financial year ended March 31, 2022 and hence, in accordance with Ind AS 103 - Business Combinations, these have been recorded as expense amounting to ₹ 410 million in the financial statements. Given these are material and infrequent in nature, the Group has disclosed these expenses under the head ‘Exceptional items’ in the financial statement. Consequential tax impact of ₹169 million is included within tax expense in financial statements.

Corporate Acquisitions:

- The Board of Directors of BBL approved the scheme of Merger by Absorption (“the Scheme”) of Covidshield Technologies Private Limited (“CTPL”), a wholly owned subsidiary of Serum Institute Life Sciences Private Limited (“SILS”), with and into BBL, with an appointed date of October 01, 2022. However, the Scheme is subject to statutory approvals of certain authorities, shareholders and creditors.

- BBL entered into a definitive agreement with its partner Viatris Inc. to acquire Viatris’ biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion. This transaction is also subject to necessary regulatory and other approvals.

The highlights of the Company’s Standalone Financial performance are as under:

- Profit for the year stood at ₹ 861 mn compared to ₹ 2,805 mn for FY21.

Impact of the COVID-19 pandemic

The rise of different variants of the COVID-19 once again dented the pace of economic activity in India. Despite the unsettling global developments, India’s economy is on the path of revival. The Company was dedicatedly committed towards safeguarding the health and safety of its employees, their families, and other stakeholders.

The impact of the pandemic on our business performance is outlined in the Financial FAQs and under the Management Discussion and Analysis Report.

Subsidiaries, Associates and Joint Ventures

The Company has 20 subsidiaries, 1 joint venture and 2 associates as on March 31, 2022. A report on the performance and financial position of each Subsidiary, associate and joint venture is outlined in AOC-1 which is annexed to this report as Annexure 1.
Regulations, 2015 (‘SEBI Listing Regulations’), the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.biocon.com.

The Company has also formulated a policy for determining ‘material’ subsidiaries pursuant to the provisions of the SEBI Listing Regulations. The policy is available at the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

A report of the salient features and a summary of the financial performance of each of the subsidiaries, associates and joint venture is presented as below:

**Syngene International Limited, India**

Syngene International Limited (Syngene), subsidiary of the Company, is an innovation-focused global discovery, development and manufacturing organisation providing integrated scientific services to the pharmaceutical, biotechnology, nutrition, animal health, consumer goods and specialty chemical industries around the world. Its services include integrated drug discovery and development capabilities in chemistry, biology, in vivo and in vitro pharmacology, toxicology, custom synthesis, process R&D, cGMP manufacturing, formulation and analytical development along with clinical development services. Syngene is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company’s shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in India.

During the year ended March 31, 2022, Syngene (consolidated) registered a revenue growth of 18% to ₹ 26,570 mn (FY21 - ₹ 22,489 mn). EBITDA margin for the year was 32% with the operating margin at ₹ 8,489 mn (FY21 - ₹ 7,364 mn), registering a growth of 15%.

**Syngene USA Inc.**

Syngene USA Inc. is a wholly owned subsidiary of Syngene, incorporated on August 24, 2017, with its registered office in the State of Delaware, United States of America (USA). It provides sales and business support services to the operations of Syngene in USA. During FY22, Syngene USA Inc., posted a revenue of ₹ 284 mn and reported a net profit of ₹ 20 mn.

**Biocon Biologics Limited, India (formerly known as Biocon Biologics India Limited)**

Biocon Biologics Limited (‘BBL’), a subsidiary of the Company, was incorporated on June 08, 2016 in India with an objective to set up Greenfield biosimilar biologics facilities.

Biocon Biologics is uniquely positioned as a fully integrated, global, ‘pure play’ biosimilars organization and aspires to transform patient lives through innovative and inclusive healthcare solutions. The portfolio of biosimilar molecules includes a rich pipeline of approved and in-development biosimilars, outcome of its world class R&D and global scale manufacturing expertise. It is a leading global insulins player with over 15 years of experience in addressing the needs of patients with diabetes, having provided over 2 billion doses of human insulin worldwide. BBL was the first to receive interchangeability status for Glargine in the US.

During the year, BBL Board of Directors approved the scheme of Merger (the Scheme) by Absorption of Covidshield Technologies Private Limited (‘CTPL’), a wholly owned subsidiary of Serum Institute Life Sciences Private Limited (‘SILS’), with and into BBL, with an appointed date of October 01, 2022.

BBL entered into a definitive agreement with its partner Viatris Inc. to acquire Viatris’ biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion.

During the year ended March 31, 2022, BBL posted standalone revenue growth of 22% to ₹ 23,728 mn (FY21 - ₹ 19,471 mn) and a standalone net profit of ₹ 860 mn (FY21 – ₹ 2,097 mn).

During the year ended March 31, 2022, BBL posted consolidated revenue growth of 23% to ₹ 34,747 mn (FY21 - ₹ 28,036 mn) and a consolidated net profit of ₹ 3,825 mn (FY21 – ₹ 2,675 mn).

**Biocon Biologics UK Limited, UK (formerly known as Biocon Biologics Limited)**

Biocon Biologics UK Limited (‘BUK’) which was incorporated in the United Kingdom in March, 2016 is a wholly owned subsidiary of BBL. In addition to the interchangeability designation for Glargine in the United States, biosimilar Bevacizumab, was commercialised in the European union during the year.

During the year ended March 31, 2022, BUK earned ₹ 16,035 mn as revenue and reported a net profit of ₹ 2,525 mn as against revenue of ₹ 13,869 mn and net profit of ₹ 2,454 mn in FY21. This growth was a combination of increase in base business as well as the launch of co-developed products in new territories.

**Biocon Sdn. Bhd., Malaysia**

Biocon Sdn. Bhd. (‘BSB’), Malaysia is a wholly owned subsidiary of BUK. BSB was established with an objective to set up the group’s first overseas manufacturing facility at Malaysia. The
facility is located within BioXcell, a biotechnology park in Iskandar Puteri, Johor.

The facility is approved for manufacture of Human insulin and GLargine drug product from National Pharmaceutical Regulatory Authority (‘NPRA’), Malaysia, cGMP certification from HPRA (‘EMA’) and received EIR from U.S. Food and Drug Administration (‘USFDA’).

BSB holds the commercial and development rights of human insulin and analogs and continues the related Research and Development activities.

During the year, BSB reported a total revenue of ₹ 7,869 mn and net loss of ₹ 1,080 mn in FY22 against a total revenue of ₹ 5,309 mn and a net loss of ₹ 2,481 mn in FY21.


Biocon Biologics Healthcare Malaysia Sdn. Bhd. (‘BBHMSB’) was incorporated in August, 2017 and is subsidiary of BUK which undertakes operations for biologics in Malaysia. BBHMSB was set up to carry on the business as importers and distributors of drugs and devices in the Malaysian market.

During the year ended March 31, 2022, there were no operations in BBHMSB.

Biocon Biologics Inc., USA

Biocon Biologics Inc., USA (‘BBIU’) is a subsidiary of BUK which was set-up in 2020 to undertake all activities relating to pharmaceuticals, bio-pharmaceuticals and biologics products, i.e. commercialization, distribution etc. in the USA and other geographies.

During the year ended March 31, 2022, reported a net loss of ₹ 110 mn as against a net loss of ₹ 82 mn in FY21.

Biocon Biologics Do Brasil Ltda, Brazil

Biocon Biologics Do Brasil Ltda (‘BBDBL’) is a wholly owned subsidiary of BUK which was incorporated in FY 21 to undertake direct marketing services and representatives’ activities and intermediation in general.

During the year ended March 31, 2022, reported a net loss of ₹ 49 mn as against a net loss of ₹ 19 mn in FY21.

Biocon Biologics FZ–LLC, UAE

Biocon Biologics FZ–LLC (‘BBFL’) is a wholly owned subsidiary of BUK which was incorporated in FY 21 to undertake Import & Export, Marketing & Sales Promotion, Research & Development, Storage, support services activities related to Therapeutics.

During the year ended March 31, 2022, reported a net profit of ₹ 1 mn.

Biocon Pharma Limited, India

Biocon Pharma Limited (‘BPL’) is a wholly owned subsidiary of the Company. BPL is engaged in the development and manufacture of generic formulations for sale in global markets, with a focus on opportunities in the US and EU. BPL has setup its formulations manufacturing facility for oral solid dosages at Bengaluru.

BPL launched Everolimus capsules, following an approval from the US FDA in October, 2021.

During the year ended March 31, 2022, BPL reported a total revenue of ₹ 6,314 mn and a net profit of ₹ 1,056 mn as against revenue of ₹ 2,012 mn and net loss of ₹ 1,259 mn in FY21. This growth was driven by launch of inhouse developed molecules in the US.

Biocon Pharma Inc., USA

Biocon Pharma Inc., (‘BPI’), a wholly owned subsidiary of Biocon Pharma Limited was incorporated in July 2015 in USA. BPI is engaged in the commercialization of generic formulations in the United States.

BPI registered a total revenue of ₹ 4,707 mn and net profit of ₹ 208 mn in FY22 against a total revenue of ₹ 4,419 mn and a net profit of ₹ 249 mn in FY21.

Biocon Pharma UK Limited

Biocon Pharma UK Limited (‘BPUK’), a wholly owned subsidiary of Biocon Pharma Limited was incorporated in December, 2018 in the United Kingdom. BPUK is engaged in the commercialization of generic formulations in the United Kingdom. As on March 31, 2022, BPUK has not commenced its commercial operations.

During the financial year ended March 31, 2022, BPUK reported Nil loss against a loss of ₹ 51 mn in FY21.

Biocon Pharma Ireland Limited

Biocon Pharma Ireland Limited (‘BPIL’), a wholly owned subsidiary of Biocon Pharma Limited was incorporated in December, 2018 in Ireland. BPIL is engaged in commercialization of generic formulations in Ireland. As on March 31, 2022, BPIL is yet to commence commercial operations. During the financial year ended March 31, 2022, BPIL reported a loss of ₹ 1 mn against ₹ 23 mn in FY21.
Biocon Pharma Malta Limited (BPML) and Biocon Pharma Malta I Limited (BPMIL)

BPML and BPMIL, wholly owned subsidiaries of BPL, were incorporated on January 25, 2021 in Malta. These subsidiaries will be engaged in commercialization of generic formulations and are yet to commence commercial operations as on March 31, 2022. During the financial year ended March 31, 2022, BPMIL reported a loss of ₹1 mn.

Biocon Biosphere Limited

Biocon Biosphere Limited (“BBSL”) is a wholly owned subsidiary of Biocon Limited formed for undertaking similar business to that of Biocon Limited vide a Greenfield facility in Vizag to de-risk fermentation manufacturing at Bengaluru. As on March 31, 2022, BBSL has not commenced commercial operations and had capital work in progress of ₹3,707 mn as against ₹706 mn in FY21.

Biofusion Therapeutics Limited

Biofusion Therapeutics Limited is a wholly owned subsidiary of Biocon Limited with its registered office situated in Bangalore, Karnataka. The Company was incorporated under the Companies Act, 2013 on March 18, 2021 for undertaking Contract Research and Manufacturing Services (CRAMS) and other R & D in the field of pharmaceuticals, including but not restricted to drug discovery, biotechnology pharmaceuticals, medicinal sciences etc. During the year ended March 31, 2022, Biofusion Therapeutics Limited reported a total revenue of ₹402 mn and a net profit of ₹9 mn.

Biocon Academy

Biocon Academy, a wholly owned subsidiary of the Company, spearheads Biocon Group’s CSR initiatives in technical and professional education. The Academy was established as a Centre of Excellence for Advanced Learning in Biosciences in 2014. Biocon Academy leverages the rich industry experience of Biocon, its subject matter expertise alongside international Education Partners such as Keck Graduate Institute of Claremont, California (USA) and BITS-Pilani, India to deliver industry-oriented advanced learning and skill building programs for pharma and biotech graduates. Biocon Academy is dedicated exclusively to industry-oriented biosciences education. The programs offered by the Academy aim to empower the Biotechnology and Engineering graduates with advanced learning, industrial proficiency and job-skills development, the essential building blocks for a promising career in the Biotech industry.

Biocon SA, Switzerland

Biocon SA (‘BSA’), a wholly owned subsidiary of the Company, is primarily engaged in identifying and developing novel molecules into commercial products or licensable assets through strategic partnerships.

In the current year, BSA registered a net loss of ₹1 mn against a loss of ₹58 mn in FY21.

Biocon FZ LLC

Biocon FZ LLC is a wholly owned subsidiary of the Company, based in Dubai. Incorporated in June 2015, Biocon FZ LLC was established as a marketing entity for pharmaceutical products to target markets in the Middle East and GCC. During the year ended March 31, 2022, Biocon FZ LLC earned ₹419 mn in revenue and reported a net profit of ₹2 mn against a revenue of ₹469 mn and a net profit of ₹15 mn in FY21.

Bicara Therapeutics Inc., USA

Bicara Therapeutics Inc., USA (‘Bicara’), was incorporated in December, 2018 in the United States of America as a subsidiary of the Company. Bicara was a subsidiary of the Company upto January 09, 2021 and thereafter became an associate company. Bicara is anchoring the development of a pipeline of functional antibodies that exploit the recent advances in immuno-oncology.

In FY21, to enable Bicara to raise further funding for R&D plans, the existing shareholder arrangements (voting rights & Board composition) of Bicara were amended, which resulted in loss of control over Bicara. Accordingly, the Company fair valued its investment in Bicara on the date of loss of control, which resulted in a dilution gain of ₹1,597 million. Further during FY22, Bicara recorded ₹299 million in Other Income towards stake dilution in associate.

Bicara, an associate company, is currently in R&D phase and has incurred losses during the year ended March 31, 2022 of ₹2,564 million. Bicara accounted a share of loss of ₹2,106 million which resulted in decrease in investment in associates.

Neo Biocon FZ LLC, UAE

Neo Biocon FZ LLC, UAE (‘NB’) is a joint venture (‘JV’) based in Dubai. Incorporated in 2007, NB was established as a market entity for the pharmaceutical products to target markets in the Middle East and GCC. During the year ended March 31, 2022 NB reported ₹367 mn as revenue and a net profit of ₹78 mn as against a revenue of ₹335 mn and a net loss of ₹198 mn in FY21. The entity has faced significant business challenges in the last fiscal resulting from a price reduction mandated by the Ministry of Health, UAE. Whilst this challenge was being addressed, our JV partner has come under investigation for governance issues which is likely to have a reputational impact on the JV.

Due to regulatory challenges, the group has not been able to exit, and it continues to evaluate its option with respect to exit.
Hinduja Renewables Two Private Limited
During the financial year ended March 31, 2021, the Company had acquired 26% equity stake in Hinduja Renewables Two Private Limited towards enhancing the renewable based power consumption. The Company does not consolidate the associate since it does not exercise significant influence over it.

Dividend
In line with the Dividend Distribution Policy of the Company, we recommend a final dividend of ₹ 0.50/- per equity share (i.e. 10% of face value) for the financial year ended March 31, 2022. The dividend, if approved at the ensuing 44th Annual General Meeting (‘AGM’), will be paid to those members whose names appear in the Register of Members as on close of July 01, 2022. The total dividend payout will be approximately ₹ 60 Crores.

Dividend Distribution Policy
In terms of Regulation 43A of the SEBI Listing Regulations, the Board has formulated and adopted the Dividend Distribution Policy. The Policy is available on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

Transfer to reserves
No amount is proposed to be transferred to reserves for the financial year ended March 31, 2022.

Share Capital
During the year, the Company had allotted 6,00,000 equity shares of ₹ 5/- each in pursuance of the Biocon Restricted Stock Units -Long Term Incentive Plan 2020-24 to the Biocon Employees Welfare Limited Trust. The share capital of the Company as on March 31, 2022 is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY 2022 Amount in ₹</th>
<th>FY 2021 Amount in ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Equity Share Capital</td>
<td>6,250,000,000</td>
<td>6,250,000,000</td>
</tr>
<tr>
<td>(Equity shares of ₹ 5/- each)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid up Equity Share Capital</td>
<td>6,003,000,000</td>
<td>6,000,000,000</td>
</tr>
<tr>
<td>(Equity shares of ₹ 5/- each)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Human Resource Development
We, at Biocon, give paramount importance to our employees, who we believe to be our greatest assets. Attracting and retaining the best talents have been the cornerstone of the Human Resource function at Biocon. We strive to create a diverse and inclusive environment that is value driven, collaborating and growth inducing. The total head count as on March 31, 2022 stood at 3,203.

Management’s Discussion and Analysis
Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report for the year under review, is forming part of the Annual Report.

Corporate Governance
The Company is committed to maintain the highest standards of corporate governance. We believe in adherence to good corporate practices, implementing effective policies and guidelines and developing a culture of the best management practices and compliance with the law at all levels. Our corporate governance practices strive to foster and attain the highest standards of integrity, transparency, accountability and ethics in all business matters to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

A separate section on Corporate Governance as stipulated under Schedule V (C) of the SEBI Listing Regulations forms part of this report. The Corporate Governance Report along with the requisite certificate from the statutory auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI Listing Regulations forms part of this Annual Report.

Business Responsibility and Sustainability Reporting
The Business Responsibility and Sustainability Reporting (“BRSR”), originating from the MCA report on Business Responsibility Reporting, had found its way into the regulatory provisions by way of an amendment to the Regulation 34(2)(f) of the SEBI Listing Regulations, notified on May 05, 2021.

The BRSS has replaced the existing Business Responsibility Reporting (‘BRR’) format w.e.f. FY 2022-23. For the FY 2021-22, the top 1000 listed entities may voluntarily submit the BRSR, and from FY 2022-23 onwards, the same must be prepared and submitted mandatorily.

The Company has, on a voluntary basis furnished the requirements on the BRSR for FY 2021-22. The same forms part of this Annual Report as a separate report and is also available at the website of the Company at www.biocon.com.

Employee Stock Option Plan (ESOP)
Biocon’s Employee Stock Option Plan (‘Plan’) is administered by the Biocon India Limited Employees’ Welfare Trust (ESOP Trust) under the instructions and supervision of the Nomination and Remuneration Committee (NRC). The Plan is implemented through a trust route in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SEBI Regulations’) with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation
by them in the growth of the Company.

During the year, a total of 38,17,697 and 4,30,762 shares were transferred from the ESOP Trust to the eligible employees under the Company’s prevailing ESOP plan and Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24, respectively.

As on March 31, 2022, the ESOP Trust cumulatively held 75,20,315 equity shares of the Company both under the ESOP Plans of the Company. During the year ended March 31, 2022, there has been no material change in the Company’s existing plans and they both are in compliance with SEBI Regulations.

The applicable disclosures as stipulated under the SEBI Regulations as on March 31, 2022 are appended herewith as Annexure 2 to the Board’s report. The details of the Plan form part of the notes to accounts of the Financial Statements in this Annual Report. The Company has received a certificate from the Practicing Company Secretary, that the ESOP and RSU schemes have been implemented in accordance with SEBI Regulations and the resolutions passed by the shareholders. The certificate would be placed at the AGM for inspection by the members.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on April 28, 2022, has approved the amendment (with respect to the options granted but not yet exercised) and termination of the Biocon Limited Employee Stock Option Plan 2000 and amendment to the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 of the Company subject to the shareholders’ approval at the ensuing AGM of the Company.

 Deposits
The Company has not accepted any deposit, including from the public, and as such no amount of principal and interest were outstanding as at March 31, 2022.

Particulars of Loans, Guarantees or Investments
Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in this Annual Report.

Policy on Directors’ Appointment and Remuneration
The Company’s current policy centralises on having an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. Assessment and appointment of Directors to the Board are based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualifications required for the position.

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. A potential board member is also assessed based on independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of the SEBI Listing Regulations, as amended from time to time, and on recommendation of the Company’s Nomination and Remuneration Committee, the Board had adopted a remuneration policy for Directors, Key Managerial Personnel, Senior Management and other employees. This policy is available at the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

As on March 31, 2022, the Board comprised of 9 (nine) members, consisting of 2 (two) Executive Directors, 2 (two) Non-Executive Non-Independent Directors, and 5 (five) Independent Directors. Out of the total members, 2 (two) are women directors. The Board periodically evaluates the need for change in its composition and size.

Board Diversity
The Company recognises and embraces the importance of a diverse board in contributing to its success. Adequate diversity on the Board is essential to meet the challenges of business globalisation, rapid deployment of technology, greater social responsibility, increasing emphasis on corporate governance and enhanced need for risk management. The Board enables efficient functioning through differences in perspective and skill, and fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical backgrounds. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board. The policy is available at the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

Declaration by Independent Directors
All Independent Directors of the Company have submitted the requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16 and 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company’s Code of Conduct.
They have further confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management. Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director’s name in the data bank of the Indian Institute of Corporate Affairs (‘IICA’) for a period of one year or five years or life time till they continue to hold the office of an independent director. All the Independent Directors are exempted from appearing the Online Proficiency Self-Assessment Test conducted by IICA.

In the opinion of the Board, all the independent directors have integrity, expertise and experience.

Board Evaluation

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the annual performance evaluation of the Board, Board level Committees and individual directors was conducted during the year, in order to ensure that the Board and Board level Committees are functioning effectively and demonstrating good governance. Once in every 3 (three) years, the Board evaluation is done by an external agency. For the current FY 2021-22, the Board had undertaken this exercise through self-evaluation questionnaires.

The evaluation was carried out based on the criteria and framework approved by the Nomination and Remuneration Committee. A detailed disclosure on the parameters and the process of Board evaluation has been provided in the Report on Corporate Governance.

Directors

As on March 31, 2022, the Board of Directors comprised of 9 (nine) members including 2 (two) women members. The Board has an appropriate mix of Executive Directors (‘EDs’), Non-Executive Non-Independent Directors (‘NEDs’) and Independent Directors (‘ID’), which is compliant with the Companies Act, 2013, the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

Appointment

The Board of the Company at its meeting held on October 21, 2021, based on the recommendation of Nomination and Remuneration Committee, had approved the appointment of Eric Vivek Mazumdar as an Additional Director categorised as Non-Executive, Non-Independent Director of the Company with effect from November 1, 2021, subject to the approval of members at its ensuing AGM.

Further, the Board of the Company at its meeting held on April 28, 2022, based on the recommendation of Nomination and Remuneration Committee, had approved the appointment of Naina Lal Kidwai as an Additional Director categorised as Non-Executive and Independent Director of the Company with effect from April 28, 2022 till the conclusion of the 47th AGM proposed to be held in the year 2025, subject to the approval of members at its ensuing AGM.

Re-appointment

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Kiran Mazumdar-Shaw is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. Once she is re-appointed by the members at the ensuing AGM, she will continue as an Executive Chairperson for her term of 5 (five) years as approved by the shareholders at AGM held on Friday, July 24, 2020.

The Board at its meeting held on April 28, 2022, had recommended above appointments and re-appointment and separate Resolution(s) shall be placed before the members for their approval at the ensuing AGM.

In the opinion of the Board, all the Directors, as well as the directors proposed to be appointed/re-appointed possess the requisite qualifications, experience, expertise and hold high standards of integrity and relevant proficiency.

Completion of tenure of Directors

Daniel Bradbury and Mary Harney, Independent Directors of the Company, would complete their second term of tenure with the Company on July 27, 2022. Accordingly, they would cease to be the Directors of the Company with effect from that date. The Board places on record its appreciation for the extensive contribution rendered by Daniel Bradbury and Mary Harney during their tenure at Biocon.

During the year, John Shaw has stepped down as the Non-Executive Director of the Company, owing to health conditions, with effect from the conclusion of the 43rd Annual General Meeting held on July 23, 2021. The Board expressed deep appreciation and gratitude to him, for his stewardship and guidance over the past 22 years.
Key Managerial Personnel

The Key Managerial Personnel(s) of the Company as on March 31, 2022 are Kiran Mazumdar-Shaw, Executive Chairperson, Siddharth Mittal, Managing Director & CEO, Indranil Sen, Chief Financial Officer and Mayank Verma, Company Secretary & Compliance Officer.

On April 28, 2021, Anupam Jindal has stepped down as the Chief Financial Officer of the Company, owing to personal reasons and the Board has appointed Indranil Sen as the Chief Financial Officer of the Company with immediate effect.

Kiran Mazumdar-Shaw, Executive Chairperson of the Company, is also the Non-Executive Chairperson of Syngene International Limited (Syngene) and Executive Chairperson of Biocon Biologics Limited (BBL), both being subsidiaries of the Company and is in receipt of remuneration from the respective companies for the Financial Year 2021-22.

Committees of the Board

Currently, the Company has 5 (five) Board level Committees: Audit Committee (‘AC’), Risk Management Committee (‘RMC’), Nomination and Remuneration Committee (‘NRC’), Stakeholders Relationship Committee (‘SRC’) and Corporate Social Responsibility and ESG Committee (‘CSR & ESG’). The composition of the above committees, as on March 31, 2022 is disclosed as under:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Members</th>
<th>Category</th>
<th>AC</th>
<th>C</th>
<th>RMC</th>
<th>M</th>
<th>NRC</th>
<th>C</th>
<th>M</th>
<th>SRC</th>
<th>C</th>
<th>M</th>
<th>CSR &amp; ESG</th>
<th>C</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kiran Mazumdar-Shaw</td>
<td>Executive Chairperson</td>
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<td>2</td>
<td>Siddharth Mittal</td>
<td>Managing Director &amp; CEO</td>
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<td>3</td>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>Non-Executive Director</td>
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<td>4</td>
<td>Eric Vivek Mazumdar</td>
<td>Non-Executive Director</td>
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<td>5</td>
<td>Bobby Kanubhai Parikh</td>
<td>Independent Director</td>
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<td>6</td>
<td>Daniel Mark Bradbury</td>
<td>Independent Director</td>
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<td>7</td>
<td>Meleveetil Damodaran</td>
<td>Independent Director</td>
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<td>8</td>
<td>Mary Harney</td>
<td>Independent Director</td>
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<tr>
<td>9</td>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>Independent Director</td>
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</table>

C: Chairperson and M: Member.

Meetings of the Board

The meetings of the Board are scheduled at regular intervals to discuss and decide on matters of business performance, policies, strategies and other matters of significance. The schedule of the meetings is circulated in advance, to ensure proper planning and effective participation. In certain exigencies, decisions of the Board are also accorded through circulation.

During the financial year 2021-22, the Board met 5 (five) times virtually on April 28, 2021, July 22, 2021, October 21, 2021, January 20, 2022 and February 27, 2022. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board is included in the report on Corporate Governance, which forms part of this annual report.

Related Party Contracts or Arrangements

There were no materially significant related party transactions entered between the Company, Directors, management and their relatives, except for those disclosed in the financial statements. All the contracts/arrangements/transactions entered by the Company with the related parties during FY 2021-22 were in the ordinary course of business and on an arm’s length basis, and whenever required the Company has obtained necessary approval as per the related party transaction policy of the Company.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such a contract or arrangement in Form AOC-2 does not form a part of the Report.

The Company formulated the policy on ‘Materiality of Related Party’ transactions and on dealing with Related Party Transactions’, and the same is available at the website of

**Credit Ratings**

During the year under review, CRISIL vide its letter dated March 9, 2022 has placed its ‘CRISIL AA+’ rating on the long-term bank facilities of the Company on ‘Watch with Developing Implications’. The rating on the short-term bank facilities has been reaffirmed at ‘CRISIL A1+’.

Further, ICRA Limited vide its letter dated March 10, 2022 has placed its ‘ICRA AA+’ and ‘ICRA A1+’ ratings on the long term and short-term banking facilities of the Company on ‘Watch with Developing Implications’.

The above ratings were placed under watch with developing implications, pursuant to the announcement made by the Company vide its letter dated February 27, 2022, on the acquisition of the biosimilar assets of US-based Viatris Inc. by Biocon Biologics Limited (‘BBL’), a subsidiary of the Company, for a total consideration of USD 3.335 billion.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo**

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is appended herewith as Annexure 3 to the Boards’ report.

**AUDITORS**

**Statutory Auditors**

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company for a term of 5 (five) years, to hold office from the conclusion of the 43rd AGM held on July 23, 2021 till the conclusion of the 48th AGM, on such remuneration as may be decided by the Board in consultation with the Statutory Auditors of the Company.

The Auditors’ Report on the financial statements of the Company for the financial year ended March 31, 2022 is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors’ Report is enclosed with the financial statements forming part of the annual report.

**Cost Auditors**

The Cost Records of the Company are maintained in accordance with the provisions of Section 148(1) of the Act as specified by the Central Government. The Cost Audit Report, for the financial year ended March 31, 2021, was filed with the Central Government within the prescribed time. The Board, on recommendation of the Audit Committee, had appointed M/s Rao & Murthy, Cost Accountants (Firm Registration Number 000065) as the Cost Auditors to conduct the audit of Company’s cost records for the financial year ended March 31, 2022. The Cost Auditors will submit their report for the FY 2021-22 on or before the due date.

The Board, on recommendation of the Audit Committee has appointed M/s Rao & Murthy, Cost Accountants (Firm Registration Number 000065) as the Cost Auditors to conduct the audit of Company’s cost records for the FY 2022-23. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm’s length relationship with your Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditor is required to be ratified by the members, the Board recommends the same for approval by members at the ensuing AGM.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, M/s V. Sreedharan & Associates, Practicing Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the FY 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer and is appended herewith as Annexure 4 to the Boards’ report.

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations, Biocon Biologics Limited, a material unlisted subsidiary of the Company undertook the secretarial audit for the financial year 2021-22. The secretarial audit report for FY 2021-22 given by M/s V. Sreedharan & Associates, Practicing Company Secretaries is appended herewith as Annexure 4A of the Boards’ report.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the FY 2021-22, issued by M/s. V. Sreedharan & Associates, Practicing Company Secretaries shall be submitted with the stock exchanges where shares of the Company are listed, within stipulated timeline.
Reporting of fraud by Auditors
During the year, the statutory auditors have not reported to the Audit Committee any material fraud on the Company by its officers or employees under Section 143(12) of the Companies Act, 2013, the details of which need to be provided in this report.

Risk Management Policy
The Company has formed a Risk Management Committee and has put in place an enterprise wide Risk Management Framework with the objective of timely identification of risks, assessment and evaluation of such risks in line with the overall business objectives or strategies and define adequate mitigation strategy. On a quarterly basis, the Risk Management Committee reviews critical risks on a rotation basis in line with the risk management plan to measure effectiveness of mitigation actions defined against critical risks and its impact on overall risk exposure of the Company. All the critical risk areas are covered at least once a year. All critical risk areas as identified by the Company are re-evaluated annually. During the course of year, appropriate changes were made to the risk register, considering internal or external changes.

Internal Financial Control
The Company has laid down guidelines, processes and structures, which enable implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. These include controls in the nature of manual or automated (IT applications including the ERP applications wherein the transactions are approved and recorded). Appropriate review and control mechanisms are put in place to ensure that such control systems are adequate and are operating effectively on an ongoing basis.

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

The Company has, in all material respects, an adequate internal financial control system and such internal financial controls which were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal control over financial reporting issued by the Institute of Chartered Accountants of India.

Vigil Mechanism
The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder, and the SEBI Listing Regulations is implemented through the Whistle Blower Policy of the Company to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to adequately safeguard against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

Whistle Blower Policy of the Company is available on the Company’s website and can be accessed at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

Directors' Responsibility Statement
Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, your directors confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. they have prepared the annual accounts on a going concern basis;
e. they have laid down internal financial controls based on the internal controls framework established by the Company, which were adequate and are operating effectively; and
f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
Particulars of Employees

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as Annexure 5 to the Boards’ report.

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. The above statement is available on the website of the Company at www.biocon.com.

However, considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. Any shareholder interested in obtaining a copy thereof, may write to the secretarial team of the Company in this regard.

Corporate Social Responsibility (CSR)

At Biocon, CSR has been an integral part of our business since its inception. With the incorporation of Biocon Foundation in 2004, the Company formally structured its CSR activities. Today, the Company spans its CSR efforts through the Biocon Foundation, the Biocon Academy and select partnership programs with like-minded private organizations and Government, aimed at promoting social and economic inclusion for the marginalized communities. In the year under consideration, the CSR programs of the Company were focused on providing financial assistance for sustainable urban public transport system and high-quality vocational training for youth in biosciences.

Environmental Sustainability -

Air pollution levels continue to be a serious public health concern in Bengaluru. Traffic congestions and abysmally slow commute speed have tremendous adverse impacts on the quality of life of the residents in the city.

In keeping with the unwavering commitment to ecological balance and sustainability, the Company has supported a people-oriented and environment-friendly transport alternative. Mass rail transit systems lessen the usage of individual vehicles thereby reducing toxic emissions and greenhouse gases. Biocon Foundation has signed a memorandum of understanding with Bengaluru Metro Rail Corporation (BMRCL) in 2020 to fund the construction of the proposed Metro Station at Hebbagodi, and we continue to support the grant towards Biocon-Hebbagodi Metro station. The Biocon-Hebbagodi Metro station will form part of the new line of 18.82 KM from R V Road to Bommasandra, being constructed under Phase II of the Bengaluru Metro Rail Project. The Metro connectivity would provide a sustainable and efficient mode of transport to residents and business commuters from all parts of Bengaluru, reducing traffic congestion on Hosur Road and helping lower the environmental impact from vehicular pollution.

In the commitment towards natural resource conservation, the company has resuscitated the 35-acre Hebbagodi Lake, and the existing efforts are focused on maintenance of the lake. It involves bioremediation, aeration, floating island treatment, removal of weeds, sludge and garbage, cleaning of lake surroundings and upkeep of a children’s park. Security cameras have been installed for enhanced surveillance. Water quality analysis by a third-party NABL-accredited laboratory suggests that several parameters indicative of chemical, physical, and biological properties are normal as a result of remediation efforts undertaken. Biocon Academy is dedicated exclusively to industry-oriented biosciences education which aims to address the skill deficit in the Biopharma sector, by developing high-end talent through advanced learning. The programs offered by the Academy aim to empower the Biotechnology and Engineering graduates with advanced learning, industrial proficiency and job-skills development, the essential building blocks for a promising career in the Biotech industry.

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility and ESG Committee, which monitors and oversees various CSR initiatives and activities of the Company. As on March 31, 2022, the CSR & ESG Committee comprises of Mary Harney (Chairperson), Dr. Vijay Kumar Kuchkoo, Prof. Ravi Rasendra Mazumdar, Eric Vivek Mazumdar and Siddharth Mittal.

A detailed report regarding Corporate Social Responsibility is appended herewith as Annexure 6 to the Boards’ report. The Policy on Corporate Social Responsibility and Annual Action Plan have been uploaded on to the website of the Company and is available at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.
During the financial year under review, 2 (two) complaints with allegations of sexual harassment were filed and both were disposed-off and no complaint is pending for closure as per the timelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Transfer of Unpaid and Unclaimed Amounts to Investor Education and Protection Fund (‘IEPF’)**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends which remains unpaid or unclaimed for a period of seven years from the date of their transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund (‘IEPF’), established by the Central Government. Further, as per IEPF Rules, the shares on which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Further, as per Rule 6(8) of IEPF Rules, all benefits such as bonus shares, split, consolidation except right issue, accruing on shares which are transferred to IEPF, shall also be credited to the demat account of the IEPF authority.

During the year ended March 31, 2022, the Company has transferred unpaid and unclaimed dividends of ₹7,75,020 for the financial year 2013-14 and 16,297 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per requirements of the IEPF Rules.

**Significant and Material Orders**

There are no significant and material orders passed during the year by the regulators, courts or tribunals impacting the going concern status and Company’s operations in the future.

**Statutory Disclosures**

None of the Directors of the Company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

**Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company have occurred between March 31, 2022 and the date of this report.

**Change in Nature of Business**

The Company continues to be a pioneer biopharmaceutical company engaged in manufacturing active pharmaceutical ingredients and formulations, including biosimilar drugs for diabetics, oncology and autoimmune diseases with sales in markets across the globe.

There has been no change in the nature of the business of the Company.

**Annual Return**

The Annual Return of the Company as per the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013, is available on the website of the Company at www.biocon.com.

**Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)**

In terms of Section 118(10) of the Act, the Company has complied with the applicable Secretarial Standards i.e. SS-1, SS-2 and SS-4, relating to the ‘Meetings of the Board’, ‘General Meetings’ and ‘Report of the Board of Directors’ respectively, as specified by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

**Green Initiative**

We request all the shareholders to support the ‘Green Initiative’ of the Ministry of Corporate Affairs and Biocon’s continuance towards greener environment by enabling the service of the Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ Registrar and Share Transfer Agent.

**Acknowledgement**

We place on record our appreciation for the committed services by every member of the Biocon family globally whose contribution was significant to the growth and success of the Company. We would like to thank all our clients, partners, vendors, investors, bankers and other business associates for their continued support and encouragement during the year. We also thank the Government of India and Malaysia, Government of Karnataka, Government of Telangana, Government of Andhra Pradesh, Ministry of Information Technology and Biotechnology, Ministry of Health, Ministry of Commerce and Industry, Ministry of Finance, Department of Pharmaceuticals, Department of Scientific and Industrial Research, Ministry of Corporate Affairs, Central Board of Indirect Taxes and Customs, Income Tax Department, CSEZ, and all other regulatory agencies for their assistance and cooperation during the year and look forward to their continued support in the future.

For and on behalf of the Board

Sd/-

Kiran Mazumdar-Shaw

Executive Chairperson

Place: Bengaluru

Date: April 28, 2022

DIN: 00347229
### FORM AOC -1

**Annexure 1 - Statement containing salient features of the financial statement of subsidiaries /associate companies/ joint ventures**

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - AOC-1]

#### Part A - Subsidiaries

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the subsidiary</th>
<th>Date since subsidiary was acquired/ incorporated</th>
<th>Reporting Period</th>
<th>Reporting currency</th>
<th>Share capital*</th>
<th>Reserves &amp; Surplus (other equity)*</th>
<th>Total Assets*</th>
<th>Total Liabilities (excl. capital &amp; reserves)*</th>
<th>Investments (excluding in subsidiaries)*</th>
<th>Turnover#</th>
<th>Profit/ (loss) before taxation#</th>
<th>Provision for taxation#</th>
<th>Profit/ (loss) for the year#</th>
<th>Proposed dividend</th>
<th>% of Shareholding by the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Syngene International Limited, India</td>
<td>November 18, 1993</td>
<td>April - March</td>
<td>INR</td>
<td>4,008</td>
<td>28,912</td>
<td>55,608</td>
<td>22,688</td>
<td>10,342</td>
<td>26,542</td>
<td>4,817</td>
<td>879</td>
<td>3,938</td>
<td>401</td>
<td>70.24%</td>
</tr>
<tr>
<td>2</td>
<td>Biocon Academy, India</td>
<td>December 03, 2013</td>
<td>April - March</td>
<td>INR</td>
<td>1</td>
<td>-</td>
<td>58</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Biocon Pharma Limited, India</td>
<td>October 31, 2014</td>
<td>April - March</td>
<td>INR</td>
<td>141 (1,208)</td>
<td>11,834</td>
<td>12,901</td>
<td>1,826</td>
<td>6,314</td>
<td>1,056</td>
<td>-</td>
<td>-</td>
<td>1,056</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td>4</td>
<td>Biocon SA, Switzerland</td>
<td>April 21, 2008</td>
<td>April - March</td>
<td>USD</td>
<td>7</td>
<td>4,835</td>
<td>4,885</td>
<td>43</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td>5</td>
<td>Biocon Biologics Limited, India</td>
<td>June 08, 2016</td>
<td>April - March</td>
<td>INR</td>
<td>10,588</td>
<td>10,618</td>
<td>73,539</td>
<td>52,333</td>
<td>105</td>
<td>23,728</td>
<td>923</td>
<td>63</td>
<td>860</td>
<td>-</td>
<td>93.47%</td>
</tr>
<tr>
<td>6</td>
<td>Biocon Biologics UK Limited, UK</td>
<td>March 02, 2016</td>
<td>April - March</td>
<td>USD</td>
<td>19,678</td>
<td>9,000</td>
<td>50,900</td>
<td>22,222</td>
<td>102</td>
<td>16,035</td>
<td>3,307</td>
<td>782</td>
<td>2,525</td>
<td>-</td>
<td>Refer note 2</td>
</tr>
<tr>
<td>7</td>
<td>Biocon SDN BHD, Malaysia</td>
<td>January 19, 2011</td>
<td>April - March</td>
<td>USD</td>
<td>36,659 (8,806)</td>
<td>34,819</td>
<td>6,966</td>
<td>-</td>
<td>4,869</td>
<td>(1,080)</td>
<td>-</td>
<td>(1,080)</td>
<td>-</td>
<td>-</td>
<td>Refer note 3</td>
</tr>
<tr>
<td>8</td>
<td>Biocon Pharma Inc, USA</td>
<td>July 27, 2015</td>
<td>April - March</td>
<td>USD</td>
<td>1,389</td>
<td>405</td>
<td>5,383</td>
<td>3,589</td>
<td>-</td>
<td>4,720</td>
<td>97</td>
<td>89</td>
<td>208</td>
<td>-</td>
<td>Refer note 4</td>
</tr>
<tr>
<td>9</td>
<td>Biocon FZ LLC, UAE</td>
<td>June 16, 2015</td>
<td>April - March</td>
<td>AED</td>
<td>3</td>
<td>77</td>
<td>585</td>
<td>505</td>
<td>-</td>
<td>393</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>100.00%</td>
</tr>
<tr>
<td>10</td>
<td>Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia</td>
<td>August 10, 2017</td>
<td>April - March</td>
<td>MYR</td>
<td>36 (37)</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Refer note 3</td>
</tr>
<tr>
<td>11</td>
<td>Syngene USA Inc, USA</td>
<td>August 24, 2017</td>
<td>April - March</td>
<td>USD</td>
<td>4</td>
<td>49</td>
<td>120</td>
<td>67</td>
<td>284</td>
<td>28</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>Refer note 6</td>
</tr>
<tr>
<td>12</td>
<td>Biocon Pharma UK Limited</td>
<td>December 07, 2018</td>
<td>April - March</td>
<td>GBP</td>
<td>167 (101)</td>
<td>70</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>Biocon Pharma Ireland Limited</td>
<td>December 14, 2018</td>
<td>April - March</td>
<td>EUR</td>
<td>65</td>
<td>(39)</td>
<td>38</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>-</td>
<td>Refer note 4</td>
</tr>
<tr>
<td>14</td>
<td>Biocon Biologics Inc, USA</td>
<td>November 12, 2019</td>
<td>April - March</td>
<td>USD</td>
<td>129 (201)</td>
<td>29</td>
<td>101</td>
<td>12</td>
<td>(110)</td>
<td>-</td>
<td>(110)</td>
<td>-</td>
<td>Refer note 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Biocon Biophere Limited, India</td>
<td>December 24, 2019</td>
<td>April - March</td>
<td>INR</td>
<td>1</td>
<td>117</td>
<td>4,092</td>
<td>3,974</td>
<td>-</td>
<td>(3)</td>
<td>1</td>
<td>(4)</td>
<td>-</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td>16</td>
<td>Biocon Biologics FZ LLC</td>
<td>November 26, 2020</td>
<td>April - March</td>
<td>USD</td>
<td>76 (2)</td>
<td>136</td>
<td>62</td>
<td>129</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>Refer note 3</td>
</tr>
<tr>
<td>17</td>
<td>Biocon Biologics Do Brasil Ltda</td>
<td>August 17, 2020</td>
<td>April - March</td>
<td>USD</td>
<td>53</td>
<td>(60)</td>
<td>0</td>
<td>16</td>
<td>-</td>
<td>(49)</td>
<td>(49)</td>
<td>-</td>
<td>-</td>
<td>(49)</td>
<td>Refer note 3</td>
</tr>
<tr>
<td>18</td>
<td>Biocon Pharma Malta Limited</td>
<td>January 25, 2021</td>
<td>April - March</td>
<td>EUR</td>
<td>0</td>
<td>(1)</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>(1)</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>Refer note 4</td>
</tr>
<tr>
<td>19</td>
<td>Biocon Pharma Malta I Limited</td>
<td>January 25, 2021</td>
<td>April - March</td>
<td>EUR</td>
<td>0</td>
<td>(1)</td>
<td>19</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Refer note 5</td>
</tr>
<tr>
<td>20</td>
<td>Biofusion Therapeutics Limited</td>
<td>March 18, 2021</td>
<td>April - March</td>
<td>INR</td>
<td>1</td>
<td>9</td>
<td>1,594</td>
<td>1,584</td>
<td>402</td>
<td>12</td>
<td>3</td>
<td>9</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Exchange rate considered in the case of foreign subsidiaries - 1 USD = ₹ 75.92; 1 AED = ₹ 20.68; 1 MYR = ₹ 18.05; 1 GBP = ₹ 99.78; 1 EUR = ₹ 84.02

* Converted at monthly average exchange rates

Notes:
1. Syngene International Limited, India has proposed a final dividend of 10% or Re. 1 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or Rs.0.5 per equity share and additional special dividend of 5% or Rs.0.5 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.
2. Biocon Biologics Limited holds 100% of equity stake in Biocon Biologics UK Limited, UK.
3. Biocon Biologics Limited, UK holds 100% of equity stake in:-
   a) Biocon Biologics FZ LLC
   b) Biocon Biologics Do Brasil Ltda
   c) Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia
   d) Biocon SDN BHD, Malaysia*
   e) Biocon Biologics Inc, USA
4. The reporting currency of Biocon SDN BHD is MYR, however USD is disclosed since it is the functional currency.
5. Biocon Pharma Limited, India holds 100% of equity stake in:-
   a) Biocon Pharma Inc, US
   b) Biocon Pharma UK Limited
   c) Biocon Pharma Ireland Limited
   d) Biocon Pharma Malta
5. Biocon Pharma Malta Limited holds 100% of equity stake in Biocon Pharma Malta I Limited.
6. Syngene International Limited holds 100% of equity stake in Syngene USA Inc.
### Part B - Associates & Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of Associate / Joint Venture</th>
<th>Date on which the Associate / Joint Venture was acquired</th>
<th>Latest audited Balance Sheet date</th>
<th>Share of Associate / Joint Venture held by the Company at the year end</th>
<th>Description of how there is significant influence</th>
<th>Reason why the Associate / Joint Venture is not consolidated</th>
<th>Net worth attributable to share holding as per latest audited Balance Sheet</th>
<th>Profit / (Loss) for the year</th>
<th>Number of shares</th>
<th>Amount of investments in Associate / Joint Venture</th>
<th>Extent of Holding %</th>
<th>Considered in consolidation</th>
<th>Not considered in consolidation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NeoBiocon, UAE</td>
<td>April 29, 2007</td>
<td>March 31, 2022</td>
<td>147,000</td>
<td>80</td>
<td>49%</td>
<td>By way of control of more than twenty percent of total share capital</td>
<td>NA</td>
<td>80</td>
<td>37</td>
<td>39</td>
<td>NA</td>
<td>39</td>
</tr>
<tr>
<td>2</td>
<td>Bicara Therapeutics Inc</td>
<td>January 09, 2021</td>
<td>March 31, 2022</td>
<td>41,070,000^</td>
<td>-</td>
<td>74%</td>
<td>By way of control of more than twenty percent of total share capital</td>
<td>NA</td>
<td>-</td>
<td>(2,106)</td>
<td>(458)</td>
<td>NA</td>
<td>39</td>
</tr>
</tbody>
</table>

^Includes Preference shares

For and on behalf of the Board

Sd/- Sd/- Sd/-

Place: Bengaluru

Kiran Mazumdar-Shaw Siddharth Mittal Mayank Verma

Chairperson Managing Director & CEO Company Secretary

Date: April 28, 2022

In ₹ Million
# Annexure 2 - Disclosure with respect to Employees Stock Option Plan of the Company

[Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Status of compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations</td>
<td>There was no material changes in the scheme and scheme is in compliance with the regulations.</td>
</tr>
<tr>
<td>A</td>
<td>Relevant disclosures in terms of the ‘Guidance note on accounting for employee share-based payments’ issued by ICAI or any other relevant accounting standards as prescribed from time to time.</td>
<td>Yes - Disclosed in notes to accounts – Refer note 30 to standalone financial statements for the year ended March 31, 2022</td>
</tr>
<tr>
<td>B</td>
<td>Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Accounting Standard on Earnings Per Share’ issued by ICAI or any other relevant accounting standards as prescribed from time to time.</td>
<td>Yes - Disclosed in notes to accounts – Refer note 30 to standalone financial statements for the year ended March 31, 2022</td>
</tr>
<tr>
<td>C</td>
<td>Details related to ESOS</td>
<td>Refer notes to standalone financial statements for the year ended March 31, 2022</td>
</tr>
</tbody>
</table>

1. **Summary of Status of ESOP:**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Date of shareholders’ approval</td>
<td>September 27, 2001</td>
</tr>
<tr>
<td>2</td>
<td>Total number of options approved under ESOS</td>
<td>Refer note 30 of the standalone financial statements</td>
</tr>
<tr>
<td>3</td>
<td>Vesting requirements</td>
<td>Refer note 30 of the standalone financial statements</td>
</tr>
<tr>
<td>4</td>
<td>Exercise price or pricing formula</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Maximum term of options granted</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Source of shares (primary, secondary or combination)</td>
<td>Combination</td>
</tr>
<tr>
<td>7</td>
<td>Variation in terms of options</td>
<td>No variation</td>
</tr>
<tr>
<td>8</td>
<td>Method used to account for ESOS - Intrinsic or fair value</td>
<td>Intrinsic or fair value</td>
</tr>
<tr>
<td>9</td>
<td>The impact on the profits and EPS of the company</td>
<td>Refer note 30 of the standalone financial statements</td>
</tr>
</tbody>
</table>


2. **Summary of Status of Biocon Restricted Stock Unit (RSU) Long Term Incentive Plan FY 2020-24:**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Date of shareholders’ approval</td>
<td>July 24, 2020</td>
</tr>
<tr>
<td>2</td>
<td>Total number of options approved under ESOS</td>
<td>Refer note 30 of the standalone financial statements</td>
</tr>
<tr>
<td>3</td>
<td>Vesting requirements</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Exercise price or pricing formula</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Maximum term of options granted</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Source of shares (primary, secondary or combination)</td>
<td>Combination</td>
</tr>
<tr>
<td>7</td>
<td>Variation in terms of options</td>
<td>No variation</td>
</tr>
<tr>
<td>8</td>
<td>Method used to account for ESOS - Intrinsic or fair value</td>
<td>Intrinsic or fair value</td>
</tr>
<tr>
<td>9</td>
<td>The impact on the profits and EPS of the company</td>
<td>Refer note 30 of the standalone financial statements</td>
</tr>
</tbody>
</table>
3. **Option movement during the year 2021-22:**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Grant VII</th>
<th>Grant VIII</th>
<th>Grant IX</th>
<th>Grant X</th>
<th>RSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of options outstanding at the beginning of the period</td>
<td>2,008,750</td>
<td>147,000</td>
<td>5,307,574</td>
<td>4,857,076</td>
<td>2,630,000</td>
</tr>
<tr>
<td>2</td>
<td>Number of options granted during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>724,083</td>
</tr>
<tr>
<td>3</td>
<td>Number of options forfeited / lapsed during the year</td>
<td>84,000</td>
<td>-</td>
<td>1,390,500</td>
<td>256,125</td>
<td>408,345</td>
</tr>
<tr>
<td>4</td>
<td>Number of options vested during the year</td>
<td>1,081,500</td>
<td>48,000</td>
<td>570,187</td>
<td>2,172,877</td>
<td>476,909</td>
</tr>
<tr>
<td>5</td>
<td>Number of options exercised during the year</td>
<td>1,335,750</td>
<td>42,000</td>
<td>470,870</td>
<td>1,969,077</td>
<td>430,762</td>
</tr>
<tr>
<td>6</td>
<td>Number of shares arising as a result of exercise of options</td>
<td>1,335,750</td>
<td>42,000</td>
<td>470,870</td>
<td>1,969,077</td>
<td>430,762</td>
</tr>
<tr>
<td>7</td>
<td>Money realized by exercise of options (INR), if scheme is implemented directly by the Company</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Loan repaid by the Trust during the year from exercise price received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Number of options outstanding at the end of the year</td>
<td>589,000</td>
<td>105,000</td>
<td>3,446,204</td>
<td>2,631,874</td>
<td>2,514,976</td>
</tr>
<tr>
<td>10</td>
<td>Number of options exercisable at the end of the year</td>
<td>103,000</td>
<td>105,000</td>
<td>205,079</td>
<td>951,249</td>
<td>46,147</td>
</tr>
<tr>
<td>11</td>
<td>Weighted-average exercise prices of options outstanding at the end of year</td>
<td>88</td>
<td>76</td>
<td>125</td>
<td>151</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>Weighted-average fair values of options granted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>369</td>
</tr>
</tbody>
</table>

4. **Options granted to the employees of the company during the year:**

(a) Options granted to Senior managerial personnel (Chief Financial Officer) during the year under the Biocon Restricted Stock Unit (RSU) Long Term Incentive Plan FY 2020-24, with exercise price in par with the face value i.e. ₹5/- is as follows:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Employee</th>
<th>Designation</th>
<th>No. of options granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Indranil Sen</td>
<td>Chief Financial Officer</td>
<td>50,000</td>
</tr>
</tbody>
</table>

(b) Any other employee who received a grant during the year, options amounting to 5% or more of option granted during the year is as follows:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Employee</th>
<th>Designation</th>
<th>No. of options granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sriram Akundi</td>
<td>Senior Vice President</td>
<td>40,000</td>
</tr>
<tr>
<td>2</td>
<td>Manoj Pananchukunnath</td>
<td>Senior Vice President</td>
<td>1,00,000</td>
</tr>
</tbody>
</table>

(c) Identified employees who were granted options during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant – NIL

5. **Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

1. Weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model

2. Method used and the assumptions made to incorporate the effects of expected early exercise

3. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility

4. Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition
D. Details related to ESPS - Not Applicable
E. Details related to SAR - Not Applicable
F. Details related to GEBS / RBS - Not Applicable
G. Details related to Trust

(i) General information on schemes

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Biocon India Limited Employees Welfare Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of the Trust</td>
<td>Biocon India Limited Employees Welfare Trust</td>
</tr>
<tr>
<td>2</td>
<td>Details of the Trustee(s)</td>
<td>Mr. Murali Krishnan KN Mr. Amitava Saha</td>
</tr>
<tr>
<td>3</td>
<td>Amount of loan disbursed by company / any company in the group, during the year</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Any other contribution made to the Trust during the year</td>
<td>-</td>
</tr>
</tbody>
</table>

(ii) Brief details of transactions in shares by the Trust

(a) Number of shares held at the beginning of the year i.e. April 1, 2021 – 11,168,774
(b) Number of shares acquired during the year through
   (i) primary issuance – 6,00,000
   (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share – Nil
(c) Number of shares transferred to the employees / sold along with the purpose thereof – 42,48,459
(d) Number of shares held at the end of the year i.e. March 31, 2022 – (a +b-c) – 75,20,315

(iii) In case of secondary acquisition of shares by the Trust – Not Applicable

For and on behalf of the Board

Sd/-
Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Place: Bangalore
Date: April 28, 2022
Annexure 3 - Conservation of energy, technology absorption, foreign exchange earnings and outgo

[Particulars pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of energy

i) The steps taken or impact on conservation of energy

Power consumption for FY22 was 191 mn units as against 178 mn units in FY21. The unit consumption has increased by 7% YOY.

ii) The steps taken by the company for utilizing alternate source of energy

By using renewable energy for 58% of total power requirement and using cleaner fossil fuel for steam generation (Natural gas instead of furnace oil), led to a reduction of CO2 emission by 1,16,120 Tons.

iii) The Capital investment on energy conservation equipments

Total Investment on energy conservation stands at 48.4 mn.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Power and fuel consumption details</th>
<th>FY 22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Electricity</strong></td>
<td></td>
</tr>
<tr>
<td>1 A</td>
<td>Purchased</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Million Units</td>
<td>190</td>
<td>174</td>
</tr>
<tr>
<td></td>
<td>Total amount (₹ mn)</td>
<td>1,225</td>
<td>1,166</td>
</tr>
<tr>
<td></td>
<td>Rate / Unit (₹)</td>
<td>6.4</td>
<td>6.7</td>
</tr>
<tr>
<td>1 B</td>
<td>Captive generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HSD Quantity, KL</td>
<td>2,418</td>
<td>1,477</td>
</tr>
<tr>
<td></td>
<td>Million Units</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Units / Litre</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Cost / Litre (₹)</td>
<td>49.6</td>
<td>45.8</td>
</tr>
<tr>
<td></td>
<td>Generation cost, Rate / Unit (₹)</td>
<td>14.9</td>
<td>14.0</td>
</tr>
<tr>
<td>2 A</td>
<td>Steam</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Furnace oil</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quantity, KL</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Total amount (₹ mn)</td>
<td>-</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Average rate</td>
<td>-</td>
<td>28.5</td>
</tr>
<tr>
<td>2 B</td>
<td>Natural gas</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quantity, MMBTU</td>
<td>2,02,88,626</td>
<td>1,86,71,681</td>
</tr>
<tr>
<td></td>
<td>Total amount (₹ mn)</td>
<td>922</td>
<td>589.3</td>
</tr>
<tr>
<td></td>
<td>Average rate</td>
<td>45.4</td>
<td>32</td>
</tr>
<tr>
<td>2 C</td>
<td>Coal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quantity, TO</td>
<td>5,596</td>
<td>4,891</td>
</tr>
<tr>
<td></td>
<td>Total amount (₹ mn)</td>
<td>43.8</td>
<td>36.6</td>
</tr>
<tr>
<td></td>
<td>Average rate</td>
<td>7,833</td>
<td>7,467</td>
</tr>
</tbody>
</table>
Continuous monitoring of high energy consumption areas/equipment and taking appropriate corrective measures as and when required, resulted in energy saving and reduction in power consumption.

**B. Technology Absorption**

<table>
<thead>
<tr>
<th></th>
<th>The efforts made towards technology absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The benefits derived like product improvement, cost reduction, product development or import substitution</td>
</tr>
<tr>
<td></td>
<td>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</td>
</tr>
<tr>
<td>(a)</td>
<td>The details of technology imported</td>
</tr>
<tr>
<td>(b)</td>
<td>The year of import</td>
</tr>
<tr>
<td>(c)</td>
<td>Whether the technology been fully absorbed</td>
</tr>
<tr>
<td>(d)</td>
<td>If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</td>
</tr>
<tr>
<td></td>
<td>The expenditure incurred on Research and Development (R&amp;D)</td>
</tr>
</tbody>
</table>

**Research and Development**

Specific areas in which R&D work has been carried out by the Company:

1. Development of Synthetic and Fermentation based Generic Small Molecules for Anti-infective, Oncology, Cardio-vascular, Nephrology and Transplantation segments.
2. Formulation development for Abbreviated New Drug Applications (ANDAs).
4. Focus on innovative technologies in API process development.
5. Oncology API lab is functional.
6. Clinical development pertaining to Novel programs.

**Benefits derived as a result of R&D activities**

2. Rich pipeline of Generic Small Molecules catering to varied therapeutic areas.
3. Internationally competitive prices and product quality.
4. The Company has been granted 1,300 patents and around 1,059 trademarks as on date in various jurisdictions.
5. Safe and environment friendly processes.
7. Clinical trial in progress for one of the Novel molecule.

**Future Plan of Action**
1. Strategic Collaborations for increased speed and cost competitiveness in Drug Discovery.
2. Vertical integration for the entire portfolio.
3. Developing a portfolio of Complex Generics.
4. Collaborate with global Academia and Industry to build value & visibility to the portfolio.
5. Increase capital spend to build a stronger R&D base which is in line to current industry changes.

**Expenditure incurred on Research & Development**

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Capital</td>
<td>198</td>
<td>15</td>
</tr>
<tr>
<td>b) Recurring</td>
<td>906</td>
<td>1,223</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,104</td>
<td>1,237</td>
</tr>
<tr>
<td>Less: Recharge</td>
<td>-</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Net R&amp;D Expenses</strong></td>
<td>1,104</td>
<td>1,224</td>
</tr>
</tbody>
</table>

**C. Foreign Exchange Earnings and Outgo**

<table>
<thead>
<tr>
<th>Foreign exchange earned and used during the year:</th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Earnings</td>
<td>8,885</td>
<td>11,791</td>
</tr>
<tr>
<td>Outflow</td>
<td>6,360</td>
<td>5,084</td>
</tr>
<tr>
<td><strong>Net foreign exchange earnings</strong></td>
<td>2,525</td>
<td>6,707</td>
</tr>
</tbody>
</table>

For and on behalf of the Board

Place: Bengaluru
Date: April 28, 2022

Sd/-
Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229
To,
The Members
Biocon Limited
20th K.M. Hosur Road, Electronic City,
Bengaluru - 560100

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Biocon Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2022 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period);  

h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Audit Period);

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period); and

j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).
(vi) Other Laws Applicable Specifically to the Company namely:

a. Drugs and Cosmetics Act 1940
c. ICH Guidelines (this is the base on which US FDA/ EU Guidelines etc. are created on).
d. UCPMP (Currently voluntary – however proposed to be made mandatory).
e. National Biodiversity Act 2002
f. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1955
g. Narcotic Drugs and Psychotropic substance Act
h. Drugs (Control) Act, 1950

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board were unanimous, and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Managing Director of the Company which was taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in Point No. vi of para 3 of this report.

The following events/actions were having a major bearing on the company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

a. Re-Appointment of Mr. Bobby Kanubhai Parikh (DIN:00019437) as an Independent Director of the Company for the second term of five years.
b. Appointment of Mr. Indranil Sen as the Chief Financial Officer (‘CFO’) of the Company in the place of Mr. Anupam Jindal with effect from April 28, 2021.
c. Allotment of 6,00,000 (Six Lakh) Equity Shares of ₹5/- (Rupees Five) each to Biocon India Limited Employee Welfare Trust under Biocon restricted stock unit long term incentive plan.
d. Mr. John McCallum Marshall Shaw (DIN:00347250), Vice Chairperson had resigned as a Non-Executive Director of the Company with effect from July 23, 2021.
e. Mr. Eric Vivek Mazumdar (DIN:09381549) was appointed as Non-Executive Non-Independent Additional Director with effect from November 01, 2021.

For V. SREEDHARAN & ASSOCIATES

Sd/- (Pradeep B. Kulkarni)
Partner

Place: Bengaluru FCS: 7260; CP No. 7835
Date: April 28, 2022 UDIN number: F007260D000226171
Peer Review Certificate No. 589/2019

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.
To,
The Members
Biocon Limited
20th K.M. Hosur Road, Electronic City,
Bengaluru - 560100

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For V. SREEDHARAN & ASSOCIATES

Sd/-
(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN Number: F007260D000226171
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 28, 2022
To,
The Members,
BIOCON BIOLOGICS LIMITED
Biocon House, Ground Floor, Tower-3,
Semicon Park, Electronic City, Phase - II,
Hosur Road, Bengaluru - 560100

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Biocon Biologics Limited (“the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2022 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
   a. Drugs and Cosmetics Act, 1940
   b. Drugs and Cosmetics Rules, 1945
   d. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1954
   e. Narcotic Drugs and Psychotropic substance Act
   h. Hazardous Substances (Classification packaging and labelling) Rules 2011
   i. The Explosives Act, 1983
   j. Manufacture, Storage, and Import of Hazardous Chemicals Rules, 1989
   k. Drug (Price Control) Order (DPCO) 2013 (NPPA)
   l. Regulation of Drug Act, 1978
   m. National Biodiversity Act, 2002
   n. Uniform Code of Pharmaceuticals Marketing Practices (UCPMP) Guidelines
   o. Livestock Importation Act, 1898
   p. Generic Drug User Fee Amendment (GDUFA) 2012
   q. Cosmetics, Devices and Drugs Act, 1980
   r. Registration Guideline for Registration of the Medicinal Products, 2013
   s. The Special Economic Zone Act 2005, Special Economic Zone Rules 2006

The Company being an unlisted public limited company, the following Regulations prescribed under Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company during the audit period:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021;

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

(j) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc., mentioned above.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all the directors for all the Board Meetings held during the period under review. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that, there are adequate systems and processes in the Company in line with Biocon’s group level practices, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines which are listed under point no. v of 3rd para of this report.

The following events/actions were having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

a. Mr. John Russell Fortheringham Walls (DIN:03528496) was re-appointed as the Independent Director for the second term of 3 (three) years w.e.f June 08, 2021;

b. Implementation of “Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan” through trust route for the financial year 2022-24;

c. Mr. Peter Baron Piot (DIN:09015343) was appointed as an Independent Director of the Company for a period of 3 (three) years w.e.f January 21, 2021;

d. Mr. Thomas Jason Roberts (DIN:09337723) was appointed as an Additional Director by the Board w.e.f November 15, 2021;

e. Scheme of Merger for absorption of Covishield Technologies Private Limited with the Company was approved by the Board.

For V. SREEDHARAN & ASSOCIATES

Sd/-
(Pradeep B. Kulkarni)
Partner
FCS: 7260; C.P. No: 7835
Place: Bengaluru UDIN: F007260D000216381
Date: April 27, 2022 Peer Review Certificate No. 589/2019

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.
To,
The Members,

**BIOCON BIOLOGICS LIMITED**
Biocon House, Ground Floor, Tower-3,
Semicon Park, Electronic City, Phase - II,
Hosur Road, Bengaluru - 560100

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7. Due to Covid-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing Secretarial Audit Report (Form No. MR-3).

For **V. SREEDHARAN & ASSOCIATES**

*Sd/-*
(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN: F007260D000216381
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 27, 2022
Annexure 5 - Particulars of Remuneration

Information pursuant to Section 197(12) of the Companies Act, 2013
(Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Director/Key Managerial Personnel and Designation</th>
<th>Percentage increase in remuneration of each Director/ CFO/CEO/CS in the FY 2021-22</th>
<th>Ratio of the remuneration of each Director to the median remuneration of the employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Kiran Mazumdar-Shaw, Executive Chairperson</td>
<td>(39.41)</td>
<td>41.1</td>
</tr>
<tr>
<td>2</td>
<td>Siddharth Mittal, Managing Director and CEO</td>
<td>(1.90)</td>
<td>70.4</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>John Shaw*</td>
<td>NA</td>
<td>1.6</td>
</tr>
<tr>
<td>4</td>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>75.58</td>
<td>8.9</td>
</tr>
<tr>
<td>5</td>
<td>Eric Vivek Mazumdar**</td>
<td>NA</td>
<td>4.2</td>
</tr>
<tr>
<td>Independent Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Mary Harney</td>
<td>72.73</td>
<td>9.2</td>
</tr>
<tr>
<td>7</td>
<td>Daniel Mark Bradbury</td>
<td>109.09</td>
<td>11.1</td>
</tr>
<tr>
<td>8</td>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>77.12</td>
<td>8.0</td>
</tr>
<tr>
<td>9</td>
<td>Meleveetil Damodaran</td>
<td>80.88</td>
<td>9.6</td>
</tr>
<tr>
<td>10</td>
<td>Bobby Kanubhai Panik</td>
<td>70.74</td>
<td>11.9</td>
</tr>
<tr>
<td>Key Managerial Personnel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Indranil Sen***, Chief Financial Officer</td>
<td>NA</td>
<td>16.4</td>
</tr>
<tr>
<td>12</td>
<td>Anupam Jindal***, Chief Financial Officer</td>
<td>NA</td>
<td>2.3</td>
</tr>
<tr>
<td>13</td>
<td>Mayank Verma, Company Secretary</td>
<td>10</td>
<td>7.3</td>
</tr>
</tbody>
</table>

*John Shaw was in office only for part of the year (stepped down w.e.f. conclusion of the Company’s 43rd AGM held on July 23, 2021) and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

**Eric Vivek Mazumdar was in office only for part of the year (appointed w.e.f. November 1, 2021) and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

***Anupam Jindal (ceased as CFO w.e.f. April 28, 2021) and Indranil Sen (appointed as CFO w.e.f. April 28, 2021) were in office as CFO only for part of the year and hence the percentage of increase of remuneration in their case is not comparable with that of the previous year.

Notes:
- The remuneration paid to Non-Executive Directors (including Independent Directors) includes commission and sitting fees and is based on the position they occupied in various committees and meetings attended by them during FY 2021-22.
- The remuneration does not include perquisite value on account of stock options exercised during the year.
- The remuneration to the Executive Director and Key Managerial Personnel does not include provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

I Percentage increase/(decrease) in median remuneration of employees in the financial year

The median remuneration of employees increased from INR 5,77,728 as at March 31, 2021 to INR 5,99,040 as at March 31, 2022, representing an increase of 3.69%.

II Number of permanent employees on the rolls of the Company

There were 3,203 permanent employees as at March 31, 2022.

III Average percentile increase in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in employee remuneration other than managerial personnel was 10%. The increase in managerial remuneration is in line with the measures to attract and retain the best talent. The Company also uses a mix of fixed, variable and ESOP based compensation on a mid-to-long-term basis to align middle and senior management compensation to enhance shareholder values.

It is hereby affirmed that the remuneration paid for the financial year 2021-22 was as per the Company’s Policy on Director’s Appointment and Remuneration.
Annexure 6 - Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

Biocon believes in making a difference to the lives of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to healthcare services, educational opportunities, civic infrastructure and healthy environment.

Your company’s CSR activities are implemented through:

A. Biocon Foundation, through which implementation of CSR activities are in the following modes:

- Direct execution of projects/programs.
- Partnership - Build fruitful collaborations with like-minded organisations through memorandum of understandings.
- Grants - Provide grants to NGOs, trusts and academic institutions under grant-in-aid initiative for innovative and impactful social and environmental projects. In such scenario, the Foundation employs its expertise to evaluate the proposals of grant seekers and conducts due diligence when necessary before seeking approval from CSR Committee for releasing grants to them. Organisations with an established record of at least three years in undertaking similar initiatives, mandatory CSR Registration Number, as well as 80G and 12A registrations to undertake CSR activities are selected to implement CSR, in pursuance of the Act.

B. Biocon Academy, which aims to address the skill deficit in the Biopharma sector, by developing high-end talent through advanced learning.

C. Any other Agency: CSR activities can be undertaken through any other implementing agency. Such agency shall satisfy the statutory requirements as specified in the Act.

The CSR Vision of the Company is to strive towards developing and sustaining healthy and empowered communities by promoting social & economic inclusion and improving overall quality of life.

2. Composition of CSR Committee:

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Director</th>
<th>Designation</th>
<th>Category</th>
<th>Number of meetings of CSR Committee held during the year</th>
<th>Number of meetings of CSR Committee attended during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mary Harney</td>
<td>Chairperson</td>
<td>Independent Director</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>Member</td>
<td>Independent Director</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>Member</td>
<td>Non-Executive Director</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Siddharth Mittal*</td>
<td>Member</td>
<td>Executive Director</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>5.</td>
<td>Eric Vivek Mazumdar*</td>
<td>Member</td>
<td>Non-Executive Director</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

*Siddharth Mittal and Eric Vivek Mazumdar were inducted as members of the Committee with effect from March 28, 2022.
3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**
   
   
   ii. The composition of the CSR committee: [https://www.biocon.com/investor-relations/corporate-governance/board-committees/](https://www.biocon.com/investor-relations/corporate-governance/board-committees/)
   
   iii. The projects as approved by the Board shall be disclosed on the website at [www.biocon.com](http://www.biocon.com).

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

   Not Applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Financial Year</th>
<th>Amount available for set-off from preceding financial years (in ₹)</th>
<th>Amount required to be set-off for the financial year, if any (in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **Average net profit of the company as per section 135(5) : ₹ 3,496.7 Million**

7. (a) Two percent of average net profit of the company as per section 135(5) | 69.9

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil

   (c) Amount required to be set off for the financial year, if any | Nil

   (d) Total CSR obligation for the financial year (7a+7b- 7c) | 69.9

8. **(a) CSR amount spent or unspent for the financial year:**

<table>
<thead>
<tr>
<th>Total Amount Spent for the Financial Year (in ₹)</th>
<th>Total Amount transferred to Unspent CSR Account as per section 135(6)</th>
<th>Amount Unspent (in ₹)</th>
<th>Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th>
<th>Date of transfer</th>
<th>Amount Date of transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>69.9</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>
(b) Details of CSR amount spent against ongoing projects for the financial year:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Project</th>
<th>Item from the list of activities in Schedule VII to the Act</th>
<th>Local area (Yes/No)</th>
<th>Location of the project</th>
<th>Project duration</th>
<th>Amount allocated for the project (in ₹)</th>
<th>Amount spent in the current financial year (in ₹)</th>
<th>Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)</th>
<th>Mode of Implementation-Direct (Yes/No)</th>
<th>Mode of Implementation - Through Implementing Agency</th>
<th>Name</th>
<th>CSR Registration number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mass Transit System</td>
<td>Environmental sustainability</td>
<td>Yes</td>
<td>Karnataka - Bengaluru Urban</td>
<td>4 years</td>
<td>32.0</td>
<td>32.0</td>
<td>Nil</td>
<td>No</td>
<td>Biocon Foundation</td>
<td>CSR00002304</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Lake Rejuvenation</td>
<td>Environmental sustainability</td>
<td>Yes</td>
<td>Karnataka - Bengaluru Urban</td>
<td>2 years</td>
<td>5.3</td>
<td>5.3</td>
<td>Nil</td>
<td>No</td>
<td>Biocon Foundation</td>
<td>CSR00002304</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Biotechnology Promoting Education</td>
<td>Environmental sustainability</td>
<td>Yes</td>
<td>Karnataka - Bengaluru Urban</td>
<td>4 years</td>
<td>32.6</td>
<td>32.6</td>
<td>Nil</td>
<td>No</td>
<td>Biocon Academy</td>
<td>CSR00002303</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>69.9</strong></td>
<td><strong>69.9</strong></td>
<td><strong>Nil</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Project</th>
<th>Item from the list of activities in Schedule VII to the Act</th>
<th>Local area (Yes/No)</th>
<th>Location of the project</th>
<th>Project duration</th>
<th>Amount spent for the project (in ₹)</th>
<th>Mode of implementation - Through implementing agency.</th>
<th>Name</th>
<th>CSR registration number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Not Applicable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 69.9 Million

(g) Excess amount for set off, if any: NIL
9. **(a) Details of Unspent CSR amount for the preceding three financial years:**

   Nil

   **(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

   Not Applicable for FY 2021-22

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

   Not Applicable.

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

Sd/
Siddharth Mittal
Managing Director and CEO
Place: Bengaluru
Date: April 28, 2022
DIN: 03230757

Sd/
Mary Harney
Chairperson – CSR Committee
DIN: 05321964
Management Discussion and Analysis

Disrupted but Continued Recovery of the Global Economy Amid COVID-19

A report by the International Monetary Fund (IMF) indicated that global growth is expected to weaken from the 2021 levels of 5.9% to 4.4% in 2022. While 2021 did witness some global growth recovery, the momentum was subdued due to the outbreaks of the Delta and Omicron variants of COVID-19. The pandemic outbreaks affected critical links of global supply chains, causing longer-than-expected supply disruptions that impacted manufacturing. It also compelled countries to reimpose lockdowns and mobility restrictions. These disruptions, coupled with rising energy prices, resulted in higher, broad-based inflation as well as market volatility in several developed and emerging economies around the globe. Inflation is expected to remain high in the near term, averaging 3.9% in developed countries and 5.9% in emerging countries in 2022. The situation could potentially worsen due to higher crude oil prices if the Ukraine-Russia conflict continues.

Assuming that the pandemic and the Ukraine-Russia conflict abate over the course of 2022, supply chain issues are expected to ease in the later part of the year. However, global trade levels will continue to remain moderate in 2022 and 2023.

Global Growth Projections

Global growth, too, is expected to slow down further to 3.8% in 2023, subject to adverse health outcomes remaining low in most countries this year, given improved vaccination rates worldwide and effective therapies. If the pandemic prolongs over the medium term, it could reduce global Gross Domestic Product by a cumulative $5.3 trillion over the next five years.

The uncertainty around further outbreaks of the virus once again emphasizes the urgent need for an effective, global healthcare strategy that ensures equitable access to tests, treatments and vaccines for all. It is incumbent upon policy makers to ensure that fiscal policies prioritize health and social spending such that they reach the most marginalized of populations.

Global Medicine Market

A recent IQVIA report estimates the global medicine market to grow to ~US $1.8 trillion by 2026, at a compounded annual growth rate (CAGR) between 3% and 6%. Over the past decade, medicine use grew over 40% primarily due to higher access to medicines in developing countries. The spend on COVID-19 vaccines alone through 2026 is expected to be $251 billion. Growth in overall medicine spending is expected to slow down because of loss of exclusivity and higher adoption of biosimilars. With ~300 new active substances (NAS) expected to be launched by 2026, spending on newly launched products is expected to offset this slowdown.

Top 20 Therapy Areas in 2026 in terms of Global Spending, with 5 year CAGRs (In US$bn)

The U.S. medicine market is expected to flatten between 0 and 3% CAGR over the next five years as against a modest 3.5% CAGR during the preceding five years. Spending growth in China is expected to slow down, due to pricing pressure, partially offset by better uptake and use of innovator drugs. Japan, the third largest global market, will have a flat-to-declining medicine spend and will shift from biennial to annual price cuts. In Europe, medicine spending is expected to grow by ~4% CAGR over the next five years, with a focus on greater adoption of generics and biosimilars. Drugs are expected to become cheaper and more widely available with biosimilars entering the market. This can result in significant cost savings if reimbursement is granted to wider patient groups. Affordability of expensive innovator medication is becoming a challenge especially in geographies where patients have to pay for their own healthcare, such as the U.S.
Oncology and immunology, the two largest therapeutic indications, are expected to grow at a healthy CAGR of 9 to 12% and 6 to 9% respectively through 2026. This will be driven by newer treatments and higher use of medicines, offset by losses of exclusivity and a growing adoption of biosimilars. About a hundred new drugs are expected to be added for cancer treatment alone over the next five years, contributing ~$120 billion to grow the total market size to $300+ billion in 2026. Alzheimer’s and migraine, along with niche therapies in rare neurological disorders, are expected to increase spending in neurology. On the other hand, Diabetes spending is expected to grow in low single-digits in most developed markets while it is expected to decline in the U.S. due to increased competition and the emergence of biosimilars.

Worldwide Total Prescription Drug Sales (2012-2026, in US$bn)

Despite the clinical and commercial uncertainties involved in next-generation biotherapeutics such as cell, gene and Ribonucleic acid (RNA) based therapies, ~60 new launches are expected by 2026, in addition to the 30 already launched to date. There are now, on an average, a dozen such launches each year, as compared to the annual average of three over the past five years.

COVID-19 Impact on the Global Pharmaceutical Sector

COVID-19 served as a wake-up call for the global pharmaceutical sector, forcing the community to rapidly innovate and rethink new ways of working to ensure business continuity.

With many vaccines and drugs being rapidly tested, 2021 saw an acceleration in all phases of development for potential COVID-19 interventions. This is, however, expected to sharply decline in 2022. There are, currently, about 2,000 agents that are part of the COVID-19 pipeline, with over 500 in advanced stages of development. While the pipeline also includes several small molecules, it is dominated by biologics, particularly vaccines and antibodies. Vaccine development accounted for a large number of the clinical trials conducted in 2021, most of which were across Europe, followed by Asia-Pacific and North America. Around 2,000 COVID-19 trials have been completed, with 4,000+ that are ongoing or yet to start across markets.

While the widespread administration of vaccines and improved treatments have helped reduce morbidity and mortality, millions are expected to have long-term complications from the infection, known as post-acute sequelae of COVID-19 (PASC), across almost all organ systems. This is estimated to impact between 10 to 30% of COVID patients. Research is ongoing to better understand the prevalence of PASC, as well as to develop therapeutic solutions to address these symptoms.

Worldwide Total Pharmaceutical R&D Spends (2012-2026, in US$bn)

Source: Evaluate Pharma®, May 2021

With many vaccines and drugs being rapidly tested, 2021 saw an acceleration in all phases of development for potential COVID-19 interventions. This is, however, expected to sharply decline in 2022. There are, currently, about 2,000 agents that are part of the COVID-19 pipeline, with over 500 in advanced stages of development. While the pipeline also includes several small molecules, it is dominated by biologics, particularly vaccines and antibodies. Vaccine development accounted for a large number of the clinical trials conducted in 2021, most of which were across Europe, followed by Asia-Pacific and North America. Around 2,000 COVID-19 trials have been completed, with 4,000+ that are ongoing or yet to start across markets.

While the widespread administration of vaccines and improved treatments have helped reduce morbidity and mortality, millions are expected to have long-term complications from the infection, known as post-acute sequelae of COVID-19 (PASC), across almost all organ systems. This is estimated to impact between 10 to 30% of COVID patients. Research is ongoing to better understand the prevalence of PASC, as well as to develop therapeutic solutions to address these symptoms.

Source: Evaluate Pharma®, May 2021

Worldwide Total Prescription Drug Sales (2012-2026, in US$bn)

Source: Evaluate Pharma®, May 2021

Worldwide prescription drug sales are forecasted to grow at a CAGR of 6.4% between 2021 and 2026 to $1.4 trillion. Drug pricing pressure is unlikely to ease and continues to be an important political agenda in the U.S. Orphan drug indications and rare diseases remain an area of focus for innovators with orphan drug sales expected to double between 2020 and 2026, to reach $268 billion. Biologics will account for more than a third of total prescription and Over-the-Counter (OTC) sales in 2026, and for more than half of the 100 highest selling medicines, generating 55-60% of the sales.

Worldwide pharmaceutical Research and Development (R&D) spend is forecasted to grow at a slightly slower pace of 4.2% CAGR between 2020 and 2026 to reach $ 254 billion, in comparison to the historical CAGR of 4.7% between 2012 and 2020. While biopharma is focused on improving R&D efficiencies, drug development spend is expected to increase in the coming years with a conducive financing environment, allowing smaller players to also participate in the market.

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1’World Preview 2021 Outlook to 2026’, July 2021 published by Evaluate Pharma®
2 ‘Embracing Disruption in Pharma’, January 2022 published by Global Data
Emerging Trends within the Pharmaceutical Sector Amid COVID-19

The pandemic changed the pharma landscape in no small measure. As treatment paradigms and the healthcare delivery systems across the globe continue to evolve, some key industry trends impacting the global pharmaceutical industry have emerged:

Emerging Game Changers in Treatment Paradigms

Genomics, immuno-oncology (IO) and personalized / precision medicine are likely to become game changers for the industry. They are increasingly being used in developing more effective and innovative treatment paradigms across therapeutic areas, including oncology and infectious diseases.

Given its recent contribution towards fast tracking the development of COVID-19 vaccines, the role of genetics in diseases is garnering attention and interest in medical research and clinical care provision.

With significant advancement in sequencing technologies and data analytics, genomics can help speed up diagnosis processes and can support personalization of patient treatment.

The genomics market is expected to grow further due to the increasing prevalence of chronic diseases, dipping costs for Deoxyribonucleic acid (DNA) sequencing, accelerated funding and a growing emphasis on value-based healthcare models and patient-centric strategies.

Greater Need for Digitization and other Emerging Technologies

COVID-19 further accelerated digitization and the use of emerging technologies such as Artificial Intelligence (AI), Big Data, Real-world Evidence (RWE) and Remote patient monitoring (RPM).

The healthcare industry had to make quick decisions and investments to digitise its operations to ensure business continuity. Digitization of manufacturing, production and sales processes were swiftly adopted and implemented, using technologies such as Industry 4.0, converged architecture and AI. This also helped to effectively analyse the increasing volumes and complexity of the data being generated. Given the restrictions on physical interactions due to COVID, use of virtual or augmented reality increased, allowing the industry to continue to provide effective interactive patient experiences. Developing competence quickly in these areas will not only support improved patient care but will also help the industry to gather higher levels of insight that will benefit operational and clinical efficiency.

Emerging industry themes in disease treatment paradigms

Stakeholders such as regulators, healthcare payers, clinicians and patients are becoming more aware and are increasingly demanding evidence of the benefits of treatment approaches. In the case of COVID-19, RWE demonstrated the effectiveness of the vaccines in preventing infections. Further, RWE is now helping pharma companies to discover new drug targets and is enabling more efficient clinical trials. RWE signifies clinical and economic evidence of a medical product based on data as against traditional clinical trials.
RPM technologies, such as wearables, mHealth, and telemedicine, are continuing to be used by the healthcare industry across its value chain, from drug development through post-commercialization strategies. Since patients and healthy volunteers were unable to participate in traditional clinical trials during the COVID-19 shutdowns, adoption of decentralized/virtual clinical trials accelerated and highlighted the critical benefits of RPM through higher patient participation and real-time data collection and analytics.

**New Operating Models, New Ways of Working**

*Anticipated Future Working Models in the Pharmaceutical Industry (% of respondents)*

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>82</td>
<td>Companies will fully embrace agile ways of working due to dramatic acceleration of activities conducted and decisions required.</td>
</tr>
<tr>
<td>70</td>
<td>Companies will drastically simplify their organizational structure.</td>
</tr>
<tr>
<td>66</td>
<td>Companies will move away from traditional sales and marketing models to focused, virtual interactions, and increased focus on investment.</td>
</tr>
<tr>
<td>60</td>
<td>Companies will drastically simplify healthcare provider touchpoints.</td>
</tr>
<tr>
<td>56</td>
<td>Companies will move away from managing the end-to-end value chain, instead focusing on core capabilities and working with a broader ecosystem of partners.</td>
</tr>
</tbody>
</table>


The industry’s growth relies heavily on new capacities and talent. With the increasing proportion of remote work resulting in talent distribution, organizations are re-evaluating their sales and distribution network costs. As they relook at their operating models, organizations are moving away from managing the entire value chain inhouse to partnering with external vendors, with the intent of making manufacturing more flexible. The post-COVID-19 workforce is expected be more resilient to change, given that the need to work on-site is becoming less acute. The industry will need to adopt agile ways of working and upskill its talent to ensure that people can continue to program, operate, and interpret data. Further, during the pandemic, companies have adopted remote communication strategies through use of virtual and augmented reality and have enhanced their social media presence to market directly to the customers, and to connect directly with the patients.

**Continued pressures due to drug pricing and reimbursement constraints**

Concern around increasing healthcare spends, inflation and borrowings caused by COVID-19 related financial burden have resulted in the scrutiny of drug pricing and reimbursement by governments across the globe. While there is an intent to reduce U.S. prescription drug prices, which are significantly higher as compared to other countries, the important policy change that allows Medicare to negotiate drug prices will not come into effect until 2025. With drug pricing concerns showing no signs of abating, the industry is also facing inflationary pressure on the cost of raw materials, active ingredients, and intermediates. This inflationary trend is not only a cause of concern for the industry but also for the patient population, since it can further drive up prices of life saving pharmaceutical drugs.

**Growing importance of Environment, Social and Governance (ESG) practices**

ESG has gained momentum, especially during the pandemic, with citizens, governments and regulators turning the spotlight on businesses. Industries, including pharma, are now being asked to address social inequality, corruption, tax avoidance and inaction on climate change. Post-COVID-19 recovery agendas of several businesses now seem to incorporate greener processes in R&D, supply chain, waste, and resource management. The pharmaceutical industry will have to place ESG at its very core, given its ability to enable the industry to capture opportunities and be resilient to vulnerabilities.

Trends, such as the ones stated above, will continue to transform the ever-evolving pharmaceutical industry. Through agility and innovation, the industry continues to reinforce a positive agenda for growth and sustainability, in managing and maintaining patient care globally.

**Biocon’s Approach towards Sustainable growth**

- **Patient Centricity**
- **Focus on Science**
- **Access to All**
- **Quality First**
- **People Power**
- **Sustainable Growth**

Over the last four decades, Biocon has leveraged India’s value advantage of scientific talent and cost-competitive manufacturing to deliver scale, speed and quality that enabled affordable access to complex therapies for chronic conditions like diabetes, cancer and autoimmune diseases. Our mission has driven the way we conduct business. We continue to discover novel approaches that improve patient outcomes and provide global communities with differentiated, high-quality and affordable healthcare solutions.
Conducting our business with the highest standard of compliance and ethical governance and ensuring that we adhere to best-in-class quality and regulatory systems is central to the way we operate. We take great pride in our culture that breeds entrepreneurship and values our diverse workforce enabling us to attract the best and bring out the best in them. This has helped us create value for stakeholders by delivering a sustained financial performance and growth.

Business Review

FY22 Highlights:

- Biocon achieved the billion-dollar milestone by generating revenues of ~$83,966 million or ~$1.1 billion in FY22, recording a year-on-year growth of 14%, driven by a strong growth of 24% by Biosimilars and 20% by Research Services over FY21.

- Biocon became the first company to receive an interchangeability designation for its biosimilar (insulin glargine) in the U.S. in 2021. This was a major milestone in making affordable healthcare accessible to all.

- With the intent of providing holistic healthcare solutions to patients, Biocon entered into two strategic partnerships this year. Given the impact of infectious diseases on human life, Biocon expanded into adjacencies such as vaccines through a strategic alliance between Biocon Biologics and Serum Institute Life Sciences (SILS), which will provide Biocon with 15 years of committed access to 100 million annual doses of vaccines. Biocon also entered into a definitive agreement to acquire Viatris’ biosimilars business, enabling it to become a fully integrated global biosimilars player which in turn will help enhance patient access.

- The Generics business launched five new formulation products in the U.S., including our first day-one U.S. launch for a vertically integrated formulation, Everolimus 10mg tablet. The business also expanded into new geographies furthering our commitment to make affordable medicines available to patients around the world.

- The Research Services arm witnessed contract extensions with key customers such as Bristol-Myers Squibb and Amgen Inc. enabling Syngene to continue to cater to customer needs.

Other FY22 updates:

- At Biocon, we believe that it is important to enable our employees to create sustainable careers for themselves while contributing towards the organization’s objectives and goals. Towards this objective, we developed a competency framework as the foundation for all our people processes, covering talent acquisition, performance evaluation, talent development and succession planning.

With special focus required on employee wellness, particularly during the pandemic period, several online programs from health tips to counselling and yoga were offered to our employees. The Company continued to take all necessary precautions on the pandemic front including regular sanitisation, testing, daily temperature checks and zoning to ensure a safe workplace. COVID insurance and free vaccinations were provided to employees and their family members.

Biocon has always strived to create a diverse and inclusive environment for its workforce and aspires to reach a balanced gender ratio by the end of the decade. We have been consistently awarded for our endeavours on this front. This year, too, we received several awards and recognitions for our efforts:

- Ranked among the ‘Top 10- India’s Best Workplaces in Diversity, Equity and Inclusion, 2021’ and recognized as a ‘Certified Workplace with Inclusive Practices’ by Great Place to Work.
- Recognised by ‘UN Women’ as a winner in the ‘Transparency and Reporting’ category for exemplary practices embracing Women’s Empowerment Principles, Asia Pacific.
- Featured in Avatar’s Top 100 ‘Best Companies for Working Mothers’ list in 2021, 100 ‘Best Hall of Fame’ for the fifth consecutive year, the ‘Most Inclusive Companies Index List’ 2021 for the second time and bagged the ‘Exemplar of Inclusion’ award.
- Ranked among the ‘Top 5 Most Innovative Practices — Women Leadership Development’ as well as ‘Top 20 Companies in DiHERsity’ in the Large Enterprises category by JobsforHer.

Given our focus on sustainable growth, initiatives on that front have been pursued across the organisation since many years. Biocon’s efforts are now earning recognition globally:

- Secured an improved Carbon Disclosure Project rating.
- Awarded a Bronze place by EcoVadis this year.

Biocon continues to develop a robust framework for its Environment, Social and Governance (ESG) practices in
alignment with stakeholder expectations and to build a long-term portfolio of purpose, planet, people.

Biocon operates four distinct business segments:

a. **Generics**

b. **Novel Biologics**

c. **Biosimilars** (Under Biocon Biologics Limited)

d. **Research Services** (Under Syngene International Limited)

**Generics**

**Generics’ Strategic Priorities**

Our Generics Business comprises of a growing portfolio of Active Pharmaceutical Ingredients (APIs) as well as finished dosages. The business started in the late 90s with a fermentation based, cholesterol-lowering, statin API called Lovastatin and shortly after, in 2001, Biocon became the first Indian company to be approved by the United States Food and Drug Administration (U.S. FDA) to manufacture the API. Today, we are one of the largest manufacturers of statin and immunosuppressant APIs in the world. With a strategy to forward integrate our in-house APIs, in 2013, we forayed into the generic formulation space. This allowed us to move up the value chain while ensuring reliability of supplies to our customers and patients. The business has five API manufacturing facilities across Bengaluru, Hyderabad and Visakhapatnam in India. In addition to our in-house manufacturing, we also leverage the capabilities of global Contract Manufacturing Organisations (CMOs) for formulations, as required. In line with our strategic priorities, we are focused on growing our product pipeline through vertical integration, where possible, while also expanding our regional presence. We will continue to add capacities and niche capabilities such as peptides, high potent drugs, and injectables, in addition to driving cost and operational leadership.

**Active Pharmaceutical Ingredients (API)**

**Global API Market:**

The pandemic had a favourable impact on the global API industry, given the increased demand for COVID related treatments in addition to non-pandemic related medications. Against the backdrop of COVID led disruptions, there was an increasing need for supply assurance and independence, and this resulted in a shift in purchasing trends, with organisations becoming selective in their purchasing decisions and preferring local suppliers, particularly in the U.S., EU, India and Japan.

**Active Pharmaceutical Ingredients (API) Market - Growth Rates by Region**

The global API market is estimated to grow at a CAGR of 6.4% to reach $ 272 billion by 2026. This growth will be driven by an increasing disease prevalence particularly chronic indications, a rising aging population and increasing R&D activities, combined with the growing importance of generics and uptake of biosimilars, primarily due to patent expiries.

While North America is currently the largest consumer of APIs, followed by Europe, the Asian market is expected to grow the fastest, being the hub for outsourced drug manufacturing. Most APIs are manufactured using synthetic organic chemistry, given that raw materials are easily available, and the development process is less complicated. Recent R&D trends indicate a shift in the demand towards the development of more complex APIs for use in novel formulations and niche therapeutic indications.

China and India have the maximum number of manufacturing facilities. India also leads the number of Drug Master Files (DMFs) for the U.S. markets as well as Certificate of Suitability (COS) for the European Markets.

If there is one thing that the industry has learnt from the pandemic, it is the importance of agility in adapting to unprecedented events. The need to continue focusing on optimizing supply-chains, being more self-reliant, prioritizing portfolio selection and execution excellence are all going to be critical attributes in the segments’ future growth story.

**Generic API Business:**

Our API business comprises of a balanced portfolio of 40+ APIs spread across Cardiovascular, Anti-Diabetics, Immunosuppressants, Oncology based High Potent API

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*Global Active Pharmaceutical Ingredient Market (2021-2026), December 2021 published by Research and Markets*
(HPAPI), and a few speciality and niche molecules for hospitals and institutional channels. We leverage our R&D and manufacturing technology platforms to develop and produce complex and differentiated APIs using fermentation, large scale chromatography, synthetic chemistry and peptide synthesis (both solid and solvate phase as well as recombinant technology). With a track record of over 20 years of Current Good Manufacturing Practice (cGMP) compliance, we are a preferred API partner for ~700 pharma companies in 75+ countries. Further, the Company has been successfully inspected by several regulatory agencies, including the U.S. FDA, EMA, TGA Australia, Health Canada and Cofepris Mexico, standing testament to our quality track record. Over the last few years, we have invested in expanding our portfolio and capacities as well as in adding complementary capabilities to support our growth plans and to better serve the increasing market demand for API.

Our API Strategy

- **Expand portfolio beyond fermentation**
  - Derived molecules to niche molecules such as peptides, potent APIs

- **Expansion of business in select key markets**

- **Expand manufacturing capacities**

Our API Portfolio*

Cardiovascular
- Apixaban
- Atorvastatin
- Daiichi
- Dabigatran
- Fluvastatin
- Indoritina
- Pravastatin
- Rivaroxaban
- Rosuvastatin
- Simevastatin
- Lovastatin
- Sacubitril
- Valsartan Di sodium

Anti-Diabetics
- Dapagliflozin
- Emmagliflozin
- Liaglitazin
- Piaglitizone
- Pipiglizone
- Myocphenolate Mofetil
- Myoschoneolate Sodium
- Pimecolimus
- Sirtimus
- Texotimus

Immunosupressants
- Daratinib
- Everolimus
- Lenalidomide
- Temorimust

Oncology
- Daclizumab
- Evorolimus
- Lenalidomide
- Temorimust

Peptides
- Liraglutide
- Linaglutide
- Terlipereone

Multiple Sclerosis
- Fingolimod
- Teriflunomide

Others
- Andalafungin
- Micafungin
- Posaconazole
- Orlisate
- Deferasirox
- Brinzolamide
- Mirilabron

*Filed DMFs

**Generic Formulations**

**Global Generic Formulations Market:**

The global generics drug market is anticipated to grow at a CAGR of 10% to $786 billion* by 2030, driven by increasing population, prevalence of chronic diseases, upcoming patent expiries and initiatives from governments and global regulatory bodies promoting the use of low-cost generics as an effective alternative to branded drugs, partially offset by price erosion. While innovator pharma companies continue to invest in developing novel branded drugs, generic drugs are expected to continue to provide cost effective remedies for the therapeutic needs of majority of the population. While there is a trend of increasing adoption of biosimilars, approximately two thirds of the market will continue to comprise of small molecule generic drugs.

The U.S. continues to be the largest generics market. However, in recent months, the growth of the U.S. generics market has been muted, largely due to the substantial slowdown in product approvals by the U.S. FDA and a limited number of high-value, high-margin generics. This has led to intensified price erosion, which quickly went from low-single digits at the end of the 2020 to low-mid teens by December 2021.

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*Generic Drugs Market Research Report - Global Industry Analysis and Demand Forecast to 2030*, March 2021 published by Research and Markets

*Indian Pharmaceuticals Industry*, November 2021 published by India Brand Equity Foundation
Given its low-cost advantage, India ranks 3rd⁷ in terms of pharmaceutical production by volume and 14th by value, positioning the country as one of the largest providers of generic drugs globally. It is also ranked third in bulk drug supplies, after China and Italy. The Indian pharmaceutical sector, comprising of around 3,000 drug companies with over 10,500 manufacturing units, supplies over 50% of the global demand for various vaccines, 40% of the generic demand in the U.S. and 25% of all medicines in the United Kingdom (UK).

Advantage India in the Pharmaceutical Sector

### COST EFFICIENCY

Low cost of production and R&D boosts efficiency, leading to competitive exports

### ECONOMIC DRIVERS

High economic growth along with increasing penetration of health insurance to push expenditure on healthcare and medicine in India

### POLICY SUPPORT

In June 2021, the Finance Minister announced an additional outlay of US$26.5bn for the Pharma PLI scheme in 13 key sectors such as APIs, intermediaries & key starting materials

### INCREASING INVESTMENT

The FDI inflows in the Indian drugs and pharmaceuticals sector reached US$1.2 billion between April-December 2021.

Source: Indian Pharmaceuticals Industry Report, November 2021 published by India Brand Equity Foundation

However, over the last decade, India has become dependent on the import of raw materials from China, including APIs, key starting materials (KSMs), drug intermediaries, etc. due to lower costs, with APIs being cheaper by ~35-40%. As per government estimates, India currently imports nearly 70% of its API requirements from China as against ~20-4% in late 1990s, with 100% dependence in case of a few large volume KSMs/intermediaries. Imports have also led to the gradual repurposing of bulk drug manufacturing capacity in India and even discontinuation of some units, as against historical trends where API was largely sourced from India.

In FY22, the industry faced a double whammy in the form of pricing pressure coupled with rising input costs, particularly solvents and raw materials, squeezing margins, requiring companies to drive cost efficiencies and stabilise profitability. The pressing need to be self-sufficient by boosting domestic manufacturing led to the Government of India announcing several packages during the pandemic, including ₹30 billion over the next five years to promote bulk drug parks. Likewise, a Production-Linked Incentive (PLI) scheme of ₹69.4 billion was announced by the Government of India to promote domestic manufacturing of critical KSMs, drug intermediaries and APIs. Incentives such as these will provide further support to make India self-reliant and to create a large domestic market for API players.

**Our Generic Formulation Business:**

In line with our commitment of providing affordable healthcare access to all, we have invested in a portfolio of generic formulation drugs. Ten drug products have been commercialised in the U.S. till date, and another six drugs are approved or tentatively approved by the U.S. FDA. Commercialised products alone have an addressable market in the U.S. of $2+ billion. Apart from these, there are several products that have been filed and are under review with the U.S. FDA. By leveraging in-house API capabilities, some of our products are vertically integrated, providing better control over the supply chain and thereby ensuring continuity of supplies to customers and eventually to patients.

Our portfolio is focused on therapeutic segments such as Cardiology, Oncology, Immunology, Auto-immune indications amongst others and comprises of oral solid dosage forms (potent and non-potent), injectables, which include vials, Pre-Filled Syringes (PFS) and auto-injectors and other dosage forms.

We have also identified a group of key markets to commercialize our generic formulations either directly or through strong local partnerships. In line with this strategy, partnerships have been forged in Southeast Asia (China, Singapore, Hong Kong and Thailand), Mexico, Brazil and in the Middle East and North Africa. We have also established a direct presence in the United Arab Emirates (UAE) and have plans to enter some select European markets directly as well.

We continue to expand our portfolio and our regional presence while also building in-house manufacturing capabilities to support our future growth.
Our Generic Formulations Strategy

Expand portfolio beyond vertically integrating with in-house APIs; supplemented by an in-licensing strategy

Investment in an injectable facility to ensure reliability of supplies to customers and patients

Expansion of commercial footprint beyond the U.S., either direct or through partners

Our Generic Formulations Portfolio*

<table>
<thead>
<tr>
<th>Product</th>
<th>Status Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular</td>
<td></td>
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<tr>
<td>Rosuvastatin Calcium</td>
<td>Launched in U.S. and EU; approved in select MoW countries</td>
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<tr>
<td>Simvastatin</td>
<td>Launched in U.S.</td>
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<tr>
<td>Atorvastatin</td>
<td>Launched in U.S.</td>
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<tr>
<td>Pravastatin</td>
<td>Launched in U.S.</td>
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<tr>
<td>Labetalol HCl</td>
<td>Launched in U.S.</td>
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<tr>
<td>Oncology</td>
<td></td>
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<tr>
<td>Everolimus</td>
<td>Launched in U.S. and approved in EU</td>
</tr>
<tr>
<td>Pemetrexed</td>
<td>Tentatively approved in U.S.</td>
</tr>
<tr>
<td>Immunosuppressants</td>
<td></td>
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<tr>
<td>Tacrolimus</td>
<td>Launched in U.S. and approved &amp; launched in select MoW countries</td>
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<tr>
<td>Mycophenolic Acid</td>
<td>Approved in U.S.</td>
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<tr>
<td>Others</td>
<td></td>
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<tr>
<td>Esomeprazole DR</td>
<td>Launched in U.S.</td>
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<tr>
<td>(Gastrointestinal)</td>
<td></td>
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<tr>
<td>Posaconazole (Anti-Fungal)</td>
<td>Launched in U.S.</td>
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<tr>
<td>Dorzolamide (Ophthalmic)</td>
<td>Launched in U.S.</td>
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<tr>
<td>Dorzolamide Timolol</td>
<td>Approved in U.S.</td>
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<tr>
<td>(Ophthalmic)</td>
<td></td>
</tr>
<tr>
<td>Fingolimod (Multiple Sclerosis)</td>
<td>Approved in U.S. and EU</td>
</tr>
<tr>
<td>Vigabatrin (Central Nervous System)</td>
<td>Approved in U.S.</td>
</tr>
<tr>
<td>Dapagliflozin (Anti Diabetic)</td>
<td>Tentatively approved in U.S.</td>
</tr>
</tbody>
</table>

Generics - FY22 Highlights:

Continuing to grow our Generic Formulations business in the U.S.: Our statin formulations portfolio in the U.S., comprising Atorvastatin, Simvastatin and Rosuvastatin, held on to its market share, despite intense pricing pressure. The year began with two new formulation product launches – Labetalol Hydrochloride tablets and Esomeprazole Magnesium Delayed-Release capsules. Labetalol is used to treat high blood pressure and helps in prevention of cardiovascular complications such as heart attack and stroke, while Esomeprazole Magnesium, a proton pump inhibitor, is indicated for treatment of gastroesophageal reflux diseases. This was followed by a key launch of our vertically integrated complex formulation, Everolimus tablets in October 2021. Everolimus is a prescription medication that is used to treat certain types of cancers and tumors. Everolimus was introduced in four strengths of 2.5mg, 5mg, 7.5mg and 10mg, with the 10 mg tablet being a ‘day-1’ generic launch. Further, we secured product approvals for Mycophenolic Acid, which is indicated for the prophylaxis of organ rejection, Posaconazole, an anti-fungal drug, as well as an ophthalmic product, Dorzolamide; the first two being vertically integrated as well. Before the close of the fiscal, we were able to commercialize the latter two products.

Expanding Generic Formulations in beyond the U.S. market: In line with our strategic priority of ‘Regional Expansion’, the business forayed into the MoW markets with the launch of Tacrolimus Capsules in Mexico. We signed a partnering deal with Tabuk Pharmaceuticals to commercialize select specialty generic medicines in the Middle East and North Africa (MENA). As a commercial partner, Tabuk will be responsible to register, import, and promote products through both tender and retail markets while we will develop and manufacture the product. We also received our first approval in the UAE for Rosuvastatin and Tacrolimus as well as in Singapore for the latter. In Europe, we received approvals for Everolimus tablets and Fingolimod capsules and have necessary infrastructure in place to bring these products into the market. We continue to expand our commercial footprint in ex-U.S. geographies, through direct presence as well as through partnerships.
Expanding our DMF portfolio: During the fiscal, we filed 34 DMFs globally, including 5 in the U.S. We also received approvals for 16 DMFs in various geographies across U.S., Europe and MoW.

Strengthening manufacturing capacities and capabilities: The commissioning of our greenfield, fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam, Andhra Pradesh is nearing completion, following which our efforts will be focused on qualification and validation. This is our first facility to be enabled with Industry 4.0 and will add much needed capacities to serve our customers’ demands. We also repurposed existing facilities to release capacity and optimize capital expenditure. We are also investing in synthetic, potent and peptides API manufacturing capacities in addition to injectables in alignment with our strategic priorities.

Apart from manufacturing capacity and capability expansion, we strengthened our R&D capabilities as well through an improved organization structure.

Driving Operational Excellence and Digitization: Cognizant of the fact that digital transformation is critical to our future success, several digital tools have either been implemented or are at various stages of implementation across the organization such as:

- Regulatory Information Management Systems (RIMS)
- Lab Information Management Systems (LIMS)
- Scientific Data Management Systems (SDMS)
- Quality Management Systems (QMS)
- Learning Management Systems (LMS)
- Document Management Systems (DMS)
- Cleaning Validation
- Annual Product Quality Review (APQR) and
- Process Mining

To improve efficiencies, simplified Batch Manufacturing Records (BMRs) and Standard Operating Procedures (SOPs) have been implemented for major commercial products across sites. As indicated earlier, Manufacturing Execution System as part of Industry 4.0 is also being planned in the new facility in Vishakhapatnam and is expected to drive operational efficiencies and compliance. To enhance customer experience, a customer portal, a sales force management system, a contract management system, etc. are being put in place. Continuous process improvement using the Kaizen approach has also been undertaken.

Attracting and Developing Talent: To attract the right talent in an efficient and unbiased manner, we introduced Artificial Intelligence (AI) in our talent acquisition program, whereby profiles are ranked against job descriptions and shortlisted candidates are taken through video interviews. We also revamped our internal job posting process, and opened up all vacant positions to be filled in internally first, before looking for talent externally. This process is managed by our newly launched in-house career portal, MyCareer, which suggests internal roles to employees based on their career aspirations, experience, skills and competencies, thereby enabling and empowering them to drive their career growth through internal opportunities. This is a step towards building a role based organization, where an employee’s growth potential is given as much importance as technical and behavioral skills required for a particular role.

At Biocon, we promote a culture that is meritocratic and value-driven. By investing in the best talent, we actively look to create future leaders. In order to develop our leadership pipeline, critical talent, we partnered with leading organizations to conduct assessments for such employees and chart their individual development journeys.

Securing supply chains and energy sourcing for a sustainable future: We continue our efforts to de-risk the supply chain, especially for key products, as well as develop alternative vendors for materials where we are dependent on a single source in specific geographies.

In line with Biocon's priority of sustainable growth, substantial efforts have been made to replace the use of non-renewable energy sources. Today, more than 70% of the energy requirements at our Bengaluru facilities are met through green energy, which is significantly higher than the industry average.

Ensuring Continued Compliance through Quality Management: Based on a remote inspection conducted by Medicines and Healthcare products Regulatory Agency (MHRA), UK, at our oral solid dosage formulations manufacturing facility located at Biocon Park in Bengaluru, we received a certificate of Good Manufacturing Practice (GMP) compliance in April 2021. The certificate included manufacturing and packaging of tablets and capsules in the non-potent and potent blocks of the facility. In September 2021, the US FDA conducted a Remote Interactive Evaluation (RIE) at the same facility following which some previously filed ANDAs received approvals. In December 2021, Health Canada conducted a remote inspection of our API manufacturing unit, which is also located in Biocon Park, for
which we received a Compliant rating. In July 2021, the Maltese authorities conducted a Wholesale Dealer License (WDL) and Manufacturing/Importation Authorization (MIA) inspection for the import and marketing of drug products in the European Union. Thereafter, the authorities issued the Certificate of Good Distribution Practice (GDP) Compliance of a Wholesale Distributor, enabling us to commercialize in Europe. While these approvals are testament to our strong Quality systems and compliance track record, we continue our endeavor to improve our systems and processes for sustained compliance through continuous training and use of data analytics for improved Quality culture.

Generics - FY22 Financial Performance:
The Generics business contributed 29% of consolidated group revenues with revenues at ₹23,409 million in FY22 compared to ₹23,627 million in FY21. The segment witnessed a muted largely due to supply and operational challenges earlier in the year, coupled with headwinds in the form of pricing pressures, and higher cost of solvents, raw material and logistics. The segment saw a recovery in the second half of the fiscal driven by contributions from new product launches in the U.S., particularly Everolimus, an uptick in our API business and a normalization of supply challenges that impacted the business in the first half of the fiscal.

Generics – Outlook:
We expect the business to continue to recover in FY23, on the back of new product approvals and additional capacities to support unmet demand. While unknown variants of the virus continue to pose as a potential threat, we believe that the pandemic is reaching an endemic state and we will, hopefully, not face any further operational or supply chain challenges that we witnessed in FY22. Having said that, we continue to de-risk our base business and improve processes, including through digitization, to drive operational and cost efficiencies. We believe that this would equip us to cope with future unknown or continuing headwinds such as pricing pressure and rising input costs. We will continue to focus on flawless execution that will enable us to bring new products into the market expeditiously, further bolster our manufacturing and R&D capabilities and develop our people and processes to drive long term, sustainable growth.

Novel Biologics
Our Novels Biologics business continues to address unmet patient needs with a focus on diabetes, oncology and immunology. The lead molecule, Itolizumab, is the world’s first novel humanized anti-CD6 monoclonal antibody that selectively targets the CD6-ALCAM pathway. The drug is Biocon’s second global ‘lab to market’ novel biologic after Nimotuzumab. Under the brand ALZUMAb™, Itolizumab was launched in India in 2013 to treat chronic plaque psoriasis. In 2017, we licensed out the rights to develop and commercialize Itolizumab to U.S.-based biotechnology company, Equillium Inc. for the U.S., Canada, Australia and New Zealand. Itolizumab is currently being developed for indications such as acute graft-versus-host disease (aGVHD) and systemic lupus erythematosus (SLE) or lupus nephritis (LN). Equillium has received fast track designation from the FDA for Itolizumab for the treatment of patients with aGVHD and LN. Itolizumab has also received orphan drug designations from the FDA for both prevention and treatment of aGVHD. The drug has also been granted ‘Restricted Emergency Use’ approval in 2020 in India for the treatment of Cytokine Release Syndrome in ‘Moderate to Severe’ Acute Respiratory Distress Syndrome (ARDS) patients and was repurposed for the prevention and treatment of COVID-19 complications.

With respect to Tregopil, a first-in-class oral, prandial Insulin, we had partnered with U.S. based Juvenile Diabetes Research Foundation (JDRF), a leading non-profit organization to conduct a Phase I multiple ascending dose study in Germany among patients with type 1 diabetes. The drug at various doses had shown glucose-lowering ability, however variability was observed between different patients as well as variability in the same patient on different days. Hence, we have decided to not conduct part 2 of the study.

Our Boston based associate, Bicara Therapeutics, is a clinical-stage biotechnology company developing first-in-class biologics drugs, engineered to bring together the precision of targeted therapy and the power of immunotherapy. In line with its vision to develop meaningful therapies for cancer patients, Bicara continues to make progress on its lead molecule, BCA101. BCA101 is a bifunctional antibody designed to target a TGF-β trap to EGFR-positive tumors by inhibiting epidermal growth factor receptor (EGFR) and disabling TGF-β directly at the site of the tumor, ideally achieving superior anti-tumor efficacy with an improved therapeutic window. BCA101 has a potential to target multiple tumor types and has a higher local tumor concentration of immuno-modulatory arm resulting in a better therapeutic window. A first-in-human, Phase 1/2 study in EGFR-driven tumors was activated in July 2020 at leading institutions in the U.S. and Canada. In addition to the deep relationships with the world’s top cancer centers, Bicara is well positioned to benefit from its Bengaluru-based dedicated research team’s track record of developing highly complex FDA-approved drugs, on one hand, and the company building and drug development experience of its leadership and clinical development team respectively in Cambridge on the other.

Novel Biologics - FY22 Highlights:
Our partner, Equillium, Inc., initiated a Phase III clinical study of Itolizumab in patients with aGVHD in March 2022. The randomized, double-blind study will assess the efficacy and
safety of the drug versus placebo as a first-line therapy in combination with corticosteroids.

In July 2021, the European Medicines Agency’s Committee for Orphan Medicinal Products granted an orphan medical product designation to Itolizumab for the treatment of both acute and chronic GVHD. This was a milestone for us as we intend to develop this drug for patients in Europe upon regulatory approval.

After observing positive trends in Part A of its Phase 1b EQUALISE study for SLE and LN indication, Equillium expanded the Part B portion to clinical centers in India.

Itolizumab was at the forefront of our fight against COVID-19 in India. Biocon completed the Phase 4 study of Itolizumab to treat Cytokine Release Syndrome in moderate to severe ARDS patients due to COVID-19.

Bicara completed enrolment for the dose finding part of the Phase 1 trial as a single agent and in combination with a PD1 inhibitor for patients with EGFR-driven advanced solid tumors. Bicara established the highest dose with desired level of safety and tolerability for both formats. Proof of concept is expected in the second half of 2022.

Following the completion of this study, in February 2022, Bicara initiated dose expansion cohorts evaluating BCA101 in patients with head and neck squamous cell carcinoma (HNSCC), squamous cell carcinoma of the anal canal (SCAC) and cutaneous squamous cell carcinoma (cSCC).

Bicara has secured external funding to support BCA101 clinical development and its pipeline. This has further diluted Biocon’s stake in Bicara, resulting in a step up gain in the current fiscal.

**Biosimilars (Biocon Biologics Limited)**

Biocon operates its biosimilar business through its subsidiary Biocon Biologics Limited (BBL). We develop high-quality and affordable biosimilars that can expand access to cutting-edge therapeutics for patients globally at our R&D sites in Bengaluru and Chennai (India). These are manufactured at scale for both developed and emerging markets in Bengaluru (India) and Johor (Malaysia). Our products are marketed globally through a hybrid commercial model, wherein we have direct commercial presence in a few countries and in others, we leverage partners such as Viatris.

**Biosimilars : An attractive market**

In the last decade, the biosimilar industry has grown significantly in all parts of the world. We have witnessed rapid adoption of biosimilars in Europe and emerging markets. More recently, there has been strong penetration of biosimilars in the US. Biosimilars introduced for several multi-billion-dollar therapeutics have been well received by the patients, doctors, customers and payers.

Since 2015, biosimilars have been launched in the US referencing eight innovator molecules in oncology, immunology, and diabetes (as of March 2022). Biosimilar penetration has continued to improve with increased acceptance from all the stakeholders, including payors and providers.

Europe has been a frontrunner in biosimilar adoption with penetration being over 60% across most molecules. The introduction of biosimilars has led to market expansion for most molecules, improving access for patients. The level of biosimilar penetration varies across countries considering the heterogenous market dynamics.

**Biosimilars Penetration in US**

Europe has been a frontrunner in biosimilar adoption with penetration being over 60% across most molecules. The introduction of biosimilars has led to market expansion for most molecules, improving access for patients. The level of biosimilar penetration varies across countries considering the heterogenous market dynamics.

**Biosimilars Penetration in EU**

Biosimilars have an important role in improving access to cutting-edge therapeutics in emerging markets. We have witnessed growing demand for biosimilars in several countries. There has been an adverse impact of COVID-19 on healthcare budgets in these markets as countries have been diverting resources to mitigate the impact of the pandemic, further increasing the demand for affordable therapies.
Over the next 5 years, biologic brands having revenues of more than $70 billion will lose exclusivity, presenting multiple new opportunities for the biosimilar industry; a significant step up against $25 billion in the prior 5-year period\(^8\). According to IQVIA, this has the potential to generate about $215 billion in cumulative savings for healthcare systems globally. Biologic therapies form a large proportion of the total new drugs under development, paving the way for a significant increase in biosimilar market size in the long-term.

**Inception of Biocon’s biosimilars business**

Biocon’s early entry into the biosimilar segment, more than 20 years ago, has enabled us to become a frontrunner in the biosimilars industry. Our journey started with the development and commercialization of our proprietary *Pichia pastoris* platform-based recombinant Human Insulin which was followed by our entry into oncology monoclonal antibodies (mAbs). In 2009, we entered a global strategic collaboration with Viatris (earlier Mylan) for the development, manufacturing, supply, and commercialization of a few biosimilars.

The Viatris collaboration is a cost-share and profit-share model wherein we participate in about one-third of the economics from the developed markets where Viatris has exclusive commercial rights and about a half in emerging markets where we have shared commercial rights. The investments made by both companies in scaling complementary skills in R&D, manufacturing, and commercialization, ahead of our peers, have allowed us to develop a strong foundation in each of these areas. Despite the nascent biosimilars regulatory pathway, we have been able to achieve many firsts, setting new benchmarks for the industry.

The experience and early success of our first wave of molecules enabled us to go up the value chain and garner a higher share in commercial rights along with increased participation in the risk-reward equation of sharing costs and profits. The partnership with Sandoz is structured on an equal economic share with Biocon Biologics having increased rights in developed markets and exclusive rights in most emerging markets. The responsibility for development, manufacturing and ownership of the marketing authorizations is shared between the partners.

**Evolving Biocon Biologics to a fully integrated global biosimilars enterprise**

The biosimilar industry has been maturing rapidly with increased acceptance across the globe. Improved clarity on the regulatory pathway, success stories of several biosimilars and a growing market opportunity have drawn interest from several companies. Biocon’s initial foray into biosimilars through a partner led model wherein we focused on certain activities while benefitting from partners’ capabilities for others has enabled us to build a strong R&D, manufacturing, and emerging markets commercial platform. We have made substantial investments with Viatris to build complimentary capabilities – a strategy which has allowed us to de-risk our journey in an uncharted territory.

The aspiration to build a world leading biosimilar company calls for bold and transformational changes, adapting to the evolving market dynamics in the coming decade.

In February 2022, we entered into a definitive agreement to acquire our partner Viatris’ biosimilars business. The combined business will have all the elements to serve the global biosimilar market, including R&D capabilities, product portfolio, manufacturing capacity, global commercial infrastructure, and an experienced management team, creating a global organization for the next decade and beyond.

The acquisition will allow us to capture the full value from all of the collaboration programs post completion of the transaction. The higher economic benefit from these molecules will further strengthen our financials and provide us with the scale and incremental capabilities to support the next wave of products.

It will enable us to directly leverage the biosimilar commercial infrastructure built by Viatris for our existing and future pipeline of products. The commercial team will be dedicated to biosimilars when they become a part of Biocon Biologics, providing sharper focus in their respective territories. A combination of longstanding track record with patients and customers, growing biosimilar portfolio and focused commercial efforts forms the basis of our developed biosimilar strategy.

We believe that vertical integration in the biosimilars industry is critical to be both agile and competitive. A fully integrated model will help us bring efficiencies in the system with quicker decision making, improved market insights and common focus across functions, backed by one common organizational vision and mission. The acquisition of Viatris’ biosimilar business enables a vertically integrated structure and fills the gap in our missing capabilities in developed markets, especially around local supply chain, regulatory and commercialization.

Seamless integration and focused execution will allow us to maximize the value from this transaction. The companies will enter into a Transition Services Agreement, pursuant to which Viatris will provide certain transition services, including commercialization services, for an expected two-year period. Our long-standing relationship with Viatris, positions us well to ensure smooth integration of the two businesses.

**Expansion into adjacencies**

We have been primarily focused on bio-therapeutics for non-communicable disease to deliver on our vision of affordable,
innovative, and inclusive healthcare solutions. However, a strong presence in communicable disease is an essential element to have a holistic impact on patient lives. In the last couple of decades, we have seen a rapid increase in the frequency of viral outbreaks. Besides COVID-19, there have been several other viral outbreaks in different parts of the world such as Dengue, Zika, Ebola, etc. Infectious diseases led by viral outbreaks have a devastating impact on human life as demonstrated in the recent pandemic. Through our Covid-care portfolio, anchored by Alzumab-L (our novel antibody Itolizumab), we were able to realize the potential of bio-therapeutics in the fight against infectious diseases. Biocon’s more than 20 years of investments in biologics provides a strong foundation to contribute further to this fight, leading to our strategic expansion into adjacencies such as vaccines and antibodies.

In July 2021, we partnered with US based Adagio Therapeutics for an exclusive license to manufacture and commercialize ADG20 in India and select emerging markets. ADG20 is a novel monoclonal antibody targeting the spike protein of SARS-CoV-2 and related coronaviruses. The preliminary results from Phase 2/3 clinical trials of ADG20 showed that in the pre-Omicron population, ADG20 administered as a single 300mg IM dose met primary endpoints with statistical significance. However, given the lack of neutralizing activity against the BA.2 variant, Adagio has paused the submission of an Emergency Use Authorization (EUA) request to the US FDA.

In September 2021, Biocon Biologics and Serum Institute Life Sciences (SILS) entered into a strategic alliance for vaccines and infectious disease antibodies. We will get committed access to 100 million doses of vaccines per annum from SILS’ upcoming vaccine facility in Pune for about 15 years post-closing of the transaction. We will also get commercialization rights to SILS’ vaccine portfolio, including COVID-19 vaccines for markets where SILS has rights. The near to medium-term focus will be on commercialization of SILS portfolio wherein our commercial teams will collaborate to maximize the value of the vaccines which are a part of the alliance. Pursuant to the terms of the agreement, commencing H2FY23, the business will generate a committed revenue stream and related margins. Gradually we will establish a vaccine R&D division to support the strategic alliance in developing both vaccines and biologics for communicable diseases, providing long-term growth drivers for this business.

**Building a robust product portfolio**

We have one of the deepest portfolios of biosimilars in the industry, spanning across insulin, antibodies and recombinant proteins. The partnership with Viatris has yielded several molecules in diabetes, oncology, and immunology of which five have been already commercialized in markets globally\(^9\). We were the first company to receive US FDA approval for bTrastuzumab and bPegfilgrastim. The commercial success of bPegfilgrastim, bTrastuzumab and bGlargine and in-licensed biosimilars, bAdalimumab and bEtanercept has allowed us to continue to invest in our pipeline. Launches of bBevacizumab, bAspart and bAdalimumab, especially in the US, are expected to contribute to the near-term growth of the business.

We have built a sizeable portfolio of unpartnered biosimilars that are at various stages of development. We are developing various presentations of recombinant human insulins (rHI) for the US. Our biosimilar referencing Eli Lilly’s Humulin-R, a short-acting rHI, demonstrated equivalence in a pharmacokinetic (PK) and pharmacodynamic (PD) study published in the journal, ‘Diabetes, Obesity and Metabolism’, in January 2022. We have also advanced bUstekinumab and bDenosumab into clinical development. We are conducting Phase 1 and Phase 3 clinical trials for both the programs backed by the robust pre-clinical CMC packages. The pipeline will be augmented by Viatris’ bAflibercept, wherein we have the option to acquire Viatris’ rights in the program as a part of the aforementioned acquisition.

Our portfolio also includes bPertuzumab, bGlargine 300U and seven other early stage undisclosed programs that would sustain our growth in the long-term.

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\(^9\) Does not include Viatris in-licensed programs (bAdalimumab and bEtanercept)
Status of Biocon Biologics Portfolio (April 2022)

<table>
<thead>
<tr>
<th>Therapeutic Area</th>
<th>Molecule</th>
<th>US</th>
<th>Dev. Markets: ex-US</th>
<th>MoW(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oncology</strong></td>
<td>Pegfilgrastim(^1)</td>
<td></td>
<td>Europe, CANZ</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trastuzumab(^1)</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Bevacizumab(^1)</td>
<td></td>
<td>Europe, AU, CA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Denosumab</td>
<td></td>
<td>Europe, CANZ, JP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pertuzumab(^1)</td>
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<tr>
<td><strong>Immunology</strong></td>
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<td></td>
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<tr>
<td></td>
<td>Etanercept(^1,2)</td>
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<td>Europe</td>
<td></td>
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<td></td>
<td>Ustekinumab</td>
<td></td>
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<td><strong>Diabetes</strong></td>
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<tr>
<td></td>
<td>Glargine 300U(^1)</td>
<td></td>
<td>Europe</td>
<td></td>
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<tr>
<td></td>
<td>Aspart(^1)</td>
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<tr>
<td></td>
<td>rHil</td>
<td></td>
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<tr>
<td><strong>Ophthalmology</strong></td>
<td>Aflibercept(^5)</td>
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<td><strong>Bone Health</strong></td>
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<tr>
<td><strong>Undisclosed</strong></td>
<td>7 Assets</td>
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</table>

<table>
<thead>
<tr>
<th>Early Dev./ Preclinical</th>
<th>Clinical</th>
<th>Filed</th>
<th>Approved</th>
</tr>
</thead>
</table>

Access to SILS vaccine portfolio (Covishield and Covovax) and other next generation vaccines (e.g., mosquito-borne disease vaccines)

1 in partnership with Viatris; 2 Partner Viatris has in-licensed product (Biocon benefits from economic interest); 3 Japan is outside of Viatris partnership; 4 MoW represents Most of the World markets; Chart represents the status of the country where the product is in most advanced stage. Every country has a different status; 5 Expected to be included in BBL portfolio post the completion of BBL’s acquisition of Viatris biosimilar business (Product partnered with Momenta); 6 Subject to completion of the acquisition of Covishield Technologies Private Limited (CTPL)

Commercial performance of Biocon Biologics

Through our partnership with Viatris, we have been able to access all the key developed markets with multiple products across therapy areas, creating a strong track record. Market shares garnered by our products have meaningfully contributed to the growing biosimilar penetration in the US. In July 2021, US FDA granted ‘interchangeability’ designation to biosimilars with Semglee, our bGlargine 100U, being the first to achieve the feat. Interchangeability allows pharmacists to automatically substitute the reference drug with the interchangeable biosimilar, increasing the confidence of patients, doctors, and payors. There has been strong demand for our interchangeable bGlargine in the US evidenced by the market share ramp up seen in Q4 FY22. The evolving market dynamics around biosimilars indicate a preference for the interchangeability designation for patient-administered drugs.

We have pursued select European countries thus far as a part of our Viatris collaboration. It will continue to be an important market for Biocon Biologics, benefitting from the strong acceptance of biosimilars in the region. In other developed markets of Canada, Australia and Japan, our products continue to see strong demand. For instance, we have one of the leading bTrastuzumab in Canada and Australia. In February 2021, Viatris received regulatory approval for bAdalimumab in Japan, wherein we have an economic interest, and it will be an important growth driver in the region.

Our presence in emerging markets has been fortified through our organically developed B2B business and Viatris’ emerging markets business. Our B2B business has increased its breadth by entering new countries through regional partnerships and addition of new products following approval in developed markets. In addition to the products developed in collaboration with Viatris, we have been commercializing recombinant human insulin (rHI) through our B2B platform. During the year, we entered 44 new partnerships across 50 countries for our products, enabling entry into new markets. We continue to see strong demand for our commercialized products in existing markets. For example, in FY22, we have won a three-year contract for Insugen in Malaysia, valued at $90 million.

Biocon Biologics has been investing to build its direct commercial footprint in emerging markets, allowing it to capture higher value from the products sold in the region. We have added field force in the UAE and Saudi Arabia to augment commercialization efforts for our biosimilars in the region, enabling us to get closer to the patients and customers.

Our Branded Formulations India (BFI) business has a large field force network focusing on specialty brands in critical therapies and offering world-class quality therapeutics to thousands of patients in India. These include biologics (including biosimilars, novel molecules, and others), in-licensed products, and branded generics for acute and chronic conditions. The business focuses on therapeutic areas such as metabolics (diabetes, cardiovascular), oncology, nephrology, and autoimmune
diseases. In FY22, our BFI commercial team was instrumental in helping more than 50,000 COVID-19 patients through distribution of our comprehensive Covid-care portfolio.

**Biosimilars - FY22 Highlights:**

FY22 was an important year for Biocon Biologics as we witnessed several transformational events, both strategic and operational. Both the BBL-led business and the Viatris-led business have delivered strong performance during the year.

- **bPegfilgrastim:** In the US, we have seen an uptick in market share of Fulphila® versus FY21 with resilience demonstrated throughout the year despite competitive dynamics.

- **bTrastuzumab:** In the US, there has been a gradual increase in the market share of Ogivri® through the year. We have also seen a strong performance of Ogivri® in Canada and Australia. We continue to enter new markets through our B2B business, opening new opportunities for growth.

- **bBevacizumab:** We launched bBevacizumab in the EU, Canada, and Malaysia. We have received regulatory approvals in several emerging markets, supporting our B2B business. We are awaiting site inspection of our Bengaluru facility by the US FDA in Q2 FY23 which has been delayed because of the pandemic.

- **bAdalimumab:** Hulio™ continues to improve market share in EU. It has been approved by the US FDA with launch expected in July 2023.

- **bEtanercept:** We have an economic interest in Nepexto® due to our three-way collaboration with Viatris and Lupin. Nepexto® was launched in the EU in August 2020.

- **bGlargine:** Semglee® received interchangeability designation in July 2021. Effective January 2022, Express Scripts and Prime Therapeutics, leading pharmacy benefit management organizations, have listed our bGlargine as a preferred insulin brand on their national formularies that together include more than 60 million lives in the US. It will also be offered through the Walgreens Prescription Savings Club, saving members up to 80% off the cash price of comparable long-acting insulins purchased at Walgreens. We have seen strong growth in market shares of our bGlargine from January 2022 on account of these commercial arrangements.

- **bAspart:** US FDA conducted an on-site pre-approval inspection (PAI) of our Malaysian manufacturing facility in September 2021. Following the inspection, it issued a Complete Response Letter (CRL) which did not identify any outstanding scientific issues with the product and the CRL was responded to in due course. bAspart is approved in EU, Canada, and Malaysia.

- **Recombinant Human Insulin (rHl):** We have commercialized recombinant human insulin in several emerging markets worldwide. We continue to progressively file Biologics License Applications for various formulations of rHl.

Our product portfolio continues to grow as we develop existing products for new markets and develop new products for global markets. We progressed our bUstekinumab and bDenosumab into clinical development. We have initiated the expansion of our insulin manufacturing facility in Malaysia, driven by a strong demand for our current insulin portfolio. This will also support our future pipeline. We have built two mAbs Drug Substance facility (B3 and B5) located in Bengaluru catering to the growing demand for our existing products along with the upcoming pipeline. These facilities are going through regulatory process to qualify existing portfolio as well as our pipeline. Our investment strategy is to build capacity in a modular manner, in-line with our projection of market opportunity.

As the world celebrates the 100th anniversary of the discovery of insulin, Biocon Biologics tied up with the Research Society for the Study of Diabetes in India (RSSDI), Asia’s largest organization of researchers and healthcare professionals for diabetes. We will launch a Comprehensive Care Program, BRIDGE-1, the Biocon & RSSDI Initiative for Diabetes Knowledge in Type 1 patients. The program will identify and train ~400 physicians in different districts across India country. It reinforces our commitment towards affordable access of our products.

In September 2021, we entered a strategic alliance with SILS wherein we will offer approximately 15% stake in BBL to SILS, at a post-money valuation of ~$4.9 billion. As mentioned previously, we will get committed access to a 100 million doses of vaccines per annum for about 15 years. Adar Poonawalla will have a Board seat in BBL. We will issue shares and receive the contemplated rights through a merger with Covidshield Technologies Pvt. Ltd. (CTPL), a wholly owned subsidiary of SILS, on customary closing conditions and receipt of regulatory approvals.

In February 2022, we entered into a definitive agreement to acquire Viatris’ biosimilars business to create a unique fully integrated global biosimilars enterprise. Post completion of the transaction, Viatris will receive consideration of up to $3.335 billion, including cash up to $2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL valued at $1 billion, equivalent to an equity stake of at least 12.9% on a fully diluted basis. Cash consideration will be distributed over the next few years with $2 billion payable.
on closing of the transaction and up to $335 million as additional payments expected to be paid in 2024. The deferred considerations include $175 million to be paid for the acquisition of Viatris’ rights in its bAflibercept. Viatris will pay $50 million to BBL to fund certain capital expenditures. Cash payment of $2 billion will be funded by ~$800 million raised through equity infusion in BBL and the remainder will be funded by debt. Equity infusion of ~$800m will see participation from SILS, Biocon Limited and other private equity investors.

The two strategic partnerships have enabled Biocon Biologics to expand its business horizontally and vertically. It reflects a high level of conviction in Biocon Biologics’ position as a global frontrunner in biosimilars, transforming to be the world’s leading fully integrated biosimilar company.

Biosimilars - FY22 Financial Performance:
The biosimilars business continued to see strong growth with sustainable profitability. Biocon Biologics’ revenues have grown by 24% over last year to ₹34,643 million, representing 42% of consolidated revenues from operations. Revenue growth was driven by a strong uptake of our interchangeable insulin glargine in the second half of the year, improved market shares of Trastuzumab in US and an improved performance in other developed and emerging markets. Core EBITDA margin, which is EBITDA less licensing, forex, mark-to-market loss on investments and R&D expense was at 39% versus 36% in FY21. The improved margins were a result of a higher revenue base. The business delivered EBITDA margins of 29% in FY22.

Biosimilars - FY23 Outlook:
FY22 has been a transformational year for Biocon Biologics on account of the two strategic deals entered into. We will be focused on completing these deals and integrating the acquired businesses into Biocon Biologics. Combining the Viatris’ biosimilar business with BBL will accelerate the build out of our commercial capabilities in developed markets in order to become a strong global brand. Vertical integration will drive operational efficiencies and business agility, thereby underpinning cost competitiveness. The vaccines alliance with Serum and our continued investment in R&D, adding products to our portfolio, opens up new growth avenues for Biocon Biologics in the coming years. FY23 will witness the first full year of revenues from our interchangeable insulin glargine in the US. In FY23 we are anticipating several regulatory milestones including potential approval of bBevacizumab and bAspart in the US. We will be progressing our in-house biosimilar programs, bUstekinumab and bDenosumab, through clinical development. The business catalysts and strategic levers will further strengthen Biocon Biologics as a platform to become the world’s leading vertically integrated biosimilar enterprise augmented by presence in strategic adjacencies.

Research Services (Syngene)
The discovery and development of new medicines is a long, complicated and costly process. With the aim to improve productivity and efficiency in the different stages of the drug development process, a growing number of innovator companies (also known as ‘sponsors’) are outsourcing a large part of the pharmaceutical value chain. Contract Research Organizations (CROs) offer outsourced services to support drug discovery and development, while Contract Development and Manufacturing Organizations (CDMOs) offer drug development and manufacturing services on a contractual basis. Biocon’s publicly listed subsidiary, Syngene International Ltd. (‘Syngene’) is one of the key players in the CRO market and has an emerging presence in the CDMO market. Syngene is an integrated research, development and manufacturing services company providing scientific services for small and large molecules. Syngene provides end-to-end services within the CRO segment and a growing range of services within the CDMO segment. This makes Syngene’s business a combination of many businesses. The Company has built state-of-the-art facilities, spread over 2 million sq. ft., across three locations in India - Bengaluru, Hyderabad and Mangalore which have been inspected by regulators including the U.S.FDA, EMA and PMDA. The Company has a well-spread and growing clientele base of ~420 active clients across global pharmaceutical, biotech, nutrition, animal health, consumer goods, agro-chemicals and specialty chemical sectors. In the pharmaceutical space, 15 of the top 20 pharmaceutical companies are Syngene’s clients.

Contract Research Organisation (CRO)
CRO Market:
The CRO market is expected to grow at a CAGR of 6% with overall market size increasing from USD 21 billion in 2021 to USD 28 billion by 2026[10]. The CRO industry is highly fragmented with hundreds of small to mid-sized companies amid low barriers to entry. The participants consist of a range of functional service providers to full suite integrated service providers capable of providing an end to end platform of services from early stage drug discovery to IND filing. Reliability, intellectual property (IP) protection, track record, expertise in preclinical animal models for select therapies, pricing, nature of engagement, communication channels and methodology, scalability, ability to support end-to-end drug discovery, and development projects are key attributes for service providers in this segment.

Our CRO Business:
Discovery Services and Dedicated R&D Centers are part of our CRO business. Syngene’s Discovery Services are engaged in early-stage research from target identification to delivery of drug candidates for further development. It spans functional services covering Chemistry, Biology, Safety Assessment,
Contract Development and Manufacturing Organisation (CDMO)

CDMO Market:

Pharmaceutical companies are strategically outsourcing manufacturing work to Contract Manufacturing Organizations (CMOs). The work can range from production of small quantities of materials for R&D purposes, larger amounts for clinical study usage and ultimately full-scale production for commercial purposes. Further, these companies are increasingly preferring to partner with Contract Development and Manufacturing Organizations (CDMOs) as they offer both development and manufacturing service expertise. The CDMOs end-to-end capabilities address the twin challenges of developing complex molecules and of technology transfer during the drug commercialization stage.

While limited or lack of well-equipped in-house facilities is the foremost factor behind outsourcing decisions, the services of CMOs/CDMOs are being increasingly tapped to gain access to advanced technologies and high containment capabilities, reduce costs, lower drug development risk, gain access to manufacturing expertise, and reduce drug commercialization timelines. Supply chain resilience and drug shortage challenges due to COVID-19 further strengthen the case for having backup manufacturing. The CDMO market remains highly fragmented with top players together accounting for only a quarter of the market.

The small molecule CDMO segment comprises of clinical manufacturing services and commercial manufacturing services. The clinical manufacturing services encompass cGMP development of small molecules for clinical studies. Depending on the stages of the clinical trial, the total number of doses that need to be manufactured can range from hundreds to thousands. Commercial manufacturing services involve large-scale commercial development of small molecules that have received regulatory approval.

Small molecules have long been the basis for drug development and continue to dominate in terms of market share and future developments in the pipeline. Of the approved 50 new molecular entities in 2021, 31 were small molecules, accounting for 62% of the new drug pipeline.

The global small molecule CDMO market is expected to grow from ~USD 80 billion in 2020 to ~USD 115 billion in 2026 at a CAGR of 6.2%. This is being driven by pharmaceutical manufacturers growing reliance on the expertise of CDMOs for the development and manufacturing of innovator active pharmaceutical ingredients (APIs) and high-potency small molecules (HPAPI). While innovator APIs are highly complex and require enabling technology to advance to the clinic and beyond, HPAPIs are highly toxic and require specialized manufacturing and handling capabilities.

While small molecules command the prominent share of the pharmaceutical market, the market share of large molecules (biologics) has steadily increased over the past decade for having revolutionized the treatment of several serious illnesses. Cancer therapies are among the primary drivers for a large proportion of the growth in the biologics market. Further, over the past five years there has been a 50% increase in the large molecule drug pipeline. In 2021, the USFDA’s Center for Biologics Evaluation and Research (CBER) approved 10 different biological products. The number of companies working with biologics has also grown, particularly the number of small and virtual biotech players.

The manufacturing and development of large molecules is, however, more complex and capital-intensive than that of small molecules. These challenges are more acute for clinical-stage and virtual biopharmaceutical companies with limited or no infrastructure to develop and commercialize their clinical pipelines. To address these challenges, biopharmaceutical companies are partnering with CDMOs. The specialized capabilities of CDMOs are also being tapped to drive accelerated development, speed to market and cost efficiency.

The large molecules CDMO market was valued at ~USD 11 billion in 2020 and is expected to reach ~USD 20 billion by 2026, at a CAGR of 10.1%. In the short term, a growth spurt is expected from COVID-19 vaccine manufacturing deals and overall biopharmaceutical market expansion.

Our CDMO Business:

Syngene’s CDMO business consists of development services for clinical trials and commercial manufacturing services. Development services include delivering drug substances and drug products for clinical trials, providing analytical services, managing clinical trials, cGMP compliant manufacturing of clinical supplies, and registration batches for small molecules. Manufacturing services include the manufacturing of small as well as large molecules for commercial use.

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11 Global Small Molecule Contract Development and Manufacturing Organization (CDMO) Growth Opportunities, September 2021 published by Frost & Sullivan
12 News Article published in January 2022 by Regulatory Affairs Professionals Society’s Regulatory Focus™
14 The International AIDS Vaccine Initiative is a global not-for-profit, public-private partnership
Company’s strategy for the former is to strengthen its position as an integrated CMC solutions provider, while that for the latter is to continue to secure regulatory approvals for small molecule manufacturing. The Company also aspires to drive biologics development and manufacturing.

**Research Services (Syngene) - FY22 Highlights:**

Contract extensions for Dedicated R&D Centers: During FY22, the strategic collaboration contract with Amgen Inc. was extended till 2026.

Client wins of Discovery Services division and successes in Development Services: The Discovery Services division witnessed excellent client demand, particularly within the emerging biopharmaceutical segment. Within the Development Services segment, in addition to supporting client successes and entering into a collaboration for COVID vaccines with IAVI, Syngene set a new industry benchmark by completing the development phase of a generic drug for lymphoma, within an aggressive timeline of five months. The Company expanded its research facilities in Bengaluru and Hyderabad as well as a new injectable fill-finish facility under its Development Services vertical, which is currently under qualification and validation. Phase-III expansion of the research facility in Hyderabad has been completed.

Getting future ready in Manufacturing Services Division: The Company expanded the capacity of its USFDA and EMA-compliant mammalian manufacturing facility in Bengaluru while the Mangalore API manufacturing facility is on track to get regulatory approvals in FY24. In Biologics manufacturing, the Company expanded its client base to include IAVI and Dyadic International, Inc.

**Research Services (Syngene) - FY22 Financial Performance:**

Syngene generated revenues of ₹26,042 million, contributing to 32% of Biocon’s overall revenues and reflecting a healthy growth of 19% over FY21. Syngene’s CRO business (Dedicated R&D Centers and Discovery Services) delivered strong growth momentum on the back of successful renewal of strategic partnerships, expansion and extension in scope of client engagement and addition of new clients. Within Discovery Services, growth was driven by integrated projects, accelerating capacity utilization and addition of new capabilities. In the small molecule development and manufacturing business, we strengthened our technical capabilities, which helped us build client confidence on scale up manufacturing for clinical supplies and win repeat orders. In Biologics, client contracts won during the year will support capacity utilization ramp up.

The consolidated financial performance of the Company for FY22 is available in its Annual Report.

**Research Services (Syngene) - Outlook:**

Syngene is well positioned to capture market opportunities, given its strong foundation and excellent track record, further strengthened by expanded capacities. For Discovery Services, lab capacity expansion is expected to continue, with increasing focus on integrated drug discovery, enabling the organization to move up the value chain. The extension and expansion of collaboration with BMS and Amgen gives good visibility to growth and stability in business. We have built our capabilities in manufacturing and process development, which we believe can help play a pivotal role in the development and manufacturing of complex large molecule new drugs. We expect to build out further capacity in the next 2 to 3 years, with focus on improving capacity utilization. Overall, the growth momentum in business is expected to continue.

**Operational Performance**

An overview of the Company’s financial performance is given on the next page, which forms part of the MDA.
Financial Performance - An Overview

Consolidated Balance Sheet

The following table highlights the Consolidated Balance Sheet as on March 31, 2022 (FY22) and March 31, 2021 (FY21):

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<thead>
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<th>Particulars</th>
<th>Mar-22</th>
<th>Mar-21</th>
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<tr>
<td>Non-current assets</td>
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<td>Tangible and intangible assets</td>
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<td>Assets for current tax (net)</td>
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<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>22,982</td>
<td>18,666</td>
<td>23%</td>
</tr>
<tr>
<td>Financial assets</td>
<td>56,463</td>
<td>53,178</td>
<td>6%</td>
</tr>
<tr>
<td>Other current assets</td>
<td>4,207</td>
<td>3,638</td>
<td>16%</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>-</td>
<td>522</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>83,652</td>
<td>76,004</td>
<td>10%</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity share capital</td>
<td>6,003</td>
<td>6,000</td>
<td>0%</td>
</tr>
<tr>
<td>Other equity</td>
<td>78,322</td>
<td>70,269</td>
<td>11%</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>10,375</td>
<td>8,807</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>94,700</td>
<td>85,076</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>39,985</td>
<td>29,616</td>
<td>35%</td>
</tr>
<tr>
<td>Other financial Liabilities</td>
<td>17,384</td>
<td>16,792</td>
<td>4%</td>
</tr>
<tr>
<td>Provisions and other non-current liabilities</td>
<td>13,591</td>
<td>11,638</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>70,960</td>
<td>58,046</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>9,055</td>
<td>13,970</td>
<td>(35)%</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>20,052</td>
<td>19,299</td>
<td>4%</td>
</tr>
<tr>
<td>Income tax liability (net)</td>
<td>1,618</td>
<td>1,524</td>
<td>6%</td>
</tr>
<tr>
<td>Provisions and other current liabilities</td>
<td>7,555</td>
<td>6,904</td>
<td>9%</td>
</tr>
<tr>
<td>Liabilities directly associated with assets held for sale</td>
<td>0</td>
<td>404</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38,280</td>
<td>42,101</td>
<td>(9)%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,03,940</td>
<td>1,85,223</td>
<td>10%</td>
</tr>
</tbody>
</table>
Tangible and intangible assets
Tangible and intangible assets grew 17%, primarily due to additions in the tangible assets including the Biosimilars’ facility in India and Malaysia, Generics’ immunosuppressant facility in Vishakhapatnam, India, Research Services in Hyderabad, and other manufacturing facilities as well as capitalization of product development expenses, partly offset by depreciation and amortization for the year.

Investment in associates and a joint venture
To enable Bicara to raise further funding for R&D plans, the shareholder arrangements (voting rights & Board composition) of Bicara were amended, which resulted in loss of control over the subsidiary. Accordingly, the Group fair valued its investment in Bicara on the date of loss of control, which resulted in a dilution gain of ₹1,597 million in FY21.

Further during FY22, Bicara has raised additional fund from third parties which resulted in our stake dilution in associate. Accordingly, we recorded ₹299 million in Other Income towards stake dilution.

Bicara is currently in R&D phase and has incurred losses during the year ended March 31, 2022 of ₹2,564 million. We accounted our share of loss of ₹2,107 million which resulted in decrease in investment in associates.

The above investment of ₹80 million as at March 31, 2022, represents investment in joint venture Neo Biocon FZ LLC.

Non-current financial assets
Non-current financial assets primarily include investment in Equillium, our partner for the Novels business, derivative instruments and investments for more than 12 months in inter corporate deposits with financial institutions.

The decrease in this component is due to reduction in fair value of investment in Equillium by ₹658 million and reclassification of investment in deposits partly offset by increase in derivative assets.

Other equity
Other equity majorly comprises of securities premium, treasury shares, retained earnings, and further reserves. The Company’s total other equity increased by 11% in FY22 due to profit accumulation.

Non-controlling interests
The Profit attributable to minority shareholders increased by 18% in FY22, attributable to the current year’s profits accumulation.

Borrowings (includes non-current and current)
Total Borrowings stood at ₹49,040 million as at March 31, 2022. During the year ended March 31, 2022, the Biosimilars business refinanced USD 100 million in Biocon Biologics UK limited and repaid the loan in Biocon Sdn. Bhd., Malaysia.

Other Non-current financial liabilities
Other non-current financial liabilities primarily include ₹15,033 million of gross liability on written put options to enable investors of our subsidiary, Biocon Biologics Limited, to exit over a period of time. Further, it also includes non-current lease and derivative liabilities.

Provisions and other non-current liabilities
Provisions and other non-current liabilities primarily include deferred revenue, deferred tax liability and provision for gratuity and compensated absences.

Assets and liabilities held for sale
Pursuant to the approval of the Board of Directors on May 14, 2020, the Group was in process of disposing off its interest in the JV entity. Accordingly, in the previous year share of profit / (loss) from the JV and results of its related business were disclosed as discontinuing operations.

During the year ended March 31, 2022, Biocon decided to commercialize its generic formulation products which are being developed for the US, EU and other markets in the UAE through its wholly owned subsidiary. Biocon is taking steps to register the formulation manufacturing site and seeking approval of marketing authorization under its own brand. Accordingly, it was concluded that the UAE operations no longer meets the definition of a discontinued operations and the same has been reclassified as continued operation in the financial statements.
Working capital (current assets less current liabilities)

Below table represents working capital as at March 31, 2022 and March 31, 2021:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mar-22</th>
<th>Mar-21</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>22,982</td>
<td>18,666</td>
<td>23%</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>20,582</td>
<td>15,033</td>
<td>37%</td>
</tr>
<tr>
<td>Cash and Cash (incl. current other bank balance, investments)</td>
<td>29,652</td>
<td>32,241</td>
<td>-8%</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>6,400</td>
<td>5,904</td>
<td>8%</td>
</tr>
<tr>
<td>Other current assets</td>
<td>4,207</td>
<td>4,160</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>83,823</strong></td>
<td><strong>76,004</strong></td>
<td><strong>10%</strong></td>
</tr>
<tr>
<td>Borrowings</td>
<td>9,055</td>
<td>13,970</td>
<td>-35%</td>
</tr>
<tr>
<td>Trade payables</td>
<td>16,085</td>
<td>15,139</td>
<td>6%</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>3,967</td>
<td>4,160</td>
<td>-5%</td>
</tr>
<tr>
<td>Provisions and other current liabilities</td>
<td>7,555</td>
<td>7,308</td>
<td>3%</td>
</tr>
<tr>
<td>Income tax liabilities</td>
<td>1,618</td>
<td>1,524</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>38,280</strong></td>
<td><strong>42,101</strong></td>
<td><strong>-9%</strong></td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td><strong>45,543</strong></td>
<td><strong>33,903</strong></td>
<td><strong>34%</strong></td>
</tr>
</tbody>
</table>

As at March 31, 2022, working capital stood at ₹ 45,543 million, up by 34% compared to FY21 due to increase in inventories primarily on account of new product launches, trade receivables on account of higher sales and decrease in short term borrowing (incl. current maturities of long term loan) on account of refinancing/ repayment.

Consolidated Statement of Profit and Loss

The following table highlights key components of the statement of Profit and Loss for the fiscal years ended March 31, 2022 (FY22) and March 31, 2021 (FY21):

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY22</th>
<th>FY21</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>83,967</td>
<td>73,976</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of materials consumed</td>
<td>27,184</td>
<td>22,437</td>
<td>21%</td>
</tr>
<tr>
<td>Employee benefit expense</td>
<td>17,098</td>
<td>15,657</td>
<td>9%</td>
</tr>
<tr>
<td>Finance costs</td>
<td>676</td>
<td>577</td>
<td>17%</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>8,142</td>
<td>7,151</td>
<td>14%</td>
</tr>
<tr>
<td>Research and development expenses, net of recovery from co-</td>
<td>5,950</td>
<td>5,531</td>
<td>8%</td>
</tr>
<tr>
<td>development partners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>11,906</td>
<td>11,278</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>70,956</strong></td>
<td><strong>62,631</strong></td>
<td><strong>13%</strong></td>
</tr>
<tr>
<td>Share of profit / (loss) of joint venture and associate (net)</td>
<td>(2,069)</td>
<td>(794)</td>
<td>161%</td>
</tr>
<tr>
<td><strong>Profit before tax and exceptional item</strong></td>
<td><strong>10,942</strong></td>
<td><strong>10,551</strong></td>
<td><strong>4%</strong></td>
</tr>
<tr>
<td>Exceptional items, net</td>
<td>(1,111)</td>
<td>126</td>
<td>(982)%</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>9,831</strong></td>
<td><strong>10,677</strong></td>
<td><strong>(8)%</strong></td>
</tr>
<tr>
<td>Tax expense</td>
<td>2,407</td>
<td>2,120</td>
<td>14%</td>
</tr>
<tr>
<td>Tax on exceptional item</td>
<td>(292)</td>
<td>95</td>
<td>(407)%</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>7,716</strong></td>
<td><strong>8,462</strong></td>
<td><strong>(9)%</strong></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>1,316</td>
<td>989</td>
<td>33%</td>
</tr>
<tr>
<td>Non-controlling interest on exceptional item</td>
<td>(84)</td>
<td>68</td>
<td>(224)%</td>
</tr>
<tr>
<td><strong>Profit attributable to shareholders of the Company</strong></td>
<td><strong>6,484</strong></td>
<td><strong>7,405</strong></td>
<td><strong>(12)%</strong></td>
</tr>
<tr>
<td>Other comprehensive income attributable to shareholders</td>
<td>967</td>
<td>1,582</td>
<td>(39)%</td>
</tr>
<tr>
<td><strong>Total comprehensive income attributable to shareholders of the Company</strong></td>
<td><strong>7,451</strong></td>
<td><strong>8,987</strong></td>
<td><strong>-17%</strong></td>
</tr>
</tbody>
</table>
Revenue

During the year under review, total revenue grew by 14% on a consolidated basis from ₹73,976 million to ₹83,967 million.

Our Biosimilar revenues have increased by 24% over last year to ₹34,643 million, primarily due to strong sales growth from our partnered program, driven by commercialization of world’s first interchangeable biosimilar, insulin Glargine in the US, new product launches, gradual improvement in market share of Trastuzumab in the U.S., strong performance in emerging markets and improved performance in other developed markets.

The Generics revenues were ₹23,409 million in FY22 compared to ₹23,627 million in FY21. The generics segment reported a muted performance against the backdrop of Covid-19 related challenges, increasing competition, and pricing pressure in some of our commercialized formulation products. This was partially offset by launch of its generic formulation, Everolimus.

The Research services grew 19% to ₹26,042 million. The growth was driven by strong performance across Discovery Services, Dedicated Centres, Development and Manufacturing Services.

The Total Income composition for FY22 and FY21 is detailed below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₹ million</td>
<td>(%)</td>
</tr>
<tr>
<td>Generics</td>
<td>23,409</td>
<td>29</td>
</tr>
<tr>
<td>Biosimilars</td>
<td>34,643</td>
<td>42</td>
</tr>
<tr>
<td>Novel Biologics</td>
<td>510</td>
<td>1</td>
</tr>
<tr>
<td>Research Services</td>
<td>26,042</td>
<td>32</td>
</tr>
<tr>
<td>Inter-segment</td>
<td>(2,764)</td>
<td>(3)</td>
</tr>
<tr>
<td>Revenue from operations</td>
<td>81,840</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>2,127</td>
<td>3</td>
</tr>
<tr>
<td>Total income</td>
<td>83,967</td>
<td></td>
</tr>
</tbody>
</table>

Other income

Other income comprises of interest on surplus funds and gains due to foreign exchange movement.

In FY21, to enable Bicara to raise further funding for R&D plans, the existing shareholder arrangements (voting rights & Board composition) of Bicara were amended, which resulted in loss of control over the subsidiary. Accordingly, the Company fair valued its investment in Bicara on the date of loss of control, which resulted in a dilution gain of ₹1,597 million. Further during FY22, we recorded ₹299 million in Other Income towards stake dilution in associate.

Material and Power costs

Material and power costs includes raw materials, packing materials and change in inventories. In FY22, material costs, as a percentage of revenue from operations ex-licensing, increased by ~2% compared to FY21 due to increase in solvents and natural gas pricing.

Staff costs

Staff costs comprise of the following items:

- Salaries, wages, allowances, and bonuses
- Contributions to Provident Fund
- Contributions to gratuity
- Amortisation of employees’ stock compensation expenses and welfare expenses (including employee insurance schemes)

These expenses increased by 9% in FY22, driven by business growth, increased headcount, and stock compensation costs.

Research and development expenses

The net R&D expenditure for FY22 increased by 8% to ₹5,950 million (₹5,531 million in FY21). Net R&D spend was at 11% (~11% in FY21) of revenue ex-Syngene. We capitalized ₹1,155 million, taking gross R&D spend to ₹7,105 million for the year compared to ₹6,270 million in FY21. Gross R&D spend was at 13% (~13% in FY21) of revenue ex-Syngene. The gross R&D spend increased due to higher spend in the biosimilar development programs, ANDA programs.

Interest and Finance charges

The finance cost for FY22 at ₹676 Million (₹577 Million in FY21) primarily comprises of interest cost on borrowings for Biosimilars and Research Services businesses.

Depreciation and Amortisation

During this fiscal, depreciation and amortization increased 14% to ₹8,142 million from ₹7,151 million in FY21, primarily due to commissioning of new facilities and capitalisation of intangibles in Biologics and Research Services segments.

Tax expenses

The effective tax rate (ETR) for the year before the exceptional item was 22% (20% in FY21). ETR is up 2%, since FY21 included a credit for reversal of tax provision for earlier years.
Exceptional items (net)

TheExceptional items during the year comprised the following:

a) Biocon Biologics Limited (BBL) and Goldman Sachs India AIF Scheme – 1 (Goldman Sachs) entered into an amendment agreement which resulted in modification in the terms of the compound financial instrument. This resulted into a charge of ₹ 274 million which is presented under Exceptional items in the consolidated financial statements. Consequential tax impact of ₹49 million is included within tax expense during the year ended March 31, 2022.

b) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019-2020 with the total entitlement capped at Rs. 50 million per exporter for the period. The Group during the year ended March 31, 2022 reversed the SEIS claim accruals of ₹427 million for the financial year 2019-2020 and the same has been presented under exceptional items in the consolidated financial statements for the year ended March 31, 2022. Consequential tax impact of ₹75 million is included within tax expense for the year ended March 31, 2022. Further, related minority interest of ₹77 million is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2022.

c) BBL had obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) towards acquisition deals. These services were availed during the financial year ended March 31, 2022 and hence, in accordance with Ind AS 103 - Business Combinations, these have been recorded as expense amounting to ₹410 million in the consolidated financial statements. Given these are material and infrequent in nature, the Company has disclosed these expenses under the head ‘Exceptional items’ in the statement of profit and loss. Consequential tax impact of ₹169 million is included within tax expense in consolidated financial statements.

Other comprehensive income

Other comprehensive income includes re-measurement gains/losses on defined benefit plans, gains/losses on hedging instruments designated as cash flow hedges and exchange differences on translation of foreign operations, gains/losses on the fair value of the investment in equity through Fair Value through Other Comprehensive Income (FVOCI).

Key financial ratios

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY22</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors turnover</td>
<td>3.98</td>
<td>4.73</td>
</tr>
<tr>
<td>Inventory turnover</td>
<td>1.93</td>
<td>2.02</td>
</tr>
<tr>
<td>Interest coverage ratio</td>
<td>13.84</td>
<td>12.90</td>
</tr>
<tr>
<td>Current ratio</td>
<td>2.19</td>
<td>1.81</td>
</tr>
<tr>
<td>Debt equity ratio</td>
<td>0.76</td>
<td>0.77</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Net profit margin (%)*</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Return on net worth^</td>
<td>9%</td>
<td>10%</td>
</tr>
</tbody>
</table>

# Operating margin is defined as Profit before taxes and interest
^ Net Profit before exceptional income and tax thereon

Risks, Threats, and Concerns

Organizations can create sustainable value for its stakeholders by effectively managing the risks they are willing to take, be it at a strategic, financial or operational. Therefore, identifying, analyzing and promptly managing risks is critical from a Corporate Governance standpoint to enable an organization to attain its strategic objectives and protect the interest of its stakeholders.

A risk is a potential event or non-event, the occurrence or non-occurrence of which can adversely affect the objectives or strategy of the Company or result in opportunities being missed. Risk is measured in terms of likelihood of occurrence and potential impact if it materializes. Risks can be categorized as financial, operational, strategic, regulatory/statutory, reputational, geo-political, catastrophic/pandemic.

Amongst the risks discussed above, regulatory/statutory, operational, strategic, and financial are usually controllable, while geo-political and catastrophic/pandemic (impacting business continuity) risks are not usually within the control of an organization.
Risk Management:

Risk management is a structured, consistent, and continuous process across the organization for identifying, assessing, deciding on responses to, and reporting on opportunities and threats that may affect the achievement of its objectives.

Risk management does not aim at eliminating the risks, as that would simultaneously eliminate all chances of rewards or opportunities. Instead, constant efforts are made to analyze their potential impact, assess the changes to the risk environment, and define actions to mitigate their adverse impact.

At Biocon, we have implemented a risk management framework that ensures timely identification, analysis, and assessment of risks and potential consequences, formulation of specific mitigation strategies, and their seamless execution. The framework recognizes that risks are highly interconnected and interdependent. This evolved approach views risks within a coordinated and strategic framework integrated throughout the organization.

Our Risk Management Structure:

Biocon Limited’s Board of Directors has direct oversight over the Company’s overall risk management framework. The Board has formed a Risk Management Committee which reviews critical existing or emerging risks, monitors the adequacy of de-risking strategies as well as the progress on implementing such strategies. The subsidiaries also have a structure and process similar to that of the parent.

Our Risk Management Process:

The risk management process at Biocon involves the following three steps:

1. Risk Identification and Assessment
2. Risk Mitigation
3. Risk Monitoring and Reporting

Our effective process ensures that these three steps are aligned with regular operations, thereby, ensuring relevant and timely reporting and action on all risks which the organization faces. The organization’s risks are identified, analyzed, and prioritized from time to time. Once a risk is identified, there are four different ways in which a risk can be handled – Treat, Terminate, Transfer, Take. At Biocon, a responsive action plan is initiated for treating or managing the key risks identified and restricting them to a tolerable level.

The risk monitoring and reporting process aims to provide assurance to the Management that risks have been adequately identified, prioritized and critical risks are well managed. The Risk Management Committee reviews the critical risks with respect to their gross exposure, mitigation action status, and net exposure periodically.

Key Business Risks:

Biocon is committed to conducting business while adhering to all applicable statutory laws, government notifications and regulations. Given the complex and highly regulated nature of the global pharmaceutical industry in which Biocon operates, the Company can potentially be exposed to the risks inherent to the industry such as product safety and quality issues, intellectual property tangles, regulatory delays, etc. These risks could lead to penalties, product recalls, brand/reputation loss, and revenue loss, unless properly mitigated. In this context, it is imperative to respond to risk with a holistic risk mitigation framework that can help the organization maintain consistency in product quality, patient and employee safety and long-term sustainability.

Our established risk management framework addresses risks that are inherent to the pharma business and any others that may impact our strategic goals.
The following summary indicates some of our key risks and mitigation measures, other than for Syngene*, drawn from management reviews and deliberations with Risk Management Committee:

<table>
<thead>
<tr>
<th>#</th>
<th>Risk</th>
<th>Description</th>
<th>Mitigation Actions in place</th>
</tr>
</thead>
</table>
| 1  | Regulatory Compliance Risk          | Continuous compliance to GxP requirements will enable to obtain approvals / regulatory audit clearance and provide quality drugs to patients | • Framework in place to continuously monitor the compliance and ensure anytime audit readiness  
• Regular shop floor visits by Quality/ operations leaders to understand on-ground issues and suggest practical solutions  
• Regular training programmes to improve the overall quality environment  
• Digitization of quality systems for improving product standards and data integrity |
| 2  | Research and Development Risk       | Meeting the planned timelines and development cost budget will ensure timely launch and commercial success of differentiated drugs | • Comprehensive review by the leadership team of portfolio strategy and new products selection  
• Use of digital and innovative solutions to increase the efficiency of R&D operations and reduce development cost  
• Internal alignment on execution amongst cross functional teams  
• Continuous program monitoring to avoid potential delays  
• Proactive interaction with regulators to secure timely inputs |
| 3  | Human Capital Risk                 | Retention of talent and skill development will ensure continuity of operations and professional growth of people | • Continuous upskill and development of talent across levels  
• Providing career path visibility and internal movement options  
• Succession planning efforts especially for critical roles  
• Improving employee connect and morale through various employee engagement initiatives  
• Attracting the right talent by becoming an employer of choice through aforesaid mentioned strategies |
| 4  | Commercial/ Pricing Risks           | Right cost and pricing strategy will improve affordable access              | • Initiatives aimed at bringing in efficiencies and reducing the cost of production  
• Focused partnership initiatives to establish presence in new markets  
• Product differentiation and vertical integration to provide commercial advantage with customers |
| 5  | Supply Chain Risks                 | Having multi source vendors for critical materials will provide supply continuity assurance | • Focused alternate vendor development to reduce dependence on any specific country or single source for procurement of key materials  
• Building strategic inventory to address any unanticipated disruption in supply |
| 6  | Information and Cyber Security Risk | Having appropriate cyber and information security controls will reduce probability of loss of critical information or any external cyber attack | • Established Security Operations Center to proactively and effectively manage security requirements  
• Robust incident monitoring and response measures  
• Continuous effort to increase employee awareness on information and cyber security  
• Periodic vulnerability assessments and implementation of actions to address gaps |
## Risk Description Mitigation Actions in place

### 7 Safety Risks

**Adherence to all safety norms will reduce probability of any critical safety incidents which might impact business continuity**

- Framework to ensure continuous compliance of environment, health and safety (EHS) requirements
- Focus on workforce awareness as well as enhanced safety infrastructure
- Internal / external reviews or audit of EHS activities to identify any gaps and remediate them

### 8 Statutory Compliance and Governance Risks

**Continuous compliance to the law of the land will prevent penalties and loss of reputation**

- Process to independently track and ensure compliance of various statutory requirements
- Timely identification of compliance changes and assessment of their applicability
- Technical support is sought as appropriate, including from external experts

### 9 Project/ Capital Investment Risk

**Meeting the planned project milestones and capex budget will ensure timely launch and seamless supplies**

- Strong technical support during planning and execution stages
- Alignment with cross functional teams on overall plan
- Cost tracking at a detailed level to identify cost escalation in early stages and address them appropriately

*Syngene’s Risks are available in its Annual Report (https://www.syngeneintl.com/investors/financial-information/)*

### Note on COVID-19 related risks

While the impact of the pandemic risk in FY22 was lower in comparison with the year before, the industry continued to witness risks related to workforce safety, supply chain and logistics bottlenecks, delays in the development programs including regulatory reviews or approvals, delays in completion of capex projects etc. Key mitigation actions were put in place to support business continuity plans and continued safe operations, including but not limited to:

- Vaccination campaigns for workforce and their family members
- Other safety precautions such as continuous temperature monitoring, remote working options etc.
- Inventory build up in case of any supply chain disruptions
- Virtual reviews by regulators

### Internal Controls

A robust, comprehensive internal control system is a prerequisite for an organization to function ethically, commensurate with its abilities and objectives. We have established a strong internal control system for the Company, which comprises of policies, guidelines, and procedures adopted to ensure operational effectiveness and efficiency, compliance with laws and regulations, asset safeguarding and reliability of financial and management reporting. The Company is staffed by experienced, qualified professionals who play an important role in designing, implementing, maintaining, and monitoring our internal control systems.

An independent firm of Chartered Accountants carry out periodic internal audits to provide reasonable assurance of internal control effectiveness, and advises the Company on industry-wide best practices. The Audit Committee, consisting of Independent Directors, reviews important issues raised by the internal and statutory auditors regularly and the status of rectification measures to ensure that risks are mitigated appropriately on a timely basis.
I. Company’s philosophy on Code of Governance

Biocon Limited (“Biocon” or “the Company”) believes in implementation of good corporate practices, policies and guidelines and always ensures adherence to regulatory requirements. Our aim is to develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

Commitment to adoption of good and effective corporate governance practices in all the spheres of working, has always been an imperative factor in driving the Company’s decisions and activities. Abidance with such governance practices has given the Company immense value addition and competitive advantage. Our corporate governance framework comprises of a formal system of control and administration that helps the management take prudent decisions whilst in the interest of the stakeholders, and at the same time enables the Company to utilise its resources in a systematic and effective manner.

While implementing corporate practices, the Company focuses on areas such as transparency, accountability and integrity to nurture a good corporate governance culture that fosters employee morale and satisfaction, stakeholder acceptance and regulatory recognition. The Company’s policy on various corporate governance aspects can be accessed from our website at, https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

Biocon’s focus is not only to ensure compliance with the requirements as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) regarding corporate governance, but is also committed to sound corporate governance principles and practices, and constantly strives to adopt emerging best corporate governance practices being followed worldwide.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI Listing Regulations, as applicable, is given below.

II. Board of Directors

The corporate governance structure of the Company comprises the Board, as the apex decision making body and the Executive Leadership Team (ELT), which comprises experts in running and managing the Company. The Board of Directors (‘the Board’) are elected by the shareholders to oversee the Company’s overall functioning. The Board is responsible for providing strategic guidance & supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company’s affairs. To sum up, the board’s key purpose is to ensure the Company’s prosperity by collectively directing the company’s affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders.

The Company’s day to day affairs are managed by the ELT, under the overall supervision of the Board. The Board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the Company’s affairs and exercising reasonable business judgement on the affairs of the Company.

Composition of the Board

Our Board represents an appropriate mix of Executive Directors (‘EDs’), Non-Executive Non-Independent Directors (‘NEDs’) and Independent Directors (‘ID’), which is compliant with the Companies Act, 2013 (‘the Act’) and the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.
The Board periodically evaluates the need for change in its composition and size. As on March 31, 2022, the Board comprised of 9 (nine) members, consisting of 2 (two) Executive Directors, 2 (two) Non-Executive Non-Independent Directors, and 5 (five) Independent Directors. Out of the total members, 2 (two) are women directors.

Effective November 1, 2021, Eric Vivek Mazumdar was appointed as an Additional Director categorised as Non-Executive Director of the Company. Further, his appointment as a Non-Executive Director is also being proposed at the ensuing Annual General Meeting (AGM) for the approval of Members.

To ensure enhanced corporate governance practices and be complied with the provisions of SEBI Listing Regulations, the Board at its meeting held on January 23, 2020 had separated the roles of the Chairperson and Managing Director, by appointing Siddharth Mittal as the Managing Director & CEO and Kiran Mazumdar-Shaw as the Executive Chairperson of the Company, effective from April 1, 2020. During the year, the requirement to mandatory separate the positions of Chairperson and Managing Director or CEO, has been made voluntary by the SEBI.

The detailed profile of our Directors is available on our website at https://www.biocon.com/investor-relations/corporate-governance/board-of-directors/.

None of the Directors serve as a Director in more than 7 (seven) listed companies. Further, none of the Director serves as an ID in more than 7 (seven) listed companies or 3 (three) listed companies in case he/she serves as an ED in any listed company. None of the Directors of the Company, are a member of more than 10 (ten) committees and chairperson of more than 5 (five) committees, across all public companies in which he/she is a Director. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director of the Company is an ID.

The Company has 2 (two) Executive Directors and 2 (two) Non-Executive, Non-Independent Directors. The other 5 (five) Directors of the Company are Independent Directors. Mary Harney is an Independent Woman Director on the Board of the Company. The details of the directorship(s) of the members on the Board are as mentioned in the following table titled ‘Composition of the Board’.

Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management and also they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director’s name in the data bank of the Indian Institute of Corporate Affairs (“IICA”) for a period of one year or five years or life time till they continue to hold the office of an independent director. All the Independent Directors are exempted from appearing the Online Proficiency Self-Assessment Test conducted by IICA.

The statutory details of the directors, including the directorships held by them in other listed companies and their committee memberships/chairmanships in other public companies, are listed in the table below:

<table>
<thead>
<tr>
<th>Name of the Director</th>
<th>Category</th>
<th>Directors Identification Number</th>
<th>Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies, as on March 31, 2022</th>
<th>Name of Indian Listed Entities Including this Listed Entity where person is a Director</th>
<th>Category of Directorship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kiran Mazumdar-Shaw#</td>
<td>Promoter &amp; Executive</td>
<td>00347229</td>
<td>9</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Syngene International Limited</td>
<td>Non-Executive Chairperson</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Infosys Limited</td>
<td>Independent, Non-Executive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Narayana Hrudayalaya Limited</td>
<td>Non-Executive Non-Independent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>United Breweries Limited</td>
<td>Independent, Non-Executive</td>
</tr>
<tr>
<td>Siddharth Mittal</td>
<td>Executive</td>
<td>03230757</td>
<td>4</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Name of the Director</td>
<td>Category</td>
<td>Identification Number</td>
<td>Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies, as on March 31, 2022</td>
<td>Name of Indian Listed Entities Including this Listed Entity where person is a Director</td>
<td>Category of Directorship</td>
</tr>
<tr>
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<td>---------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>Non-Executive, Non-Independent Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof. Ravi Rasendra Mazumdar##</td>
<td>Promoter &amp; Non-Executive</td>
<td>00109213</td>
<td>1</td>
<td>1</td>
<td>Biocon Limited</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar*</td>
<td>Non-Executive</td>
<td>09381549</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Independent Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daniel Mark Bradbury</td>
<td>Independent</td>
<td>06599933</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Mary Harney</td>
<td>Independent</td>
<td>05321964</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>Independent</td>
<td>07071727</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Meleveetil Damodaran</td>
<td>Independent</td>
<td>02106990</td>
<td>8</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bobby Kanubhai Parikh</td>
<td>Independent</td>
<td>00019437</td>
<td>5</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**Note:**
- $ Includes Additional Directorships and Directorship in Biocon Limited.
- ^ As required under Regulation 26(1)(b) of the SEBI Listing Regulations, Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Biocon Limited.
- # Prof. Ravi Rasendra Mazumdar is the brother of Kiran Mazumdar-Shaw.
- ## Eric Vivek Mazumdar is the son of Prof. Ravi Rasendra Mazumdar.
- * Eric Vivek Mazumdar was appointed as an Additional Director of the Company w.e.f. November 1, 2021.

**A. Board Membership Criteria and Selection Process**

The responsibility for identifying and evaluating a candidate for the Board is discharged by the Nomination and Remuneration Committee ("NRC") formed under Section 178 of the Companies Act, 2013. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes may extend to professional experience, functional expertise, educational and professional background.

The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws,
which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings to provide strategic guidance and advice.

B. Board Procedure

The Board and committee meetings are pre-scheduled based on the availability of the Director(s), and an annual calendar of the meetings is circulated to them well in advance to facilitate planning of their schedule and ensure participation in the meetings. However, in case of urgent matters, subject to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/statements and other agenda items. The Committees of the Board usually meet prior on the same day of the Board meeting. The recommendations of the Committees are placed before the Board for necessary approval/noting. There was no situation / matter where the Board has not accepted recommendation of the Committee.

With a view to leverage technology, the Company has adopted a digital meeting(s) platform for its Board and Committee meetings, which can be accessed through web version, iOS and Android based application. The Board/Committee Agenda and related notes are made available to the Directors, at least 7 (seven) days in advance of the meetings, through this application which meets high standards of security and integrity that is required for storage and transmission of Board/ Committee related documents in electronic form. All material information is incorporated in the agenda along with supporting documents and relevant presentations. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. To enable the Board to discharge its responsibilities effectively, the Chairperson provides an overview of the overall performance of the Company at the meeting of the Board of directors. The Board also reviews major legal issues, minutes of meetings of various committees of the Board and subsidiary companies, significant transactions and arrangements entered into by the subsidiary companies, approval of financial results and statements, transactions pertaining to purchase or disposal of properties, major accounting provisions and write-offs, corporate restructuring, details of any joint ventures or collaboration agreements, material defaults, if any, in financial obligations, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public product liability, claims of substantial nature and the information as required under Regulation 17(7) read with Schedule II Part A of SEBI Listing Regulations, as amended.

At the Board and Committee Meetings, apart from Board Members and the Company Secretary, the management team are invited to present the Company's performance in key areas such as the major business segments and their operations, subsidiaries and key functions.

The Company Secretary records Minutes of the proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board/CommitteeMembers within 15 (fifteen) days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within 7 (seven) days from the date of circulation. The Minutes are entered in the Minute Books within 30 (thirty) days from the conclusion of the Meeting and signed by the Chairperson. The
copy of the signed Minutes, certified by the Company Secretary or in his absence by any Director authorised by the Board, are made available to all the Directors.

The guidelines for Board and Committee Meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee Meetings are promptly communicated to the concerned departments/divisions. Action Taken Report on decisions/Minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting.

C. Number of Board meetings, attendance of the Directors at meetings of the Board and the Annual General Meeting (“AGM”)

During the financial year under review, 5 (five) Board Meetings were held virtually on the following dates:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Date of Board Meeting</th>
<th>Total Number of directors associated as on the date of meeting</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of Directors attended</td>
<td>% of Attendance</td>
</tr>
<tr>
<td>1.</td>
<td>April 28, 2021</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>2.</td>
<td>July 22, 2021</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>3.</td>
<td>October 21, 2021</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>4.</td>
<td>January 20, 2022</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>5.</td>
<td>February 27, 2022</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>

The Board met at least once in every calendar quarter and the gap between two meetings did not exceed 120 (one hundred and twenty) days.

In view of continuing COVID-19 pandemic, the 43rd AGM of the Company was held on Friday, July 23, 2021 through video conferencing (‘VC’) or other audio-visual means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013, General circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by Ministry of Corporate Affairs (‘MCA’). The deemed venue for the meeting was registered office of the Company at 20th KM, Hosur Road, Bengaluru, 560 100, Karnataka, India.

The attendance of the Directors at these meetings is mentioned in the table below:

<table>
<thead>
<tr>
<th>Name of the Director</th>
<th>No. of Board Meetings which director was entitled to attend</th>
<th>No. of Board Meetings Attended</th>
<th>% of Attendance</th>
<th>Attendance at the 43rd AGM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>5</td>
<td>5</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>John Shaw*</td>
<td>2</td>
<td>2</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Siddharth Mittal</td>
<td>5</td>
<td>5</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>5</td>
<td>5</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Daniel Mark Bradbury</td>
<td>5</td>
<td>4</td>
<td>80.00</td>
<td>No</td>
</tr>
<tr>
<td>Mary Harney</td>
<td>5</td>
<td>4</td>
<td>100.00</td>
<td>No</td>
</tr>
<tr>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>5</td>
<td>4</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Meleveetil Damodaran</td>
<td>5</td>
<td>5</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Bobby Kanubhai Parikh</td>
<td>5</td>
<td>5</td>
<td>100.00</td>
<td>Yes</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar**</td>
<td>2</td>
<td>2</td>
<td>100.00</td>
<td>NA</td>
</tr>
</tbody>
</table>

*John Shaw had stepped down from the Board as a Non-Executive Director with effect from the conclusion of the Company’s 43rd Annual General Meeting which was held on July 23, 2021.

**Eric Vivek Mazumdar was appointed as an Additional Director of the Company with effect from November 1, 2021.
D. Shareholding of Non-Executive Directors

None of the Non-Executive Directors, including Independent Directors, hold any equity shares of the Company except the below:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Category</th>
<th>No. of Shares</th>
<th>% holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>Non-Executive Director</td>
<td>48,15,084</td>
<td>0.40</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar</td>
<td>Non-Executive Director</td>
<td>21,68,000</td>
<td>0.18</td>
</tr>
</tbody>
</table>

E. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors met twice on July 16, 2021 and January 17, 2022 without the presence of Non-Independent Directors and Members of the management.

They had discussed and reviewed the below -

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company which includes:

- Performance of such directors; and
- Fulfilment of the Independence criteria and their Independence from the management.

F. Details of familiarization program imparted to Directors

The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise.

During the financial year under review, the Independent Directors were apprised at frequent intervals on the industry trends, an overview of the Company’s business model, strategy, products, market, risk management, group structure and its subsidiaries, and its operations by the senior management team. Further, various business unit heads made presentations to the Independent Directors at periodic intervals on the performance and future strategy of their respective business units. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities. Among other matters, presentations on internal control over financial reporting, operational control over financial reporting were also made to the Board Members during the year. The Directors were encouraged to interact with members of Senior Management as part of the induction programme.

The Company’s familiarization policy and the details of programs attended, and hours spent by Independent Directors during the financial year 2021-22 is available on the Company’s website at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

G. Board evaluation, Key expertise and attributes of the Board of Directors

Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Nomination and Remuneration Committee in consultation with the Board, had laid down the evaluation criteria for the performance of the Chairperson, Board, Committees of the Board, and executive/non-executive independent directors through peer evaluation, excluding the director being evaluated. Further, the Board had agreed to undertake the Board Evaluation by an external agency, at least once in 3 (three) financial years, pursuant to which for the FY 2020-21, Egon Zehnder, a leadership advisory firm on board matters, had conducted the Board Evaluation.

However, for the current FY 2021-22, the Board had undertaken this exercise through self-evaluation questionnaires. The evaluation process focused on the below aspects –

- Board dynamics and other aspects towards Board effectiveness
- Board Composition, Quality and Culture
- Board Meeting & Procedures
- Execution & performance of specific duties
- Board & Management relations
- Succession Planning
- Committee effectiveness
- Evaluation of Chairperson, Executive & Non-Executive Directors.

The evaluation report was also discussed at the meeting of the Board of Directors and Committees. In order to further uphold the effectiveness of the Board’s governance, an overview of the suggestions as drawn from the evaluation exercise was
deliberated and recommended for implementation in due course of time, by the Board.

**Key expertise and attributes of the Board of Directors**

In compliance with the SEBI Listing Regulations, the Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of any candidate to the Board of the Company.

Based on the above-mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Research &amp; Innovation</th>
<th>General Management</th>
<th>Finance &amp; Risk Management</th>
<th>Corporate Governance and Compliance</th>
<th>Global healthcare</th>
<th>Technology &amp; digital perspective</th>
<th>Scientific knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Siddharth Mittal</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>•</td>
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<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar</td>
<td>•</td>
<td>•</td>
<td>•</td>
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<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Mary Harney</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Daniel Mark Bradbury</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Meleveetil Damodaran</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Bobby Kanubhai Parikh</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
</tbody>
</table>

**H. Role of Company Secretary**

The Company Secretary is the Compliance Officer and plays a key role in ensuring that effective board procedures are followed and reviewed periodically. The Company Secretary is primarily responsible to ensure compliance with the provisions of Companies Act, 2013 and provisions of all other laws applicable to the Company. The Company Secretary ensures that all relevant information, details and documents are made available to the Board of Directors for effective decision-making at the meetings. The Company Secretary is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

**III. Committees of the Board**

The Board has constituted various committees to focus on specific areas and to make informed decisions within their authority. Each committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the committee are placed before the Board for its approval. The Company’s guidelines relating to Board Meetings are also applicable to committee meetings as far as is practicable. Each committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers/ function heads are invited to present various details called for by the committee at its meeting. The Company Secretary of the Company acts as the Secretary to all Committees of the Board as detailed below:

A. Audit Committee
B. Risk Management Committee
C. Stakeholders Relationship Committee
D. Corporate Social Responsibility and ESG Committee

E. Nomination and Remuneration Committee

A. Audit Committee

I. Brief description of terms of reference

The Company has constituted an Audit Committee (“AC”) which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The committee’s role flows directly from the board’s oversight function and delegation to various committees. It acts as an oversight body for transparent, effective anti-fraud and risk management mechanisms, and efficient Internal Audit and External Audit functions financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act. The brief description of the terms of reference of the Committee is given below:

The terms of reference and responsibilities of the committee include review of the quarterly, half-yearly and annual financial statements before submission to Board, review of compliance of internal control system, approval or any subsequent modification of transactions with related parties, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors of the Company etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control systems. The Committee meets at least once in a calendar quarter.

During the financial year under review, 6 (six) meetings of the Audit Committee were held. The dates of the Meetings were April 28, 2021, July 22, 2021, September 24, 2021, October 21, 2021, January 20, 2022 and March 17, 2022.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Members</th>
<th>Category</th>
<th>Position</th>
<th>No. of Meetings which director was entitled to Attend</th>
<th>No. of Meeting attended</th>
<th>% of Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bobby Kanubhai Parikh</td>
<td>ID</td>
<td>Chairperson</td>
<td>6</td>
<td>6</td>
<td>100.00</td>
</tr>
<tr>
<td>2</td>
<td>Daniel Mark Bradbury</td>
<td>ID</td>
<td>Member</td>
<td>6</td>
<td>5</td>
<td>83.33</td>
</tr>
<tr>
<td>3</td>
<td>Meleveetil Damodaran</td>
<td>ID</td>
<td>Member</td>
<td>6</td>
<td>6</td>
<td>100.00</td>
</tr>
</tbody>
</table>

ID - Independent Director

The members of the Committee possess sound knowledge of accounts, finance, audit, governance and legal matters.

Senior staff from the Finance & Accounts Department and representatives of the Statutory and Internal Auditors attend all Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The Committee, as a good governance practice, also meets external auditors, internal auditors and the Chief Financial Officer of the Company separately, to understand their independent opinion on the performance of the Company.

B. Risk Management Committee

I. Brief description of terms of reference

The Company has constituted a Risk Management Committee (“RMC”), which assist the Board of Directors in timely identification, assessment and mitigation of risks (i.e. financial, operational, strategic, regulatory, statutory, reputational, political, catastrophic and others) faced by the Company. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and is capable of effectively addressing and monitoring these risks. The Committee also approves and oversees a Company-wide risk management framework, capable of effectively addressing these risks.

The terms of reference of the RMC are in line with the provisions of the Act and Regulation 21 of the SEBI Listing Regulations.

During the financial year under review, four (4) Meetings were held. The dates of the Meetings were April 22, 2021, July 16, 2021, October 14, 2021 and January 20, 2022.
II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022, are given below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Members</th>
<th>Category</th>
<th>Position</th>
<th>No. of Meetings which director was entitled to attend</th>
<th>No. of Meeting attended</th>
<th>% of Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bobby Kanubhai Parikh</td>
<td>ID</td>
<td>Chairperson</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>2</td>
<td>Daniel Mark Bradbury</td>
<td>ID</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>3</td>
<td>Meleveetil Damodaran</td>
<td>ID</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>4</td>
<td>Kiran Mazumdar-Shaw</td>
<td>ED</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>5</td>
<td>Siddharth Mittal</td>
<td>ED</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>6</td>
<td>Eric Vivek Mazumdar*</td>
<td>NED</td>
<td>Member</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
</tr>
</tbody>
</table>

ID - Independent Director; ED - Executive Director; NED - Non-Executive Director

* Eric Vivek Mazumdar was inducted as a member with effect from November 1, 2021.

C. Stakeholders Relationship Committee

I. Brief Description of the terms of reference

The Company has constituted a Stakeholders Relationship Committee (“SRC”) pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. During the year, for meeting Environmental, Social and Governance (ESG) objectives of the Company, the oversight of implementation of ESG related activities were aligned within the scope of the Committee. Subsequently, the said ESG function has been realigned within the Corporate Social Responsibility Committee of the Company.

The SRC is primarily responsible to redress the grievances of shareholders/ investors/ other security holders including complaints related to transfer or transmission of shares, non-receipt of dividends, annual reports and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

- Measures taken to ensure the effective exercise of voting rights by the shareholders/ investors;
- Measures and initiatives taken to reduce the quantum of unclaimed dividends and ensure timely receipt of dividend/ annual report/ notices and other information by Shareholders;
- Service standards adopted by the Company in respect of services rendered by our Registrars and Share Transfer Agent.

During the financial year under review, four (4) Meetings were held. The dates of the Meetings were April 22, 2021, July 16, 2021, October 14, 2021 and January 17, 2022.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Members</th>
<th>Category</th>
<th>Position</th>
<th>No. of Meetings which director was entitled to attend</th>
<th>No. of Meeting attended</th>
<th>% of Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Daniel Mark Bradbury</td>
<td>ID</td>
<td>Chairperson</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>2</td>
<td>Bobby Kanubhai Parikh</td>
<td>ID</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>3</td>
<td>Prof. Ravi Rasendra</td>
<td>NED</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>4</td>
<td>Mary Harney*</td>
<td>ID</td>
<td>Member</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
</tr>
<tr>
<td>5</td>
<td>Siddharth Mittal*</td>
<td>ED</td>
<td>Member</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>6</td>
<td>Eric Vivek Mazumdar*</td>
<td>NED</td>
<td>Member</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
</tr>
</tbody>
</table>

ID - Independent Director; ED - Executive Director; NED - Non-Executive Director

* Eric Vivek Mazumdar & Mary Harney were inducted as members with effect from November 1, 2021 and Siddharth Mittal with effect from January 20, 2022. Further, the aforesaid Directors ceased to be the members of the Committee with effect from March 28, 2022.
Mayank Verma, Company Secretary of the Company is the Secretary to the Committee. Further, he also acts as the Compliance Officer of the Company.

The table below encompasses the details of the complaints received and disposed off during the year ended March 31, 2022.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining unsolved at the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td>Received during the year</td>
<td>119</td>
</tr>
<tr>
<td>Disposed during the year</td>
<td>118</td>
</tr>
<tr>
<td>Number of complaints not solved to the satisfaction of shareholders</td>
<td>-</td>
</tr>
<tr>
<td>Remaining unsolved at the end of the year</td>
<td>1*</td>
</tr>
</tbody>
</table>

*The complaint has been resolved in April, 2022.*

The quarterly statement on investor complaints received and disposed of are filed with Stock Exchanges within 21 (twenty-one) days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

Further, with regards to the unpaid or unclaimed dividend, the company has sent out reminders to the shareholders to claim their unpaid or unclaimed dividends before the dividend amounts are transferred to Investor Education and Protection Fund (‘IEPF’).

In terms of the SEBI Circular dated November 3, 2021, the Company had sent out communications to holders of physical securities to furnish their PAN, KYC details and Nomination as per the prescribed conditions embedded in the circular.

Additionally, as mandated by SEBI, the members of the Committee reviewed and took note of the Internal Annual Audit Report and observations along with action taken in this regard for the FY 2020-21 as submitted by the KFin Technologies Limited, Registrar and Share Transfer Agent (‘RTA’) of the Company.

D. Corporate Social Responsibility and ESG Committee

I. Brief description of terms of reference

The Company is driven by a vision to make a difference in global healthcare through improved access to high quality and life-saving bio therapeutics by making them affordable for patients across the world. The Company’s contributions and initiatives towards social welfare and environment sustainability have been integral to its business.

During the year, the Board has delegated oversight over ESG related activities to Corporate Social Responsibility (CSR) Committee and renamed it as “Corporate Social Responsibility and ESG Committee” (hereinafter referred to as “the Committee”). The CSR & ESG activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. The CSR & ESG shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company’s core values, operations and growth.

The terms of reference of the CSR & ESG Committee are in line with the provisions of Section 135 of the Companies Act, 2013, which inter alia includes the following:

- Identifying the areas of CSR activities, its implementation and monitoring;
- Formulate and amend the CSR Policy, from time to time;
- Adoption of Annual Action Plan or modification thereof;
- Oversee Company’s ESG program, strategy, initiatives, execution and disclosures. Reporting progress of various initiatives with respect to CSR & ESG.

During the financial year under review, the Committee met 2 (two) time i.e. on April 22, 2021 and October 21, 2021.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Members</th>
<th>Category</th>
<th>Position</th>
<th>No. of Meetings which director was entitled to Attend</th>
<th>No. of Meeting attended</th>
<th>% of Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mary Harney</td>
<td>ID</td>
<td>Chairperson</td>
<td>2</td>
<td>2</td>
<td>100.00</td>
</tr>
<tr>
<td>2</td>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>ID</td>
<td>Member</td>
<td>2</td>
<td>2</td>
<td>100.00</td>
</tr>
<tr>
<td>3</td>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>NED</td>
<td>Member</td>
<td>2</td>
<td>2</td>
<td>100.00</td>
</tr>
<tr>
<td>4</td>
<td>Siddharth Mittal*</td>
<td>ED</td>
<td>Member</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>5</td>
<td>Eric Vivek Mazumdar*</td>
<td>NED</td>
<td>Member</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

ID - Independent Director; NED – Non-Executive Director.

* Siddharth Mittal and Eric Vivek Mazumdar were inducted as members of the Committee with effect from March 28, 2022.
E. Nomination and Remuneration Committee

I. Brief description of terms of reference

The Company has a Nomination and Remuneration Committee (“NRC”) pursuant to the provisions of Regulation 19, read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act. As per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the NRC of the Company acts as the Compensation Committee for administration of the ESOP plan. The NRC has been vested with the authority to recommend nominations for Board membership, succession planning for the senior management and the Board, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection of Board Members with respect to competencies, qualifications, experience, track record, integrity, devise appropriate succession plans and determine overall compensation policies of the Company.

The scope of the NRC also includes review of the market practices, decision on the remuneration to the Executive Director(s) and laying down of performance parameters for the Chairperson, Managing Director, the Executive Director(s), Key Managerial Personnel and Senior Management.

In addition to the above, the NRC’s role includes identifying persons who may be appointed to a senior management position in accordance with the criteria laid down, recommending to the Board their appointment and removal.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Members</th>
<th>Category</th>
<th>Position</th>
<th>No. of Meetings which director was entitled to Attend</th>
<th>No. of Meeting attended</th>
<th>% of Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mary Harney</td>
<td>ID</td>
<td>Chairperson</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>2</td>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>ID</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>3</td>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>NED</td>
<td>Member</td>
<td>4</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>4</td>
<td>Kiran Mazumdar-Shaw*</td>
<td>ED</td>
<td>Member</td>
<td>3</td>
<td>3</td>
<td>100.00</td>
</tr>
<tr>
<td>5</td>
<td>Daniel Bradbury*</td>
<td>ID</td>
<td>Member</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
</tr>
</tbody>
</table>

ID - Independent Director; NED – Non-Executive Director; ED – Executive Director.

* Daniel Bradbury was inducted as a member with effect from November 1, 2021 and Kiran Mazumdar-Shaw had ceased to be a member of this Committee with effect from November 1, 2021.
III. Remuneration of Directors

A. Remuneration Policy

Your Company has a well-defined policy for remuneration of the Directors, Key Managerial Personnel and Senior Management. The policy of the Company is designed to create a high-performance culture and enables the Company to attract, retain and motivate employees to achieve results. The policy is available on the Company’s website at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

The elements of remuneration to the Executive Directors include fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowance, reimbursement of expenses, stock options etc., as applicable to employees of the Company. The Executive Directors are employees of the Company and are subject to service conditions as per the Company policy, which is 3 (three) months’ notice period, or such period as mutually agreed upon. There is no provision for payment of severance fees to Non-Executive Directors. Independent Directors are paid remuneration in the form of commission, apart from the sitting fees and are not subject to any notice period and severance fees.

B. Remuneration to Non-Executive Directors

The shareholders at their 43rd Annual General Meeting, based on the recommendation of Nomination and Remuneration Committee and Board of Directors, have approved the payment of remuneration to Non-Executive Directors, at an amount not exceeding 3% of the net profit of the Company effective from the financial year 2021-22. The payment of such remuneration would be in addition to the sitting fees for attending Board/Committee meetings.

C. Remuneration to Executive Directors

The shareholders, at their 42nd Annual General Meeting (“AGM”) held on July 24, 2020, have approved the re-appointment of Kiran Mazumdar-Shaw as an Executive Director, designated as an Executive Chairperson for a period of 5 (five) years effective April 1, 2020 on certain terms and conditions, including her remuneration subject to prescribed limit under the rules and regulations. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, etc. as applicable to employees of the Company.

Further, at the same AGM, the shareholders have approved the appointment of Siddharth Mittal as the Chief Executive Officer and Managing Director of the Company for a period effective from April 1, 2020, till the end of his current tenure of appointment i.e. November 30, 2024. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, long term rewards etc. as applicable to employees of the Company.

Subsequently, the shareholders at their 43rd AGM held on July 23, 2021, have approved the increase in the limit of managerial remuneration payable to Siddharth Mittal, Managing Director & CEO of the Company, which was in excess of 5% of the net profits of the Company for the financial year 2021-22 and thereafter during his remaining tenure as the Managing Director of the Company. However, the total managerial remuneration paid to the Executive Director(s) of the Company taken together in any financial year have not exceeded the limit of 10% of net profit, and overall managerial remuneration paid to all directors have not exceeded the overall limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

D. Criteria for Making Payment to Non-Executive Directors

The Company’s Non-Executive Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research and innovation amongst others. The Company’s Non-Executive Directors have been shaping and steering the long-term strategy and make invaluable contributions towards Biocon group level strategy, monitoring of risk management and compliances.

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to all the Directors from time to time.

Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the shareholders at their 43rd AGM held on July 23, 2021 have approved to pay remuneration by way of commission or otherwise to the Non-Executive Directors of the Company for the financial year 2021-22 and thereafter, at an amount not exceeding 3% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said remuneration is paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time.
E. Service Contracts, Notice Period and Severance Fees
As on March 31, 2022, the Board comprised of 9 (nine) members, including 2 (two) Executive Directors and 7 (seven) Non-Executive Directors, of which 5 (five) are Independent Directors. Kiran Mazumdar-Shaw, Executive Chairperson and Siddharth Mittal, Managing Director and CEO are employees of the Company. Hence, the provision for payment of severance fees to them shall be as per the terms mentioned in the Company’s policy. However, other Directors are not subject to any notice period and severance fees.

G. Remuneration to Directors
The details of remuneration of Directors for the year ended March 31, 2022 are given below:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Salary and Perquisites</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Pay &amp; Bonus Perquisites</td>
<td>Retirement Benefits</td>
<td>Commission Sitting Fees</td>
</tr>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>24.60</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Siddharth Mittal</td>
<td>42.20</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Prof. Ravi Rasendra Mazumdar</td>
<td>-</td>
<td></td>
<td>4.20</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar*</td>
<td>-</td>
<td></td>
<td>1.99</td>
</tr>
<tr>
<td>Mary Harney</td>
<td>-</td>
<td></td>
<td>4.68</td>
</tr>
<tr>
<td>Daniel Mark Bradbury</td>
<td>-</td>
<td></td>
<td>5.10</td>
</tr>
<tr>
<td>Dr. Vijay Kumar Kuchroo</td>
<td>-</td>
<td></td>
<td>4.05</td>
</tr>
<tr>
<td>Meleveetil Damodaran</td>
<td>-</td>
<td></td>
<td>4.64</td>
</tr>
<tr>
<td>Bobby Kanubhai Parikh</td>
<td>-</td>
<td></td>
<td>5.70</td>
</tr>
<tr>
<td>John Shaw**</td>
<td>-</td>
<td></td>
<td>0.86</td>
</tr>
</tbody>
</table>

*Eric Vivek Mazumdar was appointed as an Additional Director w.e.f. November 1, 2021.

**John Shaw had stepped down from the Board as a Non-Executive Director with effect from the conclusion of the Company’s 43rd Annual General Meeting which was held on July 23, 2021.

Note:
- Perquisites valued as per Income Tax Act, 1961. Excludes perquisite value on account of stock options exercised during the year.
- The remuneration to Executive Directors and Key Managerial Personnel does not include provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

During the financial year, no options under the Company’s ESOP plan were granted to any Executive/Non-Executive Directors of the Company.
IV. General Body Meetings

A. Annual General Meetings

The date, time, location of Annual General Meetings held during the last 3 (three) years and the special resolutions passed thereat are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Date and Time</th>
<th>Venue</th>
<th>Special Resolution(s) Passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>July 23, 2021 at 3.30 pm</td>
<td>*Held through video conferencing (‘VC’) or other audio-visual means (OAVM)</td>
<td>1. Re-appointment of Mr. Bobby Kanubhai Parikh (DIN: 00019437) as an Independent Director of the Company.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. To approve revision in remuneration payable to Non-Executive Directors by way of Commission.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. To approve and increase in the limit of managerial remuneration payable to Mr. Siddharth Mittal, Managing Director in excess of 5% of the net profits of the Company.</td>
</tr>
<tr>
<td>2019-20</td>
<td>July 24, 2020 at 3.30 pm</td>
<td>*Held through video conferencing (‘VC’) or other audio-visual means (OAVM)</td>
<td>1. Re-appointment of Ms. Kiran Mazumdar-Shaw (DIN: 00347229) as an Executive Director (designated as “an Executive Chairperson”) of the Company.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. To approve Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 and grant of Restricted Stock Units to eligible employees of the Company.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. To approve grant of Restricted Stock Units to the employees of present and future subsidiary company (ies) under Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24.</td>
</tr>
<tr>
<td>2018-19</td>
<td>July 26, 2019 at 3.30 pm</td>
<td>Sathya Sai Samskruta Sadanam, No. 20, Hosur Main Road, CL Layout, Bengaluru 560 029</td>
<td>1. Re-appointment of Mr. Meleveetil Damodaran (DIN: 02106990) as an Independent Director for five years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Variation in terms of Employees Stock Option Plan 2000 for grant of stock options to Ms. Christiane Hamacher, CEO of Biocon Biologics India Limited.</td>
</tr>
</tbody>
</table>

*The AGM held on July 23, 2021 and July 24, 2020 were in compliance with the applicable provisions of the Companies Act, 2013, General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020, issued by Ministry of Corporate Affairs (‘MCA’). The deemed venue for the meeting was registered office of the Company at 20th KM, Hosur Road, Bengaluru, 560 100, Karnataka, India.

During the financial year under review, no Special Resolution was passed by the Company through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

B. Means of Communication

I. Quarterly financial results

The quarterly financial results are normally published in nationwide newspaper i.e. Financial Express and Vijayavani (Kannada edition) and are also displayed on Company’s website www.biocon.com.

II. News Releases, Presentations

Official news/press releases are disclosed to both the Stock Exchanges i.e. NSE and BSE from time to time and are also displayed on the website of the Company at www.biocon.com.
III. Presentations to Institutional Investors/ Analysts
Presentations are made to institutional investors and financial analysts on the quarterly financial results of the Company. These presentations are also published at the website of the Company and are disclosed to both the Stock Exchanges i.e. NSE and BSE. The schedule of meetings with institutional investors/financial analysts are intimated to the Stock Exchanges and disclosed on website of the Company at www.biocon.com.

IV. Website
The website of the Company i.e. www.biocon.com contains a separate and dedicated “investors” section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, financial results including subsidiaries financials, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, contact details of Registrar and share Transfer Agents, details of unclaimed or unpaid dividend and Investor Education and Protection Fund ("IEPF") related information, amongst others. These are made available on the website in a user-friendly and downloadable form.

V. NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre
NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE, respectively, for the Corporates for smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, financial results and other disclosures under SEBI Listing Regulations are electronically filed on NEAPS and BSE Listing Centre.

VI. SEBI Complaints Redress System ("SCORES")
Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.

V. General Shareholders Information
A. Company Registration Details
The registered office of the Company is Biocon Limited, 20th KM, Hosur Road, Electronic City, Bengaluru - 560 100 and it is registered in the State of Karnataka, India. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is L24234KA1978PLC003417.

B. Annual General Meeting

<table>
<thead>
<tr>
<th>Day, Date and Time</th>
<th>Thursday, July 28, 2022 at 3:30 P.M. (IST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue *</td>
<td>44th Annual General Meeting of the Company will be held at 20th KM, Hosur Road, Electronic City, Bangalore – 560 100, Karnataka, India (Deemed venue)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>April 1, 2021 – March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Payment date</td>
<td>Within 30 (thirty) days of declaration of dividend</td>
</tr>
<tr>
<td>Record Date (Dividend)</td>
<td>July 01, 2022</td>
</tr>
<tr>
<td>Cut-off (e-voting)</td>
<td>July 21, 2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Results Calendar for 2022-23 (tentative)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1- FY 23</td>
<td>July 27, 2022</td>
</tr>
<tr>
<td>Q2- FY 23</td>
<td>October 20, 2022</td>
</tr>
<tr>
<td>Q3- FY 23</td>
<td>January 24, 2023</td>
</tr>
<tr>
<td>Q4- FY 23</td>
<td>April 27, 2023</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Listed on Stock Exchanges</th>
<th>National Stock Exchange of India Limited (&quot;NSE&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051</td>
</tr>
<tr>
<td></td>
<td>BSE Limited (&quot;BSE&quot;)</td>
</tr>
<tr>
<td></td>
<td>PJ Towers, Dalal Street, Mumbai - 400 001</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stock Code/Symbol</th>
<th>NSE – BIOCON</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BSE - 532523</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>International Securities Identification Number (&quot;ISIN&quot;)</th>
<th>INE 376G01013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment of Annual listing fees to Stock Exchanges</td>
<td>Paid</td>
</tr>
</tbody>
</table>


* In terms of the MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, the 44th AGM of the Company shall be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM notice and available at the website of the Company at www.biocon.com.

I. Market price data during 2021-22

The monthly high/low closing prices and volume of shares of the Company from April 1, 2021 to March 31, 2022 are given below:

<table>
<thead>
<tr>
<th>Month</th>
<th>High Price</th>
<th>Low Price</th>
<th>Volume of Equity Shares</th>
<th>High Price</th>
<th>Low Price</th>
<th>Volume of Equity Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-21</td>
<td>424.10</td>
<td>378.00</td>
<td>4,042,626</td>
<td>424.40</td>
<td>378.20</td>
<td>84,840,355</td>
</tr>
<tr>
<td>May-21</td>
<td>393.70</td>
<td>370.15</td>
<td>2,592,921</td>
<td>393.65</td>
<td>370.15</td>
<td>55,544,400</td>
</tr>
<tr>
<td>Jun-21</td>
<td>420.25</td>
<td>382.85</td>
<td>3,537,472</td>
<td>420.25</td>
<td>382.85</td>
<td>60,320,960</td>
</tr>
<tr>
<td>Jul-21</td>
<td>414.30</td>
<td>376.95</td>
<td>3,226,466</td>
<td>414.40</td>
<td>376.70</td>
<td>59,979,772</td>
</tr>
<tr>
<td>Aug-21</td>
<td>392.35</td>
<td>327.75</td>
<td>2,145,556</td>
<td>392.45</td>
<td>327.55</td>
<td>42,858,605</td>
</tr>
<tr>
<td>Sep-21</td>
<td>398.60</td>
<td>350.00</td>
<td>3,062,262</td>
<td>394.15</td>
<td>350.05</td>
<td>58,722,361</td>
</tr>
<tr>
<td>Oct-21</td>
<td>370.40</td>
<td>314.90</td>
<td>4,072,520</td>
<td>370.60</td>
<td>314.80</td>
<td>55,033,772</td>
</tr>
<tr>
<td>Nov-21</td>
<td>378.00</td>
<td>342.75</td>
<td>8,666,082</td>
<td>377.60</td>
<td>342.50</td>
<td>53,408,750</td>
</tr>
<tr>
<td>Dec-21</td>
<td>387.80</td>
<td>343.10</td>
<td>2,729,977</td>
<td>387.90</td>
<td>343.05</td>
<td>71,401,931</td>
</tr>
<tr>
<td>Jan-22</td>
<td>382.45</td>
<td>347.10</td>
<td>3,216,556</td>
<td>382.50</td>
<td>347.00</td>
<td>58,285,375</td>
</tr>
<tr>
<td>Feb-22</td>
<td>410.50</td>
<td>347.10</td>
<td>3,078,047</td>
<td>410.70</td>
<td>347.00</td>
<td>66,067,524</td>
</tr>
<tr>
<td>Mar-22</td>
<td>353.40</td>
<td>319.00</td>
<td>3,138,802</td>
<td>353.45</td>
<td>319.10</td>
<td>79,269,906</td>
</tr>
</tbody>
</table>

II. Performance in comparison with broad based indices

The chart below depicts the performance of the Company's share price in comparison to broad-based indices, such as BSE Sensex and NSE Nifty. The Biocon Management cautions that the stock movement shown in the graph below should not be considered indicative of potential future stock price performance.

Biocon & BSE Sensex share price movement from April 01, 2021 to March 31, 2022

III. Share transfer system

The Company has Stakeholders Relationship Committee to review and resolve the complaints by shareholders which may arise from time to time and the status of such complaints or requests is placed before the Board. The Company has complied with the requirements as specified in Regulation 40 of SEBI Listing Regulations for effecting transfer of securities of the Company.
On receipt of proper documentation, the Company registers transfers of securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of such transfers, within a period of 15 (fifteen) days from the date of such receipt of request for transfer, subject to documents being valid and complete in all respects.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company obtains an annual compliance certificate, from a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company and the copy of the compliance certificate is submitted to the Stock Exchanges.

SEBI, effective from April 1, 2019, barred physical transfer of shares of the listed companies and mandated transfers only in dematerialised form. However, shareholders are not barred from holding shares in physical form. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

IV. Dematerialization of shares and liquidity

As on March 31, 2022, 99.77% of the equity shares were in electronic form. Trading in equity shares of the Company is permitted only in dematerialized form. The Company’s equity shares are actively traded on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Further, as mandated by the Securities and Exchange Board of India (“SEBI”), existing members of the Company, who hold securities in physical form and intend to transfer their securities, can do so only in dematerialised form. Hence, shareholders who hold shares in physical form are requested to dematerialise these shares to ensure such shares are freely transferable.

V. Distribution of shareholding (category wise) as on March 31, 2022 is as under:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Category</th>
<th>No. of Shares</th>
<th>% to Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promoters (Indian &amp; Foreign)</td>
<td>728,024,176</td>
<td>60.64</td>
</tr>
<tr>
<td>2</td>
<td>Foreign Institutional Investor &amp; FPI</td>
<td>187,494,014</td>
<td>15.62</td>
</tr>
<tr>
<td>3</td>
<td>Mutual Funds, Banks, IFIs</td>
<td>42,564,674</td>
<td>3.54</td>
</tr>
<tr>
<td>4</td>
<td>NRIs &amp; Foreign Nationals</td>
<td>9,940,103</td>
<td>0.83</td>
</tr>
<tr>
<td>5</td>
<td>Corporate Bodies</td>
<td>12,252,020</td>
<td>1.02</td>
</tr>
<tr>
<td>6</td>
<td>Trusts</td>
<td>25,983,892</td>
<td>2.16</td>
</tr>
<tr>
<td>7</td>
<td>Indian Public &amp; Others</td>
<td>194,341,121</td>
<td>16.19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,200,600,000</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>
VI. Distribution of shareholding as on March 31, 2022:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Category (Amount)</th>
<th>No. of Holders</th>
<th>% To Holders</th>
<th>Amount (₹)</th>
<th>% To Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 - 5,000</td>
<td>3,32,303</td>
<td>95.51</td>
<td>18,92,13,865.00</td>
<td>3.15</td>
</tr>
<tr>
<td>2</td>
<td>5,001 - 10,000</td>
<td>8,346</td>
<td>2.40</td>
<td>5,92,58,425.00</td>
<td>0.99</td>
</tr>
<tr>
<td>3</td>
<td>10,001 - 20,000</td>
<td>3,705</td>
<td>1.06</td>
<td>5,20,86,070.00</td>
<td>0.87</td>
</tr>
<tr>
<td>4</td>
<td>20,001 - 30,000</td>
<td>1,216</td>
<td>0.35</td>
<td>3,09,99,775.00</td>
<td>0.52</td>
</tr>
<tr>
<td>5</td>
<td>30,001 - 40,000</td>
<td>442</td>
<td>0.13</td>
<td>1,54,78,345.00</td>
<td>0.26</td>
</tr>
<tr>
<td>6</td>
<td>40,001 - 50,000</td>
<td>341</td>
<td>0.10</td>
<td>1,56,25,775.00</td>
<td>0.26</td>
</tr>
<tr>
<td>7</td>
<td>50,001 - 1,00,000</td>
<td>641</td>
<td>0.18</td>
<td>4,51,93,655.00</td>
<td>0.75</td>
</tr>
<tr>
<td>8</td>
<td>1,00,001 and above</td>
<td>917</td>
<td>0.26</td>
<td>5,59,51,44,090.00</td>
<td>93.20</td>
</tr>
</tbody>
</table>

TOTAL: 3,47,911 100.00 6,00,30,00,000.00 100.00

VII. Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments.

VIII. Commodity price risk or foreign exchange risk and hedging activities

The input pricing risk is managed through appropriate long-term rate contracts and constant evaluation of alternate support sources for key raw materials. The Company has an approved Foreign Exchange Risk Management Policy and accordingly, during the financial year ended March 31, 2022, the Company managed foreign exchange risk and hedged these to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

IX. Plant locations

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>20th KM, Hosur Road, Electronics City, Bengaluru, Karnataka - 560 100, India</td>
<td>Biocon Park, Plot No. 2, 3, 4 &amp; 5, Bommasandra- Jigani Link Road, Bengaluru, Karnataka - 560 099, India</td>
<td>Plot 213-215, IDA Phase II, Pashamylaram, Medak District, 502 307, Andhra Pradesh, India</td>
<td>Plot No. 2, J.N. Pharma City, IDA, Parvada, Vizag, Andhra Pradesh – 531 021, India</td>
</tr>
</tbody>
</table>

X. Address for correspondence

**Corporate Governance & Compliance, Investor Grievances Redressal**

Mr. Mayank Verma  
Company Secretary, Compliance Officer & Nodal Officer  
Tel: 91 80-2808 2038  
E-mail id: co.secretary@biocon.com

**Financial Disclosure and Information**

Mr. Indranil Sen  
Chief Financial Officer  
Tel: 91 80 - 2808 2808  
E-mail id: indranil.sen@biocon.com

**Media & Corporate Communications**

Ms. Seema Shah Ahuja  
Senior Vice-President & Global Head  
Corporate Communications & Corporate Brand  
Biocon Group  
Tel: 91 80- 2808 2808  
E-mail id: Seema.Ahuja@biocon.com

**Corporate Communications**

Mr. Calvin Printer  
Vice President  
Corporate Communications  
Tel: 91 80- 2808 2808  
E-mail id: calvin.printer@biocon.com

**Investor Relations (Institutional Investors & Research Analysts)**

Ms. Aishwarya Sitharam  
Head - Investor Relations  
Tel: 91 80 2808 2040  
E-mail id: investor.relations@biocon.com

**Registrar and Share Transfer Agents (‘RTA’)**

KFin Technologies Limited  
(Unit: Biocon Limited)  
Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramgud, Hyderabad – 500 032  
E-mail id: einward.ris@kfintech.com
XI. Credit Ratings
During the year under review, CRISIL vide its letter dated March 9, 2022, has placed its ‘CRISIL AA+’ rating on the long-term bank facilities of the Company on ‘Watch with Developing Implications’. The rating on the short-term bank facilities has been reaffirmed at ‘CRISIL A1+'. Further, ICRA Limited vide its letter dated March 10, 2022 has placed its ‘ICRA AA+’ and ‘ICRA A1+' ratings on the long term and short-term banking facilities of the Company on ‘Watch with Developing Implications’.

C. Other Disclosures
I. Materially significant related party transactions
During the financial year under review, no materially significant transactions or arrangements were entered into between the Company and its promoters, management, Directors or their relatives, subsidiaries, etc. that may have potential conflict with the interests of the Company at large. The Company has formulated a policy on dealing with Related Party Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been posted on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

II. Details of Non-compliance
During the last 3 (three) years, there were no instances of non-compliances by the Company related to capital markets and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities. Further, the securities of the Company were not suspended from trading at any time during the year.

III. Compliance with corporate governance requirements
The Company has complied with the requirements of corporate governance specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

IV. Vigil Mechanism
The vigil mechanism as envisaged in the Companies Act, 2013 and SEBI Listing Regulations is implemented through the Company’s Whistle Blower Policy to adequately safeguard against victimisation of persons who use such mechanism. During the year, no personnel was denied access to the Audit Committee of the Company. The address of the Chairperson of the Audit Committee has been given in the policy for the employees, Directors, vendors, suppliers or other stakeholders associated with the Company to report any matter of concern. Vigil mechanism of the Company is available on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

V. Compliance with mandatory and discretionary requirements
The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations, as under:

- **Modified opinion(s) in audit report:** During the financial year under review, there is no audit qualification in the Company’s financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

- **Reporting of Internal Auditors:** Internal Auditors report directly to the Audit Committee.

VI. Policy for determining material subsidiary
The Company has formulated a policy for determining Material subsidiaries as defined under the SEBI Listing Regulations. This policy is also published on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

VII. Policy for determining Related Party transactions
The Company has formulated a policy on materiality of related party transactions and on dealings with such transactions. This policy has also been published on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

VIII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the financial year 2021-22.

IX. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors of the Company
The details of payment made to them on consolidated basis are available under Note 28 to the Financial Statements of this report.

X. Certificate from Company Secretary in Practice
As required under Regulation 34(3) read with Clause 10(i), Part C of Schedule V of the SEBI Listing Regulations, the Company has received a Certificate from Mr. Pradeep Kulkarni, Company Secretary in Practice, Partner of M/s. V Sreedharan and Associates, certifying that none of our directors on the Board of the Company have been debarred or disqualified from being
appointed or to continue as directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority. This document is annexed to this report.

XI. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure regarding the complaints of sexual harassment are given in the Board’s Report.

XII. Disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount’

There were no loans and advances provided to firms/companies in which directors are interested.

XIII. Disclosures with respect to demat suspense account/ unclaimed suspense account

The Company does not have any securities in the demat suspense account/unclaimed suspense account.

XIV. Code of Conduct

The Code of Conduct (‘the Code’) for Board Members and senior management personnel as adopted by the Board, is a comprehensive Code applicable to Directors and senior management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. A copy of the Code is available on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/ . The Code has been circulated to Directors and senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer to this effect is annexed with this Report.

XV. Code of Conduct for Prevention of Insider Trading

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the Code. The Code is also posted on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

XVI. Disclosure by Senior Management Personnel

The senior management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.

XVII. CEO and CFO certification

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Chief Executive Officer and the Chief Financial Officer of the Company have furnished to the Board, the requisite compliance certificate for the financial year ended March 31, 2022.

XVIII. Certificate for compliance with Corporate Governance

A certificate from the statutory auditors confirming compliance with conditions of Corporate Governance is annexed to this Report.

XIX. Secretarial Audit

The secretarial audit report of the Company for the year ended March 31, 2022, issued by Mr. Pradeep Kulkarni, Partner of M/s. V. Sreedharan & Associates, Practicing Company Secretaries forms part of the Board’s Report as Annexure 4.

As on March 31, 2022, none of the subsidiaries of the Company except Biocon Biologics Limited (BBL) qualified to be material unlisted subsidiaries. Further, pursuant to the provisions of the Regulation 24A of SEBI Listing Regulations, the secretarial audit report of BBL forms part of the Boards’ Report as Annexure 4A.

XX. Agreement on compensation of profit sharing in connection with dealings in securities of the Company

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.

XXI. Declaration on Code of Conduct

Biocon is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. The Company has adopted a “Code of Ethics and Business Conduct” which is applicable to all Directors, officers and employees.

I hereby certify that the Board Members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business conduct for the financial year 2021-22.

For Biocon Limited

Sd/-
Siddharth Mittal
Managing Director and CEO

Date: April 28, 2022
Place: Bengaluru
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
BIOCON LIMITED
20th K.M. Hosur Road,
Electronic City, Bengaluru - 560100

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BIOCON LIMITED, having CIN L24234KA1978PLC003417 and having registered office at 20th K.M. Hosur Road, Electronic City, Bengaluru - 560100 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of Director</th>
<th>DIN</th>
<th>Date of appointment in Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ms. Kiran Mazumdar-Shaw</td>
<td>00347229</td>
<td>01/04/2010</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Eric Vivek Mazumdar</td>
<td>09381549</td>
<td>01/11/2021</td>
</tr>
<tr>
<td>3.</td>
<td>Mr. Bobby Kanubhai Parikh</td>
<td>00019437</td>
<td>27/07/2018</td>
</tr>
<tr>
<td>4.</td>
<td>Mr. Ravi Rasendra Mazumdar</td>
<td>00109213</td>
<td>08/08/2000</td>
</tr>
<tr>
<td>5.</td>
<td>Mr. Meleveetil Damodaran</td>
<td>02106990</td>
<td>26/04/2016</td>
</tr>
<tr>
<td>6.</td>
<td>Mr. Siddharth Mittal</td>
<td>03230757</td>
<td>01/12/2019</td>
</tr>
<tr>
<td>7.</td>
<td>Ms. Mary Harney</td>
<td>05321964</td>
<td>26/04/2012</td>
</tr>
<tr>
<td>8.</td>
<td>Mr. Daniel Mark Bradbury</td>
<td>06599933</td>
<td>25/04/2013</td>
</tr>
<tr>
<td>9.</td>
<td>Mr. Vijay Kumar Kuchroo</td>
<td>07071727</td>
<td>22/01/2015</td>
</tr>
</tbody>
</table>

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Sreedharan and Associates

Sd/-
(Pradeep B Kulkarni)
Partner
FCS: 7260; CP No.7835
UDIN Number: F007260D000226237

Place: Bengaluru
Date: April 28, 2022
TO,
The Members of Biocon Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 August 2021 and addendum to the engagement letter dated 18 April 2022.

2. We have examined the compliance of conditions of Corporate Governance by Biocon Limited (“the Company”), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“Listing Regulations”) pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management’s Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company’s Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors’ Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (“ICAI”), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W W-100022

sd/-
Sampad Guha Thakurta
Partner
Membership Number: 060573
Unique Document Identification Number (UDIN): 22060573AIAMAP7120

Place: Bengaluru
Date: 28 April 2022
Independent Auditor Report

To the Members of Biocon Limited

Report on the Audit of the Standalone Financial Statements

Opinion
We have audited the standalone financial statements of Biocon Limited (the “Company”) and its employee welfare trusts, which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant 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 standalone 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 2022, and its profit and other comprehensive income, 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 Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

<table>
<thead>
<tr>
<th>Taxation</th>
<th>The key audit matters</th>
<th>How the matter was addressed in our audit</th>
</tr>
</thead>
</table>

The Company is subject to complexities with respect to various tax positions on matters such as:

- deductibility of transactions
- availability of tax incentives and exemptions,
- cross border transfer pricing arrangements etc.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.

Our audit procedures in relation to Taxation include the following:

- Tested the design of key internal financial controls and operating effectiveness of the relevant key controls around the tax computation and tax matters;
- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computation for the current year;
- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
### Taxation

**The key audit matters**

Where the amount of tax liabilities are uncertain, the Company recognizes accruals which reflect its best estimate of the outcome based on the facts known. Accordingly, we focused on this area.

For further information refer to:

- Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(m)
- Financial disclosures set out in Note 33 for Tax expense and Note 34 for contingent liabilities.

in the standalone financial statements for the year ended March 31, 2022.

### Revenue and receivables

**The key audit matter**

Revenue from sale of goods 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 is usually transferred upon shipment, delivery to certain named location, or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers and other terms generally recognised under internationally accepted commercial arrangements. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable.

Revenue is one of the key performance indicators of the Group and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer.

Further, the Company has significant trade receivables at year end including certain balances with related parties. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgment is required to evaluate the adequacy of allowance recorded to reflect the risk.

Refer to Note 2(k) of the summary of significant accounting policies to the standalone financial statements
Information Other than the Standalone 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 of Management Reports such as Board’s Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Standalone Financial Statements and our Auditors’ Report thereon) which we have obtained prior to the date of this Auditors’ Report, and the remaining sections of the Company’s Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditors’ Report, 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.

When we read the other sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management’s and Board of Directors’/Board of Trustees’ Responsibilities for the Standalone 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 standalone 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. The respective Management and Board of Directors of the Company/Board of Trustees of the employee welfare trusts (“Trust”) are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company/Trust 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Board of Trustees are responsible for assessing the ability of the Company/Trust 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/Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Directors/Board of Trustees are also responsible for overseeing the financial reporting process of each Company/Trust.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 36 to the standalone financial statements.

c) There has been no delay in transferring amounts, 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 43 to the standalone 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 persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Company; or

• provide any guarantee, security or the like to or 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 43 to the standalone financial statements, no funds have been received by the Company from any persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) As stated in Note 46 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(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 remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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 Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAPOM9875

Place: Bangalore
Date: 28 April 2022
Annexure A to the Independent Auditors’ Report

With reference to the Annexure A referred to in the Independent Auditor’s Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (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 three 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.

(i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which is not held in the name of the Company:

<table>
<thead>
<tr>
<th>Description of property</th>
<th>Gross carrying value (INR in million)</th>
<th>Held in the name of</th>
<th>Whether promoter, director or their relative or employee</th>
<th>Period held-indicate range, where appropriate</th>
<th>Reason for not being held in the name of the Company Also indicate if in dispute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>35</td>
<td>Telangana State Industrial Infrastructure Corporation Limited</td>
<td>No</td>
<td>6 to 7 years</td>
<td>The land will be transferred to the Company once certain terms and conditions of the sale agreement are complied with which is currently pending. There is no dispute.</td>
</tr>
</tbody>
</table>

(i) (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) or intangible assets or both during the year.

(i) (e) According to 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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.
(ii) 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 provided any security or granted any advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties during the year. The Company has made investments, provided guarantees and granted loans to companies during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee and granted any loans, secured or unsecured, to limited liability partnership or any other parties during the year.

(a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans and stood guarantee to subsidiaries as below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Guarantees</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate amount during the year - Subsidiaries*</td>
<td>16,009 millions</td>
<td>474 millions</td>
</tr>
<tr>
<td>Balance outstanding as at balance sheet date - Subsidiaries*</td>
<td>3,398 millions</td>
<td>413 millions</td>
</tr>
</tbody>
</table>

*As per the Companies Act, 2013

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans and stood guarantee to a party other than subsidiaries.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the principal and interest is repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) 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 overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) 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 Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 (“the Act”):

<table>
<thead>
<tr>
<th>Related Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate of loans</td>
</tr>
<tr>
<td>- Repayable on demand (A)</td>
</tr>
<tr>
<td>- Agreement does not specify any terms or period of Repayment (B)</td>
</tr>
<tr>
<td><strong>Total (A+B)</strong></td>
</tr>
<tr>
<td>Percentage of loans to the total loans</td>
</tr>
</tbody>
</table>
(iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(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 Goods and Services Tax ("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 amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including GST, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and 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 GST, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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 GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any disputes, other than those set out in Appendix 1.

(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, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

(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 to the Company.

(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 to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(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 to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(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 not incurred cash losses in the current and 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, 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 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.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising of Management Reports such as Board’s Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report which we obtained prior to the date of this Auditor’s report and the remaining sections of the Company’s Annual Report are expected to be made available to us after the date of this auditor’s report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAPOM9875

Place: Bangalore
Date: 28 April 2022
## Appendix I Referred to in paragraph vii (b) of Annexure A to the Independent Auditors’ Report

<table>
<thead>
<tr>
<th>Name of the statute</th>
<th>Nature of the dues</th>
<th>Amount (INR In Million)</th>
<th>Amount paid in protest (INR In Million)</th>
<th>Period to which the amount relates</th>
<th>Forum where dispute is pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income-Tax Act, 1961</td>
<td>Income Tax</td>
<td>1,348</td>
<td>635</td>
<td>FY 2009-10 to FY 2016-17</td>
<td>Income Tax Appellate Tribunal (“ITAT”)</td>
</tr>
<tr>
<td>Finance Act, 1994</td>
<td>Service-Tax</td>
<td>-*</td>
<td>-</td>
<td>FY 2017-18</td>
<td>Deputy Commissioner</td>
</tr>
<tr>
<td>Finance Act, 1994</td>
<td>Service-Tax</td>
<td>188</td>
<td>-</td>
<td>FY 2006-07 to FY 2016-17</td>
<td>Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”)</td>
</tr>
<tr>
<td>Entry Tax (The West Bengal Tax on Entry of goods into Local Areas Act, 2012)</td>
<td>Entry Tax</td>
<td>20</td>
<td>-</td>
<td>FY 2012-13 to FY 2016-17</td>
<td>High Court of West Bengal</td>
</tr>
<tr>
<td>Value Added Tax Act, 2005</td>
<td>Value Added Tax</td>
<td>2</td>
<td>1</td>
<td>FY 2005-06</td>
<td>Commissioner (Appeals)</td>
</tr>
<tr>
<td>Value Added Tax Act, 2005</td>
<td>Value Added Tax</td>
<td>84</td>
<td>11</td>
<td>FY 2008-09 to FY 2015-16</td>
<td>Joint Commissioner Appeals</td>
</tr>
<tr>
<td>Central Sales Tax Act 1956</td>
<td>CST</td>
<td>38</td>
<td>1</td>
<td>FY 2008-09 to FY 2013-14</td>
<td>Joint Commissioner Appeals</td>
</tr>
<tr>
<td>The Central Excise Act, 1944</td>
<td>Excise Duty</td>
<td>273</td>
<td>53</td>
<td>FY 2005-06 to FY 2009-10 and FY 2011-12 to FY 2013-14</td>
<td>Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”)</td>
</tr>
<tr>
<td>The Central Excise Act, 1944</td>
<td>Excise Duty</td>
<td>56</td>
<td>-</td>
<td>FY 2008-09 to FY 2013-14</td>
<td>Commissioner (Appeals)</td>
</tr>
<tr>
<td>The Customs Act, 1962</td>
<td>Customs duty</td>
<td>45</td>
<td>45</td>
<td>FY 1994-95, FY 2004-05 to FY 2008-09</td>
<td>Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”)</td>
</tr>
<tr>
<td>The Customs Act, 1962</td>
<td></td>
<td>47</td>
<td>-</td>
<td>FY 2012 -16</td>
<td>Karnataka High Court</td>
</tr>
</tbody>
</table>

* Amounts are not presented since the amounts are rounded off to INR million.
Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013
(Referred to in paragraph (2h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion
We have audited the internal financial controls with reference to the standalone financial statements of Biocon Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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”).

Management’s Responsibility 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 standalone financial statements criteria established by the Company considering the essential components of internal control stated in 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 Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility
Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 standalone financial statements.
Meaning of Internal Financial controls with Reference to Standalone Financial Statements
A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements
Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAPO9875

Place: Bangalore
Date: 28 April 2022
# Balance Sheet as at March 31, 2022

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

<table>
<thead>
<tr>
<th>Note No.</th>
<th>As at March 31, 2022</th>
<th>As at March 31, 2021</th>
</tr>
</thead>
</table>

## ASSETS

### NON-CURRENT ASSETS

- Property, plant and equipment
  - 3  7,466  6,691
- Capital work-in-progress
  - 3  2,703  1,646
- Investment properties
  - 4(a)  635  695
- Right-of-use-assets
  - 4(b)  377  391
- Other intangible assets
  - 5  204  204
- Intangible assets under development
  - 5  146  146

### Financial assets

- (i) Investments
  - 6  50,178  50,734
- (ii) Loans
  - 7(a)  190  -
- (iii) Other financial assets
  - 7(b)  331  704
- Income-tax asset (net)
  - 8(a)  887  887
- Deferred tax assets (net)
  - 8(b)  1,200  1,464
- Other non-current assets
  - 9(a)  331  482

**Total Non-Current Assets**

- 64,668  64,044

## CURRENT ASSETS

- Inventories
  - 10  5,415  4,309
- Financial Assets
  - (i) Investments
    - 11  2,622  3,393
  - (ii) Trade receivables
    - 12  7,006  6,054
  - (iii) Cash and cash equivalents
    - 13(a)  1,110  2,535
  - (iv) Bank balances other than (iii) above
    - 13(b)  5,783  3,477
  - (v) Loans
    - 7(b)  223  -
  - (vi) Other financial assets
    - 8(b)  1,318  1,223
- Other Current Assets
  - 9(b)  545  702

**Total Current Assets**

- 24,022  21,693

**TOTAL ASSETS**

- 88,690  85,737

## EQUITY AND LIABILITIES

### EQUITY

- Equity Share Capital
  - 14(a)  6,003  6,000
- Other Equity
  - 14(b)  74,926  73,071

**Total equity**

- 80,929  79,071

### NON-CURRENT LIABILITIES

- Financial Liabilities
  - (i) Lease Liabilities
    - 38  1  12
  - (ii) Borrowings
    - 15(a)  759  -
  - (iii) Other financial liabilities
    - 16(a)  141  144
  - Provisions
    - 17(a)  256  263
  - Other non-current liabilities
    - 19(a)  695  745

**Total Non-Current Liabilities**

- 1,852  1,164

### CURRENT LIABILITIES

- Financial Liabilities
  - (i) Lease liabilities
    - 38  9  12
  - (ii) Borrowings
    - 15(b)  -  7
  - (iii) Trade payables
    - 17(b)  248  255
  - Total Outstanding Dues of Micro Enterprises and Small Enterprises
    - 20  3,396  3,522
  - Total outstanding dues of creditors other than micro and small enterprises
    - 16(b)  683  448
  - Provisions
    - 17(b)  248  255
  - Current Tax Liabilities (Net)
    - 909  872
  - Other current liabilities
    - 19(b)  251  188

**Total Current Liabilities**

- 5,909  5,502

**TOTAL EQUITY AND LIABILITIES**

- 88,690  85,737

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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Sampad Guha Thakurta  
**Partner**  
Membership No. 060573

Bengaluru  
April 28, 2022

Kiran Mazumdar-Shaw  
**Executive Chairperson**  
DIN: 00347229

Siddharth Mittal  
**Managing Director & CEO**  
DIN: 03230757

Indranil Sen  
**Chief Financial Officer**  
Bengaluru  
April 28, 2022

Mayank Verma  
**Company Secretary**
**Statement of Profit and Loss** for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th></th>
<th>Note No.</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operations</td>
<td>21</td>
<td>17,382</td>
<td>20,284</td>
</tr>
<tr>
<td>Other income</td>
<td>22</td>
<td>1,872</td>
<td>1,502</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>19,254</td>
<td>21,786</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of materials consumed</td>
<td>23</td>
<td>9,123</td>
<td>7,607</td>
</tr>
<tr>
<td>Purchases of stock-in-trade</td>
<td>17</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>Changes in inventories of stock-in-trade, finished goods and work-in-progress</td>
<td>24</td>
<td>(1,058)</td>
<td>367</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>25</td>
<td>3,677</td>
<td>3,902</td>
</tr>
<tr>
<td>Finance costs</td>
<td>26</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>27</td>
<td>1,082</td>
<td>1,035</td>
</tr>
<tr>
<td>Other expenses</td>
<td>28</td>
<td>5,012</td>
<td>5,287</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>17,857</td>
<td>18,198</td>
</tr>
<tr>
<td>Less: Recovery of cost from co-development partners (net)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td>1,397</td>
<td>3,588</td>
</tr>
<tr>
<td><strong>Tax expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current tax</td>
<td>33</td>
<td>322</td>
<td>462</td>
</tr>
<tr>
<td>Deferred tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAT credit utilised/(entitlement)</td>
<td></td>
<td>285</td>
<td>273</td>
</tr>
<tr>
<td>Other deferred tax (credit)/charge</td>
<td></td>
<td>(71)</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total tax expense</strong></td>
<td></td>
<td>536</td>
<td>783</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td></td>
<td>861</td>
<td>2,805</td>
</tr>
<tr>
<td><strong>Other comprehensive income/(expense)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Items that will not be reclassified subsequently to profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Re-measurement on defined benefit plans</td>
<td>22</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Equity investments through other comprehensive income - net change in fair value</td>
<td>35</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td>Income tax effect</td>
<td></td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>(i) Items that will be reclassified subsequently to profit or loss</strong></td>
<td></td>
<td>(12)</td>
<td>(5)</td>
</tr>
<tr>
<td>Effective portion of gains/(losses) on hedging instrument in cash flow hedges</td>
<td></td>
<td>142</td>
<td>45</td>
</tr>
<tr>
<td>Income tax effect</td>
<td></td>
<td>(50)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>(ii) Items that will be reclassified subsequently to profit or loss</strong></td>
<td></td>
<td>92</td>
<td>29</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year, net of taxes</strong></td>
<td></td>
<td>80</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>941</td>
<td>2,829</td>
</tr>
<tr>
<td><strong>Earning per equity share</strong></td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (in ₹)</td>
<td></td>
<td>0.72</td>
<td>2.36</td>
</tr>
<tr>
<td>Diluted (in ₹)</td>
<td></td>
<td>0.72</td>
<td>2.34</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the standalone 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 Limited

Sampad Guha Thakurta
Partner
Membership No. 060573
Bengaluru
April 28, 2022

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary
Statement of Changes in Equity for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Reserves and surplus</th>
<th>Items of other comprehensive income</th>
<th>Total other equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Securities Premium</td>
<td>Revaluation reserve</td>
<td>General reserve</td>
</tr>
<tr>
<td>Balance at April 01, 2020</td>
<td>238</td>
<td>9</td>
<td>1,616</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions recorded directly in equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share based payment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to SEZ reinvestment reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from SEZ reinvestment reserve on utilisation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercise of share options</td>
<td>381</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at March 31, 2021</td>
<td>619</td>
<td>9</td>
<td>1,616</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions recorded directly in equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share based payment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercise of share options</td>
<td>573</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at March 31, 2022</td>
<td>1,192</td>
<td>9</td>
<td>1,616</td>
</tr>
</tbody>
</table>

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary

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

April 28, 2022
## Statement of Cash Flows
for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>861</td>
<td>2,805</td>
</tr>
<tr>
<td>Adjustments to reconcile profit for the year to net cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>1,082</td>
<td>1,035</td>
</tr>
<tr>
<td>Unrealised foreign exchange (gain)/loss</td>
<td>(45)</td>
<td>106</td>
</tr>
<tr>
<td>Share based compensation expense</td>
<td>295</td>
<td>388</td>
</tr>
<tr>
<td>Provision/(reversal of provision) for doubtful debts, (net)</td>
<td>201</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Interest income</td>
<td>(415)</td>
<td>(288)</td>
</tr>
<tr>
<td>Net (gain)/ loss on financial assets measured at fair value through profit or loss</td>
<td>(1)</td>
<td>(32)</td>
</tr>
<tr>
<td>Profit on property, plant and equipment sold, (net)</td>
<td>(8)</td>
<td>(16)</td>
</tr>
<tr>
<td>Net gain on sale of investments</td>
<td>(30)</td>
<td>(19)</td>
</tr>
<tr>
<td>Tax expense</td>
<td>536</td>
<td>783</td>
</tr>
<tr>
<td>Operating profit before changes in operating assets and liabilities</td>
<td>2,480</td>
<td>4,766</td>
</tr>
<tr>
<td>Movements in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in inventories</td>
<td>(1,106)</td>
<td>1,038</td>
</tr>
<tr>
<td>Increase in trade receivables</td>
<td>(1,136)</td>
<td>(321)</td>
</tr>
<tr>
<td>Decrease in other assets</td>
<td>466</td>
<td>1,772</td>
</tr>
<tr>
<td>Increase/(decrease) in trade payable, other liabilities and provisions</td>
<td>56</td>
<td>(929)</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>760</td>
<td>6,326</td>
</tr>
<tr>
<td>Net cash flow generated from operating activities</td>
<td>476</td>
<td>5,713</td>
</tr>
<tr>
<td><strong>II Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Property, plant and equipment</td>
<td>(2,392)</td>
<td>(1,477)</td>
</tr>
<tr>
<td>Purchase of other intangible assets</td>
<td>(75)</td>
<td>(151)</td>
</tr>
<tr>
<td>Proceeds from sale of Property, plant and equipment</td>
<td>21</td>
<td>96</td>
</tr>
<tr>
<td>Proceeds from sales of other intangible assets</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Loan given to subsidiaries</td>
<td>(960)</td>
<td>(5,750)</td>
</tr>
<tr>
<td>Recovery of loans from subsidiaries</td>
<td>30</td>
<td>2,390</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(11,065)</td>
<td>(24,832)</td>
</tr>
<tr>
<td>Proceeds from sale of current investments</td>
<td>12,332</td>
<td>24,039</td>
</tr>
<tr>
<td>Proceeds from sale of investments in subsidiary</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Investment in bank deposits and inter corporate deposits</td>
<td>(7,629)</td>
<td>(7,324)</td>
</tr>
<tr>
<td>Redemption/maturity of bank deposits and inter corporate deposits</td>
<td>6,397</td>
<td>800</td>
</tr>
<tr>
<td>Interest received</td>
<td>285</td>
<td>81</td>
</tr>
<tr>
<td>Net cash flow used in investing activities</td>
<td>(3,056)</td>
<td>(7,112)</td>
</tr>
<tr>
<td><strong>III Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Treasury shares</td>
<td>(3)</td>
<td>(93)</td>
</tr>
<tr>
<td>Exercise of share options</td>
<td>428</td>
<td>399</td>
</tr>
<tr>
<td>Repayment of long-term borrowings</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>733</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of principal portion of lease liabilities</td>
<td>(17)</td>
<td>(21)</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>(14)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flow generated from financing activities</td>
<td>1,120</td>
<td>278</td>
</tr>
</tbody>
</table>
# Statement of Cash Flows
for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV  Net decrease in cash and cash equivalents (I + II + III)</td>
<td>(1,460)</td>
<td>(1,121)</td>
</tr>
<tr>
<td>V   Effect of exchange differences on cash and cash equivalents held in foreign currency</td>
<td>35</td>
<td>(94)</td>
</tr>
<tr>
<td>VI  Cash and cash equivalents at the beginning of the year</td>
<td>2,535</td>
<td>3,750</td>
</tr>
<tr>
<td>VII Cash and cash equivalents at the end of the year (IV + V + VI)</td>
<td>1,110</td>
<td>2,535</td>
</tr>
</tbody>
</table>

Reconciliation of cash and cash equivalents as per statement of cash flow

<table>
<thead>
<tr>
<th>Cash and cash equivalents (Note 13)</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks - on current accounts</td>
<td>1,106</td>
<td>2,530</td>
</tr>
<tr>
<td>Balances with Banks - on unpaid dividend accounts#</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Balance as per statement of cash flows</td>
<td>1,110</td>
<td>2,535</td>
</tr>
</tbody>
</table>

#The Company can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Opening balance</th>
<th>Cash flows</th>
<th>Non-cash movement</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings (including current maturities)</td>
<td>7</td>
<td>726</td>
<td>26</td>
<td>759</td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>1</td>
<td>(14)</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>8</td>
<td>712</td>
<td>41</td>
<td>761</td>
</tr>
</tbody>
</table>

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Opening balance</th>
<th>Cash flows</th>
<th>Non-cash movement</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings (including current maturities)</td>
<td>14</td>
<td>(7)</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>1</td>
<td>-*</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>15</td>
<td>(7)</td>
<td>-</td>
<td>8</td>
</tr>
</tbody>
</table>

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

* Amounts are not presented since the amounts are rounded off to Rupees million.

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573
Bengaluru
April 28, 2022

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Mayank Verma
Company Secretary
Notes to the Standalone Financial Statements
for the year ended March 31, 2022

1. Company Overview
1.1 Reporting entity
Biocon Limited (“Biocon” or “the Company”), is engaged in the manufacture of biotechnology products and research services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

1.2 Basis of preparation of financial statements

   a) Statement of compliance
      The standalone 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.

      These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date, March 31, 2022. These standalone financial statements were authorised for issuance by the Company’s Board of Directors on April 28, 2022.

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

   b) Functional and presentation currency
      These standalone 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 standalone financial statements have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:
      - Certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
      - Net defined benefit assets/ liability are measured at fair value of plan assets, less present value of defined benefit obligations.

   d) Use of estimates and judgements
      The preparation of the standalone 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 standalone 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 notes:

- Note 2(a) and 36 — Financial instruments;
- Note 2(b), 2(c) and 2(d) — Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 2(p) and 38 — Lease, whether an agreement contains a lease;
- Note 35 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 30 — Share based payments;
- Note 2(m) and 33 — Provision for income taxes and related tax contingencies and Evaluation of recoverability of deferred tax assets.
- Note 2(k) and 21 — Revenue Recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time;
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 ended March 31, 2022 is included in the following notes:
— Note 2(h)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
— Note 18 and 33 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
— Note 36 – impairment of financial assets; and
— Note 17 and 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

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 categorised 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.
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 categorised 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 recognises 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 the following notes:
— Note 30 – share based payment arrangements;
— Note 4 (a) – investment property; and
— Note 2(a) and 36 – financial instruments.

2. Significant 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 – equity investment; or
— Fair value through profit and 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.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.
Financial assets: Subsequent measurement and gains and losses

<table>
<thead>
<tr>
<th>Financial assets at FVTPL</th>
<th>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. However, see Note 36 for derivatives designated as hedging instruments.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at amortised cost</td>
<td>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.</td>
</tr>
<tr>
<td>Equity investments at FVOCI</td>
<td>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.</td>
</tr>
</tbody>
</table>

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 derecognises 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 rights 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 of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises 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 realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.
At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

vi. 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 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.

vii. Treasury shares

The Company has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

viii. Cash and cash equivalents

Cash and cash equivalents 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.

Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

b. Property, plant and equipment

i. Recognition and measurement

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.

Property, plant and equipment (continued)

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.

\textit{ii. Depreciation}

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Assets Classification</th>
<th>Management estimate of useful life</th>
<th>Useful life as per Schedule II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>Building</td>
<td>25 years</td>
<td>30 years</td>
</tr>
<tr>
<td>Roads</td>
<td>Building</td>
<td>5 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Plant and equipment (including Electrical installation and Lab equipment)</td>
<td>Plant and Machinery</td>
<td>9-11 years</td>
<td>8-20 years</td>
</tr>
<tr>
<td>Computers and servers</td>
<td>Plant and Machinery</td>
<td>3 years</td>
<td>3-6 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>Plant and Machinery</td>
<td>5 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Research and development equipment</td>
<td>Research and development equipment</td>
<td>9 years</td>
<td>5-10 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>Furniture and fixtures</td>
<td>6 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Vehicles</td>
<td>6 years</td>
<td>6-10 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Leasehold improvements</td>
<td>5 years or lease period whichever is lower</td>
<td></td>
</tr>
<tr>
<td>Leasehold land</td>
<td>Land and Right to use-assets</td>
<td>90 years or lease period whichever is lower</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

\textit{Property, plant and equipment (continued)}

\textit{iii. Reclassification to investment property}

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

c. \textbf{Intangible assets}

\textit{Internally generated: Research and development}

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

\textit{Others}

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

\textit{i. Subsequent expenditure}

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in statement of profit and loss as incurred.
ii. **Amortisation**

Intangible assets are amortised on a straight line basis over the estimated useful life as follows:

- Computer software: 3-5 years
- Marketing and Manufacturing rights: 5-10 years
- Customer related intangibles: 5 years
- Intellectual property rights: 5-10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

d. **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

e. **Business combination**

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

Business combinations between entities under common control is accounted for at carrying value.

f. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. **Foreign currency Transactions and translations:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of
monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

h. Impairment
   i. 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.
   ii. 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.
   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.

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 is the period in which the absences occur.

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).
iv. **Share-based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense.

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Company but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under “share based payment reserve”. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

j. **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.

**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.

k. **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 services 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. **Milestone payments and out licensing arrangements**

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115’Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will bundled with the subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

iii. **Royalty income and profit share**

The Royalty income and profit share earned through a License or collaboration partners is recognised as the underlying sales are recorded by the Licensee or collaboration partners.

iv. **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.

v. **Dividends**

Dividend is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.
vi. **Rental income**
Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

vii. **Contribution received from customers/co-development partners towards plant and equipment**
Contributions received from customers/co-development partners towards items of property, plant and equipment which require an obligation to supply goods to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Company capitalises the gross cost of these assets as the Company controls these assets.

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

l. **Government grants**
The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

m. **Income taxes**
Income tax comprises of 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 realise the asset and settle the liability on a net basis or simultaneously.

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; and

— 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 realised.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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 utilised. 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 realise the asset and settle the liability simultaneously.
Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

n. **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 of time 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 of time to get ready for their intended use or sale.

o. **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.

p. **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 assesses 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 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.

q. **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.

r. **Exceptional items**
Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

s. **Recent accounting developments**
Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**
The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**
The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.
### 3. Property, plant and equipment and Capital work-in-progress

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated) (० in lakh)

<table>
<thead>
<tr>
<th>Description of item of property</th>
<th>Gross carrying value</th>
<th>Title deeds held in the name of</th>
<th>Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director</th>
<th>Property held since which date</th>
<th>Reason for not being held in the name of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The land will be transferred to the company once certain terms and conditions of the sale agreement are complied with which is currently pending. There is no dispute.</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>35</td>
<td>Telangana state Industrial Infrastructure Corporation limited</td>
<td>NA</td>
<td>November 30, 2015</td>
<td></td>
</tr>
<tr>
<td>Land [Refer note (c)]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment [Refer note (a)]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development equipments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and fixtures</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Capital work-in-progress</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### Gross carrying amount

<table>
<thead>
<tr>
<th>At April 01, 2020</th>
<th>542</th>
<th>3,925</th>
<th>3</th>
<th>11,442</th>
<th>1,052</th>
<th>456</th>
<th>118</th>
<th>17,538</th>
<th>1,519</th>
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</thead>
<tbody>
<tr>
<td>Additions</td>
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<td>84</td>
<td>-</td>
<td>853</td>
<td>-</td>
<td>22</td>
<td>6</td>
<td>1,000</td>
<td>1,200</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(34)</td>
<td>(34)</td>
</tr>
<tr>
<td>Transfer to investment property</td>
<td>(8)</td>
<td>(4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(12)</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At March 31, 2021</th>
<th>569</th>
<th>4,005</th>
<th>3</th>
<th>12,295</th>
<th>1,052</th>
<th>478</th>
<th>90</th>
<th>18,492</th>
<th>1,646</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td>61</td>
<td>233</td>
<td>-</td>
<td>1,398</td>
<td>1</td>
<td>15</td>
<td>25</td>
<td>1,733</td>
<td>2,790</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>-</td>
<td>-</td>
<td>(8)</td>
<td>(13)</td>
<td>(1,733)</td>
</tr>
<tr>
<td>Transfer to investment property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At March 31, 2022</th>
<th>630</th>
<th>4,238</th>
<th>3</th>
<th>13,688</th>
<th>1,053</th>
<th>493</th>
<th>107</th>
<th>20,212</th>
<th>2,703</th>
</tr>
</thead>
</table>

### Accumulated depreciation

<table>
<thead>
<tr>
<th>At April 01, 2020</th>
<th>-</th>
<th>1,491</th>
<th>3</th>
<th>8,178</th>
<th>818</th>
<th>383</th>
<th>75</th>
<th>10,948</th>
<th>-</th>
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</thead>
<tbody>
<tr>
<td>Depreciation for the year</td>
<td>-</td>
<td>174</td>
<td>-</td>
<td>626</td>
<td>55</td>
<td>21</td>
<td>13</td>
<td>889</td>
<td>-</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(34)</td>
<td>(34)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to investment property</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At March 31, 2021</th>
<th>-</th>
<th>1,663</th>
<th>3</th>
<th>8,804</th>
<th>873</th>
<th>404</th>
<th>54</th>
<th>11,801</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation for the year</td>
<td>-</td>
<td>180</td>
<td>-</td>
<td>693</td>
<td>46</td>
<td>23</td>
<td>12</td>
<td>954</td>
<td>-</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>-</td>
<td>-</td>
<td>(4)</td>
<td>(9)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to investment property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At March 31, 2022</th>
<th>-</th>
<th>1,843</th>
<th>3</th>
<th>9,492</th>
<th>919</th>
<th>427</th>
<th>62</th>
<th>12,746</th>
<th>-</th>
</tr>
</thead>
</table>

### Net carrying amount

<table>
<thead>
<tr>
<th>At March 31, 2021</th>
<th>569</th>
<th>2,342</th>
<th>-</th>
<th>3,491</th>
<th>179</th>
<th>74</th>
<th>36</th>
<th>6,691</th>
<th>1,646</th>
</tr>
</thead>
<tbody>
<tr>
<td>At March 31, 2022</td>
<td>630</td>
<td>2,395</td>
<td>-</td>
<td>4,196</td>
<td>134</td>
<td>66</td>
<td>45</td>
<td>7,466</td>
<td>2,703</td>
</tr>
</tbody>
</table>

(a) Plant and equipment include computers and office equipment.

(b) Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(c) Relevant line item in the Balance sheet Description of item of property Gross carrying value Title deeds held in the name of Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director Property held since which date Reason for not being held in the name of the company

(d) Borrowing costs capitalised during the year amounted to ₹ 41 (March 31, 2021 - ₹ Nil).
3. Property, plant and equipment and Capital work-in-progress (continued)

3 (a) Capital work in progress ageing schedule

As at March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in CWIP for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>2,480</td>
<td>180</td>
</tr>
<tr>
<td>Projects temporarily suspended</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,480</td>
<td>180</td>
</tr>
</tbody>
</table>

As at March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Less than 1 year</th>
<th>Amount in CWIP for a period of</th>
<th>More than 3 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>793</td>
<td>679</td>
<td>172</td>
<td>2</td>
</tr>
<tr>
<td>Projects in progress</td>
<td></td>
<td>1-2 years</td>
<td>2-3 years</td>
<td></td>
</tr>
<tr>
<td>Projects temporarily suspended</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>793</td>
<td>679</td>
<td>172</td>
<td>2</td>
</tr>
</tbody>
</table>

(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, 2022 and March 31, 2021

4 (a) Investment property

Gross carrying amount

<table>
<thead>
<tr>
<th>At April 01, 2020</th>
<th>1,089</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from property, plant and equipment</td>
<td>12</td>
</tr>
<tr>
<td><strong>At March 31, 2021</strong></td>
<td>1,101</td>
</tr>
<tr>
<td>Transfer from property, plant and equipment</td>
<td>-</td>
</tr>
<tr>
<td><strong>At March 31, 2022</strong></td>
<td>1,101</td>
</tr>
</tbody>
</table>

Accumulated depreciation

<table>
<thead>
<tr>
<th>At April 01, 2020</th>
<th>364</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation for the year</td>
<td>40</td>
</tr>
<tr>
<td>Transfer from property, plant and equipment</td>
<td>2</td>
</tr>
<tr>
<td><strong>At March 31, 2021</strong></td>
<td>406</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>40</td>
</tr>
<tr>
<td>Transfer from property, plant and equipment</td>
<td>-</td>
</tr>
<tr>
<td><strong>At March 31, 2022</strong></td>
<td>446</td>
</tr>
</tbody>
</table>

Net carrying amount

<table>
<thead>
<tr>
<th>At March 31, 2021</th>
<th>695</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At March 31, 2022</strong></td>
<td>655</td>
</tr>
</tbody>
</table>

(a) During the year, the Company has recognised rental income of ₹ 303 (March 31, 2021 ₹ 283) in the statement of profit and loss for investment property.

(b) The fair value of investment property is ₹ 2,194 (March 31, 2021 ₹ 2,234), based on market observable data. The company has not engaged any registered valuer for determining the above fair value.

(c) Company’s investment properties consist of land and building in Bangalore.
## 4(b) Right-of-use assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Land</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At April 01, 2020</td>
<td>374</td>
<td>3</td>
<td>32</td>
<td>409</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
<td>(6)</td>
</tr>
<tr>
<td>At March 31, 2021</td>
<td>374</td>
<td>3</td>
<td>41</td>
<td>418</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>374</td>
<td>3</td>
<td>36</td>
<td>413</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated depreciation</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 01, 2020</td>
<td>2</td>
<td>1</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Depreciation for the year</td>
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<td>2</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>At March 31, 2021</td>
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<td>3</td>
<td>20</td>
<td>27</td>
</tr>
<tr>
<td>Disposals/transfer</td>
<td>-</td>
<td>-</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>2</td>
<td>-</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>6</td>
<td>3</td>
<td>27</td>
<td>36</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net carrying amount</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At March 31, 2021</td>
<td>370</td>
<td>-</td>
<td>21</td>
<td>391</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>368</td>
<td>-</td>
<td>9</td>
<td>377</td>
</tr>
</tbody>
</table>

## 5. Other intangible assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Intellectual property rights</th>
<th>Computer software</th>
<th>Marketing and Manufacturing rights</th>
<th>Customer related intangible</th>
<th>Total</th>
<th>Intangible assets under development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At April 01, 2020</td>
<td>81</td>
<td>448</td>
<td>294</td>
<td>77</td>
<td>900</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>73</td>
<td>-</td>
<td>-</td>
<td>73</td>
<td>146</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At March 31, 2021</td>
<td>81</td>
<td>521</td>
<td>294</td>
<td>77</td>
<td>973</td>
<td>146</td>
</tr>
<tr>
<td>Additions</td>
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<td>75</td>
<td>-</td>
<td>-</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>81</td>
<td>596</td>
<td>294</td>
<td>77</td>
<td>1,048</td>
<td>146</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated amortisation</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at April 01, 2020</td>
<td>81</td>
<td>269</td>
<td>264</td>
<td>65</td>
<td>679</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>-</td>
<td>61</td>
<td>17</td>
<td>12</td>
<td>90</td>
<td>-</td>
</tr>
<tr>
<td>At March 31, 2021</td>
<td>81</td>
<td>330</td>
<td>281</td>
<td>77</td>
<td>769</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>-</td>
<td>68</td>
<td>7</td>
<td>-</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>81</td>
<td>398</td>
<td>288</td>
<td>77</td>
<td>844</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net carrying amount</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At March 31, 2021</td>
<td>-</td>
<td>191</td>
<td>13</td>
<td>-</td>
<td>204</td>
<td>146</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>-</td>
<td>198</td>
<td>6</td>
<td>-</td>
<td>204</td>
<td>146</td>
</tr>
</tbody>
</table>

Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of other intangible assets.
5 (a) Intangible assets under development ageing schedule

As at March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Intangible assets under development for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Projects temporarily suspended</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

As at March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Intangible assets under development for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>-</td>
<td>146</td>
</tr>
<tr>
<td>Projects temporarily suspended</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>146</td>
</tr>
</tbody>
</table>

(i) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and as at March 31, 2021.

6. Non-current investments

I. Quoted equity instruments

In subsidiary company at cost:
- Syngene International Limited - 282,276,145 (March 31, 2021 - 282,276,145) equity shares of `10 each 26,692 26,692

In others at fair value through other comprehensive income:
- Vaccinex Inc., USA - 299,226 (March 31, 2021 - 299,226) common stock of USD 0.0001 each 30 65

Total quoted non-current investments 26,722 26,757

II. Unquoted equity instruments

In subsidiary companies at cost:
- Biocon Pharma Limited - 14,050,000 (March 31, 2021 - 14,050,000) equity shares of `10 each 141 141
- Biocon SA, Switzerland - 100,000 (March 31, 2021 - 100,000) equity shares of CHF 1 each 4 4
- Biocon FZ LLC, UAE - 150 (March 31, 2021 - 150) equity shares of AED 1,000 each 3 3
- Biocon Academy - 50,000 (March 31, 2021 - 50,000) equity shares of `10 each 1 1
- Biocon Biologics Limited 1,000,526,870 (March 31, 2021 - 1,000,526,870) equity shares of `10 each 605 605

(Formerly known as Biocon Biologics India Limited)
- Biofusion Therapeutics Limited -50,000 (March 31, 2021 - Nil) equity shares of `10 each 1 -
- Biocon Biosphere Limited -50,000 (March 31, 2021 - 50,000) equity shares of `10 each 1 1

In joint venture company at cost:
- NeoBiocon FZ LLC, UAE - 147 (March 31, 2021 - 147) equity shares of AED 1,000 each 2 2

In associate company at cost:
- Bicara Therapeutics Inc.: 2,500,000 (March 31, 2021 - 2,500,000) equity shares of USD 0.0001 each -* -*

In others at fair value through profit or loss:
- Energon KN Wind Power Private Limited - 38,500 (March 31, 2021 - 38,500) equity shares of `10 each 1 1
- Four Ef Renewables Private Limited - 164,271 (March 31, 2021 - 164,271) equity share of `100 each 16 16
- Hinduja Renewables Two Private Limited - 5,913,566 equity shares (March 31, 2021 - 2,369,000) of `10 each 59 24

Total unquoted investments in equity instruments 833 797

III. Unquoted preference shares

In subsidiary company at fair value through profit or loss:
- Biocon Biologics Limited (Formerly known as Biocon Biologics India Limited):
  - 4% Optionally convertible redeemable- non cumulative preference shares of `10 each 10,810 10,810
  - 1,081,000,000 (March 31, 2021 - 1,081,000,000) fully paid 10,810 10,810
  - 9% Non cumulative redeemable preference shares of `10 each 2,054 2,054
  - 205,420,000 (March 31, 2021 - 205,420,000) fully paid 2,054 2,054
- Biocon Pharma Limited: 873,000,000 (March 31, 2021 - 873,000,000) 8,862 8,862
- 0.01% Optionally convertible redeemable non- cumulative preference shares of `10 each fully paid. 8,862 8,862
- Biocon Biosphere Limited: 63,812,289 (March 31, 2021 - 12,082,125) 638 121
### In associate company at cost:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>IATRiCa Inc., USA</td>
<td>139</td>
<td>139</td>
</tr>
<tr>
<td>Less: Provision for decline, other than temporary, in the value of non-current investments</td>
<td>(139)</td>
<td>(139)</td>
</tr>
</tbody>
</table>

### Others at fair value through profit or Loss:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Ef Renewables Private Limited</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Less: Provision for decline, other than temporary, in the value of non-current investments</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total unquoted investments in preference shares</strong></td>
<td><strong>22,397</strong></td>
<td><strong>21,880</strong></td>
</tr>
</tbody>
</table>

### IV. Inter corporate deposits with financial institutions and banks carried at amortised cost

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate book value of quoted investments</td>
<td>26,722</td>
<td>26,757</td>
</tr>
<tr>
<td>Aggregate market value of quoted investments</td>
<td>168,718</td>
<td>153,468</td>
</tr>
<tr>
<td>Aggregate value of unquoted investments</td>
<td>23,597</td>
<td>24,118</td>
</tr>
<tr>
<td>Aggregate amount of impairment in value of investments</td>
<td>141</td>
<td>141</td>
</tr>
</tbody>
</table>

(a) Terms of conversion: 1 compulsory convertible preference share of face value ₹ 100/- each will convert to 1 equity share of face value ₹ 100/- at end of the tenure of 20 years from allotment.

* Amounts are not presented since the amounts are rounded off to Rupees million. w.e.f. January 9, 2021, Investment in Bicara Therapeutics Inc. is an associate of the Company.

### 7. Loans

#### Unsecured considered good

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to related parties [refer note 32]</td>
<td>190</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>190</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

(b) Current

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to related parties [refer note 32]</td>
<td>223</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### Loans to related parties comprise loans to the following:

- **Biocon Pharma Limited**
  - Maximum amount outstanding during the year: - 2,392

- **Bicara Therapeutics Inc.**
  - Maximum amount outstanding during the year: - 1,384

- **Biocon Biologics Limited**
  - Maximum amount outstanding during the year: - 1,006

- **Biocon Biosphere Limited**
  - Maximum amount outstanding during the year: 190 251

- **Biofusion Therapeutics Limited**
  - Maximum amount outstanding during the year: 223 87

 Loans are granted to related parties (as defined under Companies Act, 2013) that are repayable on demand:

<table>
<thead>
<tr>
<th>Name of borrower</th>
<th>Amount of loan outstanding</th>
<th>Percentage to the total Loans</th>
<th>Amount of loan outstanding</th>
<th>Percentage to the total Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Biocon Biosphere Limited</td>
<td>190</td>
<td>46%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Biofusion Therapeutics Limited</td>
<td>223</td>
<td>54%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The Company has not granted any advances in the nature of loans to promoters, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly.
8. **Other financial assets**

(a) **Non-current**
- Derivative assets: 132 (2022) vs 7 (2021)
- Non-current cash and bank balances: - (2022) vs 500 (2021)
- Deposits: 199 (2022) vs 197 (2021)

(b) **Current**
- Derivative assets: 29 (2022) vs 13 (2021)
- Interest accrued but not due: 232 (2022) vs 107 (2021)
- Other receivables (considered good - Unsecured) from:
  - Related parties [refer note 32]: 1,050 (2022) vs 1,099 (2021)
  - Others: 7 (2022) vs 4 (2021)

9. **Other assets**

(Unsecured considered good, unless otherwise stated)

(a) **Non-current**
- Capital advances: 53 (2022) vs 136 (2021)
- Duty drawback receivables: 46 (2022) vs 47 (2021)
- Prepayments: 19 (2022) vs 14 (2021)

(b) **Current**
- Advance to suppliers: 63 (2022) vs 115 (2021)
- Contract assets: - (2022) vs 25 (2021)
- Balances with statutory/government authorities: 262 (2022) vs 375 (2021)
- Prepayments: 220 (2022) vs 187 (2021)

10. **Inventories**

Raw materials, including goods-in-transit*:
- 1,640 (2022) vs 1,594 (2021)
Packaging materials:
- 22 (2022) vs 20 (2021)
Work-in-progress:
- 3,606 (2022) vs 1,483 (2021)
Finished goods:
- 147 (2022) vs 1,212 (2021)

* includes goods in transit ₹ 68 (March 31, 2021 - ₹ 74)

Write-down of inventories to net realisable value amounted to ₹ 145 (March 31, 2021 - ₹ 166). These were recognised as an expense during the year and included in ‘changes in inventories of finished goods and work-in-progress’ in statement of profit and loss.
### 11. Current investments

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quoted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in mutual funds</td>
<td>72</td>
<td>1,343</td>
</tr>
<tr>
<td><strong>Unquoted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter corporate deposits with financial institutions</td>
<td>2,550</td>
<td>2,050</td>
</tr>
<tr>
<td><strong>Total current investments</strong></td>
<td>2,622</td>
<td>3,393</td>
</tr>
<tr>
<td><strong>Aggregate book and market value of quoted investments</strong></td>
<td>72</td>
<td>1,343</td>
</tr>
<tr>
<td><strong>Aggregate value of unquoted investments</strong></td>
<td>2,550</td>
<td>2,050</td>
</tr>
</tbody>
</table>

### 12. Trade receivables

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Trade receivables considered good - Unsecured</td>
<td>7,006</td>
<td>6,054</td>
</tr>
<tr>
<td>(b) Trade receivables - credit impaired</td>
<td>235</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total Trade Receivable</strong></td>
<td><strong>7,241</strong></td>
<td><strong>6,088</strong></td>
</tr>
</tbody>
</table>

#### Allowance for credit loss

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allowance for credit loss</strong></td>
<td>(235)</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>Total Trade Receivable</strong></td>
<td><strong>7,006</strong></td>
<td><strong>6,054</strong></td>
</tr>
</tbody>
</table>

(i) The Company’s exposure to credit and currency risk, and loss allowances are disclosed in Note 36
(ii) Includes receivables from related parties [refer note 32]

#### Trade receivables Ageing Schedule

<table>
<thead>
<tr>
<th></th>
<th>Unbilled</th>
<th>Not due</th>
<th>Outstanding for following periods from due date of payment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 6 Months</td>
<td>6 months - 1 year</td>
<td>1-2 years</td>
<td>2-3 years</td>
</tr>
<tr>
<td>Undisputed Trade Receivables - considered good</td>
<td>277</td>
<td>3,541</td>
<td>2,374</td>
<td>747</td>
</tr>
<tr>
<td>Undisputed Trade receivables - credit impaired</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td><strong>As at March 31, 2022</strong></td>
<td><strong>277</strong></td>
<td><strong>3,541</strong></td>
<td><strong>2,374</strong></td>
<td><strong>774</strong></td>
</tr>
<tr>
<td>Undisputed Trade Receivables – considered good</td>
<td>175</td>
<td>3,433</td>
<td>2,062</td>
<td>88</td>
</tr>
<tr>
<td>Undisputed Trade receivables - credit impaired</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td><strong>As at March 31, 2021</strong></td>
<td><strong>175</strong></td>
<td><strong>3,433</strong></td>
<td><strong>2,062</strong></td>
<td><strong>88</strong></td>
</tr>
</tbody>
</table>

### 13(a) Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On current accounts</td>
<td>1,106</td>
<td>2,530</td>
</tr>
<tr>
<td>On unpaid dividend account</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>1,110</strong></td>
<td><strong>2,535</strong></td>
</tr>
</tbody>
</table>

### 13(b) Other bank balances

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with maturity of less than 12 months</td>
<td>5,780</td>
<td>3,474</td>
</tr>
<tr>
<td>Margin money deposit [refer note (a) below]</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total other bank balances</strong></td>
<td><strong>5,783</strong></td>
<td><strong>3,477</strong></td>
</tr>
</tbody>
</table>

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2021 - ₹ 3) are subject to first charge against bank guarantees obtained.

(b) The Company has cash on hand which are not disclosed above since amounts are rounded off to Rupees million.
14(a). Equity share capital

Authorised
1,250,000,000 (March 31, 2021 - 1,250,000,000) equity shares of ₹ 5 each
(March 31, 2021 - ₹ 5 each)

Issued, subscribed and fully paid-up
1,200,600,000 (March 31, 2021 - 1,200,000,000) equity shares of ₹ 5 each
(March 31, 2021 - ₹ 5 each)

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

<table>
<thead>
<tr>
<th>Equity shares</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of the year</td>
<td>1,200,000,000</td>
<td>1,200,000,000</td>
</tr>
<tr>
<td>Equity Share Capital issued during the year</td>
<td>600,000</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>1,200,600,000</td>
<td>1,200,000,000</td>
</tr>
</tbody>
</table>

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 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.

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

<table>
<thead>
<tr>
<th>Equity shares</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity shares of ₹ 5 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>475,725,384</td>
<td>475,725,384</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>237,211,164</td>
<td>237,211,164</td>
</tr>
</tbody>
</table>

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

(iv) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Year ended March 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity shares of ₹ 5 each fully paid</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>400,000,000</td>
</tr>
<tr>
<td></td>
<td>600,000,000</td>
</tr>
</tbody>
</table>

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve. In accordance with Ind AS 33, the Earnings per share data adjusted to give effect to the bonus issue.

(v) Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 30.
(vi) Details of shares held by promoters

March 31, 2022

<table>
<thead>
<tr>
<th>Name of the Promoter</th>
<th>No. of shares at the end of the year</th>
<th>% of Total Shares</th>
<th>% change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar Shaw</td>
<td>475,725,384</td>
<td>39.62%</td>
<td>-0.02%</td>
</tr>
<tr>
<td>Yamini R Mazumdar</td>
<td>1,308,712</td>
<td>0.11%</td>
<td>-</td>
</tr>
<tr>
<td>J M M Shaw</td>
<td>8,445,348</td>
<td>0.70%</td>
<td>-</td>
</tr>
<tr>
<td>Ravi Mazumdar</td>
<td>4,815,084</td>
<td>0.40%</td>
<td>-</td>
</tr>
<tr>
<td>Dev Mazumdar</td>
<td>518,484</td>
<td>0.04%</td>
<td>-</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>237,211,164</td>
<td>19.76%</td>
<td>-0.01%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>728,024,176</strong></td>
<td><strong>60.64%</strong></td>
<td><strong>-0.03%</strong></td>
</tr>
</tbody>
</table>

March 31, 2021

<table>
<thead>
<tr>
<th>Name of the Promoter</th>
<th>No. of shares at the end of the year</th>
<th>% of Total Shares</th>
<th>% change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar Shaw</td>
<td>475,725,384</td>
<td>39.64%</td>
<td>0.001%</td>
</tr>
<tr>
<td>Yamini R Mazumdar</td>
<td>1,308,712</td>
<td>0.11%</td>
<td>0.001%</td>
</tr>
<tr>
<td>J M M Shaw</td>
<td>8,445,348</td>
<td>0.70%</td>
<td>-</td>
</tr>
<tr>
<td>Ravi Mazumdar</td>
<td>4,815,084</td>
<td>0.40%</td>
<td>-</td>
</tr>
<tr>
<td>Dev Mazumdar</td>
<td>518,484</td>
<td>0.04%</td>
<td>-</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>237,211,164</td>
<td>19.77%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>728,024,176</strong></td>
<td><strong>60.67%</strong></td>
<td><strong>0.001%</strong></td>
</tr>
</tbody>
</table>

14(b). Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

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

SEZ re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

Share based payment reserve

The Company has established equity settled share based payment plans for certain categories of employees of the Company and its subsidiaries / joint venture company. Refer note 30 for further details on these plans.

Treasury shares

Own equity instruments that are reacquired [treasury shares] are recognised at cost and disclosed as deducted from equity.

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.

Other Items of other comprehensive income

Other Items of other comprehensive income represents mark to market gain or loss on financial assets classified as FVTOCI and re-measurements of the defined benefits plan.
15. Borrowings

(a) Non-current

<table>
<thead>
<tr>
<th>Loans from banks (secured)</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan [refer note (a) below]</td>
<td>759</td>
<td>-</td>
</tr>
<tr>
<td>Total Non-current</td>
<td>759</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) Current

<table>
<thead>
<tr>
<th>Other loans and advances (unsecured)</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assistance from DST [refer note (b) below]</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>The above amount includes</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Secured borrowings</td>
<td>759</td>
<td>-</td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Net amount</td>
<td>759</td>
<td>7</td>
</tr>
</tbody>
</table>

(a) During the year ended March 31, 2021, HDFC bank has sanctioned external commercial borrowing (ECB) facility of USD 25 million to the Company. During the current year, the Company has drawn ECB of USD 10 million, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 16, 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. [Refer note 36]

(b) On August 25, 2010, the Department of Science and Technology (‘DST’) under the Drugs and Pharmaceutical Research Programme (‘DPRP’) had sanctioned financial assistance for a sum of ₹ 70 to the Company for financing one of its research projects. The loan was repayable over 10 annual instalments of ₹ 7 each starting from July 1, 2012, and carried an interest rate of 3% p.a. The Company was required to utilise the funds for the specified projects and was required to obtain prior approvals from the said authorities for disposal of assets/ Intellectual property rights acquired/developed under the above programmes. The Company has repaid the loan during the year ended March 31, 2022

(c) The Company’s exposure to liquidity, interest rate and currency risks are disclosed in note 36.

16. Other financial liabilities

(a) Non-current

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative liabilities</td>
<td>141</td>
</tr>
</tbody>
</table>

(b) Current

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid dividends</td>
<td>4</td>
</tr>
<tr>
<td>Payables for capital goods</td>
<td>673</td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>2</td>
</tr>
<tr>
<td>Book overdraft</td>
<td>-</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>4</td>
</tr>
<tr>
<td>Total Current</td>
<td>683</td>
</tr>
</tbody>
</table>

17. Provisions

(a) Non-current

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for employee benefits</td>
<td></td>
</tr>
<tr>
<td>Gratuity [refer note 35]</td>
<td>256</td>
</tr>
<tr>
<td>Total Non-current</td>
<td>256</td>
</tr>
</tbody>
</table>

(b) Current

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for employee benefits</td>
<td></td>
</tr>
<tr>
<td>Gratuity [refer note 35]</td>
<td>79</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>169</td>
</tr>
<tr>
<td>Total Current</td>
<td>248</td>
</tr>
</tbody>
</table>
### Movement in provisions

<table>
<thead>
<tr>
<th></th>
<th>Gratuity</th>
<th>Compensated absences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance as at April 01, 2021</td>
<td>348</td>
<td>170</td>
</tr>
<tr>
<td>Provision recognised/(utilised) during the year</td>
<td>(13)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Closing balance as at March 31, 2022</strong></td>
<td><strong>335</strong></td>
<td><strong>169</strong></td>
</tr>
</tbody>
</table>

| Opening balance as at April 01, 2020 | 297      | 161                   |
| Provision recognised/(utilised) during the year | 51       | 9                     |
| **Closing balance as at March 31, 2021** | **348**  | **170**               |

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax liabilities/(assets) (net)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment, investment property and intangible assets</td>
<td>498</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>54</td>
</tr>
<tr>
<td><strong>Gross deferred tax liabilities</strong></td>
<td><strong>552</strong></td>
</tr>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td></td>
</tr>
<tr>
<td>Employee benefit obligations</td>
<td>242</td>
</tr>
<tr>
<td>Allowance for doubtful debts</td>
<td>82</td>
</tr>
<tr>
<td>Other disallowable expenses</td>
<td>93</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>24</td>
</tr>
<tr>
<td>MAT credit entitlement</td>
<td>1,071</td>
</tr>
<tr>
<td>Others</td>
<td>240</td>
</tr>
<tr>
<td><strong>Gross deferred tax assets</strong></td>
<td><strong>1,752</strong></td>
</tr>
<tr>
<td><strong>Net deferred tax liabilities/(assets)</strong></td>
<td><strong>(1,200)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>(a) <strong>Non-current</strong></td>
<td></td>
</tr>
<tr>
<td>Contract Liabilities</td>
<td>695</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>695</strong></td>
</tr>
<tr>
<td>(b) <strong>Current</strong></td>
<td></td>
</tr>
<tr>
<td>Contract Liabilities</td>
<td>101</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>73</td>
</tr>
<tr>
<td>Statutory taxes and dues payable</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>251</strong></td>
</tr>
</tbody>
</table>
### 20. Trade payables

#### Trade payables

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total outstanding dues of micro and small enterprises</td>
<td>413</td>
<td>198</td>
</tr>
<tr>
<td>Total outstanding dues of creditors other than micro and small enterprises*</td>
<td>3,396</td>
<td>3,522</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,809</strong></td>
<td><strong>3,720</strong></td>
</tr>
</tbody>
</table>

*Includes dues to related parties [refer note 32]

#### (a) Trade payables Ageing Schedule

<table>
<thead>
<tr>
<th></th>
<th>Unbilled</th>
<th>Not Due</th>
<th>Outstanding for following periods from due date of payment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less than 1 year 1-2 years 2-3 years More than 3 years</td>
<td></td>
</tr>
<tr>
<td>Total outstanding dues of micro enterprises and small enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at March 31, 2022</td>
<td>1,564</td>
<td>926</td>
<td>825 13 24 44</td>
<td>3,809</td>
</tr>
<tr>
<td>Total outstanding dues of creditors other than micro enterprises and small enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at March 31, 2021</td>
<td>1,737</td>
<td>765</td>
<td>914 43 15 48</td>
<td>3,720</td>
</tr>
</tbody>
</table>

* Amounts are not presented since the amounts are rounded off to Rupees million.

#### (b) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development (‘MSMED’) Act, 2006

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal amount due to micro and small enterprises</td>
<td>413</td>
<td>198</td>
</tr>
<tr>
<td>Interest due on the above</td>
<td>-*</td>
<td>1</td>
</tr>
<tr>
<td>(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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>501</td>
<td>954</td>
</tr>
<tr>
<td>(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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-*</td>
<td>-*</td>
</tr>
<tr>
<td>(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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>67</td>
<td>64</td>
</tr>
</tbody>
</table>

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.

(c) All Trade Payables are ‘current’. The Company’s exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

* Amounts are not presented since the amounts are rounded off to Rupees million.
### 21. Revenue from operations

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sale of products</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>14,907</td>
<td>18,166</td>
</tr>
<tr>
<td>Traded goods</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td><strong>Sale of services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licensing and development fees</td>
<td>25</td>
<td>40</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sale of process waste</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others [refer note (a) below]</td>
<td>203</td>
<td>130</td>
</tr>
<tr>
<td>Others [refer note (a) below]</td>
<td>2,205</td>
<td>1,926</td>
</tr>
<tr>
<td><strong>Revenue from operations</strong></td>
<td>17,382</td>
<td>20,284</td>
</tr>
</tbody>
</table>

(a) Others include, rentals and cross charge of research and development, power and other facilities by the SEZ Developer/SEZ unit of the Company.

#### 21.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

**Revenues by Geography**

<table>
<thead>
<tr>
<th>Geography</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>6,260</td>
<td>7,098</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,925</td>
<td>2,037</td>
</tr>
<tr>
<td>United States of America</td>
<td>1,341</td>
<td>2,850</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>5,448</td>
<td>6,243</td>
</tr>
<tr>
<td><strong>Total revenues by Geography</strong></td>
<td>14,974</td>
<td>18,228</td>
</tr>
</tbody>
</table>

**Revenue from other sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating revenue</td>
<td>2,408</td>
<td>2,056</td>
</tr>
<tr>
<td><strong>Total revenue from operations</strong></td>
<td>17,382</td>
<td>20,284</td>
</tr>
</tbody>
</table>

Geographical revenue is allocated based on the location of the customers.

#### 21.2 Changes in contract liabilities:

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at the beginning of the year</strong></td>
<td>848</td>
<td>351</td>
</tr>
<tr>
<td>Add: Increase due to invoicing during the year</td>
<td>132</td>
<td>718</td>
</tr>
<tr>
<td>Less: Amount recognised as revenue/other adjustments during the year</td>
<td>(111)</td>
<td>(221)</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td>869</td>
<td>848</td>
</tr>
</tbody>
</table>

Expected revenue recognition from remaining performance obligations:

- within one year | 174 | 103 |
- More than one year | 695 | 745 |

**21.3 Contract balances**

<table>
<thead>
<tr>
<th>Source</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables (including unbilled revenue)</td>
<td>7,006</td>
<td>6,054</td>
</tr>
<tr>
<td>Contract assets</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>869</td>
<td>848</td>
</tr>
</tbody>
</table>

Trade receivables are non-interest bearing.
Contract liabilities include deferred revenue and advance from customers.

#### 21.4 Performance obligation:

In relation to information about Company’s performance obligations in contracts with customers [refer note 2(k)].
### 22. Other income

Interest income on:
- Deposits with banks and financial institutions: 389 vs. 125
- Others: 26 vs. 163

Net gain on sale of current investments: 30 vs. 19

Net gain on financial assets measured at fair value through profit or loss: 1 vs. 16

Net gain on derivative liability measured at fair value through profit or loss: - vs. 16

Profit on property, plant and equipment sold, (net): 8 vs. 16

Foreign exchange gain, net: 126 vs. -

Other non-operating income [refer note (a)]: 1,292 vs. 1,147

(a) Others non operating income includes, rentals, cross charge of power and other facilities.

### 23. Cost of materials consumed

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory at the beginning of the year</td>
<td>1,614</td>
<td>2,285</td>
</tr>
<tr>
<td>Add: Purchases</td>
<td>9,171</td>
<td>6,936</td>
</tr>
<tr>
<td>Less: Inventory at the end of the year</td>
<td>(1,662)</td>
<td>(1,614)</td>
</tr>
<tr>
<td>Cost of materials consumed</td>
<td>9,123</td>
<td>7,607</td>
</tr>
</tbody>
</table>

### 24. Changes in inventories of stock-in-trade, finished goods and work-in-progress

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory at the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>1,212</td>
<td>1,751</td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>1,483</td>
<td>1,311</td>
</tr>
<tr>
<td></td>
<td>2,695</td>
<td>3,062</td>
</tr>
</tbody>
</table>

| Inventory at the end of the year |
| Finished goods       | 147                        | 1,212                      |
| Work-in-progress     | 3,606                      | 1,483                      |
|                      | 3,753                      | 2,695                      |
|                      | (1,058)                    | 367                        |

### 25. Employee benefits expenses

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and bonus</td>
<td>2,881</td>
<td>2,999</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>134</td>
<td>132</td>
</tr>
<tr>
<td>Gratuity [refer note 35]</td>
<td>54</td>
<td>52</td>
</tr>
<tr>
<td>Share based compensation expense [refer note 30]</td>
<td>295</td>
<td>388</td>
</tr>
<tr>
<td>Staff welfare expenses</td>
<td>313</td>
<td>331</td>
</tr>
<tr>
<td></td>
<td>3,677</td>
<td>3,902</td>
</tr>
</tbody>
</table>

### 26. Finance costs

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on finance lease [refer note 38]</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

### 27. Depreciation and amortisation expense

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation on Property, plant and equipment [refer note 3]</td>
<td>954</td>
<td>889</td>
</tr>
<tr>
<td>Depreciation on Investment property [refer note 4 (a)]</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Amortisation on intangible assets [refer note 5]</td>
<td>75</td>
<td>90</td>
</tr>
<tr>
<td>Depreciation on Right-of-use-assets [refer note 4(b)]</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>1,082</td>
<td>1,035</td>
</tr>
</tbody>
</table>
## 28. Other expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>Travelling and conveyance</td>
<td>44</td>
<td>16</td>
</tr>
<tr>
<td>Professional charges</td>
<td>126</td>
<td>294</td>
</tr>
<tr>
<td>Payments to auditors [refer note 29 below]</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Directors’ fees including commission</td>
<td>39</td>
<td>22</td>
</tr>
<tr>
<td>Power and fuel</td>
<td>2,310</td>
<td>1,860</td>
</tr>
<tr>
<td>Insurance</td>
<td>108</td>
<td>104</td>
</tr>
<tr>
<td>Rates, taxes and fees</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Lab consumables</td>
<td>186</td>
<td>314</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>636</td>
<td>661</td>
</tr>
<tr>
<td>Buildings</td>
<td>106</td>
<td>114</td>
</tr>
<tr>
<td>Others</td>
<td>377</td>
<td>381</td>
</tr>
<tr>
<td>Selling expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freight outwards and clearing charges</td>
<td>119</td>
<td>131</td>
</tr>
<tr>
<td>Sales promotion expenses</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Commission and brokerage (other than sole selling agents)</td>
<td>61</td>
<td>65</td>
</tr>
<tr>
<td>Provision/(reversal) for doubtful debts, net</td>
<td>201</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange fluctuation, net</td>
<td>-</td>
<td>103</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>466</td>
<td>553</td>
</tr>
<tr>
<td>CSR expenditure [refer note 40]</td>
<td>70</td>
<td>66</td>
</tr>
<tr>
<td>Miscellaneous expenses [refer note 32]</td>
<td>59</td>
<td>504</td>
</tr>
</tbody>
</table>

**Total Other expenses:** 5,012 \( \text{Year ended March 31, 2022} \)  
5,287 \( \text{Year ended March 31, 2021} \)

## 29. Payments to auditors

<table>
<thead>
<tr>
<th>Item</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>As auditor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory audit fee</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Tax audit fee</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Limited review</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>In other capacity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other services (certification fees)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Reimbursement of out-of-pocket expenses</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total Payments to auditors:** 8 \( \text{Year ended March 31, 2022} \)  
8 \( \text{Year ended March 31, 2021} \)
30. Employee stock compensation

(a) Biocon ESOP Plan

On September 27, 2001, Biocon’s Board of Directors approved the Biocon Employee Stock Option Plan (‘ESOP Plan 2000’) for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee (‘Remuneration Committee’) administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

Grant V

In April 2008, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 25%, 35% and 40% of the total grant at the end of first, second and third year from the date of grant for existing employees and at the end of 3rd, 4th and 5th year from the date of grant for new employees. Exercise period is 3 years for each grant. The conditions for number of options granted include service terms and performance grade of the employees. These options are exercisable at the market price of Company’s shares on the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Grant VI

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company’s shares existing on the date preceding to the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Grant VII
In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company’s shares existing on the date preceding to the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>2,008,750</td>
<td>82</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>(84,000)</td>
<td>77</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(1,335,750)</td>
<td>79</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td><strong>589,000</strong></td>
<td><strong>88</strong></td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>103,000</td>
<td>82</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of year</td>
<td>76-124</td>
<td>-</td>
</tr>
</tbody>
</table>

Grant VIII
In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>147,000</td>
<td>75</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(42,000)</td>
<td>73</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td><strong>105,000</strong></td>
<td><strong>76</strong></td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>105,000</td>
<td>76</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of year</td>
<td>76</td>
<td>-</td>
</tr>
</tbody>
</table>
Grant IX
In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>5,307,574</td>
<td>124</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>(1,390,500)</td>
<td>135</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(470,870)</td>
<td>95</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>3,446,204</td>
<td>125</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>205,079</td>
<td>98</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>3.0</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of year</td>
<td>69-173</td>
<td>-</td>
</tr>
</tbody>
</table>

Grant X
In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>4,857,076</td>
<td>142</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>(256,125)</td>
<td>148</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(1,969,077)</td>
<td>130</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>2,631,874</td>
<td>151</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>951,249</td>
<td>139</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>1.3</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of year</td>
<td>69-167</td>
<td>-</td>
</tr>
</tbody>
</table>

The average market price of the Company’s share during the year ended March 31, 2022 is ₹ 373 (March 31, 2021 - ₹ 407) per share.
(b) RSU Plan 2015

On March 11, 2015, Biocon’s Remuneration Committee approved the Biocon - Restricted Stock Units (RSUs) of Syngene ('RSU Plan 2015') for the grant of RSUs to the employees of the Company and its subsidiaries other than Syngene. The Remuneration Committee administers the plan through a trust, called the Biocon Limited Employee Welfare Trust. For this purpose, on March 31, 2015, the Company transferred 2,000,000 equity shares of Syngene to Biocon Limited Employees Welfare Trust.

In April 2015, the Company approved the grant to its employees under the RSU Plan 2015. The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. Exercise price of RSUs will be Nil.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>285,974</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>(50,398)</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(122,640)</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>(9,178)</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>103,758</td>
<td>-</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>58,797</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>1.1</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) RSU Plan 2019

On January 7, 2019, Biocon’s Nomination and Remuneration Committee (‘NRC’) and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics India Limited (‘RSU Plan 2019’) for grant of RSUs to employees of the Group. The NRC administers the plan though a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics India Limited to Biocon Limited Employee Welfare Trust.

The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year, respectively, from the date of grant or from the date of occurrence of certain future events, whichever is later, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>8,514,615</td>
<td>2</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>(1,511,608)</td>
<td>2</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>7,003,007</td>
<td>2</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>244</td>
<td>244</td>
</tr>
</tbody>
</table>

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Average Exercise Price</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>-</td>
<td>33.7% to 36.9%</td>
</tr>
<tr>
<td>Life of the options granted (vesting and exercise period) in years</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Average risk-free interest rate</td>
<td>-</td>
<td>5.4%</td>
</tr>
<tr>
<td>Expected dividend rate</td>
<td>-</td>
<td>0%</td>
</tr>
</tbody>
</table>
(d) RSU Plan 2020

On May 14, 2020, Biocon’s Nomination and Remuneration Committee (‘NRC’) and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan FY2020-24 (“RSU Plan 2020”) for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented through a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not extend beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders’ value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted Average Exercise Price (₹)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>2,630,000</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>724,083</td>
<td>2,930,000</td>
</tr>
<tr>
<td>Lapses/Forfeited during the year</td>
<td>(408,345)</td>
<td>(300,000)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(430,762)</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>2,514,976</td>
<td>2,630,000</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>46,147</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>3.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (Rs)</td>
<td>369</td>
<td>337</td>
</tr>
</tbody>
</table>

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Average Exercise Price</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>33.0% to 36.2%</td>
<td>34.0% to 36.4%</td>
</tr>
<tr>
<td>Life of the options granted (vesting and exercise period) in years</td>
<td>4.03</td>
<td>5</td>
</tr>
<tr>
<td>Average risk-free interest rate</td>
<td>5.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Expected dividend rate</td>
<td>0.6%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Summary of movement in respect of shares held by ESOP Trust is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>11,168,774</td>
<td>14,811,872</td>
</tr>
<tr>
<td>Add: Shares purchased by the ESOP trust</td>
<td></td>
<td>244,474</td>
</tr>
<tr>
<td>Add: Shares issued by the Company</td>
<td>600,000</td>
<td>(3,887,572)</td>
</tr>
<tr>
<td>Less: Shares exercised by employees</td>
<td>(4,248,459)</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>7,520,315</td>
<td>11,168,774</td>
</tr>
<tr>
<td>Options granted and eligible for exercise at end of the year</td>
<td>1,410,475</td>
<td>1,339,461</td>
</tr>
<tr>
<td>Options granted but not eligible for exercise at end of the year</td>
<td>8,787,579</td>
<td>10,980,980</td>
</tr>
</tbody>
</table>

Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1,301,373</td>
<td>1,737,469</td>
</tr>
<tr>
<td>Less: Shares exercised by employees</td>
<td>(122,640)</td>
<td>(436,096)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1,178,733</td>
<td>1,301,373</td>
</tr>
<tr>
<td>Options granted and eligible for exercise at end of the year</td>
<td>58,797</td>
<td>49,873</td>
</tr>
<tr>
<td>Options granted but not eligible for exercise at end of the year</td>
<td>44,961</td>
<td>236,101</td>
</tr>
</tbody>
</table>

Summary of movement in respect of equity shares of BBIL held by the RSU Trust is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>10,809,520</td>
<td>10,809,520</td>
</tr>
<tr>
<td>Add: Shares purchased by the RSU Trust from Biocon Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>10,809,520</td>
<td>10,809,520</td>
</tr>
<tr>
<td>Options granted and eligible for exercise at end of the year</td>
<td>7003007</td>
<td>8,514,615</td>
</tr>
<tr>
<td>Options granted but not eligible for exercise at end of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### 31. Earnings per share (EPS)

<table>
<thead>
<tr>
<th>Earnings</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>861</td>
<td>2,805</td>
</tr>
<tr>
<td>Basic outstanding shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Weighted average shares held with the ESOP Trust</td>
<td>(9,475,319)</td>
<td>(12,869,238)</td>
</tr>
<tr>
<td>Weighted average shares used for computing basic EPS</td>
<td>1,191,074,681</td>
<td>1,187,130,762</td>
</tr>
<tr>
<td>Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise</td>
<td>5,276,990</td>
<td>9,630,143</td>
</tr>
<tr>
<td>Weighted average shares used for computing diluted EPS</td>
<td>1,196,351,671</td>
<td>1,196,760,905</td>
</tr>
</tbody>
</table>

**Earnings per equity share:**

<table>
<thead>
<tr>
<th></th>
<th>Basic (in ₹)</th>
<th>Diluted (in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.72</td>
<td>0.72</td>
</tr>
</tbody>
</table>

**32. Related party transactions**

List of related parties:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Nature of relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key management personnel</strong></td>
<td></td>
</tr>
<tr>
<td>Kiran Mazumdar Shaw</td>
<td>Executive Chairperson</td>
</tr>
<tr>
<td>Siddharth Mittal</td>
<td>Managing Director &amp; Chief Executive Officer</td>
</tr>
<tr>
<td>Indranil Sen</td>
<td>Chief Financial Officer (w.e.f April 28, 2021)</td>
</tr>
<tr>
<td></td>
<td>Interim Chief Financial Officer (w.e.f May 15, 2020 upto September 22, 2020)</td>
</tr>
<tr>
<td>Anupam Jindal</td>
<td>Chief Financial Officer (w.e.f September 22, 2020 upto April 28, 2021)</td>
</tr>
<tr>
<td>Mayank Verma</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>Daniel Mark Bradbury</td>
<td>Independent director</td>
</tr>
<tr>
<td>Mary Harney</td>
<td>Independent director</td>
</tr>
<tr>
<td>Vijay Kumar Kuchroo</td>
<td>Independent director</td>
</tr>
<tr>
<td>Meleveetil Damodaran</td>
<td>Independent director</td>
</tr>
<tr>
<td>Bobby Kanubhai Parikh</td>
<td>Independent director</td>
</tr>
<tr>
<td>Ravi Rasendra Mazumdar</td>
<td>Non-executive director</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar</td>
<td>Non-executive director (w.e.f November 01, 2021)</td>
</tr>
<tr>
<td>John Shaw</td>
<td>Non-executive director (upto July 23, 2021)</td>
</tr>
<tr>
<td><strong>Subsidiaries</strong></td>
<td></td>
</tr>
<tr>
<td>Syngene International Limited</td>
<td>Subsidiary</td>
</tr>
<tr>
<td>Syngene USA Inc.</td>
<td>Wholly-owned subsidiary of Syngene International Limited</td>
</tr>
<tr>
<td>Biocon Pharma Limited</td>
<td>Wholly-owned subsidiary</td>
</tr>
<tr>
<td>Biocon Biologics Limited</td>
<td>Subsidiary</td>
</tr>
<tr>
<td>(Formerly known as Biocon Biologics India Limited)</td>
<td></td>
</tr>
<tr>
<td>Biocon Academy</td>
<td>Wholly-owned subsidiary</td>
</tr>
<tr>
<td>Biocon SA</td>
<td>Wholly-owned subsidiary</td>
</tr>
<tr>
<td>Biocon Biologics UK Limited</td>
<td>Wholly-owned subsidiary of Biocon Biologics Limited</td>
</tr>
<tr>
<td>(Formerly known as Biocon Biologics Limited)</td>
<td></td>
</tr>
<tr>
<td>Biocon FZ LLC</td>
<td>Wholly-owned subsidiary</td>
</tr>
<tr>
<td>Biocon Biologics Healthcare Sdn Bhd</td>
<td>Wholly-owned subsidiary of Biocon Biologics UK Limited</td>
</tr>
<tr>
<td>(Formerly known as Biocon Healthcare Sdn Bhd)</td>
<td></td>
</tr>
<tr>
<td>Biocon Biosphere Limited</td>
<td>Wholly-owned subsidiary</td>
</tr>
<tr>
<td>Bicara Therapeutics Inc.</td>
<td>Subsidiary (Upto January 09, 2021)</td>
</tr>
<tr>
<td>Biocon Pharma Inc.</td>
<td>Wholly-owned subsidiary of Biocon Pharma Limited</td>
</tr>
<tr>
<td>Biocon Sdn.Bhd.</td>
<td>Wholly-owned subsidiary of Biocon Biologics UK Limited</td>
</tr>
<tr>
<td>Biocon Pharma Ireland Limited</td>
<td>Wholly-owned subsidiary of Biocon Pharma Limited</td>
</tr>
</tbody>
</table>
## Particulars | Nature of relationship
---|---
Biocon Pharma UK Limited | Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Biologics Inc. USA | Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics FZ LLC | Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Do Brasil Ltda | Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Malta Limited | Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Pharma Malta I Limited | Wholly-owned subsidiary of Biocon Pharma Limited
Biofusion Therapeutics Limited | Wholly-owned subsidiary

### Associate

| Nature of relationship | 
---|---
Bicara Therapeutics Inc. | Associate (w.e.f. January 09, 2021)

### Joint Ventures

| Nature of relationship | 
---|---
NeoBiocon FZ LLC | Joint-venture

### Other Related Parties

- Biocon Foundation: Trust in which key management personnel are the Board of Trustees
- Mazumdar Shaw Medical Foundation: Trust in which key management personnel are the Board of Trustees
- Glentec International Limited: Enterprise owned by key management personnel
- Narayana Hrudayalaya Limited: Enterprise in which a director of the Company is a member of board of directors
- Immuneel Therapeutics Private Limited: Enterprise in which a director of the Company is a member of board of directors
- Jeeves: Enterprise in which relative to a director of the Company is proprietor

### The Company Has the Following Related Parties Transactions

| Particulars | Transaction / Balances | Year ended March 31, 2022 | Year ended March 31, 2021 |
---|---|---|---|
Key management personnel | Salary and perquisites [refer note (d) & (e) below] | 82 | 101 |
| Sitting fees and commission | 39 | 21 |
Outstanding as at the year end: | - Trade and other payables | - | 4 |
Subsidiaries | Sale of goods/other products | 2,676 | 1,907 |
| Sales on behalf of a subsidiary | - | 164 |
| Purchase on behalf of a subsidiary | - | 424 |
| Rent income [refer note (b) below] | 300 | 283 |
| Cross charges towards facility and other expenses [refer note (a) & (b)] | 2,562 | 1,851 |
| Interest income | 11 | 161 |
| Expenses incurred on behalf of the related party | 423 | 354 |
| Guarantee income | 45 | 42 |
| Research services received | 104 | 164 |
| Purchase of goods | 12 | 188 |
| Capacity Reservation Fees | - | 450 |
| Settlement Income | 370 | - |
| Professional charges | 13 | 27 |
| CSR expenditure | 33 | 42 |
| Expenses incurred by related party on behalf of the Company | 25 | 30 |
| Funding received towards Property, plant and equipment | 53 | 610 |
| Transfer of Capital work in progress | 85 | 96 |
| Transfer of Other intangible assets | 12 | 16 |
| Investment in preference shares | 517 | 6,091 |
| Redemption of preference shares | - | 5,000 |
| Loans given/repaid, net [refer note (g) below] | 413 | (2573) |
Outstanding as at the year end: | - Trade and other receivables | 3,892 | 2,897 |
| - Trade and other payables | 243 | 99 |
| - Loans receivable [refer note (g) below] | 413 | - |
| Guarantee given on behalf of related party | 3,398 | 14,087 |
Associate | Cross charges towards facility and other expenses [refer note (a) & (b)] | 105 | 102 |
### Particulars | Transaction / Balances | Year ended March 31, 2022 | Year ended March 31, 2021
--- | --- | --- | ---
Expenses incurred on behalf of the related party | 10 | - |
Interest income | - | 2 |
Outstanding as at the year end:
- Trade and other receivables | 449 | 328 |
- Provision for Expected credit loss | 190 | - |
**Joint venture** | Expenses incurred on behalf of the related party | 1 | 1 |
Outstanding as at the year end:
- Trade and other receivables | - | -* |
**Other related parties** | CSR expenditure | 37 | 24 |
Other expenses | 20 | 19 |
Expenses towards Scientific and Research services | 1 | 1 |
Outstanding as at the year end:
- Trade and other receivables | 1 | 1 |

* Amounts are not presented since the amounts are rounded off to Rupees million.

(a) Expenses incurred on behalf of the related party include ESOP cost and amount paid on behalf of the related party to vendors.

(b) The Company’s SEZ Developer division has entered into agreements to lease land and provide certain facilities such as power, utilities etc. to SEZ units of Biocon Biologics Limited, Biocon Pharma Limited and Syngene International Limited, in respect of which the Company recovers rent and facilities usage charges.

(c) The above disclosures include related parties as per Ind AS 24 on “Related Party Disclosures” and Companies Act, 2013.

(d) The remuneration to key management personnel doesn’t include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

(e) Share based compensation expense allocable to key management personnel is ₹ 65 (March 31, 2021 - ₹ 71), which is not included in the remuneration disclosed above.

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

(g) The loans to related parties is presented net of repayments due to multiple transactions. Loans repaid includes loan subsequently converted into preference shares. The loan given to subsidiaries are for Business purposes and interest rates are at arm’s length. The Loans are payables on demand.

### 33. Tax expense

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
--- | --- | ---
(a) Amount recognised in Statement of profit and loss |
Current tax | 322 | 462 |
Deferred tax expense/(income) related to:
MAT credit utilisation/(entitlement) | 285 | 273 |
Origination and reversal of temporary differences: | (71) | 48 |
**Tax expense for the year**# | 536 | 783 |
# Includes credit for reversal of tax provision for earlier years amounting to ₹ 278 for the year ended March 31, 2021.

(b) Reconciliation of effective tax rate |
Profit before tax | 1,397 | 3,588 |
Tax at statutory income tax rate 34.94% (March 31, 2021 - 34.94%) | 488 | 1,254 |
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:
Exempt income and other deductions | (12) | (200) |
Non-deductible expense | 24 | 23 |
Basis difference that will reverse during the tax holiday period | 10 | (13) |
Reversal of provision for tax for earlier years | - | (278) |
Others | 26 | (3) |
**Income tax expense** | 536 | 783 |
(c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet.

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Recognised in profit or loss</th>
<th>Recognised in OCI</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment, investment property and intangible assets</td>
<td>485</td>
<td>13</td>
<td>-</td>
<td>498</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>5</td>
<td>-</td>
<td>49</td>
<td>54</td>
</tr>
<tr>
<td><strong>Gross deferred tax liabilities</strong></td>
<td>490</td>
<td>13</td>
<td>49</td>
<td>552</td>
</tr>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit obligations</td>
<td>248</td>
<td>2</td>
<td>(8)</td>
<td>242</td>
</tr>
<tr>
<td>Allowance for doubtful debts</td>
<td>12</td>
<td>70</td>
<td>-</td>
<td>82</td>
</tr>
<tr>
<td>Other disallowable expenses</td>
<td>89</td>
<td>4</td>
<td>-</td>
<td>93</td>
</tr>
<tr>
<td>MAT credit entitlement</td>
<td>1,356</td>
<td>(285)</td>
<td>-</td>
<td>1,071</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>32</td>
<td>(8)</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Others</td>
<td>217</td>
<td>16</td>
<td>8</td>
<td>240</td>
</tr>
<tr>
<td><strong>Gross deferred tax assets</strong></td>
<td>1,954</td>
<td>(201)</td>
<td>-</td>
<td>1,752</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td>1,464</td>
<td>(214)</td>
<td>(49)</td>
<td>1,200</td>
</tr>
</tbody>
</table>

For the Year ended March 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Recognised in profit or loss</th>
<th>Recognised in OCI</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax liability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment, investment property and intangible assets</td>
<td>468</td>
<td>17</td>
<td>-</td>
<td>485</td>
</tr>
<tr>
<td>Derivative liability</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Gross deferred tax liability</strong></td>
<td>468</td>
<td>17</td>
<td>5</td>
<td>490</td>
</tr>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit obligations</td>
<td>235</td>
<td>18</td>
<td>(5)</td>
<td>248</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>11</td>
<td>-</td>
<td>(11)</td>
<td>-</td>
</tr>
<tr>
<td>Allowance for doubtful debts</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Other disallowable expenses</td>
<td>127</td>
<td>(38)</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>MAT credit entitlement</td>
<td>1,629</td>
<td>(273)</td>
<td>-</td>
<td>1,356</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>42</td>
<td>(10)</td>
<td>-</td>
<td>32</td>
</tr>
<tr>
<td>Others</td>
<td>207</td>
<td>(1)</td>
<td>11</td>
<td>217</td>
</tr>
<tr>
<td><strong>Gross deferred tax assets</strong></td>
<td>2,263</td>
<td>(304)</td>
<td>(5)</td>
<td>1,954</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td>1,795</td>
<td>(321)</td>
<td>(10)</td>
<td>1,464</td>
</tr>
</tbody>
</table>

34. Contingent liabilities and commitments

(to the extent not provided for)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Contingent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Claims against the Company not acknowledged as debt</td>
<td>1,859</td>
<td>1,662</td>
</tr>
<tr>
<td>The above includes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Direct taxation</td>
<td>775</td>
<td>685</td>
</tr>
<tr>
<td>(ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT, CST, Entry tax and GST)</td>
<td>736</td>
<td>629</td>
</tr>
<tr>
<td>(iii) Other matters</td>
<td>348</td>
<td>348</td>
</tr>
</tbody>
</table>

The Company is subject to complexities with respect to various tax positions on deductibility of transactions and availability of tax incentives / exemptions, impact of group restructuring and on cross border transfer pricing arrangements. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Company’s financial position and results of operations.
Biocon Limited

Metamorphosis

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Particulars March 31, 2022 March 31, 2021

(b) Guarantees:
(i) Corporate guarantees given in favour of the Central Excise Department in respect of certain performance obligations of the subsidiaries
Syngene International Limited 148 148
(ii) Corporate guarantees given in favour of banks towards loans obtained by subsidiaries/step-down subsidiaries 3,250 13,939

(ii) Commitments:
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances 1,126 1,747

(b) During FY 2019-20, the Company and Biocon Biologics Limited had entered into an agreement with Active Pine LLP (Investor I) whereby the Investor has infused ₹5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

(c) During the previous year, the Company and Biocon Biologics Limited had entered into an agreement with Beta Oryx Limited, a wholly owned subsidiary of ADQ (Investor II) whereby the Investor has infused ₹5,550 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

(d) During the previous year, the Company and Biocon Biologics Limited has entered into an agreement with Tata Capital Growth Fund II (Investor III) whereby the Investor has infused ₹2,250 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

35. 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 plans assets are maintained with HDFC Life in respect of gratuity scheme for certain employees of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 6.1 % p.a. (31 March 2021: 5.8% p.a.).

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

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:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Present value of defined benefit obligation</th>
<th>Fair value of plan assets</th>
<th>Net defined benefit (asset)/liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as on April 01, 2021</td>
<td>355</td>
<td>(7)</td>
<td>348</td>
</tr>
<tr>
<td>Current service cost</td>
<td>35</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Interest expense/(income)</td>
<td>19</td>
<td>-*</td>
<td>19</td>
</tr>
<tr>
<td>Amount recognised in Statement of profit and loss</td>
<td>54</td>
<td>-*</td>
<td>54</td>
</tr>
<tr>
<td>Liability transferred in/ Acquisitions</td>
<td>6</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>(Liability transferred out/ Divestments)</td>
<td>(10)</td>
<td>-</td>
<td>(10)</td>
</tr>
</tbody>
</table>
### Present value of defined benefit obligation

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Present value of defined benefit obligation</th>
<th>Fair value of plan assets</th>
<th>Net defined benefit (asset)/liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remeasurements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial (gain)/loss arising from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assumptions</td>
<td>(9)</td>
<td>-</td>
<td>(9)</td>
</tr>
<tr>
<td>Experience adjustment</td>
<td>(13)</td>
<td>-</td>
<td>(13)</td>
</tr>
<tr>
<td>Amount recognised in other comprehensive income</td>
<td>(22)</td>
<td>-</td>
<td>(22)</td>
</tr>
<tr>
<td>Employers contribution</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(41)</td>
<td>-</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2022</strong></td>
<td><strong>342</strong></td>
<td><strong>(7)</strong></td>
<td><strong>335</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Present value of defined benefit obligation</th>
<th>Fair value of plan assets</th>
<th>Net defined benefit (asset)/liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as on April 01, 2020</td>
<td>338</td>
<td>(41)</td>
<td>297</td>
</tr>
<tr>
<td>Current service cost</td>
<td>34</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>Interest expense/(income)</td>
<td>20</td>
<td>(2)</td>
<td>18</td>
</tr>
<tr>
<td>Amount recognised in Statement of profit and loss</td>
<td>54</td>
<td>(2)</td>
<td>52</td>
</tr>
<tr>
<td>Liability transferred in/ Acquisitions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liability transferred out/ Divestments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Remeasurements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial (gain)/loss arising from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assumptions</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Experience adjustment</td>
<td>(17)</td>
<td>-</td>
<td>(17)</td>
</tr>
<tr>
<td>Amount recognised in other comprehensive income</td>
<td>(14)</td>
<td>-</td>
<td>(14)</td>
</tr>
<tr>
<td>Employers contribution</td>
<td>-</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(23)</td>
<td>-</td>
<td>(23)</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2021</strong></td>
<td><strong>355</strong></td>
<td><strong>(7)</strong></td>
<td><strong>348</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current</td>
<td>256</td>
<td>263</td>
</tr>
<tr>
<td>Current</td>
<td>79</td>
<td>85</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>335</strong></td>
<td><strong>348</strong></td>
</tr>
</tbody>
</table>

* Amounts are not presented since the amounts are rounded off to Rupees million.

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

<table>
<thead>
<tr>
<th>Assumption</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate</td>
<td>6.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>6.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Salary increase</td>
<td>9.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Attrition rate</td>
<td>14% - 30%</td>
<td>14% - 30%</td>
</tr>
<tr>
<td>Retirement age - Years</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables as per IALM (2012-14)

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2021 - 6 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:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increase</td>
<td>Decrease</td>
</tr>
<tr>
<td>Discount rate (1% Change)</td>
<td>(16)</td>
<td>18</td>
</tr>
<tr>
<td>Salary increase (1% Change)</td>
<td>18</td>
<td>(16)</td>
</tr>
<tr>
<td>Attrition rate (1% Change)</td>
<td>(3)</td>
<td>4</td>
</tr>
</tbody>
</table>

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, 2022 and March 31, 2021, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2023, is approximately ₹ 64 (March 31, 2022 - ₹ 74).

Maturity profile of defined benefit obligation amount

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Following year</td>
<td>64</td>
<td>74</td>
</tr>
<tr>
<td>2nd Following year</td>
<td>36</td>
<td>38</td>
</tr>
<tr>
<td>3rd Following year</td>
<td>37</td>
<td>35</td>
</tr>
<tr>
<td>4th Following year</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>5th Following year</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>Years 6 to 10</td>
<td>142</td>
<td>129</td>
</tr>
<tr>
<td>Years 11 and above</td>
<td>153</td>
<td>156</td>
</tr>
</tbody>
</table>

(iv) Risk Exposure

These defined benefit plans typically expose the Company to actuarial risks as under:

a) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan’s liability.

d) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other Long term benefits

Present value of other long term benefits (i.e. compensated absences) obligations at the end of the year

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>169</td>
<td>170</td>
</tr>
</tbody>
</table>
### Financial instruments: Fair value and risk managements

#### A. Accounting classification and fair values

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>Carrying amount</th>
<th>Fair value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVTPL</td>
<td>FVTOCI</td>
<td>Amortised Cost</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current investments</td>
<td>22,472</td>
<td>30</td>
<td>27,676*</td>
</tr>
<tr>
<td>Loans</td>
<td>-</td>
<td>-</td>
<td>413</td>
</tr>
<tr>
<td>Current investments</td>
<td>72</td>
<td>-</td>
<td>2,550</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-</td>
<td>-</td>
<td>7,006</td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>-</td>
<td>-</td>
<td>1,110</td>
</tr>
<tr>
<td>Other bank balances</td>
<td>-</td>
<td>-</td>
<td>5,783</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>161</td>
<td>1,488</td>
</tr>
<tr>
<td></td>
<td>22,544</td>
<td>191</td>
<td>46,026</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>759</td>
</tr>
<tr>
<td>Trade payables</td>
<td>-</td>
<td>-</td>
<td>3,809</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>140</td>
<td>5</td>
<td>679</td>
</tr>
<tr>
<td></td>
<td>140</td>
<td>5</td>
<td>5,257</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 31, 2021</th>
<th>FVTPL</th>
<th>FVTOCI</th>
<th>Amortised Cost</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current investments</td>
<td>21,920</td>
<td>65</td>
<td>28,749*</td>
<td>50,734</td>
<td>65</td>
<td>-</td>
<td>21,920#</td>
<td>21,985</td>
</tr>
<tr>
<td>Current investments</td>
<td>1,343</td>
<td>-</td>
<td>2,050</td>
<td>3,393</td>
<td>1,343</td>
<td>-</td>
<td>-</td>
<td>1,343</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-</td>
<td>-</td>
<td>6,054</td>
<td>6,054</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>2,535</td>
<td>2,535</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other bank balances</td>
<td>-</td>
<td>-</td>
<td>3,477</td>
<td>3,477</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>20</td>
<td>1,907</td>
<td>1,927</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>23,263</td>
<td>85</td>
<td>44,772</td>
<td>68,120</td>
<td>1,408</td>
<td>20</td>
<td>21,920</td>
<td>23,348</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>24</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade payables</td>
<td>-</td>
<td>-</td>
<td>3,720</td>
<td>3,720</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>140</td>
<td>6</td>
<td>446</td>
<td>592</td>
<td>-</td>
<td>6</td>
<td>140</td>
<td>146</td>
</tr>
<tr>
<td></td>
<td>140</td>
<td>6</td>
<td>4,197</td>
<td>4,343</td>
<td>-</td>
<td>6</td>
<td>140</td>
<td>146</td>
</tr>
</tbody>
</table>

(a) The fair value of trade receivables, 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) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

* Investment in equity shares in subsidiaries, associate and joint venture and investment in preference shares of associates has been accounted at cost as per Ind AS 27 “Consolidated and Separate Financial Statements”.

# These includes investment in preference shares in subsidiaries which are convertible (variable number of equity shares) / redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been disclosed at its fair value which is equivalent to the face value.
B. Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. 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 forward contracts of foreign currencies, 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).

<table>
<thead>
<tr>
<th>Significant observable inputs</th>
<th>March 31, 2022 Impact on other equity</th>
<th>March 31, 2021 Impact on other equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increase</td>
<td>Decrease</td>
</tr>
<tr>
<td>Spot rate of the foreign currency (1% movement)</td>
<td>(12)</td>
<td>6</td>
</tr>
<tr>
<td>Interest rates (100 bps movement)</td>
<td>74</td>
<td>(74)</td>
</tr>
</tbody>
</table>

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 ₹ 7,006 (March 31, 2021: ₹ 6,054). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

<table>
<thead>
<tr>
<th>Allowance for Impairment</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Impairment loss recognised</td>
<td>201</td>
<td>8</td>
</tr>
<tr>
<td>Impairment loss reversed/transfered</td>
<td>-</td>
<td>(8)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>235</td>
<td>34</td>
</tr>
</tbody>
</table>

Receivable from none of the customers of the Company is more than 10 percent of the Company’s total trade receivables as at March 31, 2022 (March 31, 2021 two customers - ₹ 2,321).

Refer note 12 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.

Credit risk on cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies which are rated A+ or AAA. Investments primarily include investment in liquid mutual fund units, bonds and non-convertible debentures.
(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.

The Company believes that the working capital is sufficient to meet its current 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, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Less than 1 year</th>
<th>1 - 2 years</th>
<th>2 - 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>455</td>
<td>304</td>
<td>759</td>
</tr>
<tr>
<td>Trade payables</td>
<td>3,809</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,809</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>683</td>
<td>1</td>
<td>140</td>
<td>-</td>
<td>824</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>10</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>4,502</td>
<td>3</td>
<td>595</td>
<td>304</td>
<td>5,404</td>
</tr>
</tbody>
</table>

March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Less than 1 year</th>
<th>1 - 2 years</th>
<th>2 - 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Trade payables</td>
<td>3,720</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,720</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>448</td>
<td>4</td>
<td>140</td>
<td>-</td>
<td>592</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>17</td>
<td>10</td>
<td>2</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>4,192</td>
<td>14</td>
<td>142</td>
<td>-</td>
<td>4,348</td>
</tr>
</tbody>
</table>

(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 operates internationally and a major portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

March 31, 2022

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>EUR</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2,717</td>
<td>294</td>
<td>1</td>
<td>3,012</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>628</td>
<td>127</td>
<td>3</td>
<td>758</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>227</td>
<td>-</td>
<td>-</td>
<td>227</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>(615)</td>
<td>(14)</td>
<td>(42)</td>
<td>(671)</td>
</tr>
<tr>
<td>Borrowings</td>
<td>(759)</td>
<td>-</td>
<td>-</td>
<td>(759)</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>(88)</td>
<td>(10)</td>
<td>(9)</td>
<td>(107)</td>
</tr>
<tr>
<td><strong>Net assets/(liabilities)</strong></td>
<td>2,110</td>
<td>397</td>
<td>(47)</td>
<td>2,460</td>
</tr>
</tbody>
</table>

March 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>EUR</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2,275</td>
<td>230</td>
<td>12</td>
<td>2,517</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,924</td>
<td>345</td>
<td>1</td>
<td>2,270</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>68</td>
<td>-</td>
<td>-</td>
<td>68</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>(620)</td>
<td>(83)</td>
<td>(30)</td>
<td>(733)</td>
</tr>
<tr>
<td>Other current financial liabilities</td>
<td>(78)</td>
<td>(6)</td>
<td>(84)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets/(liabilities)</strong></td>
<td>3,569</td>
<td>486</td>
<td>(17)</td>
<td>4,038</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Impact on profit or loss</th>
<th>Impact on other components of equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2022</td>
<td>March 31, 2021</td>
</tr>
<tr>
<td><strong>USD Sensitivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INR/USD - Increase by 1%</td>
<td>21</td>
<td>36</td>
</tr>
<tr>
<td>INR/USD - Decrease by 1%</td>
<td>(21)</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>EUR Sensitivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INR/EUR - Increase by 1%</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>INR/EUR - Decrease by 1%</td>
<td>(4)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

* Amounts are not presented since the amounts are rounded off to Rupees million.

Derivative financial instruments

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company’s treasury team manages its foreign currency risk by hedging forecasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward, option and interest rate swaps contracts:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with periodical maturity dates between 0-6 Years</td>
<td>USD 10</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange forward contracts to sell USD maturity between 0-1 Years</td>
<td>USD 12</td>
<td>USD 8</td>
</tr>
<tr>
<td>European style range forward contracts with periodical maturity dates between 0-2 Years</td>
<td>USD 56</td>
<td>USD 57</td>
</tr>
</tbody>
</table>

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, 2022 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:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed rate borrowings</td>
<td>759</td>
<td>7</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>759</td>
<td>7</td>
</tr>
</tbody>
</table>

(b) Sensitivity

The Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107.

37. 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 customer confidence 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’s goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity attributable to the equity shareholders of the Company</td>
<td>80,929</td>
<td>79,071</td>
</tr>
<tr>
<td>As a percentage of total capital</td>
<td>99%</td>
<td>100%</td>
</tr>
<tr>
<td>Borrowings</td>
<td>759</td>
<td>7</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>759</td>
<td>7</td>
</tr>
<tr>
<td>As a percentage of total capital</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Total capital (Equity and Borrowings)</td>
<td>81,688</td>
<td>79,078</td>
</tr>
</tbody>
</table>
38. Lease

The Company has entered into lease agreements for use of land, buildings and vehicles which expires over a period ranging upto the year of 2117. Gross payments for the year aggregate to ₹ 17.

The following is the movement in lease liabilities during the year ended March 31, 2022:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Land</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as the beginning</td>
<td>2</td>
<td>-</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>Addition during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance cost accrued during the year</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(2)</td>
<td>-</td>
<td>(16)</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2022</strong></td>
<td>1</td>
<td>-</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Land</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as the beginning</td>
<td>5</td>
<td>2</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>Addition during the year</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Finance cost accrued during the year</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(3)</td>
<td>(2)</td>
<td>(16)</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2021</strong></td>
<td>2</td>
<td>-</td>
<td>22</td>
<td>24</td>
</tr>
</tbody>
</table>

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

- Current lease liabilities: 9
- Non current lease liabilities: 12

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

<table>
<thead>
<tr>
<th>Less than one year</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10</td>
<td>24</td>
</tr>
</tbody>
</table>

More than one less than five year: 12

Total: 29

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

<table>
<thead>
<tr>
<th>Depreciation expenses on right of use-assets</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>16</td>
</tr>
</tbody>
</table>

Interest expenses on lease liabilities: 4

Total amount recognised in Profit or loss: 17

39. Segmental information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

40. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount required to be spent by the Company during the year:</td>
<td>70</td>
<td>66</td>
</tr>
<tr>
<td>Amount of expenditure incurred</td>
<td>70</td>
<td>66</td>
</tr>
<tr>
<td>Shortfall at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total of previous years shortfall</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Nature of CSR activities conducted by the company during year ended March 31, 2022 and March 31, 2021 are as follows:
1. Promoting Education
2. Mass Transit System
3. Lake Rejuvenation
4. Government School Construction

Refer Note 32 for details of related party transactions

41. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

42. 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.

43. 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 Group 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 Group 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.
### 44. Ratio Analysis and its elements

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Numerator</th>
<th>Denominator</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
<th>% change</th>
<th>Reason for variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current ratio</td>
<td>Current Assets</td>
<td>Current Liabilities</td>
<td>4.07</td>
<td>3.94</td>
<td>3.11%</td>
<td></td>
</tr>
<tr>
<td>Debt- Equity Ratio</td>
<td>Total Debt</td>
<td>Shareholder’s Equity</td>
<td>0.01</td>
<td>0.00</td>
<td>10493.92%</td>
<td>Increased due to debt obtained during the current year.</td>
</tr>
<tr>
<td>Debt Service Coverage ratio</td>
<td>Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest</td>
<td>Debt service = Interest &amp; Lease Payments + Principal Repayments</td>
<td>51.95</td>
<td>137.29</td>
<td>-62.16%</td>
<td>Profit after tax has reduced in the current year.</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>Net Profits after taxes – Preference Dividend</td>
<td>Average Shareholder’s Equity</td>
<td>1.08%</td>
<td>3.63%</td>
<td>-70.37%</td>
<td>Profit after tax has reduced in the current year.</td>
</tr>
<tr>
<td>Inventory Turnover ratio</td>
<td>Cost of goods sold</td>
<td>Average Inventory</td>
<td>1.66</td>
<td>1.65</td>
<td>0.53%</td>
<td></td>
</tr>
<tr>
<td>Trade Receivable Turnover Ratio</td>
<td>Net credit sales = Revenue from operations</td>
<td>Average Trade Receivable</td>
<td>2.66</td>
<td>3.44</td>
<td>-22.67%</td>
<td></td>
</tr>
<tr>
<td>Trade Payable Turnover Ratio</td>
<td>Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses</td>
<td>Average Trade Payables</td>
<td>3.72</td>
<td>2.72</td>
<td>36.92%</td>
<td>Increase in purchases during the current year.</td>
</tr>
<tr>
<td>Net Capital Turnover Ratio</td>
<td>Net sales = Total sales - sales return</td>
<td>Average Working capital = Current assets - Current liabilities</td>
<td>1.01</td>
<td>1.36</td>
<td>-25.69%</td>
<td>Decrease in sales during the current year.</td>
</tr>
<tr>
<td>Net Profit ratio</td>
<td>Net Profit</td>
<td>Net sales = Total sales - sales return</td>
<td>4.95%</td>
<td>13.83%</td>
<td>-64.18%</td>
<td>Profit after tax has reduced in the current year.</td>
</tr>
<tr>
<td>Return on Capital Employed</td>
<td>Earnings before interest and taxes</td>
<td>Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset</td>
<td>1.75%</td>
<td>4.65%</td>
<td>-62.40%</td>
<td>Earnings before interest and taxes has reduced in the current year.</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>Interest income on deposits + Net gain on mutual funds</td>
<td>Average Investment in deposits and mutual funds</td>
<td>5.00%</td>
<td>3.15%</td>
<td>58.76%</td>
<td>Increased due to higher yields on treasury investments.</td>
</tr>
</tbody>
</table>

45. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

46. Events after reporting period

On April 28, 2022, the Board of Directors of the Company has proposed a final dividend of 10% i.e. ₹ 0.50 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

47. Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period’s classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

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 Limited

Sampad Guha Thakurta
Partner
Membership No. 060573
Bengaluru
April 28, 2022

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229
Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Siddharth Mittal
Managing Director & CEO
DIN: 03230757
Mayank Verma
Company Secretary
Bengaluru
April 28, 2022
Independent Auditor’s Report

To the Members of Biocon Limited

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Biocon Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associates and its joint venture, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements /financial information of such subsidiary and joint venture as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Description of Key Audit Matter

**Impairment of intangible assets under development and property, plant and equipment**

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How the matter was addressed in our audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group has significant intangible assets under development and property, plant and equipment where certain products are under development or in their early stage of commercialisation in certain key developed markets as of 31 March 2022.</td>
<td>Our audit procedures in relation to impairment testing includes the following:</td>
</tr>
<tr>
<td>As the products are yet to be launched or in their initial stages of commercialisation, revenue and profitability are yet to reach its desired levels and hence, there is a risk of impairment in the event the carrying amount of the aforesaid assets are lower than its recoverable value. Company’s assessment of recoverable value to test for impairment contains a number of parameters which involve significant judgements and estimates including weighted average cost of capital, revenue growth, expected market share and price erosion. Changes in these assumptions could lead to an impairment to the carrying value of these assets.</td>
<td>• Tested the design and operating effectiveness of the Group’s controls around the impairment testing;</td>
</tr>
<tr>
<td>Accordingly, we have focused our audit work in this area.</td>
<td>• Evaluating assumptions used by the Company in assessing the recoverability of assets - in particular, revenue and cash flow projections;</td>
</tr>
<tr>
<td>For further information on the carrying value of intangible assets and property, plant and equipment refer to:</td>
<td>• Involving our valuation specialists to assist us in evaluating the valuation methodologies and assumptions used by the Company;</td>
</tr>
<tr>
<td>- Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(i), and</td>
<td>• Evaluating Company’s assessment of key inputs by considering third party sources and the impact on future cash inflows due to actions by competitors or changes in relevant market conditions;</td>
</tr>
<tr>
<td>- financial disclosures as disclosed in Intangible assets - Note 4(a) of the Consolidated Financial Statements for the year ended March 31, 2022.</td>
<td>• Inquired with the Company about potential impact of COVID-19 situation and its assessment of the likelihood of delay in product approvals, thereby impacting valuation;</td>
</tr>
<tr>
<td>• Evaluating the sensitivity analysis carried out by the Company in respect of certain key estimates to assess the level of sensitivity to key assumptions.</td>
<td>• Evaluating the sensitivity analysis carried out by the Company in respect of certain key estimates to assess the level of sensitivity to key assumptions.</td>
</tr>
</tbody>
</table>

**Taxation**

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How the matter was addressed in our audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group operates across different tax jurisdictions around the world and is subject to complexities with respect to various tax positions on matters such as:</td>
<td>Our audit procedures in relation to Taxation include the following:</td>
</tr>
<tr>
<td>- deductibility of transactions</td>
<td>• Tested the design and operating effectiveness of the Group’s controls around the tax computation and tax matters;</td>
</tr>
<tr>
<td>- availability of tax incentives / exemptions,</td>
<td>• We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;</td>
</tr>
<tr>
<td>- cross border transfer pricing arrangements etc.</td>
<td>• We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;</td>
</tr>
<tr>
<td>Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.</td>
<td>• We analysed the Company’s judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;</td>
</tr>
<tr>
<td>The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.</td>
<td></td>
</tr>
</tbody>
</table>
### Taxation

**The key audit matter**

Where the amount of tax liabilities are uncertain, the Group recognizes accruals which reflect its best estimate of the outcome based on the facts known in the relevant jurisdiction. Accordingly, we focused on this area.

The Group also has significant deferred tax assets in a subsidiary primarily comprising of Minimum Alternate Tax (‘MAT’) entitlement credits on account of tax holiday benefits, which would expire over a period of 15 years. Assessment of recoverability of such MAT credits require Group to prepare forecasts for future profitability and potential tax liabilities, which involves significant judgment and accordingly was an area of focus for us.

For further information refer to:
- the Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(n) and
- financial disclosures set out in Note 38 for Tax expense and Note 34 for contingent liabilities in the Consolidated Financial Statements for the year ended March 31, 2022.

**How the matter was addressed in our audit**

- We also considered external legal opinions and consultations made by the Company for key matters during current and past periods;
- We used our own tax specialists’ expertise to assess key assumptions made by the Company;
- With respect to our assessment of recoverability of MAT, our audit procedures included:
  - Assessing the revenue and profit forecast against the historical performance and assessing the relevant component’s plans with respect to new undertakings being setup having tax holiday benefits; and
  - Assessing the sensitivity of key assumptions including the growth rate and tax holiday benefit for future years on the ability to utilize the MAT credits.

### Financial instrument- hedge accounting

**The key audit matter**

The Group enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.

The Group designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: “Financial Instruments”. COVID-19 has an impact on operations and thereby impacted Group’s estimates relating to occurrence of the highly probable forecasted transactions. A hedging relationship can no longer be continued if the Company concludes forecasted transactions are not likely to occur. Given the uncertainties relating to COVID-19, judgments and estimates relating to hedge accounting were inherently complex.

Refer Note 2(c) and 36 to the Consolidated Financial Statements

**How the matter was addressed in our audit**

Our audit procedures in relation to hedge accounting include the following, amongst others:

- Tested the design and operating effectiveness of the Group’s controls around hedge accounting;
- We involved our internal valuation specialists to assess the fair value of the derivatives by testing sample contracts.
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned.
- We analysed the revised estimate of highly probable forecasted transactions and tested the impact of ineffective hedges.
- We challenged Company’s assertion relating to its ability to meet its forecasts on account of COVID-19, to be able to assert that hedge accounting can be continued by analysing various scenarios to conclude there was no significant impact on the year-end financial statements.
### Revenue and receivables

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How the matter was addressed in our audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.</td>
<td>Our audit procedures in relation to revenue recognition includes the following:</td>
</tr>
<tr>
<td>Control is usually transferred upon shipment, delivery to certain named location, or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers and other terms generally recognised under internationally accepted commercial arrangements. Additionally under certain bill and hold arrangements revenues are recognised based on specific requests from the customer to invoice certain goods pending deliveries at period end based on the specific criteria as required under IndAS 115: Revenue from Contracts with Customers. The Group also recognises revenues from certain profit-sharing arrangements which requires the Group to make certain estimates based on information received from its customers which in certain instances involves judgments. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable.</td>
<td>• Assessed the appropriateness of the Group’s revenue recognition accounting policies and assessed compliance with the policies in terms of applicable accounting standards.</td>
</tr>
<tr>
<td>Revenue is one of the key performance indicators of the Group and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer.</td>
<td>• Tested the design and operating effectiveness of the Group’s controls around revenue recognition.</td>
</tr>
<tr>
<td>Further, the Company has significant trade receivables at year end including certain balances with related parties. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgment is required to evaluate the adequacy of allowance recorded to reflect the risk.</td>
<td>• Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/contracts and shipping documents.</td>
</tr>
<tr>
<td>Refer to Note 2(l) of the summary of significant accounting policies to the consolidated financial statements</td>
<td>• For bill and hold arrangements substantively tested the specific requests from customers at the period end to evaluate transfer of control.</td>
</tr>
<tr>
<td></td>
<td>• For revenue from profit share arrangements we verified communications from customers and other correspondences to assess the amounts to be recognised at period end.</td>
</tr>
<tr>
<td></td>
<td>• Assessing journal entries posted to revenue to identify unusual items not already covered by our audit testing</td>
</tr>
<tr>
<td></td>
<td>• Evaluated management’s assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance on receivables.</td>
</tr>
</tbody>
</table>

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

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board Reports, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the consolidated financial statements and our Auditors’ Report thereon) which we obtained prior to the date of this Auditor’s Report and the remaining section of the Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor’s Report, 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.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management’s and Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Holding Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of each company.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group and its associates and joint venture to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled “Other Matters” in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

(a) We did not audit the financial statements / financial information of a subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustments) of ₹ 34,644 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 7,867 million and net cash flows (before consolidation adjustments) amounting to ₹ 106 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group’s share of net loss (and other comprehensive income) of ₹ 39 million for the year ended 31 March 2022, in respect of a joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, and our report in terms of sub-section (3) of Section 143
of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

This subsidiary and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company’s management has converted the financial statements/financial information of such subsidiary and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and joint venture located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint venture as were audited by other auditors, as noted in the “Other Matters” paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of a subsidiary and a joint venture, as noted in the “Other Matters” paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 34 to the consolidated financial statements.
b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 36 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint venture.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated 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 Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or 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 45 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) As stated in Note 47 to the consolidated financial statements, the Board of Directors of the Holding Company and a subsidiary company incorporated in India has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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 remuneration paid during the current year by the Holding Company and its subsidiary companies which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies are not in excess of the limit laid down under Section 197 of the Act. 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.
Annexure A to the Independent Auditors’ Report

With reference to the Annexure A referred to in the Independent Auditor’s Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

xxi. In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the entities</th>
<th>CIN</th>
<th>Holding Company/ Subsidiary/ JV/ Associate</th>
<th>Clause number of the CARO report which is unfavourable or qualified or adverse</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biocon Limited</td>
<td>L24234KA1978PLC003417</td>
<td>Holding Company</td>
<td>3(i)(c)</td>
</tr>
<tr>
<td>2</td>
<td>Biocon Pharma Limited</td>
<td>U24232KA2014PLC077036</td>
<td>Subsidiary</td>
<td>3(xvii)</td>
</tr>
<tr>
<td>3</td>
<td>Biocon Biosphere Limited</td>
<td>U24304KA2019PLC130965</td>
<td>Subsidiary</td>
<td>3(ix)(d); 3(xvii)</td>
</tr>
<tr>
<td>4</td>
<td>Biofusion Therapeutics Limited</td>
<td>U73100KA2021PLC145487</td>
<td>Subsidiary</td>
<td>3(ix)(d)</td>
</tr>
</tbody>
</table>

for B S R & Co. LLP
Chartered Accountants
Firm’s Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAOXY1686

Place: Bangalore
Date: 28 April 2022
Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Biocon Limited (hereinafter referred to as “the Holding Company”) and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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”).

Management’s Responsibility for Internal Financial Controls

The respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with reference to Consolidated Financial Statements

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

**Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**
Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Bangalore  
Date: 28 April 2022
## CONSOLIDATED Balance Sheet as at March 31, 2022

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

<table>
<thead>
<tr>
<th>Note</th>
<th>ASSETS</th>
<th>As at March 31, 2022</th>
<th>As at March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Property, plant and equipment</td>
<td>3</td>
<td>56,767</td>
</tr>
<tr>
<td></td>
<td>Capital work-in-progress</td>
<td>3</td>
<td>34,203</td>
</tr>
<tr>
<td></td>
<td>Right-of-use assets</td>
<td>4(b)</td>
<td>2,673</td>
</tr>
<tr>
<td></td>
<td>Goodwill</td>
<td>4(a)</td>
<td>264</td>
</tr>
<tr>
<td></td>
<td>Other intangible assets</td>
<td>4(a)</td>
<td>5,986</td>
</tr>
<tr>
<td></td>
<td>Intangible assets under development</td>
<td>4(a)</td>
<td>6,901</td>
</tr>
<tr>
<td></td>
<td>Investment in associates and a joint venture</td>
<td>39(d)</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Financial assets</td>
<td>5</td>
<td>3,622</td>
</tr>
<tr>
<td></td>
<td>(i) Investments</td>
<td>10</td>
<td>12,177</td>
</tr>
<tr>
<td></td>
<td>(ii) Trade receivables</td>
<td>11</td>
<td>20,582</td>
</tr>
<tr>
<td></td>
<td>(iii) Cash and cash equivalents</td>
<td>12</td>
<td>6,630</td>
</tr>
<tr>
<td></td>
<td>(iv) Bank balances other than (iii) above</td>
<td>12</td>
<td>10,845</td>
</tr>
<tr>
<td></td>
<td>(v) Derivative assets</td>
<td>1,223</td>
<td>833</td>
</tr>
<tr>
<td></td>
<td>(vi) Loans</td>
<td>6(b)</td>
<td>671</td>
</tr>
<tr>
<td></td>
<td>(vii) Other financial assets</td>
<td>6(a)(ii)</td>
<td>4,506</td>
</tr>
<tr>
<td></td>
<td>Other current assets</td>
<td>39(b)</td>
<td>4,207</td>
</tr>
<tr>
<td></td>
<td>Assets classified as held for sale</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total non-current assets</td>
<td></td>
<td>1,20,117</td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td></td>
<td>83,823</td>
</tr>
<tr>
<td></td>
<td>Inventories</td>
<td>9</td>
<td>22,982</td>
</tr>
<tr>
<td></td>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) Investments</td>
<td>10</td>
<td>12,177</td>
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</tr>
<tr>
<td></td>
<td>(v) Derivative assets</td>
<td>1,223</td>
<td>833</td>
</tr>
<tr>
<td></td>
<td>(vi) Loans</td>
<td>6(b)</td>
<td>671</td>
</tr>
<tr>
<td></td>
<td>(vii) Other financial assets</td>
<td>6(a)(ii)</td>
<td>4,506</td>
</tr>
<tr>
<td></td>
<td>Other current assets</td>
<td>39(b)</td>
<td>4,207</td>
</tr>
<tr>
<td></td>
<td>Assets classified as held for sale</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Current Assets</td>
<td></td>
<td>83,823</td>
</tr>
<tr>
<td></td>
<td>Total Assets</td>
<td></td>
<td>2,03,940</td>
</tr>
</tbody>
</table>

|      | EQUITY AND LIABILITIES |  |  |
|      | EQUITY |  |  |
|      | Equity share capital | 13(a) | 6,003 | 6,000 |
|      | Other equity | 13(b) | 78,322 | 70,269 |
|      | Equity attributable to owners of the Company |  | 84,325 | 76,269 |
|      | Non-controlling interests |  | 10,375 | 8,807 |
|      | Total equity |  | 94,700 | 85,076 |
|      | Non-current liabilities |  | 70,500 | 58,046 |
|      | Financial liabilities |  |  |  |
|      | (i) Borrowings | 14 | 39,985 | 29,616 |
|      | (ii) Lease liabilities | 15 | 2,151 | 1,141 |
|      | (iii) Derivative liabilities | 16 | 136 | 618 |
|      | (iv) Other financial liabilities | 17(a) | 15,033 | 15,033 |
|      | Provisions | 7 | 917 | 1,062 |
|      | Deferred tax liabilities (net) | 16(b) | 523 | 323 |
|      | Other non-current liabilities | 18(a) | 12,151 | 10,253 |
|      | Total non-current liabilities |  | 70,500 | 58,046 |
|      | Current liabilities |  | 38,280 | 42,101 |
|      | Financial liabilities |  |  |  |
|      | (i) Borrowings | 19 | 9,055 | 13,970 |
|      | (ii) Lease liabilities | 15 | 211 | 84 |
|      | (iii) Trade payables | 20 | 1,036 | 770 |
|      | - total outstanding dues of micro and small enterprises |  | 15,049 | 14,369 |
|      | (iv) Derivative liabilities | 16(b) | 3,632 | 3,816 |
|      | (v) Other financial liabilities | 17(b) | 3,105 | 1,094 |
|      | Provisions | 18(b) | 1,018 | 1,524 |
|      | Current tax liabilities, net |  | 6,250 | 5,810 |
|      | Other current liabilities |  | 250 | 404 |
|      | Total current liabilities |  | 38,280 | 42,101 |
|      | Total |  | 2,03,940 | 1,85,223 |

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573
Bengaluru
April 28, 2022

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary
## CONSOLIDATED Statement of Profit and Loss

for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th>Note No.</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operations</td>
<td>21 81,840</td>
<td>71,431</td>
</tr>
<tr>
<td>Other income</td>
<td>22 2,127</td>
<td>2,545</td>
</tr>
<tr>
<td><strong>Total income (I)</strong></td>
<td><strong>83,967</strong></td>
<td><strong>73,976</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of materials consumed</td>
<td>23 28,139</td>
<td>24,302</td>
</tr>
<tr>
<td>Purchases of stock-in-trade</td>
<td></td>
<td>1,611</td>
</tr>
<tr>
<td>Changes in inventories of finished goods, work-in-progress and stock-in-trade</td>
<td>24 (2,546)</td>
<td>(2,961)</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>25 18,801</td>
<td>17,410</td>
</tr>
<tr>
<td>Finance costs</td>
<td>26 676</td>
<td>577</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>27 8,142</td>
<td>7,151</td>
</tr>
<tr>
<td>Other expenses</td>
<td>28 20,917</td>
<td>18,563</td>
</tr>
<tr>
<td><strong>Less: Recovery of cost from co-development partners (net)</strong></td>
<td><strong>(4,764)</strong></td>
<td><strong>(3,507)</strong></td>
</tr>
<tr>
<td><strong>Total expenses (II)</strong></td>
<td><strong>75,720</strong></td>
<td><strong>66,138</strong></td>
</tr>
<tr>
<td>Profit before tax, share of profit/(loss) of joint venture and associate and exceptional items (I-II)</td>
<td><strong>13,011</strong></td>
<td><strong>11,345</strong></td>
</tr>
<tr>
<td>Share of loss of joint venture and associates, net</td>
<td></td>
<td>(2,069)</td>
</tr>
<tr>
<td><strong>Profit before tax and exceptional items</strong></td>
<td><strong>10,942</strong></td>
<td><strong>10,551</strong></td>
</tr>
<tr>
<td>Exceptional items, net</td>
<td>32 (1,111)</td>
<td>126</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>9,831</strong></td>
<td><strong>10,677</strong></td>
</tr>
<tr>
<td><strong>Tax expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current tax</td>
<td>38 2,204</td>
<td>1,966</td>
</tr>
<tr>
<td>Deferred tax (credit) / charge</td>
<td></td>
<td>235</td>
</tr>
<tr>
<td>MAT credit utilised/(entitlement), net</td>
<td></td>
<td>(259)</td>
</tr>
<tr>
<td>Other deferred tax</td>
<td></td>
<td>508</td>
</tr>
<tr>
<td><strong>Total tax expense</strong></td>
<td><strong>2,115</strong></td>
<td><strong>2,215</strong></td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>7,716</strong></td>
<td><strong>8,462</strong></td>
</tr>
</tbody>
</table>

### Other comprehensive income (OCI)

(i) Items that will not be reclassified subsequently to profit or loss

- Re-measurement on defined benefit plans | 103 | (20) |
- Equity instruments through OCI | (736) | 731 |
- Income tax effect | 75 | (48) |
- **(558)** | **663** |

(ii) Items that may be reclassified subsequently to profit or loss

- Effective portion of gains/ (losses) on hedging instrument in cash flow hedges | 1,410 | 2,013 |
- Exchange difference on translation of foreign operations | 717 | (171) |
- Income tax effect | (467) | (360) |
- **1,660** | **1,462** |
| **Total comprehensive income for the year, net of taxes** | **1,102** | **2,145** |
| **Total comprehensive income for the year** | **8,818** | **10,607** |

### Profit attributable to:

- Shareholders of the Company | 6,484 | 7,405 |
- Non-controlling interests | 1,232 | 1,057 |
- **Profit for the year** | **7,716** | **8,462** |

### Other comprehensive income attributable to:

- Shareholders of the Company | 967 | 1,582 |
- Non-controlling interests | 135 | 563 |
- **Other comprehensive income for the year** | **1,102** | **2,145** |
| **Total comprehensive income attributable to:** |                           |                           |
| Shareholders of the Company | 7,451 | 8,987 |
| Non-controlling interests | 1,367 | 1,620 |
| **Total comprehensive income for the year** | **8,818** | **10,607** |

### Earnings per equity share

<table>
<thead>
<tr>
<th></th>
<th>Basic (in ₹)</th>
<th>Diluted (in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.44</td>
<td>6.24</td>
</tr>
</tbody>
</table>

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer

Mayank Verma
Company Secretary

Bengaluru
April 28, 2022
## CONSOLIDATED Statement of Changes in Equity for the year ended March 31, 2022

### (A) Equity share capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2022</th>
<th>As at March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Issued during the year</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>6,003</td>
<td>6,000</td>
</tr>
</tbody>
</table>

### (B) Other equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Securities premium</th>
<th>Equity portion of optionally convertible debentures (refer note 14(I))</th>
<th>Revaluation reserve</th>
<th>Debenture redemption reserve</th>
<th>Capital redemption reserve</th>
<th>General reserve</th>
<th>Retained earnings</th>
<th>SEZ Re-investment reserve</th>
<th>Share based payment reserve</th>
<th>Treasury shares</th>
<th>Cash flow hedging reserves</th>
<th>Other items of other comprehensive income</th>
<th>Total other equity</th>
<th>Non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at April 01, 2020</td>
<td>2.38</td>
<td>9</td>
<td>-</td>
<td>801</td>
<td>1,617</td>
<td>53,141</td>
<td>-</td>
<td>1,088</td>
<td>(1,343)</td>
<td>-</td>
<td>2,186</td>
<td>(1,290)</td>
<td>(3,887)</td>
<td>61,058</td>
<td>6,773</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transfer to Special Economic Zone (SEZ) re-investment reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transactions with Owners directly recorded in equity:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Share based payment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Loss of control in subsidiary</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Purchase of the treasury shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Change in fair value of gross liability on written put options</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Equity component of optionally convertible debentures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transfer to capital redemption reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transfer to debenture redemption reserve</td>
<td>-</td>
<td>-</td>
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<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Exd of share options</td>
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<td>1,325</td>
<td>-</td>
<td>-</td>
<td>(868)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167</td>
<td>236</td>
</tr>
<tr>
<td>Balance at March 31, 2021</td>
<td>679</td>
<td>959</td>
<td>9</td>
<td>1,215</td>
<td>1,282</td>
<td>801</td>
<td>1,617</td>
<td>9,541</td>
<td>(1,343)</td>
<td>2,186</td>
<td>1,088</td>
<td>(1,290)</td>
<td>(3,887)</td>
<td>61,058</td>
<td>6,773</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transfer to Special Economic Zone (SEZ) re-investment reserve</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transactions with Owners directly recorded in equity:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Share based payment</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Purchase of the treasury shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Modification impact of OCD (refer note 14(I))</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Transfer to debenture redemption reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(868)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167</td>
<td>236</td>
</tr>
<tr>
<td>Exd of share options</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0.84</td>
</tr>
<tr>
<td>Balance at March 31, 2022</td>
<td>1,192</td>
<td>-</td>
<td>9</td>
<td>1,363</td>
<td>1,282</td>
<td>801</td>
<td>1,617</td>
<td>68,273</td>
<td>2,041</td>
<td>(324)</td>
<td>2,732</td>
<td>579</td>
<td>(1,258)</td>
<td>76,322</td>
<td>10,375</td>
</tr>
</tbody>
</table>

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

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573
Bengaluru
April 28, 2022

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

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary
Bengaluru
April 28, 2022

The accompanying notes are an integral part of the Consolidated financial statements.
Statement of Consolidated Cash Flows for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>7,716</td>
<td>8,462</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile profit for the year to net cash flows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>8,142</td>
<td>7,151</td>
</tr>
<tr>
<td>Tax expense</td>
<td>2,115</td>
<td>2,215</td>
</tr>
<tr>
<td>Unrealised foreign exchange loss</td>
<td>86</td>
<td>9</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>1,257</td>
<td>1,060</td>
</tr>
<tr>
<td>Provision/(reversal) of doubtful debts, net</td>
<td>240</td>
<td>-</td>
</tr>
<tr>
<td>Bad debts written off</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Interest expense</td>
<td>676</td>
<td>577</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,121)</td>
<td>(770)</td>
</tr>
<tr>
<td>Net loss/(gain) on financial assets measured at fair value through profit or loss</td>
<td>286</td>
<td>(29)</td>
</tr>
<tr>
<td>Net gain on sale of current investments</td>
<td>(133)</td>
<td>(84)</td>
</tr>
<tr>
<td>Loss on sale of property, plant and equipment (net)</td>
<td>23</td>
<td>73</td>
</tr>
<tr>
<td>Gain on dilution of interest in a associate / subsidiary</td>
<td>(299)</td>
<td>(1,597)</td>
</tr>
<tr>
<td>Share of loss of joint venture/ associates</td>
<td>2,069</td>
<td>794</td>
</tr>
<tr>
<td>Proceeds from insurance company</td>
<td>105</td>
<td>245</td>
</tr>
<tr>
<td>Exceptional items, net</td>
<td>1,111</td>
<td>(350)</td>
</tr>
<tr>
<td><strong>Operating profit before changes in operating assets and liabilities</strong></td>
<td>22,281</td>
<td>17,773</td>
</tr>
<tr>
<td>Movement in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) in inventories</td>
<td>(4,140)</td>
<td>(4,454)</td>
</tr>
<tr>
<td>(Increase) in trade receivables</td>
<td>(4,736)</td>
<td>(2,788)</td>
</tr>
<tr>
<td>(Increase) in other assets</td>
<td>(637)</td>
<td>(98)</td>
</tr>
<tr>
<td>Increase in trade payable, other liabilities and provisions</td>
<td>1,618</td>
<td>3,102</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>14,386</td>
<td>13,535</td>
</tr>
<tr>
<td>Income taxes paid (net of refunds)</td>
<td>(2,620)</td>
<td>(1,938)</td>
</tr>
<tr>
<td><strong>Net cash flow generated from operating activities</strong></td>
<td>11,766</td>
<td>11,597</td>
</tr>
<tr>
<td>II Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(16,978)</td>
<td>(15,169)</td>
</tr>
<tr>
<td>Payment of intangible assets</td>
<td>(2,270)</td>
<td>(2,294)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>21</td>
<td>96</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(43,020)</td>
<td>(68,433)</td>
</tr>
<tr>
<td>Proceeds from sale of current investments</td>
<td>46,456</td>
<td>62,763</td>
</tr>
<tr>
<td>Investment in bank deposits and inter-corporate deposits</td>
<td>(34,916)</td>
<td>(28,559)</td>
</tr>
<tr>
<td>Redemption/ maturity of bank deposits and inter-corporate deposits</td>
<td>33,794</td>
<td>15,717</td>
</tr>
<tr>
<td>Decrease in cash arising from loss of control</td>
<td>-</td>
<td>(1,020)</td>
</tr>
<tr>
<td>Loan given to associate</td>
<td>(674)</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>596</td>
<td>652</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(16,991)</td>
<td>(36,247)</td>
</tr>
<tr>
<td>III Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(3)</td>
<td>(93)</td>
</tr>
<tr>
<td>Proceeds from exercise of share options</td>
<td>428</td>
<td>407</td>
</tr>
<tr>
<td>Proceeds from issuance of shares by subsidiary, net of expense</td>
<td>-</td>
<td>7,663</td>
</tr>
</tbody>
</table>
**Statement of Cash Flows** for the year ended March 31, 2022

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of non convertible debentures by subsidiary</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Proceeds from issuance of optionally convertible debentures by subsidiary</td>
<td>-</td>
<td>11,016</td>
</tr>
<tr>
<td>Proceeds from non-current borrowings</td>
<td>10,701</td>
<td>13,553</td>
</tr>
<tr>
<td>Repayment of non-current borrowings</td>
<td>(10,949)</td>
<td>(7,336)</td>
</tr>
<tr>
<td>Proceeds/ (Repayment) of current borrowings (net)</td>
<td>3,461</td>
<td>(345)</td>
</tr>
<tr>
<td>Repayment of lease liabilities, net</td>
<td>(121)</td>
<td>(65)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,096)</td>
<td>(1,160)</td>
</tr>
<tr>
<td><strong>Net cash flow generated from financing activities</strong></td>
<td><strong>2,421</strong></td>
<td><strong>25,640</strong></td>
</tr>
<tr>
<td>IV  Net (decrease)/ increase in cash and cash equivalents (I + II + III)</td>
<td><strong>(2,804)</strong></td>
<td>990</td>
</tr>
<tr>
<td>V Effect of exchange differences on cash and cash equivalents held in foreign currency</td>
<td>33</td>
<td>71</td>
</tr>
<tr>
<td>VI Cash and cash equivalents at the beginning of the year</td>
<td>8,970</td>
<td>8,247</td>
</tr>
<tr>
<td>VII Cash and cash equivalents classified as held for sale</td>
<td>338</td>
<td>(338)</td>
</tr>
<tr>
<td>VIII Cash and cash equivalents at the end of the year (IV + V + VI + VII)</td>
<td><strong>6,537</strong></td>
<td><strong>8,970</strong></td>
</tr>
</tbody>
</table>

**Reconciliation of cash and cash equivalents as per statement of cash flows**

Cash and cash equivalents [note 12]

| Balances with banks - on current accounts       | 6,326       | 9,372      |
| Balances with Banks - on unpaid dividend accounts* | 4          | 5          |
| Deposits with original maturity of less than 3 months | 300       | 154        |

**Total**                                                                 | **6,630**   | **9,531**  |

Cash credits [note 19]

| Balance as per statement of cash flows | 6,537       | 8,970      |

*The Group can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Opening balance April 1, 2021</th>
<th>Cash flows</th>
<th>Non-cash movement</th>
<th>Closing balance March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non- current borrowings (including current maturities)</td>
<td>37,644</td>
<td>(248)</td>
<td>2,684</td>
<td>40,080</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>5,381</td>
<td>3,461</td>
<td></td>
<td>8,867</td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>125</td>
<td>(1,096)</td>
<td>1,111</td>
<td>140</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>43,150</td>
<td>2,117</td>
<td>3,820</td>
<td>49,087</td>
</tr>
</tbody>
</table>

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Opening balance April 1, 2020</th>
<th>Cash flows</th>
<th>Non-cash movement ^</th>
<th>Closing balance March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non- current borrowings (including current maturities)</td>
<td>19,578</td>
<td>19,233</td>
<td>(1,167)</td>
<td>37,644</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>5,822</td>
<td>(345)</td>
<td>(96)</td>
<td>5,811</td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>14</td>
<td>(1,160)</td>
<td>(1,271)</td>
<td>125</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>25,414</td>
<td>17,728</td>
<td>8</td>
<td>43,150</td>
</tr>
</tbody>
</table>

^ includes equity component of Optionally convertible debentures (“OCD”) amounting to ₹ 959. [Refer note 14 (i)]

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

**Sampad Guha Thakurta**
Partner
Membership No. 060573
Bengaluru
April 28, 2022

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

**Kiran Mazumdar-Shaw**
Executive Chairperson
DIN: 00347229

**Siddharth Mittal**
Managing Director & CEO
DIN: 03230757

**Indranil Sen**
Chief Financial Officer

**Mayank Verma**
Company Secretary

Bengaluru
April 28, 2022
1. Company Overview

1.1 Reporting entity

Biocon Limited (“Biocon” or the “parent company” or “the Company”), together with its subsidiaries, joint venture and associates (collectively, the “Group”) is engaged in the manufacture of biotechnology products and research services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company’s shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

0.2 Basis of preparation of financial statements

a. Statement of compliance

The consolidated 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.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date, March 31, 2022. These consolidated financial statements were authorised for issuance by the Company’s Board of Directors on April 28, 2022.

Details of the Group’s accounting policies are included in Note 2.

b. Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries and associates whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

c. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

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

• Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations

d. Use of estimates and judgements

The preparation of the consolidated 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 consolidated 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 notes:

- Note 1.2(b) — Assessment of functional currency;
- Note 2(c) and 36 — Financial instruments;
- Note 2(d), 2(e) and 2(f) — Useful lives of property, plant and equipment and intangible assets
- Note 2(i) and 15 — Lease, whether an agreement contains a lease;
- Note 2(j) and 36 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 30 — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets
- Note 2(l) and 21 — Revenue Recognition: whether revenue from sale of product and licensing income is recognized over time or at a point in time;
- Note 16 — Liability on written put options;
- Note 17 and 34 — Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 2(j) and 35 — Measurement of defined benefit obligations: key actuarial assumptions; and
- Note 36 — Impairment of financial assets.

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, 2022 is included in the following notes:

- Note 2(i) — Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2(n), 7 and 38 — Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 17 and 34 — Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 2(j) and 35 — Measurement of defined benefit obligations: key actuarial assumptions; and
- Note 36 — Impairment of financial assets.

Measurement of fair values

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

Fair values are categorised 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 Group 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.
The Group 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 Group 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 categorised 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 Group recognises 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 the following notes:

— Note 30 — share-based payment arrangements;

— Note 2(c) & 36 — financial instruments.

2. Significant accounting policies
   
a. Basis of consolidation
   
i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree’s net identifiable assets at the date of acquisition.

Changes in the Group’s equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.
iii. **Associates and joint arrangements (equity accounted investees)**

The Group’s interests in equity accounted investees comprise interests in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and other comprehensive income (OCI) of equity - accounted investees until the date on which significant influence or joint control ceases.

b. **Foreign currency**

i. **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

Under previous GAAP exchange differences arising on restatement of long-term foreign currency monetary items related to acquisition of depreciable assets was added to/ deducted from the cost of the depreciable assets. In accordance with Ind AS 101 First time adoption of Indian Accounting Standards the Group continues the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements as on March 31, 2016.

ii. **Foreign operations**

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

c. **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 Group 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 – equity investment; or
— Fair value through profit and loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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 Group 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 Group 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 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 or loss. However, see Note 36 for derivatives designated as hedging instruments.
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 or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Debt

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or 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 profit or loss.

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 or 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 or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

iii. De-recognition of financial instruments

Financial assets

The Group derecognises 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

When the Group 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 of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also de-recognises 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 or loss.

iv. Offsetting

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

Financial liabilities: Classification, subsequent measurement and gains and losses
v. **Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

**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 or 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 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 profit or loss.

vi. **Treasury shares**

The Group has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

vii. **Cash and cash equivalents**

Cash and cash equivalents 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 Group’s cash management.

viii. **Cash dividend to equity holders**

The Group recognises a liability to make cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.
d. Property, plant and equipment

i. Recognition and measurement

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 or loss.

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

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.

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Assets Classification</th>
<th>Management estimate of useful life</th>
<th>Useful life as per Schedule II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>Building</td>
<td>25-30 years</td>
<td>30 years</td>
</tr>
<tr>
<td>Roads</td>
<td>Building</td>
<td>5-12 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Plant and equipment (including Electrical installation and Lab equipment)</td>
<td>Plant and Machinery</td>
<td>9-15 years</td>
<td>8-20 years</td>
</tr>
<tr>
<td>Computers and servers</td>
<td>Plant and Machinery</td>
<td>3 years</td>
<td>3-6 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>Plant and Machinery</td>
<td>3- 5 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Research and development equipment</td>
<td>Research and development equipment</td>
<td>9 years</td>
<td>5-10 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>Furniture and fixtures</td>
<td>6 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Vehicles</td>
<td>6 years</td>
<td>6-10 years</td>
</tr>
<tr>
<td>Asset</td>
<td>Assets Classification</td>
<td>Management estimate of useful life</td>
<td>Useful life as per Schedule II</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Leasehold improvements</td>
<td>5 years or lease period whichever is lower</td>
<td></td>
</tr>
<tr>
<td>Leasehold land</td>
<td>Land and Right to use-assets</td>
<td>90 years or lease period whichever is lower</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

iii. **Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

e. **Goodwill and other intangible assets**

i. **Goodwill**

For measurement of goodwill that arises on a business combination. Subsequent measurement is at cost less any accumulated impairment losses.

ii. **Other intangible assets**

   Internally generated: Research and development

   Expenditure on research activities is recognised in statement of profit or loss as incurred.

   Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

   **Others**

   Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

iii. **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.
iv. Amortisation

Goodwill is not amortised and is tested for impairment annually.

Other intangible assets are amortised on a straight line basis over the estimated useful life as follows:

- Computer software      3-5 years
- Marketing and Manufacturing rights      5-10 years
- Developed technology rights     5-10 years
- Customer related intangibles     5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years.

Any gain or loss on disposal of an investment property is recognised in statement of profit or loss.

g. Business combination

In accordance with Ind AS 103, Business combinations, the Group accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.
Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

i. Impairment

i. Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies Expected Credit Loss (“ECL”) model for measurement and recognition of impairment loss on following:

— financial assets measured at amortised cost; and

— financial assets measured at FVOCI - debt investments.

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.

ii. Impairment of non-financial assets

The Group assesses 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 CGU exceeds its estimated recoverable amount in the statement of profit or loss.

Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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 Group’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 goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group 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.

j. 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 Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the
Company and its Indian subsidiaries. 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 Group.

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 group gratuity scheme.

The Group 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 and its Indian subsidiaries receive benefits from provident fund, which is a defined
contribution plan. Both the eligible employees and the respective Companies 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 a government administered provident fund. The
Companies have no further obligation to the plan beyond its monthly contributions.

iii. Compensated absences
The Group 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 is the period in which the absences occur.

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).

iv. Share-based compensation
The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under “share based payment reserve”. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

k. 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 Group 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.

**Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the Group 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 Group recognises any impairment loss on
the assets associated with that contract.

I. Revenue from contracts with customers
The Group has implemented new standard Ind-AS 115 ‘Revenue from Contracts with Customers’ effective April 1, 2018
using cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application.
The Group has evaluated its open arrangements on out-licensing with reference to upfront non-refundable fees received
in earlier periods and concluded that some of the performance obligations may not be distinct and hence would need
to be bundled with the subsequent product supply obligations. Accordingly standard is applied retrospectively only to
contracts that were not completed as at the date of initial application.

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 good 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 recognized
(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 sales 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 Group 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. Milestone payments and out licensing arrangements
The Group enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include
certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or
perfunctory, the Group recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar
payments from third parties for granting a license to product- or technology-related intellectual property (IP). These
agreements may be entered into with no further obligation or may include commitments to regulatory approval,
co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments
and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain
milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent
on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the
milestones are considered substantive, or over the period of continuing performance obligations, if the milestones are
not considered substantive. Whether to consider these commitments as a single performance obligation or separate
ones, or even being in scope of Ind-AS 115 ‘Revenues from Contracts with Customers’, is not straightforward and
requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception
and either being recognised at point in time or spread over the term of a longer performance obligation. Where
performance obligations may not be distinct, this will bundled with the subsequent product supply obligations.
The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

The Group recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Group expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

iii. **Contract research and manufacturing services income:**

Revenue is recognised upon transfer of control of promised services or compounds to customers in an amount that reflects the consideration we expect to receive in exchange for those services or compounds.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis, fixed price or on a sale of compounds.

In respect of contracts involving research services, in case of ‘time and materials’ contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of compounds arising out of contract research, 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 good 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 to the customer. 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 sales 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.

The consideration received by the group 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.

iv. **Royalty income and profit share**

The Royalty income and profit share earned through a License or collaboration partners is recognized as the underlying sales are recorded by the Licensee or collaboration partners.

v. **Sales Return Allowances**

The Group 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 Group’s estimate of expected sales returns. The estimate of sales return is determined primarily by the Group’s historical experience in the markets in which the Group operates.
vi. **Dividends**
Dividend is recognised when the Group’s right to receive the payment is established, which is generally when shareholders approve the dividend.

vii. **Rental income**
Rental income from investment property is recognised in statement of profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

viii. **Contribution received from customers/co-development partners towards plant and equipment**
Contributions received from customers/co-development partners towards items of property, plant and equipment which require an obligation to supply goods to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Group capitalises the gross cost of these assets as the Group controls these assets.

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

m. **Government grants**
The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortized over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

n. **Income taxes**
Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit or 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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

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 realise the asset and settle the liability on a net basis or simultaneously.

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:

— taxable temporary differences arising on the initial recognition of goodwill;

— 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 Group 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 tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.
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. Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The Group 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 realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

o. **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 of time to get ready for their intended use are capitalised as part of the cost of that asset.

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

p. **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.

q. **Operating segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments’ operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

r. **Leases**

(i) **The Group as lessee:**

The Group 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 assesses whether a contract conveys the right to control use of an identified asset, the Group assesses whether:

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

At the date of commencement of lease, the Group 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 and low value leases, the Group 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 Group 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 Group as a Lessor:
Leases for which the Group 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.

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

e. Exceptional items
Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

f. Recent accounting developments
Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.
### 3. Property, plant and equipment and Capital work-in-progress

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated) (\text{\text{\text{\text{\text{\text{\text{\text{lakh}\text{lakh}}}}}}}})

<table>
<thead>
<tr>
<th>Gross carrying amount</th>
<th>Land [Refer note (a)]</th>
<th>Buildings</th>
<th>Leasehold improvements</th>
<th>Plant and equipment [Refer note (c)]</th>
<th>Research &amp; development equipment</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Total</th>
<th>Capital work-in-progress [Refer note (e)]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At April 01, 2020</strong></td>
<td>2,687</td>
<td>18,395</td>
<td>29</td>
<td>58,803</td>
<td>2,952</td>
<td>1,225</td>
<td>174</td>
<td>84,265</td>
<td>15,765</td>
</tr>
<tr>
<td>Additions</td>
<td>46</td>
<td>739</td>
<td>52</td>
<td>6,507</td>
<td>571</td>
<td>260</td>
<td>28</td>
<td>8,203</td>
<td>14,997</td>
</tr>
<tr>
<td>Disposals/transfers</td>
<td>-</td>
<td>(59)</td>
<td>-</td>
<td>(179)</td>
<td>-</td>
<td>(4)</td>
<td>(45)</td>
<td>(287)</td>
<td>(8,203)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(38)</td>
<td>(195)</td>
<td>-</td>
<td>(425)</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
<td>(660)</td>
<td>(24)</td>
</tr>
<tr>
<td><strong>At March 31, 2021</strong></td>
<td>2,695</td>
<td>18,880</td>
<td>81</td>
<td>64,706</td>
<td>3,523</td>
<td>1,479</td>
<td>157</td>
<td>91,521</td>
<td>22,535</td>
</tr>
<tr>
<td>Additions</td>
<td>61</td>
<td>644</td>
<td>35</td>
<td>6,218</td>
<td>105</td>
<td>183</td>
<td>42</td>
<td>7,288</td>
<td>18,886</td>
</tr>
<tr>
<td>Disposals/transfers</td>
<td>-</td>
<td>(5)</td>
<td>-</td>
<td>(302)</td>
<td>(103)</td>
<td>(2)</td>
<td>(13)</td>
<td>(425)</td>
<td>(7,288)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>49</td>
<td>247</td>
<td>-</td>
<td>557</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>856</td>
<td>70</td>
</tr>
<tr>
<td><strong>At March 31, 2022</strong></td>
<td>2,805</td>
<td>19,766</td>
<td>116</td>
<td>71,179</td>
<td>3,525</td>
<td>1,663</td>
<td>186</td>
<td>99,240</td>
<td>34,203</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated depreciation</th>
<th>Land [Refer note (a)]</th>
<th>Buildings</th>
<th>Leasehold improvements</th>
<th>Plant and equipment [Refer note (c)]</th>
<th>Research &amp; development equipment</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Total</th>
<th>Capital work-in-progress [Refer note (e)]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At April 01, 2020</strong></td>
<td>-1,347</td>
<td>9</td>
<td>23,861</td>
<td>1,931</td>
<td>781</td>
<td>104</td>
<td>30,333</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>-740</td>
<td>4</td>
<td>4,823</td>
<td>183</td>
<td>125</td>
<td>21</td>
<td>5,896</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>(2)</td>
<td>-</td>
<td>(114)</td>
<td>-</td>
<td>(3)</td>
<td>(44)</td>
<td>(163)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(27)</td>
<td>-</td>
<td>(90)</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(118)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At March 31, 2021</strong></td>
<td>-4,358</td>
<td>13</td>
<td>28,480</td>
<td>2,114</td>
<td>902</td>
<td>81</td>
<td>35,948</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>-770</td>
<td>19</td>
<td>5,478</td>
<td>221</td>
<td>162</td>
<td>21</td>
<td>6,671</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>(5)</td>
<td>-</td>
<td>(289)</td>
<td>(43)</td>
<td>(2)</td>
<td>(6)</td>
<td>(345)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(27)</td>
<td>-</td>
<td>(90)</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(118)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At March 31, 2022</strong></td>
<td>-5,166</td>
<td>32</td>
<td>33,823</td>
<td>2,292</td>
<td>1,064</td>
<td>96</td>
<td>42,473</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Net carrying amount       | 2,695 | 14,522 | 68 | 36,226 | 1,409 | 577 | 76 | 55,573 | 22,535 |

| At March 31, 2022 | 2,805 | 14,600 | 84 | 37,356 | 1,233 | 599 | 90 | 56,767 | 34,203 |

(a) Land includes land held on lease under perpetual basis: Gross carrying amount ₹ 661 (March 31, 2021 - ₹ 661); Net carrying amount ₹ 661 (March 31, 2021 - ₹ 661).

(b) Borrowing costs capitalised during the year amounted to ₹ 1,610 (March 31, 2021 - ₹ 857).

(c) Plant and equipment include computers and office equipment.

(d) Foreign exchange loss, net of ₹ 66 (March 31, 2021 - ₹ 685) on long term foreign currency monetary liabilities relating to acquisition of a depreciable capital asset has been adjusted with the cost of such asset pursuant to option available on long-term foreign currency monetary items which were obtained before the beginning of the first Ind AS financial reporting period as per the previous GAAP [refer note 2(b)(i)].

(e) Capital work-in-progress as on March 31, 2022 mainly comprises new biopharmaceutical and research manufacturing units.

(f) For details of security on certain property, plant and equipment, refer note 14.
3. Property, plant and equipment and Capital work-in-progress (continued)

3 (a) Capital work in progress ageing schedule

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in CWIP for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>16,598</td>
<td>8,474</td>
</tr>
<tr>
<td>As at March 31, 2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects in progress</td>
<td>11,667</td>
<td>6,727</td>
</tr>
<tr>
<td>As at March 31, 2021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(i) There are no capital work-in-process which is temporarily suspended as at March 31, 2022 and as on March 31, 2021.

CWIP completion schedule (CWIP whose completion is overdue or has exceeded its cost compared to its original plan)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in CWIP for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Project 1</td>
<td>13,481</td>
<td>-</td>
</tr>
<tr>
<td>Project 2</td>
<td>-</td>
<td>1,637</td>
</tr>
<tr>
<td>Project 3</td>
<td>-</td>
<td>4,527</td>
</tr>
<tr>
<td>Project 4</td>
<td>287</td>
<td>-</td>
</tr>
<tr>
<td>Project 5</td>
<td>1,547</td>
<td>-</td>
</tr>
<tr>
<td>Project 7</td>
<td>231</td>
<td>-</td>
</tr>
<tr>
<td>Project 8</td>
<td>1,030</td>
<td>-</td>
</tr>
<tr>
<td>As at March 31, 2022</td>
<td></td>
<td>16,576</td>
</tr>
<tr>
<td>Project 1</td>
<td>-</td>
<td>10,159</td>
</tr>
<tr>
<td>Project 2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Project 3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Project 4</td>
<td>-</td>
<td>260</td>
</tr>
<tr>
<td>Project 5</td>
<td>-</td>
<td>964</td>
</tr>
<tr>
<td>Project 6</td>
<td>274</td>
<td>-</td>
</tr>
<tr>
<td>As at March 31, 2021</td>
<td></td>
<td>274</td>
</tr>
</tbody>
</table>
### 4 (a). Intangible assets

<table>
<thead>
<tr>
<th>Goodwill</th>
<th>Developed technology rights</th>
<th>Marketing and Manufacturing rights</th>
<th>Intangible assets</th>
<th>Customer related intangible</th>
<th>IP under commercialisation</th>
<th>Total</th>
<th>Products under development (internally generated)</th>
<th>Marketing rights</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At April 01, 2020</td>
<td>264</td>
<td>3,329</td>
<td>1,005</td>
<td>1,066</td>
<td>77</td>
<td>81</td>
<td>5,558</td>
<td>5,973</td>
<td>283</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>2,584</td>
<td>503</td>
<td>170</td>
<td>-</td>
<td>-</td>
<td>3,257</td>
<td>1,800</td>
<td>220</td>
</tr>
<tr>
<td>Disposals/transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>-</td>
<td>(123)</td>
<td>(29)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(152)</td>
<td>(119)</td>
<td>(1)</td>
</tr>
<tr>
<td>At March 31, 2021</td>
<td>264</td>
<td>5,790</td>
<td>1,479</td>
<td>1,236</td>
<td>77</td>
<td>81</td>
<td>8,663</td>
<td>5,070</td>
<td>502</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>345</td>
<td>154</td>
<td>335</td>
<td>-</td>
<td>-</td>
<td>834</td>
<td>1,467</td>
<td>146</td>
</tr>
<tr>
<td>Disposals/transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(345)</td>
<td>-</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>-</td>
<td>236</td>
<td>43</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>279</td>
<td>163</td>
<td>3</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>264</td>
<td>6,371</td>
<td>1,676</td>
<td>1,571</td>
<td>77</td>
<td>81</td>
<td>9,776</td>
<td>6,355</td>
<td>651</td>
</tr>
</tbody>
</table>

#### Accumulated amortisation

| At April 01, 2020 | - | 288 | 310 | 582 | 65 | 81 | 1,326 | 61 | - | 61 |
| Amortisation for the year | - | 732 | 176 | 167 | 12 | - | 1,087 | 44 | - | 44 |
| Foreign currency translation adjustment | - | (14) | (5) | - | - | - | (19) | - | - | - |
| At March 31, 2021 | - | 1,006 | 481 | 749 | 77 | 81 | 2,394 | 105 | - | 105 |
| Amortisation for the year | - | 889 | 225 | 196 | - | - | 1,310 | - | - | - |
| Foreign currency translation adjustment | - | 71 | 15 | - | - | - | 86 | - | - | - |
| At March 31, 2022 | - | 1,966 | 721 | 945 | 77 | 81 | 3,790 | 105 | - | 105 |

#### Net carrying amount

| At March 31, 2021 | 264 | 4,784 | 998 | 487 | - | - | 6,269 | 4,965 | 502 | 5,467 |
| At March 31, 2022 | 264 | 4,405 | 955 | 626 | - | - | 5,986 | 6,250 | 651 | 6,901 |

* Other intangible assets includes computer software and intellectual property rights.

### Intangible assets under development ageing schedule:

#### As at March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Intangible assets under development for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>1,724</td>
<td>1,348</td>
</tr>
<tr>
<td>Total</td>
<td>1,724</td>
<td>1,348</td>
</tr>
</tbody>
</table>

#### As at March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Intangible assets under development for a period of</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>1,383</td>
<td>2,652</td>
</tr>
<tr>
<td>Total</td>
<td>1,383</td>
<td>2,652</td>
</tr>
</tbody>
</table>

(i) There are no intangible assets under development which are temporarily suspended as at March 31, 2022 and as at March 31, 2021.
Intangible assets under development completion schedule (projects whose completion is overdue or has exceeded its cost compared to its original plan)

As at March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>To be completed in</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 1</td>
<td>2,288</td>
<td>-</td>
</tr>
<tr>
<td>As at March 31, 2022</td>
<td>2,288</td>
<td>-</td>
</tr>
</tbody>
</table>

As at March 31, 2021

<table>
<thead>
<tr>
<th>Particulars</th>
<th>To be completed in</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>1-2 years</td>
</tr>
<tr>
<td>Projects in progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 1</td>
<td>2,418</td>
<td>-</td>
</tr>
<tr>
<td>As at March 31, 2021</td>
<td>2,418</td>
<td>-</td>
</tr>
</tbody>
</table>

4 (b). Right-of-use assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Land</th>
<th>Right-of-use assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Buildings</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At April 01, 2020</td>
<td>374</td>
<td>942</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td>361</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>At March 31, 2021</td>
<td>374</td>
<td>1,290</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>At March 31, 2022</td>
<td>374</td>
<td>2,585</td>
</tr>
</tbody>
</table>

Accumulated depreciation

| At April 01, 2020    | 2    | 89       | 13       | 104   |
| Amortisation for the year | 2    | 102      | 20       | 124   |
| At March 31, 2021    | 4    | 191      | 33       | 228   |
| Amortisation for the year | 2    | 137      | 22       | 161   |
| Disposals/transfer   |      | -        | (12)     | (12)  |
| At March 31, 2022    | 6    | 328      | 43       | 377   |

Net carrying amount

| At March 31, 2021    | 370  | 1,099    | 64       | 1,533 |
| At March 31, 2022    | 368  | 2,257    | 48       | 2,673 |
5. Non-current investments

<table>
<thead>
<tr>
<th>I. Quoted equity instruments at fair value through other comprehensive income</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vaccinex Inc., USA - 299,226 (March 31, 2021 - 299,226) Common Stock, par value USD 0.0001 each</td>
<td>30</td>
<td>65</td>
</tr>
<tr>
<td>Equillium Inc., USA - 2,316,134 (March 31, 2021 - 2,316,134) Common Stock, par value USD 0.001 each</td>
<td>555</td>
<td>1,212</td>
</tr>
<tr>
<td><strong>Total quoted investments in equity instruments</strong></td>
<td>585</td>
<td>1,277</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II. Unquoted equity instruments at fair value through other comprehensive income</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immuneel Therapeutics Private Limited - 2,020 (March 2021: 2,020) equity shares of ₹ 10 each [refer note (i) below]</td>
<td>214</td>
<td>100</td>
</tr>
<tr>
<td>4,922,663 (March 31, 2021: Nil) Equity shares of ₹ 10 each in HR Kaveri Private Limited</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total unquoted investments in equity instruments</strong></td>
<td>263</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III. Unquoted equity instruments at fair value through profit or loss</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energon KN Wind Power Private Limited - 38,500 (March 31, 2021 - 38,500) equity shares of Rs 10 each</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Less: Provision for decline, other than temporary, in the value of non-current investments</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Four Ef Renewables Private Limited - 287,474 (March 31, 2021 - 287,474) equity share of ₹ 100 each</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Hinduja Renewables Two Private Limited - 5,913,566 equity shares (March 31, 2021 - 2,369,000) equity share of ₹ 10 each</td>
<td>59</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total unquoted investments in equity instruments</strong></td>
<td>88</td>
<td>53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV. Unquoted preference shares at fair value through profit or loss</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energon KN Wind Power Private Limited - 14,666 (March 31, 2021 - 14,666) Compulsorily Convertible Preference Shares, par value ₹ 100 each</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Less: Provision for decline, other than temporary, in the value of non-current investments</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Four Ef Renewables Private Limited - 574,947 (March 31, 2021 - 574,947 ) 0.001% Compulsorily convertible preference Shares of ₹ 100 each [refer note (ii) below]</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total unquoted investments in preference shares</strong></td>
<td>57</td>
<td>57</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>V. Investments in Certificates of deposits carried at amortized cost</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter corporate deposits with financial institutions *</td>
<td>2,629</td>
<td>4,150</td>
</tr>
<tr>
<td><strong>Total unquoted investments in deposits</strong></td>
<td>2,629</td>
<td>4,150</td>
</tr>
<tr>
<td><strong>Total non-current investments</strong></td>
<td>3,622</td>
<td>5,637</td>
</tr>
<tr>
<td>Aggregate value of quoted investments</td>
<td>585</td>
<td>1,277</td>
</tr>
<tr>
<td>Aggregate value of unquoted investments</td>
<td>3,039</td>
<td>4,362</td>
</tr>
<tr>
<td>Aggregate amount of impairment in value of investments</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

(i) During the year ended March 31, 2021, Syngene invested ₹ 100 in Immuneel Therapeutics Private Limited. During the year ended March 31, 2022, additional funding from external investors were received resulting in a dilution of Syngene’s equity interest from 7.22% to 5%. The gain on fair valuation from ₹ 100 to ₹ 214 is recognised under Other comprehensive income.

(ii) Terms of conversion: 1 compulsory convertible preference share of face value ₹ 100/- each will convert to 1 equity share of face value ₹ 100/- at end of the tenure of 20 years from allotment.

* Inter corporate deposits with financial institutions yield fixed interest rate.
The Group’s exposure to credit and currency risks, and loss allowances are disclosed in note 36.

**6 (a) . Other financial assets**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>454</td>
<td>449</td>
</tr>
<tr>
<td>Bank deposits with maturity of more than 12 months</td>
<td>-</td>
<td>1,389</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>171</td>
</tr>
<tr>
<td></td>
<td>454</td>
<td>2,009</td>
</tr>
<tr>
<td>(ii) Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>619</td>
<td>270</td>
</tr>
<tr>
<td>Other receivables</td>
<td>3,887</td>
<td>4,801</td>
</tr>
<tr>
<td></td>
<td>4,506</td>
<td>5,071</td>
</tr>
</tbody>
</table>

**6 (b). Loans**

<table>
<thead>
<tr>
<th>Loan to associate- considered good- unsecured *</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>671</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>671</td>
<td>-</td>
</tr>
</tbody>
</table>

During the year ended March 31, 2022, the Group has given loan to an associate. The loan is repayable on demand and carries interest of 4% p.a. Also refer note 33.

* Net of losses recognized by using equity method of ₹ 12

Loan to associate- considered good- unsecured comprise loans to the following:

<table>
<thead>
<tr>
<th>LOAN TO ASSOCIATE- CONSIDERED GOOD- UNSECURED</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Bicara Therapeutics Inc.</td>
<td>671</td>
<td>-</td>
</tr>
<tr>
<td>Maximum amount outstanding during the year</td>
<td>683</td>
<td>-</td>
</tr>
</tbody>
</table>

Loans are granted to related parties (as defined under Companies Act, 2013) that are repayable on demand:

<table>
<thead>
<tr>
<th>Name of borrower</th>
<th>March 31, 2022</th>
<th>March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount of loan outstanding</td>
<td>Percentage to the total Loans</td>
</tr>
<tr>
<td>(i) Bicara Therapeutics Inc.</td>
<td>671</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Group has not granted any advances in the nature of loans to promoters, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly.
7. Deferred tax balances

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets (net)</td>
<td>2,933</td>
<td>3,077</td>
</tr>
<tr>
<td>Deferred tax liabilities (net)</td>
<td>(523)</td>
<td>(323)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,410</strong></td>
<td><strong>2,754</strong></td>
</tr>
</tbody>
</table>

**Deferred tax liabilities**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment and intangible assets</td>
<td>2,648</td>
<td>2,033</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>359</td>
<td>67</td>
</tr>
<tr>
<td>Others</td>
<td>72</td>
<td>114</td>
</tr>
<tr>
<td><strong>Gross deferred tax liabilities</strong></td>
<td><strong>3,079</strong></td>
<td><strong>2,214</strong></td>
</tr>
</tbody>
</table>

**Deferred tax assets**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for employee benefits</td>
<td>544</td>
<td>423</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>52</td>
<td>156</td>
</tr>
<tr>
<td>Allowance for doubtful debts</td>
<td>91</td>
<td>20</td>
</tr>
<tr>
<td>Other deductible expenses</td>
<td>93</td>
<td>89</td>
</tr>
<tr>
<td>MAT credit entitlement</td>
<td>3,714</td>
<td>3,949</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>54</td>
<td>114</td>
</tr>
<tr>
<td>Others</td>
<td>941</td>
<td>217</td>
</tr>
<tr>
<td><strong>Gross deferred tax assets</strong></td>
<td><strong>5,489</strong></td>
<td><strong>4,968</strong></td>
</tr>
</tbody>
</table>

**Deferred tax assets (net) [refer note 38 (d)]**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>2,410</strong></td>
<td><strong>2,754</strong></td>
</tr>
</tbody>
</table>

8. Other assets

(Unsecured considered good, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a) Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital advances</td>
<td>512</td>
<td>570</td>
</tr>
<tr>
<td>Duty drawback receivable</td>
<td>86</td>
<td>60</td>
</tr>
<tr>
<td>Balances with statutory / government authorities</td>
<td>737</td>
<td>697</td>
</tr>
<tr>
<td>Prepayments</td>
<td>296</td>
<td>429</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,631</strong></td>
<td><strong>1,756</strong></td>
</tr>
</tbody>
</table>

| **(b) Current**      |                |                |
| Balances with statutory / government authorities | 2,046          | 2,202          |
| Advance to suppliers | 1,288          | 667            |
| Prepayments          | 873            | 705            |
| Contract assets      | -              | 64             |
| **Total**            | **4,207**      | **3,638**      |
9. Inventories

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials, including goods-in-bond *</td>
<td>6,018</td>
<td>4,778</td>
</tr>
<tr>
<td>Packing materials</td>
<td>2,539</td>
<td>2,029</td>
</tr>
<tr>
<td>Traded goods</td>
<td>255</td>
<td>221</td>
</tr>
<tr>
<td>Finished goods</td>
<td>3,546</td>
<td>4,289</td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>10,624</td>
<td>7,349</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,982</strong></td>
<td><strong>18,666</strong></td>
</tr>
</tbody>
</table>

* Inventories includes goods in-transit ₹ 207 (March 31, 2021 - ₹ 283)

Write-down of inventories to net realisable value and provision for stock obsolescence amounted to ₹ 474 (March 31, 2021 - ₹ 474). These were recognised as an expense during the year and included in 'changes in inventories of finished goods, work-in-progress and stock-in-trade' in statement of profit and loss.

10. Current investments

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted - Investments at fair value through profit or loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Investment in mutual funds</td>
<td>2,416</td>
<td>6,237</td>
</tr>
<tr>
<td>(a) Investment in Adagio Theraupetics Inc.</td>
<td>102</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,518</strong></td>
<td><strong>6,237</strong></td>
</tr>
<tr>
<td>Unquoted- Investment carried at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter corporate deposits with financial institutions *</td>
<td>9,659</td>
<td>5,850</td>
</tr>
<tr>
<td><strong>Total current investments</strong></td>
<td><strong>12,177</strong></td>
<td><strong>12,087</strong></td>
</tr>
</tbody>
</table>

* Inter corporate deposits with financial institutions yield fixed interest rate.

Aggregate market/fair value of quoted investments | 2,518 | 6,237 |
Aggregate value of unquoted investments | 9,659 | 5,850 |

The Group’s exposure to credit and currency risks, and loss allowances are disclosed in note 36.

11. Trade receivables

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Trade Receivables considered good - Unsecured</td>
<td>20,582</td>
<td>15,033</td>
</tr>
<tr>
<td>(b) Trade Receivables - credit impaired</td>
<td>363</td>
<td>123</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,945</strong></td>
<td><strong>15,156</strong></td>
</tr>
<tr>
<td>Allowance for expected credit loss</td>
<td>(363)</td>
<td>(123)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,582</strong></td>
<td><strong>15,033</strong></td>
</tr>
</tbody>
</table>

The Group’s exposure to credit and currency risks, and loss allowances are disclosed in note 36.
**Trade receivables ageing schedule:**

<table>
<thead>
<tr>
<th></th>
<th>Outstanding for following periods from due date of payment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unbilled</td>
<td>Not overdue</td>
</tr>
<tr>
<td>Undisputed trade receivables - considered good</td>
<td>3,114</td>
<td>14,155</td>
</tr>
<tr>
<td>Undisputed trade receivables - credit impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at March 31, 2022</strong></td>
<td><strong>3,114</strong></td>
<td><strong>14,155</strong></td>
</tr>
<tr>
<td>Undisputed trade receivables - considered good</td>
<td>2,857</td>
<td>10,217</td>
</tr>
<tr>
<td>Undisputed trade receivables - credit impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at March 31, 2021</strong></td>
<td><strong>2,857</strong></td>
<td><strong>10,217</strong></td>
</tr>
</tbody>
</table>

**12. Cash and bank balances**

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On current accounts</td>
<td>6,326</td>
<td>9,372</td>
</tr>
<tr>
<td>On unpaid dividend account</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Deposits with original maturity of less than 3 months</td>
<td>300</td>
<td>154</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>6,630</strong></td>
<td><strong>9,531</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other bank balances</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with maturity of less than 12 months</td>
<td>10,842</td>
<td>10,620</td>
</tr>
<tr>
<td>Margin money deposit [Refer note (a) below]</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total other bank balances</strong></td>
<td><strong>10,845</strong></td>
<td><strong>10,623</strong></td>
</tr>
<tr>
<td><strong>Total cash and bank balances</strong></td>
<td><strong>17,475</strong></td>
<td><strong>20,154</strong></td>
</tr>
</tbody>
</table>

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2021 - ₹ 3) are subject to first charge against bank guarantees obtained.

(b) The Group has cash in hand which are not disclosed above since amounts are rounded off to Rupees million.

**13(a). Equity share capital**

<table>
<thead>
<tr>
<th>Authorised</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,250,000,000 (March 31, 2021 - 1,250,000,000) equity shares of ₹ 5 each (March 31, 2021 - ₹ 5 each)</td>
<td>6,250</td>
<td>6,250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issued, subscribed and fully paid-up</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,200,600,000 (March 31, 2021 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2021 - ₹ 5 each)</td>
<td>6,003</td>
<td>6000</td>
</tr>
</tbody>
</table>

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 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.
(iii) Details of shareholders holding more than 5% shares in the Company

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% holding</td>
</tr>
<tr>
<td>Equity shares of ₹ 5 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>47,57,25,384</td>
<td>39.62%</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>23,72,11,164</td>
<td>19.76%</td>
</tr>
</tbody>
</table>

(iv) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 30.

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Year ended March 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
</tr>
<tr>
<td>Equity shares of ₹ 5 each</td>
<td>-</td>
</tr>
</tbody>
</table>

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve. In accordance with Ind AS 33, the Earnings per share data adjusted to give effect to the bonus issue.

(vi) Details of shares held by promoters

**March 31, 2022**

<table>
<thead>
<tr>
<th>Name of the Promoter</th>
<th>No. of shares at the end of the year</th>
<th>% of Total Shares</th>
<th>% change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar Shaw</td>
<td>47,57,25,384</td>
<td>39.62%</td>
<td>-0.02%</td>
</tr>
<tr>
<td>Yamini R Mazumdar</td>
<td>13,08,712</td>
<td>0.11%</td>
<td>-</td>
</tr>
<tr>
<td>J M M Shaw</td>
<td>84,45,348</td>
<td>0.70%</td>
<td>-</td>
</tr>
<tr>
<td>Ravi Mazumdar</td>
<td>48,15,084</td>
<td>0.40%</td>
<td>-</td>
</tr>
<tr>
<td>Dev Mazumdar</td>
<td>5,18,484</td>
<td>0.04%</td>
<td>-</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>23,72,11,164</td>
<td>19.76%</td>
<td>-0.01%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72,80,24,176</strong></td>
<td><strong>60.64%</strong></td>
<td><strong>-0.03%</strong></td>
</tr>
</tbody>
</table>
March 31, 2021

<table>
<thead>
<tr>
<th>Name of the Promoter</th>
<th>No. of shares at the end of the year</th>
<th>% of Total Shares</th>
<th>% change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiran Mazumdar Shaw</td>
<td>47,57,25,384</td>
<td>39.64%</td>
<td>-</td>
</tr>
<tr>
<td>Yamini R Mazumdar</td>
<td>13,08,712</td>
<td>0.11%</td>
<td>0.001%</td>
</tr>
<tr>
<td>J M M Shaw</td>
<td>84,45,348</td>
<td>0.70%</td>
<td>-</td>
</tr>
<tr>
<td>Ravi Mazumdar</td>
<td>48,15,084</td>
<td>0.40%</td>
<td>-</td>
</tr>
<tr>
<td>Dev Mazumdar</td>
<td>5,18,484</td>
<td>0.04%</td>
<td>-</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>23,72,11,164</td>
<td>19.77%</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>72,80,24,176</td>
<td>60.67%</td>
<td>0.001%</td>
</tr>
</tbody>
</table>

13(b). Other equity

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve
General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings
The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Act. Thus the amounts reported are not distributable in entirety.

SEZ re-investment reserve
The SEZ re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

Share based payment reserve
The Group has established various equity settled share-based payment plans for certain categories of employees of the Group. Also refer note 30 for further details on these plans.

Treasury shares
Own equity instruments that are reacquired (treasury shares) by the ESOP trusts of the Group are recognised at cost and deducted from equity.

Foreign currency translation reserve
Exchange differences relating to the translation of the results and net assets of the Group’s foreign operations from their functional currencies to the Group’s reporting currency (i.e. ₹) are accumulated in the foreign currency translation reserve.

Other Items of other comprehensive income
Other Items of other comprehensive income represents mark to market gain or loss on financial assets classified as FVTOCI and re-measurements of the defined benefits plan.

Debenture redemption reserve
The Group had issued Redeemable Non-Convertible Debentures (“NCD”) and Redeemable Optionally Convertible Debentures (“OCD”) during the the previous year. As per the provisions of the Companies Act, 2013, debenture redemption reserve is created out of profits available for payment of dividend.
Capital redemption reserve
The Group had redeemed intercompany Non Convertible Redeemable Preference Shares during the previous year and as per the provisions of the Companies Act, 2013, a sum equal to the nominal value of the shares redeemed is transferred to the capital redemption reserve.

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.

14. Non-current borrowings

<table>
<thead>
<tr>
<th>Loans from banks (secured)</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan [refer note (a), (b), (c), (d), (e), (f), (g), (j) and (n) below]</td>
<td>23,838</td>
<td>20,952</td>
</tr>
<tr>
<td>Redeemable Non-Convertible Debentures (“NCD”) [refer note (k) below]</td>
<td>2,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loans from banks (unsecured)</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan [refer note (h) and (i) below]</td>
<td>1,898</td>
<td>4,392</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other loans and advances (unsecured)</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redeemable Optionally Convertible Debentures (“OCD”) [refer note (l) below]</td>
<td>12,344</td>
<td>10,293</td>
</tr>
<tr>
<td>Financial assistance from DST [refer note (m) below]</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Less: Amount disclosed under the head &quot;Current borrowings&quot; [refer note 19]</td>
<td>(95)</td>
<td>(8,028)</td>
</tr>
<tr>
<td><strong>Net amount</strong></td>
<td><strong>39,985</strong></td>
<td><strong>29,616</strong></td>
</tr>
</tbody>
</table>

(a) During the year ended March 31, 2021, HDFC bank has sanctioned external commercial borrowing (ECB) facility of USD 25 million to the Company. During the current year, the Company has drawn ECB of USD 10 million, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 16, 2025. The loan is secured by exclusive charge on the fixed assets to be created out of the term loan facility. The Company has entered into interest rate swap converting the floating rate to fixed rate of interest.

(b) During the year ended March 31, 2016, Biocon Pharma Limited (‘BPL’) had obtained an external commercial borrowing of USD 20 million from a bank, carrying interest of Libor + 1.75% p.a. The loan is payable in 11 unequal quarterly instalments commencing from June 28, 2019. The loan is secured by first priority pari-passu charge on the plant and machinery of the facility for the manufacture of pharmaceuticals. BPL has entered into interest rate swap to convert floating rate to fixed rate. Carrying value of the loan as at March 31, 2022 amounts to ₹ Nil (March 31, 2021: 553)

(c) During the year ended March 31, 2021, Biocon Biosphere Limited (“BBSL”) obtained an external commercial borrowing of USD 50 million from a bank, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 16, 2025. The loan is secured by first priority pari passu charge on the plant and machinery of the facility for the manufacture of pharmaceuticals. Carrying value of the loan as at March 31, 2022 amounts to ₹ 2,581 (March 31, 2021: 460). BBSL has entered into interest rate swap to convert floating rate to fixed rate.

(d) Biocon Sdn. Bhd., Malaysia (‘Biocon Malaysia’) had obtained a term loan facility of USD 130 million from a consortium of banks. During the year ended March 31, 2016, Biocon Malaysia had refinanced the existing term loan from Standard Chartered Bank (Hong Kong) Limited. The loan is repayable in quarterly instalments which commenced from March, 2017.
Further on July 6, 2015, Biocon Sdn Bhd had entered into a new term loan agreement with Standard Chartered Bank (Hong Kong) Limited for an amount of USD 70 million. The loan is repayable in quarterly instalments commenced from March, 2017. The term loans are denominated in USD and carried an interest rate of LIBOR + 2.25% p.a and LIBOR + 1.80% p.a for facility of USD 130 million and USD 70 million respectively. Effective January 28, 2021, Biocon Malaysia had restructured loan with respect to interest rate for both the facilities. Revised interest rate is LIBOR + 1.20% p.a. During the year, the outstanding loan has been repaid. Carrying value of the loan as at March 31, 2022 is Nil (March 31, 2021: ₹ 5,825). The term loan was secured by a fixed and floating charge over all present and future assets and a charge over the freehold property of Biocon Malaysia.

(e) During the year ended March 31, 2019, Biocon Biologics Limited (“BBL”) had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. The long-term loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of LIBOR + 1% p.a. The term loan facility is secured by first priority pari-passu charge on the plant and machinery of the proposed facility for the manufacturing of pharmaceuticals. Carrying value of the loan as at March 31, 2022 amounts to ₹ 5,694 (March 31, 2021: 5,490).

(f) During the year ended March 31, 2021, BBL had obtained a Term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to ₹ 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months T Bill + 2.39% p.a. and are secured by first pari-passu charge on the present and future of movable fixed assets of the BBL. Carrying value of the loan as at March 31, 2022 amounts to ₹ 3,500 (March 31, 2021: 3,500).

(g) During the year ended March 31, 2022, Biocon Biologics UK Limited (“Biocon UK”) (formerly “Biocon Biologics Limited”) has obtained a term loan facility of USD 75 million from The Hongkong and Shanghai Banking Corporation Limited for a tenure of 5 years. The term loan is repayable at the end of the term in one instalment and carries an interest rate of 1 month LIBOR + 1% p.a. and are secured by first pari-passu charge on the present and future Plant and Machineries of Biocon Malaysia. Carrying value of the term loan as at March 31, 2022 is ₹ 5,694 (March 31, 2021: Nil).

(h) During the year ended March 31, 2022, Biocon Biologics UK Limited (“Biocon UK”) (formerly “Biocon Biologics Limited”) has obtained a term loan facility of USD 25 million from The HDFC Bank Limited for a tenure of 5 years. The term loan is repayable in 5 annual installments starting from the end of year 1 and carries an interest rate of 3 months LIBOR + 1.25% p.a. Carrying value of the term loan as at March 31, 2022 is ₹ 1,898 (March 31, 2021: Nil).

(i) During the year ended March 31, 2021, Biocon Biologics UK Limited (“Biocon UK”) (formerly “Biocon Biologics Limited”) had obtained a term loan facility of USD 60 million from HDFC Bank Limited for a tenure of 13 months, repayable in January 2022. The term loan was repayable at the end of the term in one instalment and carried an interest rate of 1 month LIBOR + 0.95% p.a. The loan was repaid in full at the end of the tenure. Carrying value of the term loan as at March 31, 2022 is Nil (March 31, 2021: ₹ 4,392).

(j) (i) Syngene International Limited (‘Syngene’) has entered into external commercial borrowing agreement dated September 21, 2020 to borrow USD 50 million (₹ 3,796) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of Syngene. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene. (ii) Syngene has entered into foreign currency term loan agreement dated March 30, 2021 to borrow USD 20 million (₹ 1,519) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene.

(k) During the year ended March 31, 2021, BBL had issued NCD of face value ₹ 10,00,000 each to HDFC Bank Limited amounting to ₹ 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured
by first pari-passu charge on the movable fixed assets of the BBL. Carrying value of the loan as at March 31, 2022 amounts to ₹ 2,000 (March 31, 2021: 2,000).

(l) During the year ended March 31, 2021, BBL has entered into an agreement with Goldman Sachs India AIF Scheme-1 (‘Investor’) whereby the Investor has infused ₹11,250 against issuance of Optionally Convertible Debentures. The debentures are issued for a tenor of 61 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. It also bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption. The debentures were accounted in the consolidated financial statements as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received has been bifurcated into financial liability and equity in the consolidated financial statements. An amendment to the agreement, was entered during the year ended March 31, 2022 which resulted in modification of the compound financial instrument. Also Refer note 32.”

(m) On August 25, 2010, the Department of Science and Technology (‘DST’) under the Drugs and Pharmaceutical Research Programme (‘DPRP’) has sanctioned financial assistance for a sum of ₹ 70 to the Company for financing one of its research projects. The loan is repayable over 10 annual instalments of ₹ 7 each starting from July 1, 2012, and carries an interest rate of 3% p.a. The Company has repaid the loan during the year ended March 31, 2022.

(n) On October 5, 2021, the Biofusion Therapeutics Limited (“BTL”) obtained an FCNR loan (Foreign Currency Non Resident ) of USD 5.5 million from a bank, carrying interest @ SOFR + 228 bps per annum. The loan is payable in 8 equal quarterly instalments commencing from December 14, 2024. The loan is secured by first priority pari passu charge on the plant and machinery of the facility.

(o) The Group has met all the covenants under these arrangements as at March 31, 2022 and March 31, 2021.

(p) The Group’s exposure to liquidity, interest rate and currency risks are disclosed in note 36.

15. Leases

The Group has entered into lease agreements for use of land, buildings and vehicles which expires over a period ranging upto the year of 2117. Gross payments for the year aggregate to ₹ 199 (March 31, 2021: ₹ 166).

The following is the movement in lease liabilities:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Land</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at April 01, 2020</td>
<td>5</td>
<td>837</td>
<td>57</td>
<td>899</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>-</td>
<td>361</td>
<td>32</td>
<td>393</td>
</tr>
<tr>
<td>Finance cost accrued during the year</td>
<td>-</td>
<td>94</td>
<td>7</td>
<td>101</td>
</tr>
<tr>
<td>Deletions</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(3)</td>
<td>(125)</td>
<td>(38)</td>
<td>(166)</td>
</tr>
<tr>
<td>Balance at March 31, 2021</td>
<td>2</td>
<td>1,167</td>
<td>56</td>
<td>1,225</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>-</td>
<td>1,337</td>
<td>22</td>
<td>1,359</td>
</tr>
<tr>
<td>Finance cost accrued during the year</td>
<td>-</td>
<td>112</td>
<td>5</td>
<td>117</td>
</tr>
<tr>
<td>Deletions</td>
<td>-</td>
<td>(68)</td>
<td>(8)</td>
<td>(76)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(2)</td>
<td>(162)</td>
<td>(35)</td>
<td>(199)</td>
</tr>
<tr>
<td>Balance at March 31, 2022</td>
<td>-</td>
<td>2,386</td>
<td>40</td>
<td>2,426</td>
</tr>
</tbody>
</table>
The following is the break-up of current and non-current lease liabilities:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non current lease liabilities</td>
<td>2,215</td>
<td>1,141</td>
</tr>
<tr>
<td>Current lease liabilities</td>
<td>211</td>
<td>84</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,426</strong></td>
<td><strong>1,225</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>261</td>
<td>184</td>
</tr>
<tr>
<td>One to five years</td>
<td>1,065</td>
<td>593</td>
</tr>
<tr>
<td>More than five years</td>
<td>3,019</td>
<td>1,547</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,345</strong></td>
<td><strong>2,324</strong></td>
</tr>
</tbody>
</table>

The following are the amounts recognised in Profit or loss:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation of right to use assets</td>
<td>161</td>
<td>124</td>
</tr>
<tr>
<td>Interest expenses on lease liabilities</td>
<td>117</td>
<td>101</td>
</tr>
<tr>
<td>Short-term lease payment [refer note (i) below]</td>
<td>38</td>
<td>58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>316</strong></td>
<td><strong>283</strong></td>
</tr>
</tbody>
</table>

(i)  The Group applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

**16. Other financial liabilities**

**Non-current**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross liability on written put options [refer note (i) below]</td>
<td>15,033</td>
<td>15,033</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,033</strong></td>
<td><strong>15,033</strong></td>
</tr>
</tbody>
</table>

(i) During the year ended March 31, 2020, the Group has entered into an agreement with Activ Pine LLP (‘Investor’) whereby the Investor has infused ₹ 5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited (‘BBL’), which represents 2.44% shareholding of BBL. The consideration was received and equity shares were allotted on January 21, 2020.

During the year ended March 31, 2021, the Group has entered into an agreement with Tata Capital Growth Fund II (‘Investor’) whereby the Investor has infused ₹ 2,250 against issuance of equity shares of a subsidiary company, BBL, which represents 0.85% shareholding of BBL. The consideration was received and equity shares were allotted on September 03, 2020.

During the year ended March 31, 2021, the Group has entered into an agreement with Beta Oryx Limited (‘Investor’) whereby the Investor has infused ₹ 5,550 against issuance of equity shares of a subsidiary company, BBL, which represents 1.87% shareholding of BBL. The consideration was received and equity shares were allotted on March 09, 2021.

As per the above agreements, the Group will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the parent company (Biocon Limited), to buy them out at certain prices agreed under the arrangement. Such an obligation to provide exit to the Investors required the Group to record a financial liability towards gross obligation amounting to ₹ 15,033 in the consolidated financial statements in accordance with the Indian Accounting Standards (Ind AS).
The Group in accordance with Ind AS has elected an accounting policy choice to follow an anticipated acquisition method on initial recognition which requires recognition of a gross obligation liability with a corresponding derecognition of non-controlling interest balance in its consolidated financial statements. Further, in accordance with the generally accepted accounting principles, the Group has made an accounting policy choice to present any subsequent change in the fair value of gross obligation liability in other equity.

(b) Current

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book overdraft</td>
<td>2</td>
<td>95</td>
</tr>
<tr>
<td>Unpaid dividends</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Derivative premium payable</td>
<td>-</td>
<td>94</td>
</tr>
<tr>
<td>Interest accrued but not due</td>
<td>140</td>
<td>125</td>
</tr>
<tr>
<td>Payables for capital goods</td>
<td>3,486</td>
<td>3,497</td>
</tr>
<tr>
<td></td>
<td><strong>3,632</strong></td>
<td><strong>3,816</strong></td>
</tr>
</tbody>
</table>

17. Provisions

(a) Non-current

<table>
<thead>
<tr>
<th>Provision for employee benefits</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gratuity [refer note 35]</td>
<td>917</td>
<td>1,062</td>
</tr>
<tr>
<td>Total</td>
<td>917</td>
<td>1,062</td>
</tr>
</tbody>
</table>

(b) Current

<table>
<thead>
<tr>
<th>Provision for employee benefits</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gratuity [refer note 35]</td>
<td>314</td>
<td>160</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>855</td>
<td>798</td>
</tr>
<tr>
<td>Provision for sales return</td>
<td>136</td>
<td>136</td>
</tr>
<tr>
<td>Total</td>
<td><strong>1,305</strong></td>
<td><strong>1,094</strong></td>
</tr>
</tbody>
</table>

(i) Movement in provisions

<table>
<thead>
<tr>
<th>For the year ended March 31, 2022</th>
<th>Gratuity</th>
<th>Compensated absences</th>
<th>Sales return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1,222</td>
<td>798</td>
<td>136</td>
</tr>
<tr>
<td>Provision recognised / (reversed) during the year</td>
<td>9</td>
<td>57</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1,231</td>
<td>855</td>
<td>136</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For the year ended March 31, 2021</th>
<th>Gratuity</th>
<th>Compensated absences</th>
<th>Sales return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1,012</td>
<td>740</td>
<td>136</td>
</tr>
<tr>
<td>Provision recognised / (reversed) during the year</td>
<td>210</td>
<td>58</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1,222</td>
<td>798</td>
<td>136</td>
</tr>
</tbody>
</table>
18. **Other liabilities**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>12,151</td>
<td>10,253</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>1,053</td>
<td>1,030</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>4,445</td>
<td>4,006</td>
</tr>
<tr>
<td>Statutory taxes and dues payable</td>
<td>432</td>
<td>481</td>
</tr>
<tr>
<td>Other dues</td>
<td>320</td>
<td>293</td>
</tr>
<tr>
<td></td>
<td><strong>6,250</strong></td>
<td><strong>5,810</strong></td>
</tr>
</tbody>
</table>

19. **Current borrowings**

<table>
<thead>
<tr>
<th>From banks/ financial institutions</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packing credit foreign currency loan (unsecured) [refer note (i) and (ii) below]</td>
<td>5,238</td>
<td>5,381</td>
</tr>
<tr>
<td>Packing credit rupee export loan (unsecured) [refer note (iii) below]</td>
<td>3,250</td>
<td>-</td>
</tr>
<tr>
<td>Cash credit (unsecured) [refer note (iv) below]</td>
<td>93</td>
<td>561</td>
</tr>
<tr>
<td>Working capital loan (secured) [refer note (v) below]</td>
<td>379</td>
<td>-</td>
</tr>
<tr>
<td>Current maturities of non-current borrowings [refer note 14]</td>
<td>95</td>
<td>8,028</td>
</tr>
<tr>
<td><strong>The above amount includes</strong></td>
<td><strong>9,055</strong></td>
<td><strong>13,970</strong></td>
</tr>
<tr>
<td>Secured borrowings</td>
<td>474</td>
<td>8,028</td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td><strong>8,581</strong></td>
<td>5,942</td>
</tr>
</tbody>
</table>

(i) Syngene has obtained foreign currency denominated short term unsecured pre-shipment credit loans of ₹ 2,581 (USD 34 million) [March 31, 2021 : ₹ 2,599 (USD 35.5 million)] that carries interest rate of SOFR + 0.20% to +0.30% (p.a) [March 31, 2021 : Libor + 0.20% to + 0.30% (p.a)]. The loans are repayable after the end of 6 months from the date of its origination.

(ii) BBL has obtained foreign currency denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from SOFR+0.20% to SOFR+1.40% p.a. Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.

(iii) BBL has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest of 4.40% p.a. Packing credit rupee loan tenure is upto 180 days from the date of draw down.

(iv) Biocon Malaysia had availed working capital facilities upto USD 15 million carrying an interest rate of LIBOR + 0.5% p.a.

(v) Biocon Pharma Inc. (BPI) has availed working capital facilities upto USD 5 million carrying an interest rate of 0.9% - 2.1% p.a. The working capital facilities are secured by a charge on inventories and accounts receivables of BPI.

20. **Trade payables**

<table>
<thead>
<tr>
<th>Trade payables</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>- total outstanding dues of micro and small enterprises</td>
<td>1,036</td>
<td>770</td>
</tr>
<tr>
<td>- total outstanding dues of creditors other than micro and small enterprises</td>
<td>15,049</td>
<td>14,369</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,085</strong></td>
<td><strong>15,139</strong></td>
</tr>
</tbody>
</table>

All trade payable are ‘current’. The Group’s exposure to currency and liquidity risks related to trade payables is disclosed in Note 36.
21. Revenue from contracts with customers

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sale of products</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods*</td>
<td>51,866</td>
<td>47,300</td>
</tr>
<tr>
<td>Traded goods</td>
<td>2,849</td>
<td>1,853</td>
</tr>
<tr>
<td><strong>Sale of services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract research and manufacturing services income [Refer note (a)]</td>
<td>25,048</td>
<td>20,526</td>
</tr>
<tr>
<td>Licensing and development fees</td>
<td>485</td>
<td>395</td>
</tr>
<tr>
<td><strong>Other operating revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of process waste</td>
<td>244</td>
<td>184</td>
</tr>
<tr>
<td>Export incentives</td>
<td>-</td>
<td>96</td>
</tr>
<tr>
<td>Others</td>
<td>1,348</td>
<td>1,077</td>
</tr>
<tr>
<td><strong>Revenue from operations</strong></td>
<td>81,840</td>
<td>71,431</td>
</tr>
</tbody>
</table>

(a) Revenues include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name ‘RemWin’ in a voluntary licensing agreement received from Gilead Sciences Inc.

* includes profit share

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group’s revenue from contracts with customers:

<table>
<thead>
<tr>
<th></th>
<th>Generics</th>
<th>Biosimilars</th>
<th>Novels</th>
<th>Research</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from contracts with customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of products</td>
<td>21,195</td>
<td>33,520</td>
<td>-</td>
<td>-</td>
<td>54,715</td>
</tr>
<tr>
<td>Sale of services</td>
<td>25</td>
<td>460</td>
<td>510</td>
<td>24,538</td>
<td>25,533</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21,220</td>
<td>33,980</td>
<td>510</td>
<td>24,538</td>
<td>80,248</td>
</tr>
</tbody>
</table>

| Revenue from other sources |          |             |        |          |           |
| Other operating revenue   | 690      | 321         | -      | 581      | 1,592     |
| **Total**                 | 690      | 321         | -      | 581      | 1,592     |

| Total Revenue from operations | 21,910   | 34,301      | 510    | 25,119   | 81,840    |
### 21.2 Changes in contract liabilities - advances from customers and deferred revenues

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>15,289</td>
<td>13,612</td>
</tr>
<tr>
<td>Add: Increase due to invoicing during the year</td>
<td>7,922</td>
<td>6,436</td>
</tr>
<tr>
<td>Add: Foreign currency translation</td>
<td>262</td>
<td>(181)</td>
</tr>
<tr>
<td>Less: Amounts recognised as revenue during the year</td>
<td>(5,824)</td>
<td>(4,578)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>17,649</td>
<td>15,289</td>
</tr>
</tbody>
</table>

Expected revenue recognition from remaining performance obligations:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Within one year</td>
<td>5,498</td>
<td>5,036</td>
</tr>
<tr>
<td>- More than one year</td>
<td>12,151</td>
<td>10,253</td>
</tr>
<tr>
<td></td>
<td>17,649</td>
<td>15,289</td>
</tr>
</tbody>
</table>

### 21.3 Contract balances

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables including unbilled revenue</td>
<td>20,582</td>
<td>15,033</td>
</tr>
<tr>
<td>Contract assets</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>17,649</td>
<td>15,289</td>
</tr>
</tbody>
</table>

Trade receivables are non-interest bearing. Refer note 6(b), 8(b) and 11. Contract liabilities include deferred revenue and advance from customers.

### 21.4 Performance obligation:

In relation to information about Group’s performance obligations in contracts with customers refer note 2(l).

### 22. Other income

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income on:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with banks and financial institutions</td>
<td>1,081</td>
<td>760</td>
</tr>
<tr>
<td>Others</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>Net gain on sale of current investments</td>
<td>133</td>
<td>84</td>
</tr>
<tr>
<td>Net gain on financial assets measured at fair value through profit or loss</td>
<td>(12)</td>
<td>29</td>
</tr>
<tr>
<td>Gain on dilution of interest in a subsidiary [refer note 43]</td>
<td>299</td>
<td>1,597</td>
</tr>
<tr>
<td>Foreign exchange gain, net</td>
<td>579</td>
<td>-</td>
</tr>
<tr>
<td>Other non-operating income</td>
<td>7</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>2,127</td>
<td>2,545</td>
</tr>
</tbody>
</table>
23. Cost of materials consumed

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory at the beginning of the year</td>
<td>6,807</td>
<td>5,401</td>
</tr>
<tr>
<td>Add: Purchases</td>
<td>29,889</td>
<td>25,708</td>
</tr>
<tr>
<td>Less: Inventory at the end of the year</td>
<td>(8,557)</td>
<td>(6,807)</td>
</tr>
<tr>
<td>Cost of materials consumed</td>
<td>28,139</td>
<td>24,302</td>
</tr>
</tbody>
</table>

24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock-in-trade</td>
<td>221</td>
<td>680</td>
</tr>
<tr>
<td>Finished goods</td>
<td>4,289</td>
<td>5,071</td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>7,349</td>
<td>3,207</td>
</tr>
<tr>
<td></td>
<td>11,859</td>
<td>8,958</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>255</td>
<td>221</td>
</tr>
<tr>
<td>Finished goods</td>
<td>3,546</td>
<td>4,289</td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>10,624</td>
<td>7,349</td>
</tr>
<tr>
<td></td>
<td>14,425</td>
<td>11,859</td>
</tr>
<tr>
<td></td>
<td>(2,566)</td>
<td>(2,901)</td>
</tr>
</tbody>
</table>

25. Employee benefits expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and bonus</td>
<td>15,584</td>
<td>14,502</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>762</td>
<td>728</td>
</tr>
<tr>
<td>Gratuity [refer note 35]</td>
<td>257</td>
<td>205</td>
</tr>
<tr>
<td>Share-based compensation expense [refer note 30]</td>
<td>1,257</td>
<td>1,060</td>
</tr>
<tr>
<td>Staff welfare expenses</td>
<td>941</td>
<td>915</td>
</tr>
<tr>
<td></td>
<td>18,801</td>
<td>17,410</td>
</tr>
</tbody>
</table>

26. Finance costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense on financial liabilities measured at amortised cost</td>
<td>559</td>
<td>476</td>
</tr>
<tr>
<td>Interest on finance lease obligation</td>
<td>117</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>676</td>
<td>577</td>
</tr>
</tbody>
</table>

27. Depreciation and amortisation expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, plant and equipment [refer note 3]</td>
<td>6,671</td>
<td>5,896</td>
</tr>
<tr>
<td>Amortisation of intangible assets [refer note 4 (a)]</td>
<td>1,310</td>
<td>1,131</td>
</tr>
<tr>
<td>Amortisation of right of use assets [refer note 4 (b)]</td>
<td>161</td>
<td>124</td>
</tr>
<tr>
<td></td>
<td>8,142</td>
<td>7,151</td>
</tr>
</tbody>
</table>
28. Other expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty and technical fees</td>
<td>52</td>
<td>17</td>
</tr>
<tr>
<td>Rent</td>
<td>38</td>
<td>58</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>95</td>
<td>70</td>
</tr>
<tr>
<td>Travelling and conveyance</td>
<td>509</td>
<td>453</td>
</tr>
<tr>
<td>Professional charges</td>
<td>1,301</td>
<td>2,029</td>
</tr>
<tr>
<td>Payment to auditors</td>
<td>30</td>
<td>24</td>
</tr>
<tr>
<td>Directors’ fees including commission</td>
<td>133</td>
<td>81</td>
</tr>
<tr>
<td>Power and fuel</td>
<td>3,164</td>
<td>2,703</td>
</tr>
<tr>
<td>Insurance</td>
<td>443</td>
<td>406</td>
</tr>
<tr>
<td>Rates, taxes and fees</td>
<td>306</td>
<td>222</td>
</tr>
<tr>
<td>Lab consumables</td>
<td>1,655</td>
<td>1,361</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>2,682</td>
<td>2,593</td>
</tr>
<tr>
<td>Buildings</td>
<td>292</td>
<td>293</td>
</tr>
<tr>
<td>Others</td>
<td>1,571</td>
<td>1,239</td>
</tr>
<tr>
<td>Selling expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freight outwards and clearing charges</td>
<td>563</td>
<td>635</td>
</tr>
<tr>
<td>Sales promotion expenses</td>
<td>1,692</td>
<td>1,577</td>
</tr>
<tr>
<td>Commission and brokerage (other than sole selling agents)</td>
<td>183</td>
<td>147</td>
</tr>
<tr>
<td>Bad debts written off</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Provision/ (reversal) for doubtful debts, net</td>
<td>240</td>
<td>-</td>
</tr>
<tr>
<td>Net loss on financial assets measured at fair value through profit or loss</td>
<td>274</td>
<td>-</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>115</td>
<td>101</td>
</tr>
<tr>
<td>Loss on sale of assets, net</td>
<td>23</td>
<td>73</td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>6,121</td>
<td>4,597</td>
</tr>
<tr>
<td>Clinical trial and development expenses</td>
<td>62</td>
<td>92</td>
</tr>
<tr>
<td>CSR expenditure</td>
<td>207</td>
<td>184</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>313</td>
<td>241</td>
</tr>
<tr>
<td><strong>Less: Expenses capitalized to intangible assets</strong></td>
<td><strong>(1,155)</strong></td>
<td><strong>(739)</strong></td>
</tr>
</tbody>
</table>

| Total                                            | **22,072**                 | **19,302**                |

29. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.
30. Employee stock compensation

(a) Biocon ESOP Plan

On September 27, 2001, Biocon’s Board of Directors approved the Biocon Employee Stock Option Plan (‘ESOP Plan 2000’) for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee (‘Remuneration Committee’) administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

Grant V

In April 2008, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 25%, 35% and 40% of the total grant at the end of first, second and third year from the date of grant for existing employees and at the end of 3rd, 4th and 5th year from the date of grant for new employees. Exercise period is 3 years for each grant. The conditions for number of options granted include service terms and performance grade of the employees. These options are exercisable at the market price of Company’s shares on the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>-</td>
<td>87,000</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>(87,000)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Grant VI

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company’s shares existing on the date preceding to the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>-</td>
<td>33,000</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>(33,000)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Grant VII
In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company’s shares existing on the date preceding to the date of grant.

### Particulars

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (¥)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>20,08,750</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>(84,000)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(13,35,750)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>5,89,000</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>1,03,000</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>0.9</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (¥)</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of the year</td>
<td>76-124</td>
</tr>
</tbody>
</table>

Grant VIII
In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

### Particulars

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (¥)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>1,47,000</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(42,000)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>1,05,000</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>1,05,000</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>0.9</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (¥)</td>
<td>-</td>
</tr>
<tr>
<td>Range of exercise prices for outstanding options at the end of the year</td>
<td>76.0</td>
</tr>
</tbody>
</table>

Grant IX
In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.
### Grant X

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the the preceding day to the date of grant.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price ($)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>48,57,076</td>
<td>142</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>(2,56,125)</td>
<td>148</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(19,69,077)</td>
<td>130</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>26,31,874</td>
<td>151</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>9,51,249</td>
<td>139</td>
</tr>
</tbody>
</table>

The average market price of the Company’s share during the year ended March 31, 2022 is ₹ 373 (March 31, 2021 - ₹ 407) per share

### (b) RSU Plan 2015

On March 11, 2015, Biocon’s Remuneration Committee approved the Biocon - Restricted Stock Units (RSUs) of Syngene (‘RSU Plan 2015’) for the grant of RSUs to the employees of the Company and its subsidiaries other than Syngene. The Remuneration Committee administers the plan through a trust, called the Biocon Limited Employee Welfare Trust. For this purpose, on March 31, 2015, the Company transferred 2,000,000 equity shares of Syngene to Biocon Limited Employees Welfare Trust.

In April 2015, the Company approved the grant to its employees under the RSU Plan 2015. The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. Exercise price of RSUs will be Nil.
### Particulars

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No of Options</strong></td>
<td><strong>Weighted Average Exercise Price (₹)</strong></td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>2,85,974</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>(50,398)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(1,22,640)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>(9,178)</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>1,03,758</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>58,797</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>1.1</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) **RSU Plan 2019**

On January 7, 2019, Biocon’s Nomination and Remuneration Committee (‘NRC’) and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics Limited (‘RSU Plan 2019’) for grant of RSUs to employees of the Group. The NRC administers the plan through a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics Limited to Biocon Limited Employee Welfare Trust.

The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year, respectively, from the date of grant or from the date of occurrence of certain future events, whichever is later, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees.

(d) **RSU Plan 2020**

On May 14, 2020, Biocon’s Nomination and Remuneration Committee (‘NRC’) and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan Financial Year 2020-24 ("RSU Plan 2020") for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented through a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.
The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not exceed beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders' value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>Weighted Average Exercise Price (`)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>26,30,000</td>
<td>5</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>7,24,083</td>
<td>5</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>(4,08,345)</td>
<td>5</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(4,30,762)</td>
<td>5</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>25,14,976</td>
<td>5</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>46,147</td>
<td>5</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>3.3</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (`)</td>
<td>369</td>
<td>-</td>
</tr>
</tbody>
</table>

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model for grants during the year are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Average Exercise Price</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>33.0% to 36.2%</td>
<td>34.0% to 36.4%</td>
</tr>
<tr>
<td>Life of the options granted (vesting and exercise period) in years</td>
<td>4.03</td>
<td>5</td>
</tr>
<tr>
<td>Average risk-free interest rate</td>
<td>5.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Expected dividend rate</td>
<td>0.6%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

(e) Syngene ESOP Plan 2011

On July 20, 2012, Syngene Employee Welfare Trust (‘Trust’) was created for the welfare and benefit of the employees and directors of Syngene and administered by the Nomination and Remuneration Committee. The Board of Directors approved the employee stock option plan of Syngene. On October 31, 2012, the Trust subscribed into the equity shares of the Syngene using the proceeds from interest free loan of ₹ 150 obtained from Syngene.

Grant

Pursuant to the Scheme, Syngene has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of ₹ 11.25 [March 31, 2021 : ₹ 11.25] per share (Face Value of ₹ 10 per share).
Details of Grant

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>19,58,084</td>
<td>26,89,574</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>(1,26,792)</td>
<td>(1,11,265)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(4,89,152)</td>
<td>(6,20,225)</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>13,42,140</td>
<td>19,58,084</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>4,82,332</td>
<td>5,47,787</td>
</tr>
<tr>
<td>Weighted average exercise price</td>
<td>11.25</td>
<td>11.25</td>
</tr>
<tr>
<td>Weighted average share price at the date of exercise (In ₹)</td>
<td>589.6</td>
<td>503.6</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 0.9 years [March 31, 2021 - 1.40 years].

(f) Syngene Restricted Stock Unit Long Term Incentive Plan 2020

The Board of Directors of Syngene on April 24, 2019 and the Shareholders of the Company in the Annual General Meeting held on July 24, 2019 approved the Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of ₹ 10 per share (Face Value of ₹ 10 per share).

Details of Grant

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Options</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>31,03,825</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>4,18,132</td>
<td>31,84,649</td>
</tr>
<tr>
<td>Lapses/forfeited during the year</td>
<td>(4,67,068)</td>
<td>(80,824)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(4,27,352)</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>26,27,537</td>
<td>31,03,825</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>2,31,837</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average exercise price</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of shares granted during the year under Black Scholes Model (In ₹)</td>
<td>615.00</td>
<td>326.31</td>
</tr>
<tr>
<td>Weighted average share price at the date of exercise (In ₹)</td>
<td>584.30</td>
<td>-</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 5.19 years [March 31, 2021 - 6.21].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield (%)</td>
<td>0.1%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Exercise Price (In ₹)</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>32.9%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Life of the options granted (vesting and exercise period) in years</td>
<td>5.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Average risk-free interest rate</td>
<td>5.0%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>
On July 21, 2021, Board of Directors of Biocon Biologics Limited (“BBL”) approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24 (‘RSU Plan’) for the grant of Restricted stock units to the employees of BBL and its subsidiaries. The Nomination and Remuneration Committee (‘Remuneration Committee’) administers the plan through a trust established specifically for this purpose, called the Biocon Biologics Employees Welfare Trust (ESOP Trust).

In July 2021, BBL approved the grant to its employees under the RSU Plan. The options under this grant would vest to the employees as 33%, 33% and 34% of the total grant at the end of first, second and third year, respectively from the date of grant. Exercise period is 3 years for each grant. These options are exercisable at ₹ 10 per RSU. The RSU Plan provides for certain market and non-market conditions for vesting which are measured through revenue, profit, achievement of key milestones and share price increase.

### Details of Grant

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Options</td>
<td>Weighted Average Exercise Price (₹)</td>
<td>No of Options</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>51,42,857</td>
<td>10</td>
</tr>
<tr>
<td>Lapsed/orfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>51,42,857</td>
<td>10</td>
</tr>
<tr>
<td>Exercisable at the end of the year</td>
<td>51,42,857</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average remaining contractual life (in years)</td>
<td>5.3</td>
<td>-</td>
</tr>
<tr>
<td>Weighted average fair value of options granted (₹)</td>
<td>208.1</td>
<td>-</td>
</tr>
</tbody>
</table>

Assumptions used in determination of the fair value of the stock options under the option pricing model for the grants during the year are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield (%)</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Exercise Price (In ₹)</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>49.2% - 50.2%</td>
<td>-</td>
</tr>
<tr>
<td>Life of the options granted (vesting and exercise period) in years</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Average risk-free interest rate</td>
<td>5.3% - 5.6%</td>
<td>-</td>
</tr>
</tbody>
</table>

### Summary of movement in respect of shares held by ESOP Trust is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1,11,68,774</td>
<td>1,48,11,872</td>
</tr>
<tr>
<td>Add: Shares purchased by the ESOP trust</td>
<td>-</td>
<td>2,44,474</td>
</tr>
<tr>
<td>Add: Shares issued by the Company</td>
<td>6,00,000</td>
<td>-</td>
</tr>
<tr>
<td>Less: Shares exercised by employees</td>
<td>(42,48,459)</td>
<td>(38,87,572)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>75,20,315</td>
<td>1,11,68,774</td>
</tr>
</tbody>
</table>

Options granted and eligible for exercise at end of the year | 14,10,475 | 13,39,461 |
Options granted but not eligible for exercise at end of the year | 78,76,579 | 1,09,80,939 |
31. Earnings per share (‘EPS’)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>6,484</td>
<td>7,405</td>
</tr>
<tr>
<td>Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic outstanding shares</td>
<td>1,20,05,50,000</td>
<td>1,20,00,00,000</td>
</tr>
<tr>
<td>Less: Weighted average shares held with the ESOP Trust</td>
<td>(94,75,319)</td>
<td>(1,28,69,238)</td>
</tr>
<tr>
<td>Weighted average shares used for computing basic EPS</td>
<td>1,19,10,74,681</td>
<td>1,18,71,30,762</td>
</tr>
<tr>
<td>Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise</td>
<td>52,76,990</td>
<td>96,30,143</td>
</tr>
<tr>
<td>Weighted average shares used for computing diluted EPS</td>
<td>1,19,63,51,671</td>
<td>1,19,67,60,905</td>
</tr>
<tr>
<td>Earnings per equity share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (in ₹)</td>
<td>5.44</td>
<td>6.24</td>
</tr>
<tr>
<td>Diluted (in ₹)</td>
<td>5.42</td>
<td>6.19</td>
</tr>
</tbody>
</table>

32. Exceptional items (net)

(a) During the quarter ended December 31, 2020, BBL had entered into an agreement with Goldman Sachs India AIF Scheme-1 (“Investor”) whereby the Investor had infused ₹11,250 against issuance of Optionally Convertible Debentures. The debentures were issued for a tenor of 61 months, were unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. It also bears a coupon rate of 5% (on USD basis, payable only on redemption). The consideration was received, and debentures were issued during the year ended March 31, 2021. The debentures were accounted in the consolidated financial statements as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received was bifurcated into financial liability and equity in the consolidated financial statements. An amendment to the agreement, was entered during the year ended March 31, 2022 which resulted in modification of the compound financial instrument. Resulting gain / loss on the modification was recorded within statement of profit and loss and reserves. The amount of ₹ 274 was charged in the statement of profit and
loss and has been disclosed as an exceptional item during the year ended March 31, 2022. Consequential tax impact of ₹ 49 is included within tax expense during the year ended March 31, 2022."

(b) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated September 23, 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at ₹ 50 per exporter for the period. The Group during the year ended March 31, 2022 has reversed the SEIS claim receivables of ₹ 427 for the financial year 2019-2020 and the same has been presented under exceptional items in the consolidated financial statements for the year ended March 31, 2022. Consequential tax impact of ₹ 75 is included within tax expense for the year ended March 31, 2022. Further non-controlling interest of ₹ 77 is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2022.

(c) BBL has obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the transactions referred in note 44. These services were availed during the financial year ended March 31, 2022 and hence these amounts aggregating to ₹ 410 have been recorded as an expense in the consolidated statement of profit and loss under the head ‘Exceptional items’. Consequential tax impact of ₹ 169 is included within tax expense.

(d) Pursuant to a fire incident on December 12, 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. Syngene had lodged an estimate of loss with the insurance company and the final assessment is currently pending. Syngene over the past few years have received an aggregate amount of ₹ 2,120 as interim amounts which were presented net of losses incurred under exceptional items in the respective consolidated financial statements. The amount for the year ended March 31, 2021 aggregated ₹ 350 with a consequential tax of ₹ 122 was included within tax expense in consolidated financial statements for the year ended March 31, 2021. Further non-controlling interest of ₹ 68 is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2021.

(e) During the previous year, Biosimilars business had incurred severance cost amounting to ₹ 224 arising from exit of certain key personnel which is recorded as exceptional item. Consequential tax impact of ₹ 27 is included within tax expense.

33. Related party transactions
List of related parties with whom the Group had transactions during the year:

<table>
<thead>
<tr>
<th>Name of related parties</th>
<th>Nature of relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key management personnel</strong></td>
<td></td>
</tr>
<tr>
<td>Kiran Mazumdar-Shaw</td>
<td>Executive Chairperson</td>
</tr>
<tr>
<td>Siddharth Mittal</td>
<td>Managing Director &amp; CEO</td>
</tr>
<tr>
<td>Indranil Sen</td>
<td>Chief Financial Officer (w.e.f April 28, 2021) Interim Chief Financial Officer (w.e.f May 15, 2020, upto September 22, 2020)</td>
</tr>
<tr>
<td>Anupam Jindal</td>
<td>Chief Financial Officer (w.e.f September 22, 2020 upto April 28, 2021)</td>
</tr>
<tr>
<td>Mayank Verma</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>Daniel Mark Bradbury</td>
<td>Independent director</td>
</tr>
<tr>
<td>Mary Harney</td>
<td>Independent director</td>
</tr>
<tr>
<td>Vijay Kumar Kuchroo</td>
<td>Independent director</td>
</tr>
<tr>
<td>Meleveetil Damodaran</td>
<td>Independent director</td>
</tr>
<tr>
<td>Bobby Kanubhai Parikh</td>
<td>Independent director</td>
</tr>
<tr>
<td>John Shaw</td>
<td>Non-executive director (upto July 23, 2021)</td>
</tr>
<tr>
<td>Ravi Rasendra Mazumdar</td>
<td>Non-executive director (w.e.f November 01, 2021)</td>
</tr>
<tr>
<td>Eric Vivek Mazumdar</td>
<td></td>
</tr>
<tr>
<td><strong>Associate</strong></td>
<td></td>
</tr>
<tr>
<td>Bicara Therapeutics Inc.</td>
<td>Associate (w.e.f. January 09, 2021)</td>
</tr>
<tr>
<td><strong>Joint Ventures</strong></td>
<td></td>
</tr>
<tr>
<td>NeoBiocon FZ LLC</td>
<td>Joint-venture</td>
</tr>
</tbody>
</table>
### Other related parties

<table>
<thead>
<tr>
<th>Company/Person</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biocon Foundation</td>
<td>Trust in which key management personnel are the Board of Trustees</td>
</tr>
<tr>
<td>Immuneel Therapeutics Private Limited</td>
<td>Enterprise in which a director of the Company is a member of board of directors</td>
</tr>
<tr>
<td>Mazumdar Shaw Medical Foundation</td>
<td>Trust in which key management personnel are the Board of Trustees</td>
</tr>
<tr>
<td>Glentec International Limited</td>
<td>Enterprise owned by key management personnel</td>
</tr>
<tr>
<td>Catherine Rosenberg</td>
<td>Relative of a director</td>
</tr>
<tr>
<td>Claire Mazumdar</td>
<td>Relative of a director</td>
</tr>
<tr>
<td>Jeeves</td>
<td>Enterprise in which relative to a director of the Company is proprietor</td>
</tr>
<tr>
<td>Narayana Hrudayalaya Limited</td>
<td>Enterprise in which a director of the Company is a member of board of directors</td>
</tr>
</tbody>
</table>

### The Group has the following related party transactions

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Transaction / Balances</th>
<th>Year ended March 31, 2022</th>
<th>Year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel</td>
<td>Salary and perquisites [refer note (a) &amp; (b) below]</td>
<td>107</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Sitting fees and commission</td>
<td>76</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Outstanding as at the year end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Trade and other payables</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Associate</td>
<td>Cross charges towards facility and other expenses</td>
<td>710</td>
<td>381</td>
</tr>
<tr>
<td></td>
<td>Interest income</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Loan given to associate</td>
<td>683</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Outstanding as at the year end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Trade and other receivables</td>
<td>1,255</td>
<td>660</td>
</tr>
<tr>
<td></td>
<td>- Loan (excluding losses recognized by using equity method of ₹ 12)</td>
<td>683</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- Allowance for expected credit loss</td>
<td>278</td>
<td>-</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>Purchase of goods</td>
<td>364</td>
<td>345</td>
</tr>
<tr>
<td></td>
<td>Sales promotion expenses</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Rent expenses</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Professional charges</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Expenses incurred on behalf of the related party</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Outstanding as at the year end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Trade and other receivables</td>
<td>-</td>
<td>-*</td>
</tr>
<tr>
<td></td>
<td>- Trade and other payables</td>
<td>474</td>
<td>363</td>
</tr>
<tr>
<td>Other related parties</td>
<td>Sale of goods</td>
<td>78</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Sale of services</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Salary and perquisites (includes sitting fees)</td>
<td>69</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>Health services availed</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Allotment of equity shares</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>CSR Expenditure</td>
<td>121</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Other expenses</td>
<td>54</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Outstanding as at the year end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Trade and other receivables</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>- Trade and other payables</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

* Amounts are not represented since the amounts are rounded off to Rupees million.

(a) The remuneration to key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

(b) Share-based compensation expense allocable to key management personnel is ₹ 65 (March 31, 2021 - ₹ 71) which is not included in the remuneration disclosed above. Share-based compensation expense allocable to key management personnel issued by foreign associate is ₹ 2 (March 31, 2021 - ₹ 7) which is not included in the remuneration disclosed above.

(c) The above disclosures include related parties as per Ind AS 24 on “Related Party Disclosures” and Companies Act, 2013.
(d) All transactions with these related parties are priced on an arms length basis and none of the balances are secured.

34. Contingent liabilities and commitments
(to the extent not provided for)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Contingent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Claims against the Company not acknowledged as debt</td>
<td>8,444</td>
<td>7,000</td>
</tr>
<tr>
<td>The above includes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Direct taxation</td>
<td>7,215</td>
<td>5,944</td>
</tr>
<tr>
<td>(ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT, CST, Entry tax and GST)</td>
<td>881</td>
<td>708</td>
</tr>
<tr>
<td>(iii) Other matters</td>
<td>348</td>
<td>348</td>
</tr>
</tbody>
</table>

In light of recent judgment of Honorable Supreme Court dated February 28, 2019 on the definition of “Basic Wages” under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group’s evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability in one of its subsidiary.

The Group is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Group’s financial position and results of operations."

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,406</td>
<td>8,736</td>
</tr>
</tbody>
</table>

35. Employee benefit plans

(i) The Group 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 primarily a funded plan and the Group makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Group. The details of investments maintained by the HDFC Life are not available with the Group and not disclosed. The expected rate of return on plan assets is 5.7% - 6.4% p.a. (March 31, 2021: 5.6% - 6.2% p.a.). The Group actively monitors how the duration and expected yield of the investments are matching the expected outflows arising from the employee benefit obligations.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group’s financial statements as at balance sheet date:
### Particulars

<table>
<thead>
<tr>
<th>Present value of defined benefit obligation</th>
<th>Fair value of plan assets</th>
<th>Net defined benefit (asset)/liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as on April 01, 2021</td>
<td>1,229</td>
<td>(7)</td>
</tr>
<tr>
<td>Current service cost</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>Interest expense / (income)</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td><strong>Amount recognised in Statement of profit and loss</strong></td>
<td><strong>257</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Remeasurements:
- Return on plan assets, excluding amounts included in interest expense / (income) - - -
- Actuarial (gain) / loss arising from:
  - Demographic assumptions (44) - (44)
  - Financial assumptions (56) - (56)
  - Experience adjustment (3) - (3)
- **Amount recognised in other comprehensive income** (103) - (103)
- Employers contribution - - -
- Benefits paid (145) - (145)

**Balance as at March 31, 2022** 1,238 (7) 1,231

---

### Particulars

<table>
<thead>
<tr>
<th>Present value of defined benefit obligation</th>
<th>Fair value of plan assets</th>
<th>Net defined benefit (asset)/liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as on April 01, 2020</td>
<td>1,054</td>
<td>(42)</td>
</tr>
<tr>
<td>Current service cost</td>
<td>142</td>
<td></td>
</tr>
<tr>
<td>Interest expense / (income)</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td><strong>Amount recognised in Statement of profit and loss</strong></td>
<td><strong>207</strong></td>
<td><strong>(2)</strong></td>
</tr>
</tbody>
</table>

Remeasurements:
- Return on plan assets, excluding amounts included in interest expense / (income) - - -
- Actuarial (gain) / loss arising from:
  - Demographic assumptions 8 - 8
  - Financial assumptions 54 - 54
  - Experience adjustment (42) - (42)
- **Amount recognised in other comprehensive income** 20 - 20
- Employers contribution (11) 37 26
- Benefits paid (41) - (41)

**Balance as at March 31, 2021** 1,229 (7) 1,222

---

**Non-current** | March 31, 2022 | March 31, 2021 |
--- | --- | --- |
| 917 | 1,062 |

**Current** | March 31, 2022 | March 31, 2021 |
--- | --- | --- |
| 314 | 160 |

**Total** | March 31, 2022 | March 31, 2021 |
--- | --- | --- |
| 1,231 | 1,222 |

---

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

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate</td>
<td>5.7% - 6.4%</td>
<td>5.6% - 6.2%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>5.7% - 6.4%</td>
<td>5.6% - 6.2%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>5.7% - 6.4%</td>
<td>5.6% - 6.2%</td>
</tr>
<tr>
<td>Salary increase</td>
<td>9% - 10%</td>
<td>9% - 10%</td>
</tr>
<tr>
<td>Attrition rate</td>
<td>8% - 30%</td>
<td>5% - 30%</td>
</tr>
<tr>
<td>Retirement age - Years</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables as per IALM (2012-14)
The weighted average duration of Group’s defined benefit obligation was 6-9 years (March 31, 2021 - 6-9 years).

These defined benefit plans expose the Group to actuarial risks, such as longevity and interest rate risk.

(iii) Sensitivity analysis
Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increase</td>
<td>Decrease</td>
</tr>
<tr>
<td>Discount rate (1% change)</td>
<td>(64)</td>
<td>72</td>
</tr>
<tr>
<td>Salary increase (1% change)</td>
<td>70</td>
<td>(63)</td>
</tr>
<tr>
<td>Attrition rate (1% change)</td>
<td>(14)</td>
<td>16</td>
</tr>
</tbody>
</table>

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 the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

As of March 31, 2022 and March 31, 2021, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2023, is approximately ₹ 125 (March 31, 2022 - ₹ 119).

Maturity profile of defined benefit obligation

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Following year</td>
<td>177</td>
<td>151</td>
</tr>
<tr>
<td>2nd Following year</td>
<td>131</td>
<td>110</td>
</tr>
<tr>
<td>3rd Following year</td>
<td>138</td>
<td>117</td>
</tr>
<tr>
<td>4th Following year</td>
<td>127</td>
<td>116</td>
</tr>
<tr>
<td>5th Following year</td>
<td>118</td>
<td>106</td>
</tr>
<tr>
<td>Years 6 to 10</td>
<td>507</td>
<td>647</td>
</tr>
<tr>
<td>Years 11 and above</td>
<td>674</td>
<td>734</td>
</tr>
</tbody>
</table>

(iv) Risk Exposure
These defined benefit plans typically expose the Group to actuarial risks as under:

a) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan’s liability.

d) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other Long term benefits
Present value of other long term benefits (i.e compensated absences) obligations at the end of the year:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>855</td>
<td>798</td>
</tr>
</tbody>
</table>
### 36. Financial instruments: Fair value and risk managements

#### A. Accounting classification and fair values

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>Carrying amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVTPL</td>
<td>FVTOCI</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current investments</td>
<td>145</td>
<td>848</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>-</td>
<td>2,691</td>
</tr>
<tr>
<td>Current investments</td>
<td>2,518</td>
<td>-</td>
</tr>
<tr>
<td>Loan to associate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other bank balances</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,663</td>
<td>3,539</td>
</tr>
</tbody>
</table>

*Refer note 16 for measurement of non current financial liabilities carried at fair value through other equity (FVTOE).

<table>
<thead>
<tr>
<th>March 31, 2021</th>
<th>Carrying amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVTPL</td>
<td>FVTOCI</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current investments</td>
<td>110</td>
<td>1,377</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>-</td>
<td>1,489</td>
</tr>
<tr>
<td>Current investments</td>
<td>6,237</td>
<td>-</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-</td>
<td>15,033</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other bank balances</td>
<td>-</td>
<td>10,623</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>6,347</td>
<td>2,866</td>
</tr>
</tbody>
</table>

*Refer note 16 for measurement of non current financial liabilities carried at fair value through other equity (FVTOE).

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

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Group enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.
B. Measurement of fair values
Fair value of liquid investments are based on quoted price. 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 derivative contracts of foreign currencies, 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).

<table>
<thead>
<tr>
<th>Significant observable inputs</th>
<th>March 31, 2022 Profit or (loss)</th>
<th>March 31, 2021 Profit or (loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spot rate of the foreign currency (1% movement)</td>
<td>(736) 779</td>
<td>(533) 544</td>
</tr>
<tr>
<td>Interest rates (100 bps movement)</td>
<td>182 (182)</td>
<td>171 (171)</td>
</tr>
</tbody>
</table>

C. Financial risk management
The Group has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework
The Group’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 Group’s established policy, procedures and control relating to customer credit risk management. The Audit and Risk Management Committee of the respective Company’s has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’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 Group establishes an allowance for impairment that represents its estimate of expected credit loss in respect of trade and other receivables. The maximum exposure to credit risk at reporting date is primarily from trade receivables amounting to ₹ 20,582 (March 31, 2020: ₹ 15,033). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

<table>
<thead>
<tr>
<th>Allowance for credit loss</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>123</td>
<td>123</td>
</tr>
<tr>
<td>Allowance for credit loss recognised / (reversed)</td>
<td>240</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>363</td>
<td>123</td>
</tr>
</tbody>
</table>

Refer note 11 for details of aging of trade receivables and allowance for credit losses.
Receivables from one customer of the Group’s trade receivables is ₹ 4,483 (March 31, 2021 - ₹ 2,846) which is more than 10 percent of the Group’s total trade receivables. Other than trade receivables, the Group has no significant class of financial assets that is past but not impaired.

Credit risk on cash and cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies which are rated A1+ or AAA. Investments primarily include investment in liquid mutual fund units, bonds and non-convertible debentures.

(iii) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’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 Group’s reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Group maintains lines of credit as stated in note 14 and note 19.

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 Group can be required to pay:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Less than 1 year</th>
<th>1 - 2 years</th>
<th>2-5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current borrowings (including current maturities)</td>
<td>95</td>
<td>1,424</td>
<td>37,224</td>
<td>1,337</td>
<td>40,080</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>8,960</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,960</td>
</tr>
<tr>
<td>Trade payables</td>
<td>16,085</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,085</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>261</td>
<td>250</td>
<td>815</td>
<td>3,019</td>
<td>4,345</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>3,756</td>
<td>8</td>
<td>15,079</td>
<td>82</td>
<td>18,925</td>
</tr>
<tr>
<td>Total</td>
<td>29,157</td>
<td>1,682</td>
<td>53,118</td>
<td>4,438</td>
<td>88,395</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Less than 1 year</th>
<th>1 - 2 years</th>
<th>2-5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current borrowings (including current maturities)</td>
<td>8,028</td>
<td>2,750</td>
<td>14,378</td>
<td>12,488</td>
<td>37,644</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>5,942</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,942</td>
</tr>
<tr>
<td>Trade payables</td>
<td>15,139</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,139</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>184</td>
<td>170</td>
<td>423</td>
<td>1,547</td>
<td>2,324</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>4,076</td>
<td>389</td>
<td>15,258</td>
<td>4</td>
<td>19,727</td>
</tr>
<tr>
<td>Total</td>
<td>33,369</td>
<td>3,309</td>
<td>30,059</td>
<td>14,039</td>
<td>80,776</td>
</tr>
</tbody>
</table>

(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 Group operates internationally and a major portion of the business is transacted in several currencies and consequently, the Group is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Group holds derivative instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.
The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

<table>
<thead>
<tr>
<th>March 31, 2022</th>
<th>USD</th>
<th>EUR</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>102</td>
<td>-</td>
<td>-</td>
<td>102</td>
</tr>
<tr>
<td>Loans</td>
<td>683</td>
<td>-</td>
<td>-</td>
<td>683</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>16,993</td>
<td>382</td>
<td>396</td>
<td>17,771</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,891</td>
<td>203</td>
<td>510</td>
<td>4,604</td>
</tr>
<tr>
<td>Other bank balances</td>
<td>64</td>
<td>-</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>4,230</td>
<td>-</td>
<td>26</td>
<td>4,256</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non- current borrowings (including current maturities)</td>
<td>(34,575)</td>
<td>-</td>
<td>-</td>
<td>(34,575)</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>(5,711)</td>
<td>-</td>
<td>-</td>
<td>(5,711)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(5,075)</td>
<td>(337)</td>
<td>(1,294)</td>
<td>(6,706)</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>(945)</td>
<td>(131)</td>
<td>(118)</td>
<td>(1,194)</td>
</tr>
<tr>
<td><strong>Net financial assets / (liabilities)</strong></td>
<td>(20,343)</td>
<td>117</td>
<td>(480)</td>
<td>(20,706)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 31, 2021</th>
<th>USD</th>
<th>EUR</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>10,335</td>
<td>489</td>
<td>354</td>
<td>11,178</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7,503</td>
<td>462</td>
<td>104</td>
<td>8,069</td>
</tr>
<tr>
<td>Other bank balances</td>
<td>60</td>
<td>-</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>5,393</td>
<td>43</td>
<td>69</td>
<td>5,505</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non- current borrowings (including current maturities)</td>
<td>(21,845)</td>
<td>-</td>
<td>-</td>
<td>(21,845)</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>(5,614)</td>
<td>-</td>
<td>(328)</td>
<td>(5,942)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(5,551)</td>
<td>(757)</td>
<td>(642)</td>
<td>(6,950)</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>(1,747)</td>
<td>(181)</td>
<td>(230)</td>
<td>(2,158)</td>
</tr>
<tr>
<td><strong>Net financial assets / (liabilities)</strong></td>
<td>(11,466)</td>
<td>56</td>
<td>(673)</td>
<td>(12,083)</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Impact on profit or loss</th>
<th>Impact on other components of equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2022</td>
<td>March 31, 2021</td>
</tr>
<tr>
<td><strong>USD Sensitivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INR/USD - Increase by 1%</td>
<td>(154)</td>
<td>(31)</td>
</tr>
<tr>
<td>INR/USD - Decrease by 1%</td>
<td>154</td>
<td>31</td>
</tr>
<tr>
<td><strong>EUR Sensitivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INR/EUR - Increase by 1%</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>INR/EUR - Decrease by 1%</td>
<td>(1)</td>
<td>(1)</td>
</tr>
</tbody>
</table>
Derivative financial instruments
The following table gives details in respect of outstanding foreign exchange forward and option contracts:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange forward contracts to buy USD with maturity between 0-1 years</td>
<td>USD 151</td>
<td>USD 131</td>
</tr>
<tr>
<td>Foreign exchange forward contracts to sell USD with maturity between 0-8 years</td>
<td>USD 643</td>
<td>USD 427</td>
</tr>
<tr>
<td>European style option contracts with periodical maturity between 0-8 years</td>
<td>USD 338</td>
<td>USD 244</td>
</tr>
<tr>
<td>European style range forward contracts with periodical maturity between 1-2 years</td>
<td>USD 119</td>
<td>USD 127</td>
</tr>
<tr>
<td>Interest rate swaps used for hedging SOFR component in external commercial borrowings with maturity between 0-6 years</td>
<td>USD 155</td>
<td>USD 165</td>
</tr>
</tbody>
</table>

Cash flow and fair value interest rate risk
The Group’s main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended March 31, 2022 and March 31, 2021 the Group’s borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure
The exposure of the Group’s borrowing to interest rate changes at the end of the reporting period are as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable rate borrowings</td>
<td>16,035</td>
<td>12,699</td>
</tr>
<tr>
<td>Fixed rate borrowings</td>
<td>33,005</td>
<td>30,887</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>49,040</td>
<td>43,586</td>
</tr>
</tbody>
</table>

(b) Sensitivity
The Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

37: Capital management
The key objective of the Group’s capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Group 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 Group.

The Company’s goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2022 and 2021 was as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity attributable to owners of the Company</td>
<td>84,325</td>
<td>76,269</td>
</tr>
<tr>
<td>As a percentage of total capital</td>
<td>63%</td>
<td>64%</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>39,985</td>
<td>29,616</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>9,055</td>
<td>13,970</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>49,040</td>
<td>43,586</td>
</tr>
<tr>
<td>As a percentage of total capital</td>
<td>37%</td>
<td>36%</td>
</tr>
<tr>
<td>Total capital (Equity and Borrowings)</td>
<td>1,33,365</td>
<td>1,19,855</td>
</tr>
</tbody>
</table>
38. Tax expenses

(a) Amount recognised in Statement of profit and loss

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax</td>
<td>2,204</td>
<td>1,966</td>
</tr>
<tr>
<td>Deferred tax expense / (income) related to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAT credit entitlement</td>
<td>235</td>
<td>(259)</td>
</tr>
<tr>
<td>Origination and reversal of temporary differences</td>
<td>(324)</td>
<td>508</td>
</tr>
<tr>
<td>Tax expense for the year</td>
<td>2,115</td>
<td>2,215</td>
</tr>
</tbody>
</table>

(b) Reconciliation of effective tax rate

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>9,831</td>
<td>10,677</td>
</tr>
<tr>
<td>Tax at statutory income tax rate 34.94% (March 31, 2021 - 34.94%)</td>
<td>3,435</td>
<td>3,731</td>
</tr>
</tbody>
</table>

Tax effects of amounts which are not deductible / (taxable) in calculating taxable income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference in overseas/domestic tax rates</td>
<td>(402)</td>
<td>(14)</td>
</tr>
<tr>
<td>Exempt income and other deductions</td>
<td>(1,717)</td>
<td>(1,595)</td>
</tr>
<tr>
<td>Non-deductible expense</td>
<td>46</td>
<td>70</td>
</tr>
<tr>
<td>Tax losses on which no deferred tax has been recognised</td>
<td>(14)</td>
<td>950</td>
</tr>
<tr>
<td>Reversal of provision for tax for earlier years</td>
<td>-</td>
<td>(418)</td>
</tr>
<tr>
<td>Gain on dilution of interest in a subsidiary/ associate</td>
<td>(104)</td>
<td>(558)</td>
</tr>
<tr>
<td>Share in loss/ (profit) of joint venture and associate</td>
<td>723</td>
<td>277</td>
</tr>
<tr>
<td>Others</td>
<td>148</td>
<td>(228)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>2,115</td>
<td>2,215</td>
</tr>
</tbody>
</table>

(c) Tax losses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unused temporary differences for which no deferred tax asset has been recognised</td>
<td>2,261</td>
<td>3,619</td>
</tr>
<tr>
<td>Potential tax impact</td>
<td>705</td>
<td>996</td>
</tr>
<tr>
<td>Expiry date [Financial year]</td>
<td>2022-23 to 2028-29</td>
<td>2025-26 to 2028-29</td>
</tr>
</tbody>
</table>

(d) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the consolidated balance sheet

<table>
<thead>
<tr>
<th>For the year ended March 31, 2022</th>
<th>Opening balance</th>
<th>Recognised in profit or loss</th>
<th>Recognised in OCI</th>
<th>Exchange difference</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment and intangible assets</td>
<td>2,033</td>
<td>580</td>
<td>-</td>
<td>35</td>
<td>2,648</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>67</td>
<td>-</td>
<td>292</td>
<td>-</td>
<td>359</td>
</tr>
<tr>
<td>Others</td>
<td>114</td>
<td>24</td>
<td>(66)</td>
<td>-</td>
<td>72</td>
</tr>
<tr>
<td><strong>Gross deferred tax liabilities</strong></td>
<td>2,214</td>
<td>604</td>
<td>226</td>
<td>35</td>
<td>3,079</td>
</tr>
</tbody>
</table>

| **Deferred tax assets**           |                 |                              |                   |                     |                 |
| Provision for employee benefits   | 423             | 112                          | 9                 | -                   | 544             |
| Derivative liabilities            | 156             | 71                           | (175)             | -                   | 52              |
| Allowance for doubtful debts      | 20              | 71                           | -                 | -                   | 91              |
| Other deductible expenses         | 89              | 4                            | -                 | -                   | 93              |
| MAT credit entitlement            | 3,949           | (235)                        | -                 | -                   | 3,714           |
| Deferred revenue                  | 114             | (54)                         | -                 | (6)                 | 54              |
| Others                            | 217             | 724                          | -                 | -                   | 941             |
| **Gross deferred tax assets**     | 4,968           | 693                          | (166)             | (6)                 | 5,489           |

|                                      | 2,754           | 89                           | (392)             | (41)                | 2,410           |
### For the year ended March 31, 2021

<table>
<thead>
<tr>
<th>Description</th>
<th>Opening balance</th>
<th>Recognised in profit or loss</th>
<th>Recognised in OCI</th>
<th>Exchange difference</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment and intangible assets</td>
<td>1,760</td>
<td>305</td>
<td>-</td>
<td>(32)</td>
<td>2,033</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>-</td>
<td>-</td>
<td>67</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>Others</td>
<td>45</td>
<td>-</td>
<td>69</td>
<td>-</td>
<td>114</td>
</tr>
<tr>
<td><strong>Gross deferred tax liabilities</strong></td>
<td>1,805</td>
<td>305</td>
<td>136</td>
<td>(32)</td>
<td>2,214</td>
</tr>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for employee benefits</td>
<td>434</td>
<td>(18)</td>
<td>7</td>
<td>-</td>
<td>423</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>449</td>
<td>-</td>
<td>(293)</td>
<td>-</td>
<td>156</td>
</tr>
<tr>
<td>Allowance for doubtful debts</td>
<td>11</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Other deductible expenses</td>
<td>127</td>
<td>(38)</td>
<td>-</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>MAT credit entitlement</td>
<td>3,690</td>
<td>259</td>
<td>-</td>
<td>(3)</td>
<td>3,949</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>218</td>
<td>(101)</td>
<td>-</td>
<td>(3)</td>
<td>114</td>
</tr>
<tr>
<td>Others</td>
<td>258</td>
<td>(55)</td>
<td>14</td>
<td>-</td>
<td>217</td>
</tr>
<tr>
<td><strong>Gross deferred tax assets</strong></td>
<td>5,187</td>
<td>56</td>
<td>(272)</td>
<td>(3)</td>
<td>4,968</td>
</tr>
</tbody>
</table>

#### Deferred tax balances

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets (net)</td>
<td>2,933</td>
<td>3,077</td>
</tr>
<tr>
<td>Deferred tax liabilities (net)</td>
<td>(523)</td>
<td>(323)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,410</td>
<td>2,754</td>
</tr>
</tbody>
</table>

### 39. Interest in other entities

#### (a) Subsidiaries

The Group’s subsidiaries as at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of entity</th>
<th>Ownership interest held by the group</th>
<th>Ownership interest held by the non-controlling interest</th>
<th>Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>March 31, 2022</td>
<td>March 31, 2021</td>
<td>March 31, 2022</td>
</tr>
<tr>
<td>1</td>
<td>Syngene International Limited</td>
<td>India</td>
<td>70.1</td>
<td>70.2</td>
</tr>
<tr>
<td>2</td>
<td>Biocon Pharma Limited</td>
<td>India</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>3</td>
<td>Biocon Biologics Limited*</td>
<td>India</td>
<td>93.5</td>
<td>93.5</td>
</tr>
<tr>
<td>4</td>
<td>Biocon Biosphere Limited</td>
<td>India</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>5</td>
<td>Biofusion Therapeutics Limited</td>
<td>India</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>6</td>
<td>Biocon Academy</td>
<td>India</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>7</td>
<td>Biocon SA</td>
<td>Switzerland</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>8</td>
<td>Biocon Sdn Bhd</td>
<td>Malaysia</td>
<td>93.5</td>
<td>93.5</td>
</tr>
<tr>
<td>9</td>
<td>Biocon Biologics Healthcare</td>
<td>Malaysia</td>
<td>93.5</td>
<td>93.5</td>
</tr>
<tr>
<td>No.</td>
<td>Name of entity</td>
<td>Country of incorporation</td>
<td>Ownership interest held by the group March 31, 2022</td>
<td>Ownership interest held by the non-controlling interest March 31, 2022</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------</td>
<td>--------------------------</td>
<td>-----------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>Biocon Biologics UK Limited</td>
<td>United Kingdom</td>
<td>93.5</td>
<td>6.5</td>
</tr>
<tr>
<td>11</td>
<td>Biocon Pharma UK Limited</td>
<td>United Kingdom</td>
<td>100.0</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>Biocon Biologics Inc.</td>
<td>United States</td>
<td>93.5</td>
<td>6.5</td>
</tr>
<tr>
<td>13</td>
<td>Biocon Pharma Inc.</td>
<td>United States</td>
<td>100.0</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>Syngene USA Inc.</td>
<td>United States</td>
<td>70.1</td>
<td>29.9</td>
</tr>
<tr>
<td>15</td>
<td>Biocon Biologics do Brasil Ltda.</td>
<td>Brazil</td>
<td>93.5</td>
<td>6.5</td>
</tr>
<tr>
<td>16</td>
<td>Biocon Biologics FZ–LLC</td>
<td>Dubai</td>
<td>93.5</td>
<td>6.5</td>
</tr>
<tr>
<td>17</td>
<td>Biocon FZ LLC.</td>
<td>Dubai</td>
<td>100.0</td>
<td>-</td>
</tr>
<tr>
<td>18</td>
<td>Biocon Pharma Ireland Limited</td>
<td>Ireland</td>
<td>100.0</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>Biocon Pharma Malta Limited</td>
<td>Malta</td>
<td>100.0</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>Biocon Pharma Malta I Limited</td>
<td>Malta</td>
<td>100.0</td>
<td>-</td>
</tr>
</tbody>
</table>

* Also refer note 16

(b) **Non-controlling interests**

Below is the summarised financial information for Syngene International Limited that has non-controlling interests that is material to the Group as on March 31, 2022. The amounts disclosed for the subsidiary are before inter-company eliminations.

**Summarised balance sheet**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>33,579</td>
<td>30,765</td>
</tr>
<tr>
<td>Current assets</td>
<td>22,059</td>
<td>18,067</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>55,638</strong></td>
<td><strong>48,832</strong></td>
</tr>
</tbody>
</table>

| Non-current liabilities         | 10,373        | 9,288         |
| Current liabilities             | 12,289        | 11,330        |
| **Total liabilities**           | **22,662**    | **20,618**    |

| Net assets                     | 32,976        | 28,214        |
| Accumulated non-controlling interest | 10,263    | 8,749         |
### Summarised statement of Profit and loss

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations</td>
<td>26,042</td>
<td>21,843</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>3,958</td>
<td>4,049</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>433</td>
<td>1,906</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td><strong>4,391</strong></td>
<td><strong>5,955</strong></td>
</tr>
<tr>
<td>Total comprehensive income allocated to non-controlling interests</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends (including dividend distribution tax) paid to non-controlling interests</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Summarised statement of cash flows

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows generated from operating activities</td>
<td>5,806</td>
<td>7,012</td>
</tr>
<tr>
<td>Cash flows used in investing activities</td>
<td>(6,115)</td>
<td>(6,281)</td>
</tr>
<tr>
<td>Cash flows (used in) / generated from financing activities</td>
<td>(313)</td>
<td>580</td>
</tr>
<tr>
<td><strong>Net (decrease) / increase in cash and cash equivalents</strong></td>
<td><strong>(622)</strong></td>
<td><strong>1,311</strong></td>
</tr>
</tbody>
</table>

(c) **Interest in joint venture**

The Group had only one joint venture in the name of NeoBiocon FZ LLC ("NeoBiocon"), incorporated in Dubai as at March 31, 2022 holding 49% (March 31, 2021: 49%) of the equity stake and accounted for using the equity method. NeoBiocon has share capital solely consisting of equity shares, which are held directly by ownership interest in the same proportion of voting rights held. Also refer note 42.

### Summarised balance sheet of NeoBiocon is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Current assets</td>
<td>616</td>
<td>596</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>619</strong></td>
<td><strong>601</strong></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>167</td>
<td>221</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>184</strong></td>
<td><strong>258</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>435</td>
<td>343</td>
</tr>
<tr>
<td>Percentage ownership interest</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Accumulated Group's share of net assets</td>
<td>80</td>
<td>43</td>
</tr>
</tbody>
</table>

### Summarised statement of profit and loss of NeoBiocon

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations</td>
<td>367</td>
<td>335</td>
</tr>
<tr>
<td>Profit/(Loss) for the year</td>
<td>76</td>
<td>(198)</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td><strong>76</strong></td>
<td><strong>(198)</strong></td>
</tr>
<tr>
<td>Share of Profit/(loss) from joint venture</td>
<td>37</td>
<td>(99)</td>
</tr>
</tbody>
</table>
(d) Interest in associates

<table>
<thead>
<tr>
<th>Particulars</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>IATRiCa Inc. - 4,285,714 (March 31, 2021 - 4,285,714) Series A Preferred Stock at US$ 0.70 each, par value US $ 0.00001 each</td>
<td>131</td>
<td>131</td>
</tr>
<tr>
<td>Less: Provision for decline, other than temporary, in the value of non-current investments</td>
<td>(131)</td>
<td>(131)</td>
</tr>
<tr>
<td>Bicara Therapeutics Inc.: 2,500,000 (March 31, 2021 - 2,500,000) equity shares of USD 0.0001 each 40,000,000 (March 31, 2021 - Nil) preference shares of USD 1 each [Refer note 43(a)]</td>
<td>-</td>
<td>1,795</td>
</tr>
<tr>
<td>Total investment in associate and joint venture (c+d) *</td>
<td>-</td>
<td>1,795</td>
</tr>
</tbody>
</table>

* Includes ₹ Nil (March 31, 2021: 43) disclosed as assets held for sale.

40. Segment Reporting

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (“CODM”) evaluates the Group’s performance based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

April 1, 2021 to March 31, 2022

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Generics</th>
<th>Biosimilars</th>
<th>Novels</th>
<th>Research</th>
<th>Unallocated/ Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External revenue</td>
<td>21,910</td>
<td>34,301</td>
<td>510</td>
<td>25,119</td>
<td>-</td>
<td>81,840</td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td>1,499</td>
<td>342</td>
<td>-</td>
<td>923</td>
<td>(2,764)</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>23,409</td>
<td>34,643</td>
<td>510</td>
<td>26,042</td>
<td>(2,764)</td>
<td>81,840</td>
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<tr>
<td>Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment costs</td>
<td>(21,152)</td>
<td>(21,887)</td>
<td>(802)</td>
<td>(18,297)</td>
<td>-</td>
<td>(62,138)</td>
</tr>
<tr>
<td>Inter-segment costs</td>
<td>(278)</td>
<td>(2,567)</td>
<td>4</td>
<td>(333)</td>
<td>3,174</td>
<td>-</td>
</tr>
<tr>
<td>Results</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income including interest</td>
<td>1,985</td>
<td>(61)</td>
<td>293</td>
<td>1,077</td>
<td>(1,167)</td>
<td>2,127</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21,829</td>
</tr>
<tr>
<td>Depreciation / Amortisation</td>
<td>(1,379)</td>
<td>(4,028)</td>
<td>(52)</td>
<td>(3,097)</td>
<td>414</td>
<td>(8,142)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(9)</td>
<td>(668)</td>
<td>(44)</td>
<td>(241)</td>
<td>286</td>
<td>(676)</td>
</tr>
<tr>
<td>Share of profit/(loss) of joint venture and associate</td>
<td>38</td>
<td>-</td>
<td>(2,107)</td>
<td>-</td>
<td>-</td>
<td>(2,069)</td>
</tr>
<tr>
<td>Segment results</td>
<td>2,614</td>
<td>5,432</td>
<td>(2,198)</td>
<td>5,151</td>
<td>(57)</td>
<td>10,942</td>
</tr>
<tr>
<td>Exceptional items, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,111)</td>
<td>(1,111)</td>
</tr>
<tr>
<td>Income taxes - Current and deferred</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,115)</td>
<td>(2,115)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,232)</td>
<td>(1,232)</td>
</tr>
<tr>
<td>Profit after taxes attributable to shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,484</td>
</tr>
</tbody>
</table>
### Particulars

#### Other Information

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Generics</th>
<th>Biosimilars</th>
<th>Novels</th>
<th>Research</th>
<th>Unallocated/ Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment assets</td>
<td>52,849</td>
<td>96,951</td>
<td>2,279</td>
<td>55,638</td>
<td>(3,777)</td>
<td>2,03,940</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,03,940</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>13,357</td>
<td>76,415</td>
<td>1,375</td>
<td>22,662</td>
<td>(4,569)</td>
<td>1,09,240</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,09,240</td>
</tr>
</tbody>
</table>

#### (April 1, 2020 to March 31, 2021)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Generics</th>
<th>Biosimilars</th>
<th>Novels</th>
<th>Research</th>
<th>Unallocated/ Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>71,431</td>
</tr>
<tr>
<td>External revenue</td>
<td>22,532</td>
<td>27,781</td>
<td>105</td>
<td>21,013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td>1,095</td>
<td>221</td>
<td>-</td>
<td>830</td>
<td>(2,146)</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>23,627</td>
<td>28,002</td>
<td>105</td>
<td>21,843</td>
<td>(2,146)</td>
<td>71,431</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>71,431</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment costs</td>
<td>(20,218)</td>
<td>(18,782)</td>
<td>(1,062)</td>
<td>(14,841)</td>
<td></td>
<td>(54,903)</td>
</tr>
<tr>
<td>Inter-segment costs</td>
<td>(446)</td>
<td>(1,875)</td>
<td>(58)</td>
<td>(282)</td>
<td>2,661</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income including interest</td>
<td>1,386</td>
<td>119</td>
<td>1,597</td>
<td>644</td>
<td>(1,201)</td>
<td>2,545</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19,073</td>
</tr>
<tr>
<td>Depreciation / Amortisation</td>
<td>(1,294)</td>
<td>(3,425)</td>
<td>(43)</td>
<td>(2,745)</td>
<td>356</td>
<td>(7,151)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(41)</td>
<td>(387)</td>
<td>(48)</td>
<td>(277)</td>
<td>176</td>
<td>(577)</td>
</tr>
<tr>
<td>Share of profit of joint venture and associate</td>
<td>(99)</td>
<td>-</td>
<td>(695)</td>
<td>-</td>
<td>-</td>
<td>(794)</td>
</tr>
<tr>
<td><strong>Segment results</strong></td>
<td>2,915</td>
<td>3,652</td>
<td>(204)</td>
<td>4,342</td>
<td>(154)</td>
<td>10,551</td>
</tr>
<tr>
<td>Exceptional items, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>126</td>
<td>126</td>
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<td>Income taxes - Current and deferred</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,215)</td>
<td>(2,215)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,057)</td>
<td>(1,057)</td>
</tr>
<tr>
<td><strong>Profit after taxes attributable to shareholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>7,405</td>
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</table>

#### Other Information

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Generics</th>
<th>Biosimilars</th>
<th>Novels</th>
<th>Research</th>
<th>Unallocated/ Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment assets</td>
<td>46,244</td>
<td>90,180</td>
<td>1,795</td>
<td>48,832</td>
<td>(1,828)</td>
<td>1,85,223</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,85,223</td>
</tr>
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<td>Segment liabilities</td>
<td>8,973</td>
<td>74,232</td>
<td>-</td>
<td>20,618</td>
<td>(3,676)</td>
<td>1,00,147</td>
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<tr>
<td>Total liabilities</td>
<td></td>
<td></td>
<td></td>
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<td>1,00,147</td>
</tr>
</tbody>
</table>
**Geographical segments**

<table>
<thead>
<tr>
<th>Revenue from operations</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>13,563</td>
<td>13,596</td>
</tr>
<tr>
<td>United States of America</td>
<td>29,946</td>
<td>23,589</td>
</tr>
<tr>
<td>Ireland</td>
<td>16,863</td>
<td>13,327</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>21,468</td>
<td>20,919</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>81,840</strong></td>
<td><strong>71,431</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>March 31, 2022</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>76,956</td>
<td>60,248</td>
</tr>
<tr>
<td>Malaysia</td>
<td>24,717</td>
<td>24,652</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>6,832</td>
<td>10,292</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,08,505</strong></td>
<td><strong>95,192</strong></td>
</tr>
</tbody>
</table>

Note: Non-current assets excludes financial instruments, income tax and deferred tax assets.

**Significant clients**

One customer group of Biosimilar segment individually accounted for ₹ 17,337 (March 31, 2021: ₹ 13,670) which is more than 10% of the total revenue of the Group.

**Segment revenue and results**

The expenses that are not directly attributable and that can not be allocated to a business segment on a reasonable basis are shown as unallocated corporate expenses.

**Segment assets and liabilities**

Segment assets include all operating assets used by the business segment and consist principally of fixed assets and current assets. Segment liabilities comprise of liabilities which can be directly allocated against the respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively.
41. Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary/associates/joint venture

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Net assets as at March 31, 2022</th>
<th>Share in profit or loss for the year ended March 31, 2022</th>
<th>Share in other comprehensive income for the year ended March 31, 2022</th>
<th>Share in total comprehensive income for the year ended March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>As a % of consolidated net assets</td>
<td>Amount</td>
<td>As a % of consolidated profit or loss</td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biocon Limited</td>
<td>50%</td>
<td>80,929</td>
<td>14%</td>
<td>861</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syngene International Limited</td>
<td>14%</td>
<td>22,657</td>
<td>45%</td>
<td>2,775</td>
</tr>
<tr>
<td>Biocon Pharma Limited</td>
<td>-1%</td>
<td>(1,067)</td>
<td>17%</td>
<td>1,056</td>
</tr>
<tr>
<td>Biocon Biologics Limited</td>
<td>13%</td>
<td>21,094</td>
<td>13%</td>
<td>811</td>
</tr>
<tr>
<td>Biocon Biosphere Limited</td>
<td>-</td>
<td>117</td>
<td>-</td>
<td>(4)</td>
</tr>
<tr>
<td>Biofusion Therapeutics Limited</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Biocon Academy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biocon SA</td>
<td>3%</td>
<td>4,843</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Biocon Sdn Bhd</td>
<td>-3%</td>
<td>(4,834)</td>
<td>-17%</td>
<td>(1,080)</td>
</tr>
<tr>
<td>Biocon Biologics UK Limited</td>
<td>16%</td>
<td>26,840</td>
<td>41%</td>
<td>2,524</td>
</tr>
<tr>
<td>Biocon Pharma Inc.</td>
<td>1%</td>
<td>1,794</td>
<td>3%</td>
<td>209</td>
</tr>
<tr>
<td>Biocon FZ LLC</td>
<td>-</td>
<td>80</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Biocon Biologics Healthcare Malaysia SDN. BHD</td>
<td>- (1)</td>
<td>(1)</td>
<td>- (0)</td>
<td>-</td>
</tr>
<tr>
<td>Syngene USA Inc.</td>
<td>-</td>
<td>56</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Biocon Pharma UK Limited</td>
<td>-</td>
<td>66</td>
<td>-</td>
<td>(0)</td>
</tr>
<tr>
<td>Biocon Pharma Ireland Limited</td>
<td>-</td>
<td>26</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Biocon Biologics Inc.</td>
<td>- (72)</td>
<td>-2%</td>
<td>(110)</td>
<td>-</td>
</tr>
<tr>
<td>Biocon Biologics do Brasil Ltd.</td>
<td>- (16)</td>
<td>-1%</td>
<td>(49)</td>
<td>-</td>
</tr>
<tr>
<td>Biocon Biologics FZ-LLC</td>
<td>-</td>
<td>74</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Biocon Pharma Malta Limited</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Biocon Pharma Malta I Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Joint venture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NeoBiocon FZ LLC</td>
<td>-</td>
<td>80</td>
<td>1%</td>
<td>37</td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IATRICA Inc., USA</td>
<td>-</td>
<td>-</td>
<td>-34%</td>
<td>(2,107)</td>
</tr>
<tr>
<td>Bicara Therapeutics Inc (w.e.f January 09, 2021) [Refer note 43(a)]</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>6%</td>
<td>10,375</td>
<td>20%</td>
<td>1,232</td>
</tr>
<tr>
<td>Gross Total</td>
<td>100%</td>
<td>1,63,049</td>
<td>100%</td>
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</tr>
<tr>
<td>Adjustment arising on consolidation</td>
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<td>1,533</td>
<td>64</td>
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<tr>
<td>Total</td>
<td>94,700</td>
<td>7,716</td>
<td>1,102</td>
<td>8,818</td>
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</table>
## Name of Entity

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Net assets as at March 31, 2021 Amount</th>
<th>Share in profit or loss for the year ended March 31, 2021 Amount</th>
<th>Share in other comprehensive income for the year ended March 31, 2021 Amount</th>
<th>Share in total comprehensive income for the year ended March 31, 2021 Amount</th>
<th>As a % of consolidated net assets</th>
<th>As a % of consolidated profit or loss</th>
<th>As a % of consolidated other comprehensive income</th>
<th>As a % of consolidated total comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Holding Company</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biocon Limited</td>
<td>45%</td>
<td>79,071</td>
<td>55%</td>
<td>2,805</td>
<td>1%</td>
<td>24</td>
<td>42%</td>
<td>2,829</td>
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<tr>
<td><strong>Subsidiaries</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indian</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syngene International Limited</td>
<td>11%</td>
<td>19,435</td>
<td>56%</td>
<td>2,831</td>
<td>82%</td>
<td>1,339</td>
<td>62%</td>
<td>4,170</td>
</tr>
<tr>
<td>Biocon Pharma Limited</td>
<td>-1%</td>
<td>(2,133)</td>
<td>-25%</td>
<td>(1,259)</td>
<td>-</td>
<td>5</td>
<td>-19%</td>
<td>(1,254)</td>
</tr>
<tr>
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<td>12%</td>
<td>20,435</td>
<td>41%</td>
<td>2,057</td>
<td>-23%</td>
<td>(380)</td>
<td>25%</td>
<td>1,577</td>
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<td>Biocon Biosphere Limited</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Biocon Fusion Therapeutics Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Biocon Academy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biocon SA</td>
<td>2%</td>
<td>3,929</td>
<td>-1%</td>
<td>(58)</td>
<td>-</td>
<td>-</td>
<td>-1%</td>
<td>(58)</td>
</tr>
<tr>
<td>Biocon Sdn Bhd</td>
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<td>18,719</td>
<td>-49%</td>
<td>(2,481)</td>
<td>5%</td>
<td>76</td>
<td>-36%</td>
<td>(2,405)</td>
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<tr>
<td>Biocon Biologics UK Limited</td>
<td>14%</td>
<td>24,281</td>
<td>32%</td>
<td>1,639</td>
<td>-</td>
<td>-</td>
<td>24%</td>
<td>1,639</td>
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<tr>
<td>Biocon Pharma Inc.</td>
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<td>1,521</td>
<td>5%</td>
<td>249</td>
<td>-</td>
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<td>249</td>
</tr>
<tr>
<td>Biocon FZ LLC</td>
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<td>75</td>
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<td>15</td>
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<tr>
<td>Biocon Biologies Healthcare Malaysia SDN. BHD</td>
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<td>(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Joint venture</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syngene USA Inc.</td>
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<td>-</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Biocon Pharma UK Limited</td>
<td>-</td>
<td>(1)</td>
<td>-1%</td>
<td>(51)</td>
<td>-</td>
<td>-</td>
<td>-1%</td>
<td>(51)</td>
</tr>
<tr>
<td>Biocon Pharma Ireland Limited</td>
<td>-</td>
<td>27</td>
<td>-</td>
<td>(23)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(23)</td>
</tr>
<tr>
<td>Bicara Therapeutics Inc (Upto January 09, 2021)</td>
<td>-</td>
<td>-</td>
<td>-16%</td>
<td>(825)</td>
<td>-</td>
<td>-</td>
<td>-12%</td>
<td>(825)</td>
</tr>
<tr>
<td><strong>Associates</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IATBiCa Inc., USA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bicara Therapeutics Inc (w.e.f January 09, 2021) [Refer note 43]</td>
<td>1%</td>
<td>1,795</td>
<td>-14%</td>
<td>(695)</td>
<td>-</td>
<td>-</td>
<td>-10%</td>
<td>(695)</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>5%</td>
<td>8,807</td>
<td>21%</td>
<td>1,057</td>
<td>35%</td>
<td>563</td>
<td>24%</td>
<td>1,620</td>
</tr>
<tr>
<td><strong>Gross Total</strong></td>
<td>100%</td>
<td>1,75,990</td>
<td>100%</td>
<td>5,074</td>
<td>100%</td>
<td>1,627</td>
<td>100%</td>
<td>6,701</td>
</tr>
<tr>
<td><strong>Adjustment arising on consolidation</strong></td>
<td>5%</td>
<td>8,807</td>
<td>21%</td>
<td>1,057</td>
<td>35%</td>
<td>563</td>
<td>24%</td>
<td>1,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>1,75,990</td>
<td>100%</td>
<td>5,074</td>
<td>100%</td>
<td>1,627</td>
<td>100%</td>
<td>6,701</td>
</tr>
<tr>
<td><strong>Adjustment arising on consolidation</strong></td>
<td>5%</td>
<td>8,807</td>
<td>21%</td>
<td>1,057</td>
<td>35%</td>
<td>563</td>
<td>24%</td>
<td>1,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>1,75,990</td>
<td>100%</td>
<td>5,074</td>
<td>100%</td>
<td>1,627</td>
<td>100%</td>
<td>6,701</td>
</tr>
</tbody>
</table>
42. Discontinuing operations

Pursuant to the approval of the Board of Directors on May 14, 2020, the Group was in process of disposing off its interest in the JV entity. Accordingly, in the previous year share of profit / (loss) from the JV and results of its related business were disclosed as discontinuing operations in the consolidated financial statements.

During the year ended March 31, 2022, the Group decided to commercialise its generic formulation products which are being developed for US, EU and other markets in the UAE through its wholly owned subsidiary. The Group is taking steps to register the formulation manufacturing site and seeking approval of marketing authorization under its own brand. Accordingly, the Group concluded that the UAE operations no longer meets the definition of a Discontinued operations. In accordance with Indian Accounting Standard, the Group has reclassified the above operations as continuing operations in the consolidated financial statements. Accordingly, the statement of profit and loss for the previous year have also been reclassified to continuing operation.

| Details of assets and liabilities held for sale: |
| Carrying value of assets and liabilities held for sale | March 31, 2021 |
| Trade receivable | 139 |
| Cash & cash equivalents | 338 |
| Investment in Joint venture | 43 |
| Others | 2 |
| Assets classified as held for sale | 522 |
| Trade Payable and provisions | 404 |
| Liabilities directly associated with assets classified as held for sale | 404 |

43. Other notes

Bicara Therapeutics Inc, (Bicara), U.S., is a clinical-stage biotechnology company developing dual-action biologics designed to spur a potent and durable immune response in the tumor microenvironment. Bicara is actively engaged in advancing a robust pipeline of first-in-class bifunctional antibodies being developed by a global team.

During the year ended March 31, 2021 to enable Bicara to raise further funding to fund its research and development plans and to further access the innovation ecosystem in developed markets and to achieve business synergies and value accretion through investments, its prevailing shareholder arrangements including those in relation to its voting rights and composition of the Board of Directors of Bicara were amended. The Company has, with relevant legal advice, evaluated the implications thereof and determined that these changes have resulted in cessation of control over the subsidiary.

Accordingly, following the principles in IndAS 110: Consolidated Financial Statements, the Company fair valued its retained investment in Bicara (based on an independent valuers report) on the date of loss of control which resulted in a dilution gain of ₹1,597. Such gain has been disclosed as Other Income in the consolidated financial statements for the year ended March 31, 2021. Effective January 09, 2021, the Group will account for its investments in Bicara using the equity method as it continues to have significant influence over the investee.

During the year ended March 31, 2022, Bicara has raised additional fund from third parties resulting into dilution of shares held in associate. Accordingly, following the principles in Ind AS 28: Investments in Associates and Joint Ventures, the Group has recorded a dilution gain of ₹299 and disclosed the same as other income in the consolidated financial statements for the year ended March 31, 2022.
44. Acquisitions

(i) Biocon Biologics Limited ("BBL") has entered into merger co-operation agreement with Serum Institute Life Sciences Private Limited ("SILS") and Covidshield Technologies Private Limited ("CTPL" or Transferor company) wholly owned subsidiary of SILS on September 16, 2021. On January 03, 2022, the Board of Directors of BBL approved the scheme of Merger by Absorption ("the Scheme") of CTPL with and into BBL (the Transferee company), a material subsidiary of Biocon Limited with an appointed date of October 01, 2022. The Scheme is subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT") and/or such other competent authorities (including the Competition Commission of India), and the shareholders and creditors of the Transferor company and the Transferee company.

(ii) On February 27, 2022, BBL entered into a definitive agreement with its collaboration partner Viatris Inc. to acquire Viatris' biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion. This transaction is subject to necessary regulatory and other approvals. As at March 31, 2022, the closing conditions of the transaction are yet to be satisfied.

45. 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 Group 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 Group 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."

46. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(ii) The Group 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 Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Group is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

47. Events after reporting period

On April 28, 2022, the Board of Directors of the Company has proposed a final dividend of 10% i.e. ₹ 0.50 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
On 27 April 2022, the Board of Directors of the Syngene International Limited (a subsidiary company) has proposed a final dividend of 10% or Re. 1 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or ₹0.5 per equity share and additional special dividend of 5% or ₹0.5 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting of the subsidiary company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.”

48. Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period’s classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.
The metaverse is a move towards a brave new world and it is as futuristic as the possibilities of biotechnology-led healthcare. The transformational aspects of the metaverse and Biocon’s journey in the biopharmaceuticals domain are captured in the title ‘Metamorphosis’. The title is depicted both in words as well as metaphorically in this cover design. The double helix has been used in a similar form of the metaverse symbol to depict this change. The treatment of the double helix adds dynamism to the symbol. The five circles are representative of the organizational metamorphosis of Biocon to evolve into a technology-enabled, future-ready biopharmaceuticals leader and a well-recognized, global brand.

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Biocon has also published an ESG Report for 2022, TransformAction, along with this Annual Report. This report provides insights into the Environmental, Social & Governance performance during FY22.

Scan the QR code to download the ESG Report 2022.

As a part of our efforts towards a cleaner, greener future, we have printed a very small number of the Annual Report and the ESG Report. We encourage people to access and share digital versions of these reports, which are available on our website www.biocon.com and can also be downloaded by scanning the QR codes given on the back cover of this report.
Biocon’s problem-solving spirit has led it to harness the transformational power of biotechnology-led innovation to improve the health and well-being of humanity. Over the past four decades, we have leveraged our knowledge of modern molecular biotechnology to engineer organisms with beneficial traits, thus enabling new solutions to the challenges of disease.

From our origins as a pioneering biotechnology enterprise, we inculcated a research-driven strategy to introduce eco-friendly, enzyme-based solutions in industrial processing. Our innovation-led healthcare solutions that provide affordable access to patients who battle cancer, diabetes, and autoimmune diseases, are propelled by a clear sense of business purpose and responsibility.
Environmental, Social and Governance (ESG) is at the core of our business purpose and responsibility. By serving patients, protecting the environment, and promoting business integrity, we are taking ‘sustainable action’ every day, reinforcing our commitment to building an equitable and viable future.

We are putting new, research-driven insights into action to develop cost-effective therapeutic products that address unmet patient needs and reduce health inequities.

We are leading the transformation of patient ecosystems in collaboration with partners and disruptive operating models.

We are unleashing the power of technology to improve the quality of performance, increase efficiency and enable the highest levels of quality compliance.

We are building a diverse, equitable, and inclusive workplace through affirmative action, from recruitment to career and leadership development.

We are transitioning to renewable energy, reducing our carbon footprint, conserving natural resources, and safeguarding ecological diversity to ensure long-term environmental sustainability.

We are building resilient solutions that enable and empower disadvantaged communities to live better, every day.

We are implementing globally benchmarked standards of governance to create trust with patients, employees, customers, shareholders, and society.

It is transformation in action.

The challenges facing humanity remain significant. The past two-years have been a stark reminder of our fragility as a species. In the face of a deadly viral pandemic, climate disruption and economic standstill, embracing ESG is now, more than ever, imperative for a responsible corporate citizen like Biocon.

We are committed to taking bold and transformative action for the planet, people, and prosperity.
About the Report

Report overview
As a company committed to achieving sustainable growth with positive social and environmental impacts, it is with immense pride that we present Biocon’s first ESG Report in FY22. The purpose of this report is to share our value creation journey with all our stakeholders and provide insights into the non-financial performance of Biocon. Through this report, our aim is to uphold the values of accountability, responsibility and transparency that resonate across everything that we do.

Reporting standards
This report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards and the Securities Exchange Board of India’s (SEBI) Business Responsibility and Sustainability Reporting (BRSR) guidelines and attempts to provide a holistic overview of our ESG management practices and performance.

Reporting scope and boundary
The FY22 ESG Report includes disclosures on the non-financial performance of Biocon Limited and Biocon Biologics Limited, excluding Syngene International, for the period 1st April 2021 to 31st March 2022. The reporting boundary further extends to include discussions on sustainability factors that impact the company’s ability to create long-term value.

Responsibility statement
We believe that this Report offers a balanced view of our ESG performance and our efforts to make a difference to all our stakeholders.

The Board of Directors confirms that the content of this report has been developed under the guidance of the senior leadership and the support of the various business functions.
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Our Transformative Story

Biocon was set up in 1978, as a joint venture with an Irish biotech company to manufacture bio-enzymes for the brewing industry for its partner’s global customers. Beginning with a modest investment of ₹ 10,000 and operating out of a garage in Bengaluru, Biocon has steadily evolved over the years, from being an entrepreneurial enzymes enterprise, to a globally recognized, innovation-led biopharmaceuticals company. Over the years, Biocon has periodically re-invented its business model to usher in transformational change.

Driven by a strong belief that the pharmaceutical industry has a humanitarian responsibility to enable access to essential drugs for patients and to do so with the power of innovation, Biocon has focused on building a new model of innovation that adds the condition of affordability to ensure accessibility.

Vision

To enhance global healthcare through innovative and affordable biopharmaceuticals for patients, partners and healthcare systems across the globe

Mission

To be an integrated biotechnology enterprise of global distinction

Values

Collaboration, teamwork, and mutual respect

Integrity and ethical behaviour

Performance-driven work culture

Value creation through innovation and differentiation

Quality through compliance and best practices
Biocon is a differentiated player in the global pharmaceutical space

- 120+ countries
- 14,750+ employees
- 1,300 patents granted
- 1,060 registered trademarks
- 50+ cGMP approvals from International regulatory agencies
- Generated revenues of $1.1 billion in FY22

Generics

When we entered the biopharmaceutical sector in the early 2000s, we made the strategic choice of leveraging our core competence in fermentation sciences to produce small molecule Active Pharmaceutical Ingredients (APIs). As a result of this focus, we were able to command a significant market share for our portfolio of APIs, initially comprising of statins and later, increasingly dominated by immunosuppressants and other specialty small molecules. For over 20 years, our global portfolio of APIs has catered to over 700 pharma companies, with an impeccable track record of quality, safety, and reliability. To capture a larger portion of the value chain in the Generics business, which was a key anchor of Biocon’s initial success in biopharmaceuticals, we forward integrated into complex formulations such as injectables and oral solids that incorporated our differentiated APIs. We have successfully commercialized several generic formulations under our own label in the U.S. and are gradually expanding our reach to other geographies.

We have built a pipeline of niche, difficult-to-make formulations with high barriers to entry. This, coupled with our excellence in execution, will enable us to help address the needs of patients, partners, and healthcare systems worldwide.

Biosimilars

To address the global challenges associated with non-communicable diseases (NCD), Biocon rapidly moved up the pharmaceutical value chain from small molecules to recombinant proteins and antibodies in the early 2000s. We enabled competition for expensive innovator biologics through our biosimilars for diabetes and cancer. We invested in cutting-edge Research and Development (R&D) and commercial scale globally compliant manufacturing facilities across diverse technology platforms spanning insulins, monoclonal antibodies, and conjugated recombinant proteins.

1Includes Syngene
Biocon Biologics, which is an independent subsidiary of Biocon, is leveraging cutting-edge science, advanced R&D capabilities, innovative tech platforms and global-scale manufacturing capacities to develop and manufacture high-quality biosimilars for a global patient population.

We established global credibility as a serious biosimilars player through several ground-breaking achievements, starting with the Indian approval for the world’s first bTrastuzumab in 2014 and the Japanese approval for bGlargine in 2016. We were the first in the world to obtain U.S. approvals for bTrastuzumab in 2017 and bPegfilgrastim in 2018.

Our biosimilar monoclonal antibodies and therapeutic proteins are significantly impacting cancer care worldwide. Our portfolio of affordable recombinant human insulin and insulin analogs are benefiting millions of people with diabetes globally. In FY22, we touched 5.3 million patients’ lives worldwide through our biosimilars portfolio for diabetes, oncology, and immunology.

Our investments in building global scale manufacturing have led us to be among the world’s Top 15 bio-manufacturing companies. We are one of the leading insulin producers worldwide and have global scale antibodies manufacturing capacities as well.

To make a greater impact on global health, Biocon Biologics executed two strategic transactions in FY22. This included acquisition of Viatris’ global biosimilars business will create a fully, vertically integrated world-leading biosimilars company with direct commercial presence in developed and key emerging markets. The strategic alliance with Serum Institute Life Sciences provide Biocon Biologics an ‘asset light’ by accelerating entry into vaccines. These strategic developments will create a business that will not only be able to expand our reach, but also transform patients’ lives by delivering affordable access to innovative and inclusive healthcare solutions, thereby addressing the issue of health inequity.

**Novel Biologics**

Biocon’s ground-breaking work in novel biologics has enabled the company to address unmet requirements for the treatment of cancer and autoimmune ailments. Our current portfolio includes molecules that we are developing in-house, as well as, those that are driven by external collaborations.

We are proud to be pioneers in the development and launch of BIOMAb-EGFR (Nimotuzumab), India’s first indigenously manufactured novel monoclonal antibody for the treatment of head and neck cancer. Furthermore, we developed and launched ALZUMAb (Itolizumab), the world’s first novel anti-CD6 monoclonal antibody, for psoriasis and other indicators. Our proven capabilities in discovery, process, and product development, translational and clinical sciences, maximize the overall probability of our success.

In the next few years, we are expecting results from studies involving our novel assets.

Bicara Therapeutics, an associate of Biocon based in Boston, U.S., is developing a pipeline of bifunctional antibodies that exploit the recent advances in immuno-oncology. Bicara enables access to the thriving innovation ecosystem in the U.S. which accelerates our development of cutting-edge therapies for cancer. We are confident that synergies between the scientific teams in Boston and Bengaluru will pioneer rapid and cost-effective breakthrough innovation.

**Research Services**

Started in the early 1990s, Syngene was India’s first Contract Research Organization (CRO), set up with the aim of catering to the R&D needs of the global pharmaceutical industry. Syngene’s emergence as India’s leading contract development and manufacturing company (CDMO) triggered its successful public listing in 2015. Today, Syngene is well-positioned with its capabilities and infrastructure to leverage the strong market demand for the development and manufacturing of drugs. The company is moving beyond a traditional service outsourcing model toward true end-to-end collaborations, accelerating innovation for its clients across the drug R&D continuum. It is building expertise in immuno-oncology, CAR-T, mRNA, and small interfering RNA (siRNA) platforms for researching next-generation therapies.
Innovation that delivers affordable access to life-saving therapeutics for patients worldwide is at the core of our business ambition. Our philosophy of ensuring health equity resonates with our Environmental, Social, and Governance or ESG aspirations. In a world where ESG is increasingly becoming a “biomarker” of business purpose, Biocon has adopted practices to demonstrate conscious capitalism, environmental stewardship, talent diversity, and equitable governance within its stakeholder ecosystem.

In FY22, Biocon made strategic moves to further its purpose of catalyzing transformative change to address health inequities across the world. We charted new growth paths and made a mega acquisition, fostered alliances, and made multiple new investments.
**Transformative Investments**

Our landmark decision to acquire the global biosimilars business of our long-term partner, Viatris, will enable full vertical integration across the biosimilars value chain from ‘lab to market’ and take us closer to patients, payors, and healthcare providers in developed and emerging markets.

Our quest to impact global healthcare steered us towards a strategic expansion into adjacencies such as vaccines. In FY22, Biocon Biologics entered an alliance with India’s largest vaccine maker, Serum Institute to join the effort of addressing the inequitable access to vaccines.

**Mission Insulin for Health Equity**

As we commemorate 100 years of the discovery of Insulin, we are positioning ourselves to build global leadership through unlocking equitable access to insulin and meeting varied patient needs through our comprehensive portfolio.

We are proud of the historic approval we received for the world’s first interchangeable biosimilar in the US. In FY22, the launch of our interchangeable Glargine is in line with our aspiration to provide our biosimilar to ‘one-in-five’ insulin-dependent people with diabetes, globally.

**Saving Lives During the Pandemic**

At the height of the pandemic, we were able to realize the potential of bio-therapeutics in the fight against Covid-19 induced cytokine storm. Our repurposed novel biologic ALZUMAb-L (Itolizumab) benefited over 40,000 COVID-19 patients so far.

**Practicing Environmental Empathy**

As a company, we believe that health equity is embedded in restoring ecological balance. This belief has driven us continuously to identify opportunities to increase the share of renewables in our energy mix, improve energy efficiency, innovate to drive productivity across our value chain, implement the principles of a circular economy, and adopt digital solutions that minimize inefficiencies.

Through usage of solar and wind energy, the share of ‘green power’ in total energy purchased across Biocon and Biocon Biologics rose to 58% in FY 22. We achieved 117,697* tonnes of carbon dioxide equivalent (tCO₂) reductions in the year as a result of our green power initiatives and the use of clean fuel (natural gas) for steam generation.

We recorded 680,000 liters of incremental water savings per day from water conservation initiatives across the global manufacturing operations of Biocon and Biocon Biologics.

**Working Towards Gender Equity**

As a woman entrepreneur, I have inculcated a strong sense of purpose and commitment to diversity, inclusion, and social equity at Biocon. This is reflected in our aspiration to get to a 50:50 gender ratio by 2030. To achieve this target, we are refining our policies and increasing career opportunities for women through initiatives that include management and leadership development programs.

We were certified by Great Place to Work® India as a Workplace with Inclusive Practices, acknowledging our investment in our people and our inclusive culture.

**Digital transformation: A key strategic initiative**

ESG is foundational for Biocon’s digital transformation initiative. We are making significant investments to transform the Biocon Group into a data and digital-led global biopharmaceuticals organization. These initiatives are enhancing quality and compliance while augmenting productivity through enhanced operational excellence. They are also enabling data integrity through technology-led data transparency. Digitalization, we firmly believe, can build higher standards of governance and build greater levels of trust with all stakeholders.

* BL + BBL (Excluding Malaysia)
Building Hallmarks of Trust and Reliability

At Biocon, we believe in building trust with patients, customers, shareholders, and society is the anchor for long-term success.

We are evolving and expanding our sustainability reporting and have captured our environmental management, social impact, and corporate governance practices in our first GRI-aligned ESG Report.

Keeping with our focus on ESG issues, we are taking transformative action to ensure sustainable performance across operational, financial, environmental, social, governance and humanitarian facets of our enterprise.

Kiran Mazumdar-Shaw  
Executive Chairperson  
Biocon and Biocon Biologics

Corporate philanthropy in action

Biocon’s corporate philanthropy aims to build resilient and innovative solutions that enable and empower disadvantaged communities to live better. In FY22, the Biocon Foundation implemented several initiatives targeted at increasing access to healthcare for underserved communities, improving the nutritional standing of school-age children, promoting science & technology, and sponsoring urban afforestation initiatives.

Biocon Academy is the outcome of our endeavor to build a talent ecosystem for biotech-related skills in India. We have trained over 850 students over the last eight years, by augmenting their industry readiness and providing them with value added employment opportunities in the Indian life sciences sector.

Embracing ESG to drive the next phase of transformative action

Our business purpose is deeply intertwined with ESG. By protecting the environment, serving patients globally, and promoting business integrity, we are reinforcing our commitment to building a sustainable future. Our recent entry in the Dow Jones Sustainability Index (DJSI) Emerging Markets Index, where we achieved a 93rd percentile position with a Total Sustainability Score of 45, is a testimony to our responsible and sustainable business practices.

ESG is foundational for Biocon’s digital transformation initiative. We are making significant investments to transform the Biocon Group into a data and digital-led global biopharmaceuticals organization.
Sustainability is Integral to Business Strategy

Q&A with Siddharth Mittal, Managing Director and CEO, Biocon Limited

How is the Indian landscape evolving from the perspective of industry in achieving UN Sustainable Development Goals?

Companies have started realizing that sustainability is a serious business driver. They now understand that profitability and growth depend upon how effectively they are able to meet the expectations of different stakeholders, who are more aware and concerned about sustainability than ever before. Employees, for example, want their work to have a purpose that goes beyond a narrow professional definition. They want to be part of a company that believes in being socially responsible. Investors are now recognizing this reality and are asking questions about a business’ sustainability strategies. Customers, too, are looking at a company’s track record on sustainability and social commitment before making their purchasing decisions.

An article published by McKinsey and Co stated, “We looked at companies on the New York Stock Exchange and Nasdaq that had strong ESG records at the start of the pandemic, both when markets started to collapse and from March 2021 onward when the markets began to recover. In both of those periods, companies with better ESG records outperformed those with low records.”

Not surprisingly, sustainability is now a critical part of business strategy that is driven at the Board level in several companies, including Biocon. This is aided and propelled by increasing regulatory momentum as well. For example, SEBI’s Business Responsibility and Sustainability Reporting framework will help create a level playing field to ensure transparency, consistency, and comparability in non-financial disclosures.

At the 26th UN Climate Change Conference, also referred to as COP26, India has committed to achieve Net Zero emissions by 2070 and declared that 50 percent of our electricity production will be from renewable sources within the next decade. These commitments are sure to translate into policy action to incentivize and support businesses that decrease their carbon footprint.

As a company, we believe in truly exploiting the opportunity to invest in innovation and R&D. With this, our purpose of promoting good health and well-being as well as reducing inequalities in access to necessary healthcare across spectrums is met.
What are the objectives and targets of your sustainability efforts in Biocon?

Making ESG commitments and stating a purpose is easy. However, these become meaningless without transformative action. One has to have a clear ESG strategy, based on which a coherent program can be created, comprising specific action points and clearly defined, realistic goals.

Sustainability is integral to Biocon’s business strategy as well as necessary for fostering long-term investment, financial stability, and business continuity.

Environment – We have sharpened our focus on climate action to understand, assess, and manage climate-related risks. We have adopted circular economy principles to reduce water usage and improve the efficiency of resource utilization. Our target is to ultimately transform our operations and make them net water positive, or at the very least, water neutral. Environmental responsibility is also embedded in our supply chain management practices.

Social – Social responsibility is intrinsic to our corporate policies and work culture. Being an equal opportunity employer, we believe strongly in the power of diversity, equity, and inclusivity. Our people policies and practices foster a culture of mutual trust and respect. Additionally, our actions are aimed at delivering positive societal and environmental outcomes and building intrinsic value in the community that we are a part of. We regard these as part of our business goals.

Governance – We have established high standards of governance to build an environment of trust, transparency and accountability. To drive a top-down approach for ESG integration, our Corporate Social Responsibility Committee at the Board level was reconstituted to ‘Corporate Social Responsibility and Environment, Social, and Governance Committee’ with the primary objective of providing oversight, direction and monitoring our ESG strategy and initiatives, as well as to direct initiatives to embed integrated thinking within Biocon’s culture. Additionally, at Biocon Limited and Biocon Biologics, the Board formed an Environment, Social and Governance Committee to drive positive impacts across the entity.

Can you provide an overview of what Biocon achieved during FY22 in terms of ensuring stakeholder equity?

The past two years were very challenging for the world at large with the COVID-19 pandemic almost bringing the world economy to a standstill. Being in the pharma sector, our responsibility was multifold. We had to ensure that our patients continued to get our medicines, which they count upon to stay in good health. At the same time, we had to ensure the safety and well-being of our employees and their families, while also supporting the government and local authorities in their efforts to mitigate the pandemic’s impact.

However, amidst all this disruption, we never lost sight of our ESG goals and undertook several measures towards achieving them.

Last year, we conducted a detailed Materiality Assessment (MA) covering as many as 153 different stakeholders, both internal and external. The MA helped us identify the most material issues to be prioritized for creating long-term value and strategize resource allocation accordingly. Demonstrating transparency and inclusion, while prioritizing key focus areas for our growth, has enabled us to gain our stakeholders’ trust. I am delighted that the stakeholder priorities that emerged are aligned with Biocon’s business priorities. The details of the assessment can be perused later in this report.

This year we published our first Tax Transparency Report, demonstrating our commitment to openness on tax matters. We also developed a Code of Conduct as a support program for our suppliers and partners that help them align their operations and practices with our ESG goals. This enables us to build synergies with our suppliers.

We have published our first standalone Human Rights Policy*, which details our approach to upholding human rights across our value chain, including our permanent and contractual employees, suppliers, consultants and our Board members.

Embedding ethics and compliance in every aspect of our business has resulted in our CDP and DJSI CSA and EcoVadis scores improving significantly.

*Similar principles applicable to Biocon Biologics, currently embedded in its Code of Conduct, is being developed as an independent global policy document.
Our employees are our biggest asset and to facilitate our commitment towards transforming their career journeys, we have developed a competency framework which acts as the foundation for all our people processes, covering talent acquisition, performance evaluation, talent development, and succession planning. We have also launched initiatives to build a pervasive culture of excellence at Biocon and systematically incorporated tech-enabled tools into our processes to enhance efficiency, eliminate human error and ensure consistency of quality. Our digitization journey is ongoing and driven at the highest levels.

Can you provide an overview of what Biocon achieved during FY22 in terms of ensuring environmental equity?

We continue to build on the programs and initiatives undertaken over the last two years.

- With regard to energy purchased, we have reduced our non-renewable energy from 141,700-megawatt hour (MWh) to 137,200 MWh, and increased our renewable energy to110,000 MWh from 95,000 MWh.

- We invested `80 million in a new 600 kiloliters/day (KLD) capacity zero liquid discharge (ZLD) effluent treatment plant in Bengaluru. This will gain us 680,000 liters of incremental water savings per day as 100 percent of wastewater is now recycled and reused back in the process or in utilities.

- We also sent over 5,500 tonnes of high-calorific waste for reuse as an auxiliary fuel to cement factories. Besides, as much as 60 percent of solid waste generated at our facilities is recycled.

- Approximately 58 percent of total electricity purchased for consumption at our India sites in FY22 was from green sources for BL & BBL Indian operations.

All of these transformative actions have helped us achieve reductions of over 102,000 tCO₂ in FY21 and 117,000 tCO₂ in FY22.

Due to the need of a highly-skilled workforce, how do you focus on attracting and retaining talent and building their skills? Can you specify the efforts you are making to ensure diversity and inclusion?

The well-being of our employees is of paramount importance at Biocon, and we have in place several initiatives and programs to enable them to stay in good health, physically, mentally, and emotionally. We foster a sense of belonging and an ambience of mutual respect and positive collaborative spirit through several employee engagement initiatives that cover health and wellness and motivational sessions, to name a few.

We hired 2,806 individuals as full-time employees during FY22. We introduced several initiatives to enable our employees to learn, grow and develop their careers, such as departmental scorecards, career-pathing, competency frameworks, and digital learning programs to facilitate the development of individuals in multiple domains. In this vein, the total training hours for our employees stood at over 178,000. We invested a total of `27 million for employee learning and development in FY22.

Biocon is an equal opportunity employer and abides by a policy of equal pay for equal work. Diversity and inclusion are intrinsic to our work culture and people. Our organization level diversity ratio grew from 10.5 percent in FY 2020-21 to 12.3 percent in FY 2021-22.

How would you sum up Biocon’s ESG journey in FY22?

The significant improvement in our scores in DJSI and CDP is a validation of the transformative actions being undertaken at Biocon to embed ESG within and beyond the organization. As an ongoing journey, this aspect of our business has been accorded the topmost priority and is overseen at the highest levels. Going forward, we see ourselves delivering even better results on the ESG front in the years to come.

Siddharth Mittal
Managing Director and Chief Executive Officer, Biocon Limited
How are you improving global patient equity through Biocon Biologics’ biosimilars business?

At Biocon Biologics, we strongly believe that healthcare must take many forms and should be accessible to all in a cost-effective way. Biologics have increasingly become the foundation of innovative therapies in modern medicine. Given the pipeline of therapies in clinical development, it is evident that biological therapies will continue to gain importance, if not dominate the market.

Biosimilars, which are follow-on biologics typically launched after the innovator molecules lose patent protection, have already demonstrated their ability to broaden access to several life-saving therapies, thus enabling patient equity. Having entered this segment more than 15 years ago, Biocon is a frontrunner in biosimilars today. As an industry pioneer, Biocon was amongst the first wave of companies to address the global need for biosimilars. Biocon Biologics, which is an independent subsidiary of Biocon with its management team, is leveraging strong science, global scale and its long experience in biopharmaceuticals to develop and manufacture several high-quality biosimilars for treating various chronic conditions for global patient population. We have developed several monoclonal antibodies and therapeutic proteins, which are significantly impacting cancer care worldwide. Our portfolio of affordable recombinant human insulin and insulin analogs is benefiting millions of people with diabetes globally. In FY22, we touched 5.3 million patients’ lives worldwide through our biosimilars portfolio for diabetes, oncology, and immunology.

Our expertise in product development and manufacturing has allowed us to build a pipeline of 20 biosimilar assets for the coming decade. We will continue to invest in R&D to develop quality biosimilars for high-value therapeutics, enabling wider patient access.

How do you see Biocon Biologics contributing to the global fight against diabetes?

Diabetes is a worldwide NCD pandemic that affects nearly half a billion people. Unfortunately, ‘four out of five’ people with diabetes live in low- and middle-income countries (LMICs). Insulins help save the lives of millions of diabetes patients each year, yet millions are denied access to this life-saving therapy due to its prohibitive costs.
Despite the capital-intensive nature of insulin production, Biocon Biologics has succeeded in expanding access to insulin therapy in India and key global markets by pursuing an innovation strategy that is rooted in affordability. We have built one of the largest insulin manufacturing capacities in the world, which we are using to shift the access paradigm for insulins, worldwide.

Biocon Biologics, through its proprietary Pichia pastoris platform, has been able to disrupt the insulins market globally. Our journey, which started with recombinant human insulin in India, has broadened to cover several global markets including the U.S. We have cumulatively supplied over 2.75 billion doses of recombinant human insulin to patients globally over the years.

Following the landmark commercialization of bGlargine in the U.S. in FY21, we marked another milestone by obtaining interchangeable designation from the U.S. FDA for our bGglargine in FY22. We are the first in the world to obtain approval for an interchangeable biosimilar product in the U.S. The interchangeability approval, which allowed substitution of our product for the innovator at the pharmacy counter, demonstrated our scientific, quality, and regulatory capabilities. The interchangeability status is allowing us to offer people living with diabetes in the U.S. more treatment options, rationalize cost of therapy and generate savings for the overall healthcare system. Our insulins are widening the treatment options available to patients living with diabetes, as well as enabling local healthcare systems to realize substantial savings on diabetes care. With the aim of making insulins affordable and accessible to patients in LMICs, we have rolled out our ‘Mission 10 cents’ initiative to supply recombinant human insulin at less than 10 U.S. cents per day to governments in some countries.

With the EU approval of our bAspart, we now have a broad portfolio, comprising basal, mixed and rapid acting insulins to meet the varied needs of people with diabetes worldwide.

Biocon Biologics has multiple partners across the globe, including developed and emerging markets. How do you ensure stakeholder equity?

At Biocon Biologics, we believe synergistic collaborations can help us capitalize on each others strengths to deliver on our objective of enabling patient equity. Therefore, we have entered global partnerships for research, manufacturing, and commercialization. Our long-standing global partnership with Viatris has enabled us to achieve many firsts, setting new benchmarks for the global biosimilars industry. In FY22, we made a strategic decision to acquire the global biosimilars business of Viatris to create a fully integrated biosimilars business in Biocon Biologics. This deal provides several advantages, including expanded global footprint, direct-to-market access, strategic agility and operational efficiencies. Once concluded, this acquisition will enable us to expand patient access to biosimilars and reduce healthcare inequities worldwide.
During FY22, we also entered into a strategic alliance with Serum Institute Life Sciences (SILS) for vaccines to make a meaningful impact in fighting infectious diseases. Vaccines and antibodies for infectious disease are a natural adjacency to Biocon Biologics’ existing capabilities in biologics for non-communicable diseases. Together with SILS, we believe we can address patients’ needs for vaccines for various infectious diseases, including COVID-19.

Our partnerships extend beyond our peers to include our vendors and consultants who have provided us with a continuous supply of raw materials, equipment as well as technical expertise when required. We are grateful for their efforts, which have enabled us to scale our operations and ensure business continuity, even in difficult times.

Our investor community has been vital in ensuring that we maintain a culture of transparency and accountability. We have received funding from four private equity investors and will be welcoming SILS and Viatris as shareholders post the completion of the two strategic deals, which I am sure will support us in building a world-class biosimilars company.

What is Biocon Biologics doing to ensure diversity, equity and inclusion especially with respect to gender parity?

Diversity and inclusion are at the core of our business strategy as we believe that everyone has unique strengths which can be leveraged to create a culture of innovation at Biocon Biologics. Over the years we have focused on diversity hiring and have a large pool of women scientists who have partnered our science-led innovation journey. We take pride in having a merit-based work culture and have ensured gender parity in terms of compensation and benefits for similar roles. In order to ensure that women are well-represented in every team, we run special leadership development programs for women to take up larger roles.

Having already created a professional management team and an independent Board for Biocon Biologics, what additional measures are you taking to reinforce corporate governance in the entity?

The premise of carving out Biocon Biologics as an independent entity with its own professional management team and independent Board of Directors was not only to ensure undivided focus on the biosimilars business, but also ensure better governance. We have adopted globally benchmarked standards of governance to foster long-term investment, financial stability and business integrity, which enable sustained and equitable growth. Our ethical business practices have earned us a strong reputation and we continue to always uphold these through the highest level of compliance to our Code of Conduct and Ethics. We have put systems and processes in place at Biocon Biologics that support the anticipated growth in business while protecting the interests of our shareholders and other relevant stakeholders. In order to ensure consistent focus and drive our ESG strategy we have designed a robust multi-tiered governance framework at the Board, management and working group levels. As we bring global investors and new partners on board, we will uphold our firm commitment to ethics and values inherited from our parent company, Biocon Limited.

Dr. Arun Chandavarkar
Managing Director, Biocon Biologics
Our purpose, to champion change and make a meaningful and tangible difference in the lives of our patients and our people, forms the basis of all our business decisions. To deliver on our purpose, we are committed to a sustainable and equitable future with a strong focus on employee wellbeing, enabling development in the community and minimizing our impact on the environment.
A purpose-led approach translates into integrating ESG considerations in the design and execution phase of our business strategies. We have defined our vision and ambition towards ESG integration, supported by clear goals and commitments, and are transforming our business to better deliver shared value for our stakeholders. Our approach to ESG pivots around building trust, accountability, and transparency to drive long-term value, minimize risk and seize emerging opportunities.

Transformational Action on ESG

While the formal integration of ESG into our business model has been a recent development, its core ethos and principles have always been a part of our business decisions. We believe in doing business the right way and over the years we have implemented a robust framework of policies and processes that enable us to be responsible corporate citizens.

The emergence of ESG standards and frameworks coupled with rapidly evolving regulations have provided an impetus at Biocon to better understand and formulate our business strategy to deliver a positive impact for our stakeholders. The journey of recognizing ESG principles as a key, standalone criterion for business decisions underwent several steps:

- **Conducted an ESG diagnostic:** We started our ESG journey by conducting a detailed assessment to review and benchmark our existing policies and processes, identifying opportunities and strategies to build a more sustainable company. The outcomes of the exercise established a baseline and provided insights into opportunities for further improvement, which became integral considerations to our ESG roadmap for FY22 and beyond.

- **Assessed materiality:** The ESG landscape is dynamic and ever evolving. In order to understand changing stakeholder expectations and capture their perspective on ESG priorities for our business, we conducted a detailed materiality assessment, wherein we engaged with over 110 internal and external stakeholders through online survey questionnaires, and personal interviews. The results of the assessment provided us with a priority list of ESG topics that are relevant to the long-term value creation potential of the company. These ESG topics helped us develop our ESG focus areas over the next two to three years.

- **Institutionalizing ESG into our governance structure:** We recognize that in order to truly integrate ESG into our business model, we need to identify ESG stewards within the organization and assign roles and responsibilities for implementing and monitoring our progress along the ESG transition. To provide adequate oversight and accountability on ESG, we have instituted the ‘Corporate Social Responsibility and Environment, Social and Governance Committee’ and the ‘Environment, Social and Governance Committee’ at Biocon Limited and Biocon Biologics Limited, respectively. The Committees report directly to the Board and drive a top-down approach towards ESG integration.

- **Developing an ESG roadmap:** We also recognize that embedding ESG into everything we do is a gradual process. Accordingly, we have developed a pathway towards greater ESG adoption by developing detailed actions plans and business-function level roadmaps. The roadmap sets out clear goals to achieve our sustainable development ambitions and will be tracked based on clearly defined metrics under our established governance process.

- **Managing supply chain ESG risks:** We hold our partners and suppliers accountable to the same set of expectations on ESG as we hold ourselves. While we do have defined processes for supplier assessments, we developed and operationalized a ‘Supplier Code of Conduct’, a standalone charter which outlines expectations from third parties, vendors and suppliers towards fair treatment, ethical behavior and safe and sustainable business practices.

- **We are publishing our first ESG Report for FY22 in accordance with the Global Reporting Initiative (GRI) Universal Standards to enhance transparency on non-financial performance. This report will also be our first step to integrate the SEBI’s BRSR guidelines for ESG reporting ahead of its prescribed statutory adoption in FY23**

- **Tax Transparency Report for FY22:** In lieu of the recent developments related to stakeholder expectations demanding greater tax transparency, we have developed and published a comprehensive tax Policy, and we are also publishing our first ever ‘Tax Transparency Report’. The purpose of the Report
is to provide an overview of our tax strategy, our governance, control and risk management framework and our contributions to the exchequer. The publicly available Tax Transparency Report is intended to improve transparency and build a deeper sense of trust in our stakeholders regarding the management of tax in our company.

**Human Rights Policy**: Demonstrative of our values, this year we strengthened our commitment to free and fair practices by formulating our Human Rights Policy*. This is in alignment with the ten-tier principles of the UN Global Compact and the Universal Declaration of Human Rights (UDHR). This policy is aligned with Biocon’s Code of Conduct and Supplier Code of Conduct and imbibes the spirit of protecting human rights in our operations and across the value chain. The Policy confirms our commitment to equal opportunity, non-discrimination, health and safety, free employment, fair wage and benefits, data privacy, corporate social responsibility, etc. The Human Rights Policy* applies to all employees of Biocon Limited and its subsidiaries (excluding Biocon Biologics, Syngene and their subsidiaries), including business partners, contractual employees, trainees, volunteers, consultants, and members of the Board of Directors. We intend to conduct appropriate training for various stakeholders to ensure that they understand and share the same commitment towards this end.

**Improving our ESG ratings and scores**: We featured for the first time on the DJSI Emerging Markets Index in 2021, with a total sustainability score of 45 as against the industry average of 18, thereby achieving a 93rd percentile position. We have also secured ‘B’ in the Carbon Disclosure Project (CDP) for both Climate Change & Water Security demonstrating disclosure, awareness and management of climate change and water related issues in our business, which is higher than the global average of the biotech and pharma sectors. We were awarded a Bronze Medal by EcoVadis in FY22 for our ESG performance.

**Our ESG Highlights**

We have continued to improve our ESG initiatives to ensure that the impact of our actions leads to positive change. This is evidenced by our key highlights for FY21 and FY22, detailed below:

- Biocon Biologics’ proposed acquisition of partner Viatris’ biosimilars business is a transformational deal that will accelerate our mission of making biosimilars affordable, available and accessible to a larger global patient pool.
- Biocon Biologics has entered into an alliance with Serum Institute Life Sciences (SILS) to join the effort of addressing the inequitable access to vaccines.
- The landmark approval of interchangeable bGlargine, co-developed with Viatris, will allow Biocon Biologics to improve accessibility, availability and adoption of biosimilars in the U.S. for the benefit of patients and the overall healthcare system.

**Governance in Action**

- Robust and globally benchmarked corporate governance policies
- Published our first Tax Policy and, voluntary ‘Tax Transparency Report’ FY22
- Biocon Limited published a standalone Human Rights policy*
- Published our Supplier Code of Conduct which integrates ESG expectations such as Zero tolerance for child labor
- All employees trained in Adverse Event Reporting
- Continued digitization initiatives to strengthen the Quality Management System and Learning Management

**Transforming Patient Lives**

- R&D Spend - ₹ 5,950 Million (FY22), 10% of total revenue**
- Doses of rh-Insulin supplied to people with diabetes globally since 2004 - ~2.75 billion
- Patients benefitted through our biosimilars in FY22 - 5.3 million

*Similar principles applicable to Biocon Biologics, currently embedded in its Code of Conduct, is being developed as an independent global policy document.

**BL and BBL
Responsible Action Towards Environment ¹

- Energy consumed - 511,354 MWh
- Water consumed - 1.71 million m³
- Green Energy Purchased - 58 percent for BL & BBL Indian operations
- Total GHG offset - 117,697 tCO₂
- ISO 14001 (Environmental Management Systems) certified

Transforming the Workplace

- The number of women in the permanent workforce stood at 1,531 in FY22 while it was 1,354 in FY21.
- 13 percent increase in women who constitute the permanent workforce in FY22 as compared to FY21.
- ₹ 12.8 million invested in activities such as annual health check-ups, employee engagement initiatives, and RT-PCR testing for our employees at Biocon Limited, India.
- The total hours of training in FY22 stood at 178,264. The average training hours per full-time employee for FY22 stood at 19.9. Furthermore, the average amount spent per full-time employee on training and development stood at ₹ 3,033 in FY22.
- ISO 45001 (Occupational Health and Safety Management Systems) certified

Transforming our Communities

- ₹ 113 million (BL and BBL) in Corporate Social Responsibility (CSR) spending in FY22.
- Investment in Hebbagodi Lake Rejuvenation Project since inception is more than ₹ 82 million, with ₹ 5 million invested in FY22.
- 120+ students graduated from Biocon Academy in FY22 with 100 percent placement across leading pharma, biotech, and life sciences companies.
- ~71,000 patient visits at the Biocon Foundation-run eLAJ smart clinics in FY22.

ESG highlights:

Carbon Disclosure Project (CDP) rating on Climate Change and Water Security improved from C to B in 2021.

Among Top 15 Companies from India on Dow Jones Sustainability Index (DJSI) score improved from 18 to 45 in 2021.

Ecovadis assessment score increased from 35 to 52 this year, compared to last reporting year.

¹FY2022
Transforming Patient Lives

We discover, develop, and deliver affordable medicines that help transform patient lives. Their health and wellbeing are our top priority. Our products have also helped enhance the healthcare process in developing countries, furthering our goal of achieving health equity for all.
Global health today is characterized by deeply entrenched inequities in access to quality healthcare. Availability and accessibility of essential and life-saving medicines are a prerequisite to guarantee healthy lives and social security for the majority of the world’s population. Our commitment is to deliver medicines to a vast proportion of people and ensure better patient outcomes. Over the past 20 years, Biocon has leveraged India’s value advantage of scientific talent and advanced manufacturing to deliver scale, speed, and quality that enabled affordable access to complex therapies for chronic conditions. Through our portfolio of generics, biosimilars and novel biologics, we have strengthened our value proposition to reflect our four strategic pillars: accessibility, affordability, availability, and assurance.

**Generics**

Biocon is focused on delivering high-quality and efficacious small molecule generic APIs and formulations across the globe. The cost savings offered by generic drugs position them as affordable alternatives to innovator drugs. They reduce the burden of healthcare costs for patients, providers and healthcare systems. If more prescribers substituted generics for brand-name drugs, healthcare spending could reduce substantially, especially for those in the middle to low-income brackets.

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**Our global portfolio in APIs has grown significantly catering to ~500 pharma companies in 100+ countries, including the U.S., Europe and large emerging markets.**

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With a track record of excellence for over 20 years, our APIs find application in high-quality drugs that treat oncology, cardiology, CNS, neurology, orthopedic, pulmonology, gastroenterology, nephrology, ophthalmology, and endocrinology conditions.

During the fiscal year, we filed 34 DMFs globally, including 5 in the U.S. We also received approvals for 16 DMFs in various geographies across the U.S., Europe, and most of the world (MoW).

This year began with two new formulation product launches – Labetalol Hydrochloride tablets and Esomeprazole Magnesium Delayed-Release capsules. Labetalol is used to treat high blood pressure and helps in the prevention of cardiovascular complications such as heart attack and stroke, while Esomeprazole Magnesium, a proton pump inhibitor, is indicated for the treatment of gastroesophageal reflux diseases. This was followed by a key launch of our vertically integrated complex formulation, Everolimus tablets in October 2021. Everolimus is a prescription medication that is used to treat certain types of cancers and tumors. Further, we secured product approvals for Mycophenolic Acid, which is indicated for the prophylaxis of organ rejection, Posaconazole, an anti-fungal drug, as well as Dorzolamide, an ophthalmic product. Before the close of the fiscal, we were able to commercialize the latter two products.

We continue to expand our portfolio and our regional presence while also building in-house manufacturing capabilities to support future growth.

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**Strengthening capacity and capabilities in API manufacturing**

We are close to completing the commissioning of our greenfield, fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam, Andhra Pradesh. This is our first facility to be enabled with Industry 4.0 transformative technologies and will add much-needed capacities to serve our customers’ demands. We are also investing in synthetic, potent, and peptides API manufacturing in addition to injectables in alignment with our strategic priorities. Apart from manufacturing capacity and capability expansion, we strengthened our R&D capabilities as well through an improved organizational structure.
Biosimilars

Biocon operates its biosimilar business through its subsidiary Biocon Biologics Limited (BBL). We develop high-quality, affordable biosimilars that can expand access to cutting-edge therapeutics for patients globally at our R&D sites in Bengaluru and Chennai (India). These are manufactured at scale for both developed and emerging markets in Bengaluru (India) and Johor (Malaysia). Our products are marketed globally through a hybrid commercial model, wherein we have direct commercial presence in a few countries and in others, we leverage partners such as Viatris to expand patient reach.

FY22 was a transformational year for Biocon Biologics. It marked several watershed events, both strategic and operational, which have set the stage for us to better deliver on our commitment to serve patients and enhance global healthcare.

Accelerating our vision of widening access to biosimilars

Earlier this year, we signed a definitive agreement to acquire the global biosimilars business of our long-term partner Viatris for USD 3.3 billion. This acquisition, upon closing, will accelerate our strategy to create a fully, vertically integrated company with direct commercial presence in the developed markets. This transaction is unique as it brings together the two companies’ teams, which have been collaborating on common projects, into a single, integrated organization driven by a common vision and mission of improving affordability and enabling greater access through lifesaving biosimilars.

Through this deal, we intend to integrate Viatris’ biosimilars commercial infrastructure globally. We will gain from Viatris’ experience on navigating the formulary positioning, contracting, front end sales, regulatory interface, and distribution in these markets.

As a vertically integrated enterprise, we will be able to drive efficiencies in the system with quicker decision making, improved market insights and common focus across functions. This deal gives us better strategic agility to improve overall cost of supply chain, capital allocation and distribution, among others.

Expanding into adjacent therapies

Whilst we have been primarily focused on bio-therapeutics for non-communicable disease to deliver on our vision of affordable, innovative and inclusive healthcare solutions, we recognize that a strong presence in communicable disease is an essential element to have a holistic impact on patient lives.

The rapid increase in the frequency of viral outbreaks such as Dengue, Zika, Ebola and more recently COVID-19, has had a devastating impact on human life. Through our Covid-care portfolio, anchored by Alzumab-L (our novel antibody Itolizumab), we were able to realize the potential of bio-therapeutics in the fight against infectious diseases.

Biocon’s more than 20 years of investments in biologics provides a strong foundation to contribute further to this fight, leading to our strategic expansion into adjacencies such as vaccines and antibodies.

Biocon Biologics entered in a partnership with Serum Institute Life Sciences (SILS) in September 2021 for supply of about 100 million annual doses of vaccines per annum. The vaccines alliance with SILS strengthens Biocon Biologics’ presence in infectious diseases, enabling it to further its offering to patients.

Gradually, we aim to establish a vaccine R&D division to support the strategic alliance in developing both vaccines and biologics for communicable diseases, adding to our portfolio of life saving patient therapies.

Biocon also entered into a partnership with Adagio Therapeutics for manufacturing and commercializing a novel COVID-19 antibody therapy, ADG20 in India and select emerging markets.

Aiming to make a difference with first-ever interchangeable biosimilar Insulin Glargine in U.S.

In July 2021, our biosimilar Insulin Glargine received historic U.S. approval as the first interchangeable biosimilar under the 351(k) regulatory pathways. Our partner Viatris launched this first-ever interchangeable biosimilar Glargine in the U.S. in November 2021, thus providing a more affordable option for the millions of Americans living with diabetes.
Novel Biologics

Our novel molecule, Itolizumab, is currently being developed for indications such as acute graft-versus-host disease (aGVHD) and systemic lupus erythematosus (SLE) or lupus nephritis (LN) by our U.S.-based partner Equillium for the U.S., Canada, Australia and New Zealand.

Itolizumab has been at the forefront of our fight against COVID-19 in India, after we repurposed it for the prevention and treatment of cytokine release syndrome (CRS) in moderate to severe acute respiratory distress syndrome (ARDS) patients due to COVID-19. In FY22, we completed our Phase IV study of Itolizumab to treat CRS in moderate to severe ARDS patients.

In July 2021, the European Medicines Agency’s Committee for Orphan Medicinal Products granted an orphan medicinal product designation to Itolizumab for the treatment of both acute and chronic GVHD. This was a milestone for us as we intend to develop this drug for patients in Europe upon regulatory approval.

Our actions during the pandemic

The unprecedented events of the past two years are reflective of the unique challenges the world is facing. And the actions undertaken by our employees and partners are a testament to our ability to mitigate such challenges. Powered by a culture of innovation, Biocon and its subsidiaries ensured that we fulfilled our commitment of providing access to life-saving medicines during COVID-19. Our top priority remained to protect human lives in a public health crisis and encourage all our employees to relentlessly contribute towards ensuring stability in our operations.

As the COVID-19 pandemic swept through India, Biocon responded to the need of the hour and repurposed its novel biologic, ALZUMAb (Itolizumab) a first-in-class, anti-CD6 IgG1 monoclonal antibody. Itolizumab was used to treat cytokine release syndrome (CRS) in COVID-19 patients experiencing moderate to severe acute respiratory distress syndrome (ARDS). ALZUMAb-L benefited over 30,000 COVID-19 patients in FY22.

We offered a comprehensive portfolio of products for treating COVID-19 patients at different stages of the

Enabling affordable access to quality insulins

In April 2022, the Ministry of Health (MoH), Malaysia awarded a three-year contract to Biocon Biologics for its recombinant human insulin brand Insugen®. As a result, our Insugen formulations will be available to patients at all MoH hospitals, district health offices and health clinics. This will further expand affordable access to 400,000 patients with diabetes and support the government in its journey towards equitable access to diabetes care.

Since our entry into Malaysia in 2011, the prices of human insulin have dropped by over 20 percent and insulinization has improved by 30 percent. Being the only insulin manufacturer in Malaysia, we play a transformative role in insulin self-sufficiency, enabling our mission towards increasing health equity.

We have designed a special program, ‘Mission 10 cents’, to offer our rh-Insulin to governments in Low- and Middle-Income Countries for less than 10 U.S. cents a day. We have signed pacts to enable access to rh-Insulin in the Philippines and Tanzania. Through this initiative, Biocon Biologics focuses on implementing a continuum of care model encompassing a diabetes patient’s journey from awareness to early diagnosis and treatment.

This is a matter of great pride for the country and for all of us at Biocon Biologics. We believe this interchangeable designation is a game-changing development, as it will allow pharmacy-level substitution of the reference product by our biosimilar Insulin Glargine. It will maximize access to an important therapy, regardless of financial circumstances, insurance, or channel.
disease spectrum, including RemWin (Remdesivir) and ARAFLU (Favipiravir) for mild to moderate patients, ALZUMAb-L for moderate to severe patients and CytoSorb for critical patients.

Our actions to combat the pandemic went beyond supplying therapies for treating COVID-19. We set up the necessary infrastructure required to provide proper COVID care. During the reporting period, we undertook the responsibility of augmenting the COVID-19 care infrastructure at the Anekal General Hospital and supported the State Government in its pandemic response efforts across over 20 Primary Health Centers in Karnataka. With resources being diverted towards pandemic management, our health interventions addressed the need for prevention, screening and control of common NCDs such as hypertension, diabetes and common cancer.

In FY21, we had established a reverse transcription–polymerase chain reaction (RT-PCR) testing facility which is approved by NABL and ICMR and adheres to the BSL-2 criteria. Over 100,000 samples have been tested at this facility over the past two years.

In FY22, we implemented a COVID-19 vaccination drive covering several thousand eligible individuals, including senior citizens, people with co-morbidities and differently abled individuals which was organised by the Biocon Foundation.
Governance in Action

At Biocon, we live our values by demonstrating the highest levels of ethics, compliance, and governance. By further integrating ESG within our governance and risk management framework, we are expanding our field of view, assessing risks holistically, implementing comprehensive controls and identifying new opportunities to deliver transformative outcomes to all stakeholders.
We implemented globally benchmarked standards of governance to build trust with patients, customers, shareholders and society. With the aim to develop a culture of the best management practices and compliances, sound corporate governance rests on the pillars of integrity, transparency, accountability, and the highest standards of business ethics.

The commitment to adopt effective corporate governance practices in all the spheres of working, has always been an imperative factor in the decision-making process, providing immense value addition and a competitive advantage.

Our continued success is driven by the trust, commitment and faith, our stakeholders have in our brand. To ensure this, we have built a highly experienced executive leadership team, professional management teams and independent Boards for all our businesses, which enables efficient governance across the Group.

Our Board of Directors are fully committed to enhance and retain investor confidence while creating a culture of transparency. We established a multi-tiered governance structure with defined roles and responsibilities for every constituent to align with our management philosophy.

As a company, we believe in going beyond the requirements of the legal framework and hence, while we adhere to all applicable regulatory requirements, we also adopt global best practices in corporate governance.

**Board oversight**

The Board of Directors provides oversight and comprises a diverse and multidisciplinary group of knowledgeable and experienced professionals. Their objective is to ensure our success by collectively driving and directing management actions and reviewing overall performance, ensuring that stakeholder expectations are surpassed. Their guidance provides strategic insights to steer the company in the right direction and their expertise and counsel in areas of risk, control and compliance helps us maintain the highest standards of corporate governance and enhance shared value.

**Board diversity**

As a leading biopharmaceutical company, we take pride in our commitment to embed diversity and inclusion across all levels of the organization. A diverse Board enables us to obtain different perspectives that positively transform our decision-making process. We have formulated a ‘Board Diversity Policy’ that creates a clear path to more inclusive and collective corporate governance. It sets out an approach to have diversity in terms of thought, experience, knowledge, perspective and gender in the Board.

We believe that a diverse Board enables the following positive outcomes:

- Enhance the quality of decision making and ensure holistic tracking of business performance.
- Encourage diversity of perspectives, thereby fueling creativity and innovation.
- Supplement and enhance the skills, knowledge, and experience of the Board.
- Ensure effective corporate governance.

**Composition and engagement**

At Biocon Limited, the Board consists of nine directors, two executive directors, two non-executive directors, and five independent directors. We have two women on our Board.

The classification of the Board according to various categories are as follows:
Our commitment to a diverse and equitable workplace extends to Biocon Biologics Limited which is a material unlisted subsidiary of Biocon Limited and has a well-established Board of Directors. At Biocon Biologics Limited, the Board of Directors consists of eight directors, with two being women and majority of them being independent directors.

All Board members at Biocon are encouraged to meet and interact with the management at timely intervals. We ensure that the members of the Board receive invites to key management meetings to consider their advice and insights for strategic guidance.

**Board Membership Criteria and Selection Process**

At Biocon, the Nomination and Remuneration Committee (NRC) follows a disciplined process to identify and evaluate a candidate Board membership under Section 178 of the Companies Act and SEBI Regulations.

The NRC assesses the composition and diversity of the Board to ensure the appropriate elements of skills, experience, independence and knowledge for continued effectiveness. In this case, diversity encompasses plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes may extend to professional experience, functional expertise, educational and professional background.

The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws, which is recorded by the Board. All Board members are encouraged to meet and interact with the management and are also invited to key meetings to provide strategic guidance as well as advice.

**Board Evaluation**

A key function of the Board is to manage, monitor, and review the Board evaluation framework. The evaluation criteria for the performance of the Chairperson, Board, Committees and executive/non-executive/ independent directors have been laid down by the NRC as well as the Board. This is undertaken through peer evaluation, excluding the evaluation of the director.

Additionally, to ensure transparency and objectivity, the Board Evaluation is conducted by an external agency, at least once in three years. In FY21, this exercise was conducted by Egon Zehnder, a global management
consulting and search firm. In FY22, this activity was conducted through the deployment of self-evaluation questionnaires and focused on the following aspects:

- Board dynamics and other aspects of Board effectiveness
- Board Composition, quality, and culture
- Board meetings & procedures
- Execution & performance of specific duties
- Board & Management relations
- Succession planning
- Committee effectiveness
- Evaluation of Chairperson, Executive & Non-Executive Directors.

The outcomes of this evaluation were discussed at the Board of Directors meeting and appropriate recommendations for implementation were provided.

Key expertise and attributes of the Board of Directors

In compliance with the SEBI Listing Regulations, the Board has identified the following competencies which are fundamental for the effective functioning of the Company. These are taken into consideration by the NRC while recommending the appointment of any candidate to the Board of the Company.

Committees of the Board

Biocon Limited and Biocon Biologics Limited have constituted various committees to focus on specific areas and make informed decisions within their authority. Each of these committees meet periodically, along with members of the management team, to deliberate over applicable matters and monitor the same. Each committee has its own charter which outlines the scope, roles, and responsibilities. Decisions taken or recommendations made by the committee are placed before the Board for approval. Each committee has the authority to engage outside experts, advisors or counsel, to the extent considered appropriate, to assist them in their functioning. The committees call for various details from the senior officers or function heads, which are presented by them for review, discussion, and deliberation.

Given the emerging importance of ESG, the Board of Directors of Biocon Limited has incorporated oversight for ESG related activities under the ambit of its Corporate Social Responsibility Committee, which has been reconstituted as the ‘Corporate Social Responsibility and Environmental, Social and Governance Committee’.

The ESG key roles of the Committee comprise of:

- Embedding CSR & ESG into the business
- Developing action plans
- Mobilizing resources and expertise for the initiatives
- Building capacities for CSR & ESG at all levels
- Involving employees to volunteer for CSR & ESG related activities
- Engaging stakeholders on a regular basis
- Building partnerships for scale
- Making strategic grants to support worthwhile projects/programs
- Being transparent, consistent, and fair in communication
- Carrying out periodic reviews and reporting
- Ensuring continuous compliance with statutory requirements
The Committee consists of a minimum of 3 Directors, of which at least one is an Independent Director.

The Board of Biocon Biologics formally approved the constitution of an ‘Environment, Social and Governance Committee’. The Nomination and Remuneration Committee has assigned an Independent Director to be the Committee Chairperson and appointed four Board Directors as its members.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS - FY22

In FY22, the members of the Board were regularly updated with the relevant regulatory and policy changes as well as the workings of the Company and its operations under each business function by the Senior Management Team. In addition to this, the business function heads also presented their respective performance and future strategy to the Board.

The Board is also responsible for conducting strategy meetings periodically to review the long-term plans and growth of the Company.

The familiarization program for the Independent Directors are also a part of the quarterly board meetings of the Company. This year, our Independent Directors spent approximately 148.25 hours in the programs cumulatively.

The Code of Conduct (CoC)

Our Code of Conduct (CoC) that came into effect in 2009, is one of the most important ethics and compliance communications provided to our employees. It doesn’t just outline policies and acceptable behavior but also introduces our compliance program to cultivate a positive work culture and align all stakeholders with the expectations of the company. Our CoC is reviewed and amended periodically and was most recently revamped in FY21, with the vision to transform our CoC into an interactive document that helps create ‘buy-in’ and guide employees to the most helpful information such as illustrations, frequently asked situations, real life examples, situations and solutions. To understand the ‘why’ behind the policies, training on the CoC is provided to all employees, including the new joiners who are subjected to a specific program on the same as a part of their onboarding process.

The Code of Conduct for Prevention of Insider Trading

Biocon Limited has a “Code of Conduct for Prevention of Insider Trading” in place to implement and practice the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability. The observance of the Code is a prerequisite to ensuring complete confidentiality of all “Unpublished Price Sensitive Information” and to build general investor confidence and stakeholder credibility. This policy is applicable to the employees/designated persons of all the subsidiaries, joint ventures and associates in India as well as our global counterparts.

In addition to this, the company has also adopted the “Code for Corporate Disclosure Practices for Prevention of Insider Trading” to ensure timely and adequate disclosure of Price Sensitive Information with special reference to analysts and institutional investors.

Supplier Code of Conduct (SCoC)

In FY 22, we have developed a Supplier-Centric Code of Conduct that outlines our core values and expectations from our business partners and suppliers. The ‘Supplier Code of Conduct’ covers suppliers, service providers, customers, distributors, wholesalers, resellers, and other business partners and forms the foundation to build a strong culture of collaboration and a strong sense of purpose. The SCoC outlines our partners’ expectations regarding business ethics, human rights, business practices, employee relations, health and safety and other topics related to sustainable and responsible business practices. It encourages our business partners to go beyond legal compliance, drawing upon internationally recognized standards.

Enhancing our ‘culture of ethics and compliance’

How can an organization support large numbers of employees across locations in doing the right thing when faced with an ethical dilemma?

This thought led to the creation of a specific program with the primary objective to proliferate a network of fully trained ethics ambassadors throughout the business.
The training sessions are designed, managed and conducted 100 percent by women leaders from different departments.

Currently 700+ employees have been trained across all departments and geographies, who act as advocates for the ethics program and the values of the organization. They also help in communicating and disseminating information that promotes a culture of compliance and good governance.

The CoC is communicated to the employees in the form of a ‘Global Ethics and Compliance’ (GEC) policy designed to help foster a positive work culture which ensures necessary compliance and enables the employees to be aligned with our values of integrity and ethical conduct of business.

We also use the following tools to train our employees on the policies within the CoC, including courses on anti-bribery and corruption, prevention of sexual harassment at the workplace and health and safety.

- Dedicated YouTube channel for micro-learning videos
- On the go, QR code based training video to promote ethical behaviors
- Animated micro-learning videos covering all industry specific topics
- Interactive learning platform ‘Kahoot’ to conduct live training through gamification and data analytics for focused training needs

**Human Rights Policy**

As a pharmaceutical company, we recognize that health is a human right and ensuring access to medicines is vital. Beyond the core function of our company, we are committed to upholding human rights to the highest order. This includes taking action on issues pertaining to child labor and forced/compulsory labor, diversity, equal opportunity, and non-discrimination, wage, working hours, and benefits, and data privacy, among others.

This year, we formulated our Human Rights Policy, which aims to prevent human rights violations by responding promptly with appropriate action. Our policy is further in alignment with global standards---this includes the ten-tier principles of the UN Global Compact (UNGC).

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**Biocon’s Human Rights Policy’, 2022**

At Biocon, we endeavor to identify, prevent, and mitigate any human rights violations within the organization as articulated in our Code of Conduct. To further strengthen the process and demonstrate this commitment, Biocon Limited has published its Human Rights Policy this year. While a detailed global policy on similar lines is currently under development at Biocon Biologics, the organisation continues to abide by the principles through the CoC.

Biocon Limited’s policy focuses on fostering an inclusive, safe, and open workplace. It is in line with the Code of Conduct which confirms our commitment to abide by all applicable laws relating to wage, benefit, safety, and Human Rights principles. The focus areas are as mentioned below:

- Child labor and forced/compulsory labor
- Diversity, equal opportunity, and non-discrimination
- Environment, health and safety
- Wage, working hours, and benefits
- Data privacy
- Disciplinary measures
- Corporate social responsibility
- Management systems

The Human Rights Policy is a reflection of Biocon’s values. We advocate and practice five values with a Zero-Tolerance approach to violations. The guiding five values include integrity & ethical behavior, performance-driven work culture, value creation through innovation & differentiation, quality through compliance & best practices, and collaboration, teamwork & mutual respect.

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*Similar principles applicable to Biocon Biologics, currently embedded in its Code of Conduct, is being developed as an independent global policy document.*
Ethics and integrity
The principles of integrity, transparency, accountability, and business ethics are embedded in our DNA. At Biocon, we expect adherence to the highest standards of ethical conduct. To continuously be in alignment with this vision, we have devised policies, procedures, controls, and have implemented global best practices in corporate governance and risk management.

Integrity and whistleblowing policy
Biocon’s Integrity Committee (IC) or Audit Committee (AC) governs the reporting and investigation of allegations of suspected unethical practices and enables the Board and employees to report their grievances. Biocon’s Integrity and Whistleblower Policy enables a person to report an unethical practice in an anonymous manner, without the fear of retribution. The responsibility of the IC is to assess the concerns raised by the whistleblower and initiate appropriate corrective action. A summary of key investigations is then collectively presented on a quarterly basis to the AC.

Transparency and accountability
Transparency and accountability are the values that reinforce our pursuit of good governance and fostering deep, long-standing trust with our stakeholders. Increasingly, businesses are facing scrutiny from stakeholders, including customers, investors, employees, and policymakers around ESG issues, driving the demand for disclosure, transparency and sustainable actions. At Biocon, ESG is very much part of our Boardroom conversations and we are committed to purposefully embracing ESG aspects in our strategy and everyday decision-making processes.

Considering the appropriate structures and reporting systems in place to foster disclosure, we have begun to engage with ESG rating organizations and investors to better understand their expectations and reflect their priorities in our business activities and disclosures. We are committed to demonstrating the highest levels of transparency and accountability through voluntary ESG disclosures over and above statutory reporting requirements.

Tax strategy
As one of the leading and pioneering healthcare providers, we have a responsibility towards maximizing value for our stakeholders and upliftment of our communities across the geographies where we operate. This responsibility also extends to meeting our stakeholders’ expectations on good tax governance. To promote trust and credibility in our tax practices, we have published our ‘Tax Policy’ and our first ever ‘Tax Transparency report’ for FY22. It highlights our practices to balance tax compliance with business activities while meeting societal, ethical, and sustainability-related expectations. The Report structure and content are aligned with global trends on tax transparency and with the GRI 207 standards on tax reporting.

Biocon’s Tax Transparency Report, 2022
With a focus on transparency in the tax realm, our first ever Tax Transparency Report, published in July 2022, is reflective of our efforts to promote better visibility on how we run our business. It elaborates on our commitment towards adoption of responsible tax principles and behavior to maintain high standards of integrity with respect to tax compliance and reporting, including:

• Complying with both the letter and spirit of tax laws and regulations in jurisdictions and countries we operate in, in a timely, efficient, and accurate manner.
• Adhering to global standards and regulations on transfer pricing, including but not limited to ensuring that all transactions undertaken with related third parties are in line with the OECD guidelines.
• Maintaining a strong control environment and tax risk framework to identify tax-related risks and uncertainties and evaluate how they can be addressed.
• Engagement with the tax authorities in fair, transparent and co-operative manner.
The responsibility of tax governance rests with our tax function, in consultation with our Chief Financial Officer (CFO). The Audit committee provides oversight and guidance on tax governance and the Risk Management Committee provides oversight and guidance on effective tax risk management respectively. Our Tax Policy has been recommended by the Audit Committee and approved by the Board of Directors.

The Tax Transparency Report is a voluntary initiative, published on our website to provide insights to all our stakeholders, including our patients, employees, shareholders, vendors, customers, government agencies, supply chain participants, etc., and enable wider discussions around our tax trends, tax legislation and tax transparency matters.

**Materiality Assessment and Stakeholder Engagement**

At Biocon, we believe in placing the utmost importance on engaging with our stakeholders, appreciating their views and, where applicable, incorporating them within our business operations. We are committed to designing an effective ESG strategy that reflects and is responsive to their expectations.

In FY22, we conducted a materiality assessment to identify key ESG topics for Biocon and Biocon Biologics. The process involved undertaking extensive secondary research on ESG within the biopharmaceutical industry and preparing an exhaustive list of 50 topics. Through understanding the macro business environment, sector specific trends and challenges, as well as benchmarking against peers, this list was condensed to 30 of the most relevant issues with respect to the company’s operations. These issues were then categorized into 10 themes, aligned with our strategic objectives.

The assessment was rolled out to diverse internal and external stakeholders who were asked to rate the importance of each topic on a five-point scale ranging from low to very high. Based on the responses received, the weighted average of each topic was calculated, arriving at a score to prioritize the 10 themes, which are presented in the graph aside.

The material issues for Biocon have been defined in line with the GRI guidelines and are linked with our value creation process.
Risk management

From being managed in silos to being recognized as highly interconnected and interdependent, the practice of risk management has shifted fundamentally. The new approach views all risks together, within a strategic framework and encourages transformational actions throughout the organization.

At Biocon, risk management is a structured, integrated, consistent, and continuous process across the entire organization for identifying, assessing, mitigating, and reporting on opportunities and threats in a timely manner and in alignment with our strategic objectives.

Our risk management process entails the following:

- Risk identification and assessment
- Risk mitigation
- Risk monitoring and reporting

These aspects are aligned with the daily operations of the company, thus ensuring that the management of risks is embedded within the processes and systems. With risk identification being the first step, we undertake the approach of ‘Treat, Terminate, Transfer and Take’ to manage and mitigate the risk, restricting the same to a tolerable level.

The risk monitoring and reporting provides assurance that the risks identified have been managed and all measures have been undertaken to ensure that the company does not face any negative consequences.

Risk governance

An enterprise-wide risk management framework (ERM) is implemented with an objective of timely identification of risks, assessment and evaluation of risks which are in line with the overall business objectives or strategies and defining adequate mitigation strategies. This year, risks associated or impacting the ESG priorities or objectives were also incorporated into the ERM, including mitigation measures for those risks identified. Our aim is to align our corporate strategy, risk processes and ESG, which will allow us to gain a complete view on the risks and opportunities which are applicable to us.

The Risk Management Committee, formed by the Board, reviews critical emerging or existing risks on a rotational basis every quarter while also monitoring the de-risking strategies and their implementation. This is in line with the risk management plan to measure effectiveness of mitigation actions defined against critical risks and their impact on overall risk exposure of the company. All the critical risk areas are covered at least once a year and the identified risks are re-evaluated annually by the company. During the year, as and when required, changes are made to the risk register, considering internal or external changes.

Key risks identified

Due to the nature of the business, the global pharma industry is potentially exposed to inherent risks including product safety and quality issues, intellectual property tangles, regulatory delays and inappropriate marketing practices, which can lead to penalties, product recalls, brand/reputation loss, and revenue loss. These risks have been elaborated upon in our Annual Report.

Electronic medical records, cloud-based technologies, and data-sharing among industry stakeholders have increased the complexity of managing and ensuring the safety of information assets, particularly protecting patient health information and intellectual property. However, with digitization, we can control quality and operations, bring in flexibility and adaptability, and improve management effectiveness.

We have identified the primary risks which are material to the business. These include product quality, environmental performance, supply chain sustainability, safe & empowering workplace and ethical governance. For details on the impact of these to the business and our mitigation plan to address them, please refer to page number 93 – of this Report.

COVID-19 related risks

While the impact of the pandemic in FY22 was lower in comparison with the year before, the industry continued to witness risks related to supply chain and logistics bottlenecks, delays in the development programs including regulatory reviews or approvals, delays in completion of capex projects as well as workforce safety.
With a transition to the “new normal” and to emerge stronger after the pandemic, we put in place key mitigation actions to continue our operations and support business continuity plans. These included but were not limited to:

- Inventory buildup in case of supply chain disruptions
- Vaccination campaigns for workforce and their family members
- Virtual reviews by regulators
- Other safety precautions such as continuous temperature monitoring, remote working options, etc.

**Internal controls**

At Biocon, we have established a strong internal control system, which comprises policies, guidelines and procedures adopted by us to ensure orderly and efficient business conduct including adherence to policies, asset safeguarding, fraud and error prevention and detection, accounting records accuracy and completeness, and the timely preparation and presentation of reliable financial information.

This internal control system aims to assure our operational effectiveness and efficiency, compliance with laws and regulations, asset safeguarding and reliability of financial and management reporting.

We are staffed by experienced, qualified professionals who play an important role in designing, implementing, maintaining, and monitoring the internal control environment.

An independent firm of chartered accountants performs periodic internal audits to provide a sensible assurance of internal control effectiveness and advises us on industry-wide best practices. Our Audit Committee, consisting of independent directors, reviews important issues raised by the internal and statutory auditors regularly and the status of rectification measures to ensure that risks are mitigated appropriately on a timely basis. Our Compliance Management System was reviewed by an independent third party in FY 22. No major deviations were identified and recommendations for improvement are being incorporated.
Partnership in Action

As the effects of the biggest health crisis in a century continue to be felt across the globe, in communities and within business, we are determined to honor our commitment to patients and partners through unified action and transformative measures. We believe that by ensuring consistent and targeted action, we effectively collaborate with partners, to improve and enhance access, affordability, and reach. This is further augmented by our integrated supply chain and strategic partnerships, both local and international, which drive efficiencies right from the procurement of raw materials to last-mile delivery of life saving drugs.
It has been two years since the start of the COVID-19 pandemic, and while there has been relief in the form of widespread vaccination drives and a reduction in daily cases, business as usual continues to be disrupted, severely affecting supply chains and delivery logistics. Despite these challenges, we have worked closely with our partners and suppliers to deliver the global patient pool with our generic and biosimilar therapies.

The unwavering sense of purpose of our people and partners to put ‘patients first’ ensured that we delivered on our promise of providing access to life-saving healthcare solutions during COVID-19, globally. Our generic formulations business in the US had zero back orders throughout the pandemic and we were able to act with efficiency and speed to ensure crucial supplies of much-needed APIs and formulations from India were distributed to over 70 countries. Our efforts to distribute medicines contributed towards countering medicine shortages during the pandemic.

For our biosimilars business, we have established a strong foothold in developed markets like the U.S., Canada, EU, and Australia through our long-standing partner Viatris. Biocon Biologics also has a wide commercial footprint across many Emerging Markets, where we have partnered with leading local pharma companies.

**Creating value together with our partners**

We believe in forging strategic partnerships that expand our ability to create value and deliver quality products to patients across the globe. Through the widespread reach of our businesses, we are ensuring we lead from the front, ensuring we strengthen our value proposition of augmenting our four strategic pillars: accessibility, affordability, availability and assurance.

In FY22, we ramped up our presence in emerging markets by signing 44 new partnerships across 50 countries for our biosimilar products, enabling us to expand our reach.

**Various partnerships and collaborations we have forged over the years**

- Biocon Biologics entering into a strategic alliance with Serum Institute Life Sciences to expand into vaccines.
- Biocon Biologics entering into a collaboration with the Research Society for the Study of Diabetes in India (RSSDI) to expand its insulins access program to address the needs of young people with Type 1 diabetes in India.
- Biocon Biologics partnering with US based Adagio Therapeutics for an exclusive license to manufacture and commercialize ADG20 in India and select emerging markets. ADG20 is a novel monoclonal antibody targeting the spike protein of SARS-CoV-2 and related coronaviruses.
- Strengthening an existing partnership by acquiring Viatris’ Biosimilars Assets for up to $ 3.335 billion to create a world leading fully integrated biosimilars enterprise.

*Represents select key partnerships
Our acquisition of Viatris will transform our business and expand our reach:

Our belief in the strength of collaborations first led us to partner with Viatris (previously Mylan) in 2009 to co-develop a portfolio of biosimilar antibodies and recombinant proteins. We expanded this collaboration to include insulin analogs in 2013. Over the years, we synergized our frontier science and robust manufacturing capabilities with Viatris’ regulatory and commercialization expertise to deliver affordable therapies to patients in both developed and emerging countries. As it stands, we have one of the most extensive biosimilars portfolio with seven biosimilars from our joint portfolio commercialized in global markets.

In February 2022, Biocon Biologics announced that it would acquire Viatris’ Biosimilar Assets for $3.335 billion. This acquisition further builds on the strategic global partnership that we have forged with Viatris over a decade. Our symbiotic partnership which will mature further after the completion of this acquisition, will allow us to share risks, lower costs, maximize our efficiencies, expedite development, and expand our reach. As we integrate the two businesses, we will continue on our transformation journey under one umbrella, creating operational efficiencies and agility across value chain.

Partnering to address inequitable access to vaccines and biologics for infectious diseases

While Biocon Biologics continue to have a broad and robust pipeline of biosimilars that target NCDs, it has made strategic alliances to expand its presence in communicable diseases, through two key partnerships, one with Serum Institute Life Sciences (SILS) for vaccines and infectious disease antibodies, and the second with Adagio Therapeutics for a novel COVID antibody therapy. The Serum Institute Life Sciences strategic alliance provides Biocon Biologics an asset-light and accelerated entry into the vaccines segment. This alliance will complement the strengths and resources of the two leading players in vaccines and biologics, with the objective of addressing inequitable access both in emerging and developed markets for life saving vaccines and biologics. SILS will get about 15 percent stake in BBL enabling us to work together to grow together. Thereby, through this alliance, both companies aim to make a significant impact on global healthcare.

Transformative partnership with Tabuk Pharmaceuticals to commercialize specialty generic drugs in the Middle East and North Africa (MENA)

In December 2021, we announced a partnership with Tabuk Pharmaceuticals Manufacturing Company, a subsidiary of Astra Industrial Group, to commercialise of specialty generic products in the MENA region. As part of the agreement, Biocon will develop and manufacture the products, while Tabuk would commercialize them.

The partnership with Tabuk ensures that we are synergizing with a leading pharmaceutical company who understands the MENA market and will enable us to register, import, and promote specialty generic medicines in Saudi Arabia and other Middle East countries, as they would hold marketing authorization of these products. Through this partnership Biocon is laying the foundation to expand into the MENA region, with a focus on markets like Saudi Arabia, UAE, Kuwait, Qatar, Oman and Iraq, Jordan, and Lebanon. Our plans to expand into this region further corroborate our commitment towards ensuring global availability of affordable and accessible medicines.
Collaborating with suppliers to ensure continuous delivery of quality and value

To ensure reliable supply of affordable therapies for patients and to make them accessible globally, we leverage strong partnerships with our supply chain and logistics partners. Such strategic partnerships help optimize cost, minimize resource consumption, and increase the affordability of our products. Our integrated supply chain ensures uninterrupted medicine availability to our customers, patients, partners, and healthcare systems globally. Continuous focus on cost effective and sustainable supply chain remains a key priority to increase access and affordability of the products to the patients. Whilst we utilize both air and sea modes for movement of our products, we are increasingly focusing on sea freight to create a positive impact on the environment.

Through the course of the pandemic, we strived to maintain business continuity, and this is something we are continuing to do via collective action from within the organization as well as outside. As a result, we are now well versed in weathering the toughest challenges and will continue to stand with our vendors and collectively navigate global disruptions.

Responsible sourcing

For us, responsible sourcing is a key criterion towards ensuring patient, people, social, and environmental equity. As a result, we procure our raw materials from approved vendors, both local and international, and audit our critical suppliers periodically on business sustainability parameters. These parameters are closely aligned with global frameworks and standards to guarantee our products meet the requirements of all 120 countries where we supply the product.

We have made tremendous progress in moving away from an animal-origin to a recombinant supply base for some of our key products, including insulins. The sourcing team focuses on the use of non-petrochemicals based ‘green solvents’, which are environmentally friendly alternatives to petrochemical based solvents.

We strive for a high level of conformance towards environmental compliance for our critical vendors. By evaluating various business and quality performance indicators, we ensure seamless supply across all manufacturing plants. To encourage new ideas and implement sustainable practices across the supply chain, we organize periodic business sessions with suppliers and logistics service providers.

E-Sourcing has been implemented for our top solvents to gain visibility in the market and procure raw materials at competitive rates. We are in the process of designing a vendor portal to increase transparency and evaluate vendor performance. This portal will also support Biocon’s paperless initiative through seamless real time SAP data integration, repository creation of vendor documentation and process simplification.

Effective alignment and action through our Supplier Code of Conduct

To guide our value chain partners on the behavioral and ethical standards we expect from them, we have developed a Supplier Code of Conduct in FY22. In alignment with our Code of Conduct, we have zero tolerance for child labor and have always ensured no children are employed in any of our operations. During the year, there were no reportable incidents of child labor from any of our vendors.

Moreover, we are working towards ensuring ESG is integrated within supplier and vendor practices, and in this regard, we have developed and designed a detailed ESG training and development program. In FY22, we rolled out the program for our key value chain partners to guide them on applicable laws, regulations, policies, and procedures, as well as the behavioral and ethical standards we expect from them.
Biocon’s Supplier Code of Conduct

At Biocon, we aim to adhere to the highest ethical standards by operating within a framework of principles, guidelines and policies aligned with ethical, social, and environmental responsibilities to deliver our brand purpose and promise. Consequently, we seek to partner with third parties, vendors and suppliers that are aligned with our values and are committed to operating ethically and responsibly.

The Supplier Code of Conduct (SCoC) outlines our expectations and guidelines with respect to responsible sourcing and calls for third parties, vendors, and suppliers to commit to fair treatment and professional and ethical behavior along with safe, sustainable business practices.

Local Sourcing

Biocon prefers to collaborate and develop small and medium enterprises (SMEs) around its area of operations to foster local economy. Local sourcing reduces carbon footprint from freight, increases local employment and builds trust amongst local communities. With the disruption in global healthcare delivery during the pandemic and the Suez Canal blockage highlighting the importance of local sourcing, we have further strengthened our local vendor base throughout our value chain.

Transparency and Traceability

Biocon engages with an extensive network of suppliers worldwide to ensure supply chain resilience. Supply chain teams collaborate with stakeholders within and outside the organization to anticipate and respond to complex and interconnected risks that threaten the continuity of business operations. We focus on product safety and integrity throughout our logistics channels and implement measures to ensure traceability of our products, whilst strengthening compliance with Customs-Trade Partnership Against Terrorism (C-TPAT) and Drug Supply Chain Security Act (DSCSA).

Periodic Vendor Evaluation

Periodic Reviews are done to address any issues, based on metrics including OTIF (On-Time, In-Full Deliveries) and number of quality complaints. Third-party vendor evaluation is carried out by international agencies such as Dun & Bradstreet, as required.

THE CODE COMPRISSES OF THE FOLLOWING ESG ASPECTS:

- Ethics & business integrity
- Labour & human rights
- Quality
- Health & safety
- Environmental compliance & sustainability
- Management systems
Transforming the Workplace

At Biocon, we believe that organizational growth hinges on the continued development of our workforce. Our investments and strategy, therefore, aim to create a diverse, equitable, and inclusive workplace. Further, a performance driven work culture based on transparency, integrity, teamwork, and collaboration helps us drive innovation in our thinking. This enables us to co-create transformative solutions to real-world problems by ‘doing things differently’ and ‘doing different things’. Leveraging this ethos, through our practices and processes, we strive to develop the workforce of tomorrow.
Repurposing our hiring and onboarding

The company's mission is to be an integrated biotechnology enterprise of global distinction. To achieve this, we place emphasis on our human resource development, which starts with right hiring and effective onboarding.

By recruiting the best talent, we actively seek to create future leaders, who can further our purpose of creating unparalleled impact.

We lay equal emphasis on the expertise of potential hires and the alignment of their aspiration with our values. Our hiring philosophy is governed by transparency, visibility, and respect for diversity across all levels. It is imperative for us to onboard passionate individuals, who are determined to create transformational solutions for the healthcare industry. This is exemplified with our diversified Talent Acquisition strategies. In FY22, we accessed skilled talent through our targeted programs such as campus placements, and other hiring initiatives across geographies which includes attracting talent from Tier 2/Tier 3 cities. Our engagement framework with various campuses provides support to students through internship opportunities and multiple knowledge sharing platforms that bridges the gap between academics and industry know-how for the students. This approach enables the organization to deploy the young talent early on.

To ensure smooth navigation of our processes, technology has been kept at the forefront of our hiring strategy. Our approach leverages various Artificial Intelligence (AI) interventions to identify and attract talent from prestigious institutions in India. As an example, at Biocon Limited, the hiring efficiency increased through the integration of AI-based tools to match the Company's requirements using talent acquisition metrics. The tool ensures effective tracking of timelines and quality of hires against such metrics. This led to the creation of talent acquisition scorecards that helped revamp our recruiting processes. We have leveraged technology for the entire pre-employment medical examination. Similarly, to enable data driven decision making on contractual workforce, a Dashboard has been operationalized which provides real-time insights into budget, demographics, cost-efficiency, and resource utilization of contractual workforce.

At Biocon, we place emphasis on leveraging the internal talent pool and have revamped our processes to promote career growth and development. The job posting process allows filling vacant positions internally first, before expanding our search outside. The process is managed by our newly launched in-house career portal, MyCareer, that maps internal roles to employees based on aspirations, experience, skill, and competencies. This portal notifies the target population meeting the criteria for internally advertised jobs. Post this, the selected candidates undergo an in-depth interview as well as panel assessments.

Our hiring, onboarding and employee lifecycle processes have been linked with technology to reduce human dependency and create an efficient process. In FY22, we hired a total of 2,806 individuals as full-time employees. Of these, we hired 594 full-time female employees. For FY22, an increase of ~94 percent has been recorded for the number of full-time employees hired, as compared to FY21 levels.

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\[ \text{Total Full Time Employees} \]

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<th>Biocon Biologics</th>
<th>Total</th>
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</tbody>
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\[ \text{http://covid19.biocon.com/our-vision-mission-values} \]
Strengthening performance management

Our dynamic environment requires our employees to be adaptable, agile, and passionate problem-solvers. For this reason, performance management systems need to go beyond the traditional approach toward continuous feedback and evaluation of performance.

During FY22, we strengthened our systems by introducing the ‘department scorecard’ — a process that supports individual business functions to identify, prioritize and track their strategic priorities in line with the organizational goals. The integration of goal alignment in the scorecards has resulted in proper measurement of performance and achievement across the organization. This leads to creation of a shared sense of ownership across levels in the organization through the goal cascading process. This goal setting then forms the basis of the promotion and career progression cycle and provides periodic monitoring of performance and progress against individual goals.

Furthermore, we have developed a robust technical and behavioral competency framework that is embedded in our performance management process. One of the key outcomes of our performance management process is to identify the key development areas for the employees and provide support for improvement through learning and development.
To remain relevant and up to date in technical skills, there has been a great emphasis on defining technical competencies required for each role within the organization. We collaborated with Mercer consulting to build a technical competency framework. This initiative has assisted in identifying technical competencies and proficiency levels for diverse roles across the business functions of the organization. This forms a core part of the overall talent and organizational development strategy.

**Transforming through learning**

To establish domain expertise and build functional capabilities, we have partnered with India’s prestigious educational institutes giving higher education opportunity to employees while they continue to work.

We strive to support the skill development of our people through meaningful interventions via Education, Exposure and Experiences Augmenting leadership capabilities and building a succession slate is one of the key focus areas for the organization.

At Biocon Biologics, to build future-ready leaders and accelerate career development, we have introduced a structured talent development program for the top talent which aims to develop internal talent and strengthen our succession pipeline for leadership roles. In partnership with the external parties, we have developed a bespoke program with blended learning experiences that include coaching, cross-functional projects, and external market orientation thus enabling individual and group learnings. Additionally, we also provide various learning and development programs to support the building of professional, digital, innovation and managerial skills for our employees.

At Biocon Limited, senior leaders in the organization underwent a behavioral competency assessment program conducted by Saville and Holdsworth Limited (SHL). Subsequently, ~ 40 leaders from senior management are undergoing a 10-month development program in partnership with a global firm - Development Dimension International (DDI), which includes various master classes, group coaching, and learning projects.

For our middle management level, we identified a pool of 140 employees who underwent assessments conducted by Basil Tree, a leading talent assessment and development firm. The assessments evaluated cognitive potential and abilities based on our competency framework. The outcomes of the evaluation were utilized to develop customized individual development plans. This will be followed by an 8–10-month development journey in partnership with an external facilitator. In addition, we implement various initiatives to nurture and build technical capabilities. A few noteworthy initiatives are mentioned below:

- **Lean Six Sigma Training:** In FY22, we conducted sessions in Bengaluru, training a cohort of our employees as Green Belts (GB). There are multiple green belt projects currently underway, anchored by trained GB employees.

- **Data Analytics Program:** This has been conducted for a group of our R&D scientists. The training is divided into two phases, focused on training the scientists on
data-backed decision making. Phase one of the training has been completed and phase two will be concluded in FY23.

- **Customer Centricity workshops**: These have been conducted for employees across IT and Compliance teams.

We conducted a refresher program for our Manufacturing & Quality team to build a quality mindset and be audit-ready throughout the year. Moreover, at Biocon Limited and Biocon Biologics Limited, our employees have undertaken mandatory trainings on the prevention of sexual Harassment (POSH), Information Security Management, Code of Conduct, Zero Tolerance, and Employee Health and Safety, amongst other function-based training.

The total hours of training in FY22 stood at 178,264. The average training hours per full-time employee for FY22 stood at 19.9. Furthermore, the average amount spent per full-time employee on training and development stood at ₹ 3,033 in FY22.

**Average Training Hours**

| Senior management (L1-2+) | 10.52 |
| Middle management (L5-11) | 18.64 |
| Junior management (L1-4)  | 21.95 |

**In-Process Quality Assurance (IPQA Training)**

Recognizing the business need to strengthen the IPQA team’s existing skill sets, Biocon rolled out a targeted training program to build synergies between the quality and the production teams. To identify the key concerns and challenges faced by both teams, a stocktaking session was conducted. Following this, a roadmap for collaboration was built, which sought to address the identified bottlenecks and create new opportunities for effective teamwork.

Based on the collaboration roadmap, the IPQA training was rolled out in a workshop-based format for capacity building and dissemination. The training focused on enhancing the teams’ soft skills and creating awareness of the importance of knowledge acquisition and application in day-to-day processes and work. A post-training assessment was also conducted which indicated visible improvement in the IPQA team’s motivation levels and communication skills.

**Embedding diversity and inclusion**

As a leading biopharmaceuticals company, we recognize that diversity and inclusion are the driving force for innovation, new ideas, and perspectives. Our diverse employee base reflects this recognition and are the carriers of our success. As a result, we are investing in building the next cadre of empathetic and smart women leaders who will shape and transform the business further. The share of women in Biocon’s permanent workforce stands at 17 percent. In absolute terms, the composition of the total number of women in the workforce increased to 1,531 in FY22 from 1,354 in FY21.

Our concerted and focused efforts have been recognized by UN Women, as the winner in the ‘Transparency and Reporting’ category for exemplary practices in embracing Women’s Empowerment Principles, Asia Pacific.

In line with our ambition of being an equal organization by 2030, we have undertaken several initiatives to promote inclusion and diversity. For example, we have an ‘Equal Pay for Equal Work’ practice, where employees are compensated based on merit, rather than gender, race, or age. We also ensure that women are well-represented in every team, and therefore, we undertake distinct developmental programs to prepare them for managerial and leadership roles.
Creating an Inclusive Workplace

An inclusive workplace is key to driving growth in the organization. This enables higher employee engagement, better innovation, and higher employee recognition.

To bolster and action our commitment, we have focused on building and expanding our diversity and inclusion networks. At Biocon Biologics, we have institutionalized the diversity, equity, and inclusion (DE&I) Council and launched a three-structured employee resource group. This includes creation of 6 Biocon Women Network chapters and programs such as Back to Work and Old-Timers Network. We also support women in science through various activities, including mentoring. Moreover, in FY22, we launched the Biocon Women Mentors & Coaches Network for 300+ gender diverse students across STEM colleges and universities in India.

To ensure that our employees can manage and perform their roles effectively, BioWin has been operationalized to promote healthy work life balance. A key pillar of BioWin is the maternity leave benefit programs. In FY22, 1,299 employees were entitled to maternity leave out of which, 53 employees availed the same during the reporting year. The rate of return for employees who took maternity leave stood at 84 percent, and 86 percent for Biocon Limited, and Biocon Biologics India, respectively.

“Motherhood brings with it a tangle of responsibilities, but I was allowed the space to explore the scope of my work, helping me achieve a good balance between work and home”, says Vineela A, who made the shift to a new role that allowed her to develop new skills and challenge herself.

“When you have a strong support system to not only guide you through your work but also provide a sense of assurance, it helps you rebuild your confidence”, says Lakshmi Bhavani, who will soon transitioning back to work after maternity leave, adding, “I had the full support of my team, especially during the challenging weeks before I went on leave.”

Parental leave is understood as maternity leave for Biocon Limited, India.
Employee initiatives

We pride ourselves on our people-centric approach. This is reflected in our practices for the health and well-being of our employees. We deployed an app-based wellness initiative—BioPulse, which includes different programs that focus on maximizing the physical, social, environmental, and emotional well-being of our employees. In FY22, we conducted various webinars for health awareness through BioPulse. This included webinars on eye care & vision, coping with stress and anxiety during the pandemic, breast cancer awareness sessions, and awareness sessions on mothers returning to work after a maternity break, among others. In FY22, a few notable programs included the celebration of World Health Day, #IBeatCOVID, yoga and meditation, cancer awareness sessions, pregnancy care, and sessions on women’s health concerns and preventive measures.

Awards

Great Place to Work has certified Biocon Limited & Biocon Biologics Limited among the top 10 companies in India for best workplaces in Diversity, Equity, and Inclusion.


Working MOTHER & AVTAR has awarded Biocon Limited as one of the Best Companies for Women and was featured among the 100 Best Hall of Fame for winning consistently for the 5 years.

12.8 (Million in ₹)

Employee Benefits including Annual Health Check-Up, Employee Engagement, RT-PCR Testing for Biocon Limited
**Physical Wellbeing**
- Annual health check ups
- Medical benefits and insurance
- Occupation health centre
- Access to doctors and specialist
- Gym facility
- Yoga camps
- Zumba camps
- Aerobics and cardio

**Environmental Wellbeing**
- Interventions on occupational hazards
- Health and Safety guidelines
- Healthy work environment
- Awareness and training sessions
- Safety awareness session
- ‘National Safety Week’

**Emotional Wellbeing**
- Unlimited access to counsellor via chat, email & call
- Emotional wellbeing awareness session
- Health & lifestyle
- Guided sessions burn out
- The wellness corner, wellness portal and mobile app to build a healthy lifestyle

**Social Wellbeing**
- Preventive awareness session on a monthly basis
- Access to dieticians for a healthy lifestyle
- CSR wing - Employee’s participation in activities
At Biocon, we have created an environment where our employees are supported and cared for beyond their professional aspirations. With this resolve, we launched VEngage to interact with and holistically celebrate our people. In FY22, we undertook various webinars for health awareness through VEngage. This included webinars on eye care & vision, coping with stress and anxiety during the pandemic, breast cancer awareness sessions, and awareness sessions on mothers returning to work after a maternity break, among others.

Furthermore, as part of our commitment to bring affordable healthcare to all, we introduced Biocare, a special access program for our employees. Through a digital platform, our people can request for Biocon’s critical, life-saving medicines for themselves and their immediate family members.

Our progress for our employee initiatives work in parallel with accelerating social transformation. In FY22, our employees represented an extraordinary drive for transformation. As an example, Biocon Limited in association with Narayana Health organized a blood donation camp at Biocon Park and Campus. This received a resounding response from 200+ donors at the drive.

Along with wellbeing initiatives, capturing employee feedback is critical for enabling a positive work culture. In view of this, we rolled out the BioPulse Survey, to capture employee feedback and sentiment. This was launched across operations, including, R&D, quality, supply chain management, IT. The outcome/insights from the focus-group-discussion assisted us to understand employee concerns, suggestions for improvement and action planning.

We have enhanced our employees’ skills, specifically in professional behavior and growth that has enabled them to achieve their aspirations and shaped rewarding careers.

In our transformative journey, we achieved a significant milestone three years ago when we shifted gears to design our ‘Good to Great’ (g2G) initiative. The aim of the initiative is to establish a culture that embodies our values while fostering excellence. The initiative includes a set of five GREAT behavioral traits that is weaved into the DNA of our organization.
**Employee health and safety**

At Biocon, we foster an environment where our employees feel safe, healthy, and inspired. That is only possible by ensuring the highest degree of compliance with applicable laws and regulations while enhancing the mental, financial, and physical well-being of our people. Creating an environment that prevents accidents and incidents has a positive impact on our business productivity.

Our efforts to create a safe work environment are evidenced by the facilities that are designed in accordance with the highest safety standards and state-of-the-art safety controls. We regularly assess risks through audits of our equipment, systems, and processes across various parameters to detect and mitigate potential hazards. Process safety improvement programs are regularly carried out across all sites as part of the safety enhancement initiative.

All manufacturing areas are continuously monitored in line with stringent industrial hygiene protocols. For any new and existing process, periodic safety risk assessment is done to ensure safety interlocks and controls are functioning as per the required standards. A ‘Zero Tolerance’ program is present to strengthen discipline around workplace safety and make it an integral part of the organizational culture.

To identify the ground level safety issues, the department heads periodically conduct GEMBA walks at the manufacturing site. To undertake any maintenance activity at the facility, a work permit system has been established to ascertain that equipment is isolated and maintenance work can be carried out. Further, Electrical safety programs such as lock out and tag out (LOTO), Arc flash assessment & Hazardous area classification are also implemented. Fire safety measures include maintaining a fire hydrant system, dry sprinkler powder aerosol (DSPA) fire protection system, fire extinguishers and an auto modular fire extinguishing system at the facilities.

All operations undergo periodic third-party audits to assess safety risks, identify gaps and define improvement measures. Walk through surveys, measurement of noise levels, illumination, indoor air quality and volatile organic compounds (VOC) monitoring are carried out as a part of assessment in order to locate various hazards of the workplace. Process safety improvement programs are regularly carried out across all sites as part of the safety enhancement initiative. Process risk register is maintained to manage and mitigate the residual risks, identified during safety assessments and those emerging during operations.

Our aim is to inculcate an efficient environment, where managers and employees can collaborate and drive the health and safety of our people. To this effect, we also organize internal and external training sessions on a periodic basis, aimed at spreading awareness on the health and safety aspects and guiding our employees on prevention and mitigation measures. During the year, several safety-related initiatives, awareness campaigns and drives like ‘National Safety Week’ and ‘Fire Services Week’ were conducted to advocate a “zero incidents” culture amongst employees. In alliance with the Karnataka State Fire and Emergency Services (KSFES), we organized mock fire drills to assess the coordination between the internal teams and external agencies and accordingly developed corrective action plans to modify our emergency response mechanism. Further, we organized ‘Advanced Firefighting’ sessions conducted by KSFES for our employees, which focused on preventing fire emergencies and acting responsibly in a contingency, in a manner that mitigates the risk of loss and injuries.

*A Japanese term, which means a workplace walkthrough aimed at observing employees, ask about their tasks, and identify productivity gains.*
‘Chemical Disaster Prevention Day’ in December 2021 and conducted awareness programs to emphasize the importance of chemical safety. The main aim of these programs was to commemorate the Bhopal Gas Tragedy and disseminate information regarding safe manufacturing, transportation, storage, and use of chemicals to prevent accidents, injuries, and loss of property. We also observed the National Safety Week in March 2022 and undertook activities such as a safety poster-making competition and firefighting training.

We also provide our employees, including workers, with non-occupational medical and healthcare services at our occupational health centers, equipped with a competent team of paramedics and doctors. Our workers are also provided with non-occupational medical and healthcare services facilitated through various initiatives driven by the HR and EHS teams. The Company carries out a full annual health check-up for all employees and contract workers, aimed at identifying potential health problems and raising awareness about potential occupational illnesses.

In FY22, Biocon Biologics was conferred the ‘20th Annual Greentech Safety Award 2021’ for outstanding achievements in the ‘Safety Excellence’ category.

Over 124 companies, from both public and private sectors, were in contention for this national level award.

Actioning Compliance

At Biocon, we have reinforced our commitment to adhere to our policies on Code of Conduct, Prevention of Sexual Harassment (PoSH), among others. We foster an ethical, fair, equitable and responsible environment that enables a culture of trust and transparency. This year we have developed and released our Human Rights Policy*, which is applicable to all employees of Biocon Limited and its subsidiaries, including business partners, contractual employees, trainees, volunteers, consultants, and members of the Board of Directors. At Biocon, we have zero tolerance for any kind of discrimination or harassment and have instituted robust mechanisms for escalation and redressal.

Actions to protect our employees during the pandemic

Amid confusion and chaos caused by the pandemic during the past two years, the world had its hopes pinned on the pharmaceutical industry for recourse. While our employees were up to the challenge of providing for our customers, we were equally cognizant of the importance of protecting our employees. During the first wave of the pandemic, even as the nation went into a lockdown, our facilities remained operational. However, we ensured that the necessary protocols were implemented to ensure the safety of our employees. We arranged transportation for employees who were required to come to work. Our facilities were completely sanitized, and the employees underwent thermal screening while entering the premises. Within the facilities, the employees were required to always wear their masks, maintain physical distance, and stay within their allocated zones while working. We also conducted RT-PCR tests for our employees and undertook contract tracing, where required. For our employees who lived in shared residences, we provided additional support and alternative accommodation, in case anyone on the premises was detected with COVID-19.

“As a scientist, I felt the urge to help those patients who are dependent on Biocon’s therapies daily. At a time when COVID-19 cases were surging in India, my family and friends were concerned about my safety. I explained to them the situation and my reasons for reporting to work despite the challenges posed by the lockdown. I was anxious too, but I believe my expertise helped patients, which was the key motivation for me. I’m very humbled to be able to do my part. I encourage everyone to embrace that passion, because we’re in a unique position to help fight this pandemic, especially as a biotech company. I felt proud to be able to do my part.”

– R&D team personnel, Biocon Limited

*Similar principles applicable to Biocon Biologics, currently embedded in its Code of Conduct, is being developed as an independent global policy document.
To boost the morale of our frontline workers, we launched several campaigns like #SmashCOVID-19Stigma, #BreakTheChain, #YouAreImportant, and #UnitedAgainstCOVID on our social media channels to appreciate the efforts and contributions of our healthcare warriors. Additionally, we launched a dedicated microsite, ‘UNITED AGAINST COVID-19’, as a one-stop resource for employees to receive all updates on government guidelines and health advisories. We have also initiated several online programs to provide counseling, healthcare tips, and yoga to our employees.

We have also launched a company-wide campaign called ‘Your Safety, Our Priority’ with the intent of reinforcing the importance of vaccination against the virus by sharing relevant details on approved vaccines, registration process, and side effects as well as telling the facts from myths. We also launched a vaccination drive for all our employees and their dependents.

We also ensured that there was continued interaction between our leadership team and the employees through shared videos, messages, town halls and focus groups to foster a sense of oneness at a time when teams were working virtually.

**Tribute to colleagues lost to COVID-19**

The last two years were extremely difficult for us, as we lost a few members of our family. We recognize the value of human life and take responsibility to support the families of our employees who have contributed to the company immensely. In addition to the Group Term Life Insurance and other applicable benefits, we undertook additional actions to assist and support the families.

Our approach to human resource management can be described as holistic and forward-looking. The families were provided 50 percent of the employee’s gross salary for two years, up to a maximum payout of ₹ 5 Million. We also facilitated a special education allowance that supports two children up to 18 years of age. In addition, we provided support for the recruitment of either the spouse or the child in any of our group companies or in another suitable field depending on their qualifications and eligibility.
As part of our commitment towards long-term sustainability and climate change mitigation, we aim to reduce our environmental footprint through the implementation of strategic initiatives that will bring about a transformative change in how we interact with the environment. They include identifying opportunities to increase the share of renewable energy mix in our operations, improving energy efficiency, innovating to drive productivity across our value chain, implementing the principles of circular economy and adopting digital solutions which minimize inefficiencies.
As part of our responsibility towards the environment, we also focus on collaborating with stakeholders to promote environmental stewardship in communities, thereby ensuring responsible long-term action towards sustainability and climate change mitigation.

Environmental stewardship has been a key focus for Biocon since our inception and we actively promote the same through judiciously optimizing resources to enhance healthcare outcomes and improve lives.

Most of our manufacturing processes have a relatively lower environmental footprint as compared to conventional pharmaceuticals. This helps in ensuring we stand out as a biopharma company that is more sustainable and less resource intensive.

In order to limit our environmental impact, we have taken progressive steps to accelerate our transition towards renewable energy, implemented efficient recycling of water and waste and adopted responsible procurement practices. Furthermore, as an environmentally responsible company, we go beyond statutory compliances and embrace responsible business practices that focus on the judicious use of natural resources.

We believe that creating a better business and creating a better world are not conflicting goals. They are both essential ingredients for long-term growth and sustainability.

Our approach to managing the environmental impact is holistic, transformative and inspired by our desire to promote and strengthen environmental stewardship. This starts by managing the environmental impact of our business including close collaboration and coordination with our stakeholders, thereby instilling environmental conscious decision making in our day-to-day practices.

Key highlights

- 117,697** tCO₂ reductions achieved in FY22*, a 12% increase from FY21
- ₹ 80 million invested in installing a new 600 kilo litres per day (KLD) capacity zero liquid discharge (ZLD) effluent treatment plant in Bengaluru enabling 400,000 litres of incremental water savings per day.
- 400,000 litres of incremental water savings per day achieved in FY21 through installation of latest technologies* and 680,000 additional savings achieved in FY22 due to water offset initiatives at BBL facilities
- Over 5,500 tonnes of fermentation waste sent for reuse as an auxiliary fuel to cement factories*
- 100 percent of treated wastewater is recycled and reused in the process or in utilities**
- 58 percent of total purchased electricity for BL & BBL Indian operations in FY22 was green power
- 60 percent of solid waste generated in our operations is sent for recycling
- 64,373 hours of EHS training

Awards

- We won the ‘Athyunnatha Suraksha Puraskara’ from National Safety Council, Karnataka in September 2021
- We were awarded the ‘Best Safe industry in the category of Mega industries’ by the Department of Factories, Karnataka in March 2022
- We won the prestigious ‘CII-SR EHS Excellence Awards 2021’ for Bengaluru facilities for our commitment to EHS practices in March 2022
- In October 2021, we were awarded the ‘Greentech Environment Award 2021’ in the Environment Protection category for our Hyderabad facility

*Biocon Limited and Biocon Biologics India (Including Malaysia)
** BL + BBL (excluding Malaysia)
Biocon enters prestigious Dow Jones Sustainability Emerging Markets Index

Biocon was selected to be in the Dow Jones Sustainability Index (DJSI) in the Emerging Markets (EM) category for progressive ESG practices, which underlines our commitment to the larger goal of sustainable development. We made a formal submission for Corporate Sustainability Assessment for its listing on the DJSI for the first time in 2021 and made it to the DJSI EM Index with a total sustainability score of 45 as against an industry average of 18, achieving a 93rd percentile position. It is among the Top 15 companies from India and one of the 12 companies from the pharmaceuticals, biotechnology, and life sciences sectors to be featured in the index for 2021. A total of 360 Indian companies were invited to participate in DJSI in 2021. Biocon has been listed amongst the Top 10 Global Biotech Companies in 2021 and will strive to improve its position through future disclosures.

Biocon’s mAbs facility receives ISPE Award

We ensure that all new facilities constructed on our campuses are designed with energy-efficient green building features. Multiple elements of sustainability were considered during the design of our new 340,000-sq. ft. monoclonal antibodies (mAbs) manufacturing facility (B3) in Bengaluru to ensure minimal environmental impact, despite the large size of the facility. We earned the distinction of being the first biopharmaceutical company from India to get an honorable mention at the International Society for Pharmaceutical Engineering’s (ISPE) Facility of the Year Award (FOYA) for this facility.

EHS governance

During FY22, Biocon introduced new governance mechanisms with regards to EHS in the form of enhanced policies, procedures, and management systems. This new mechanism comprises the Environment, Occupational Health, Safety, Sustainability (EHSS) policy which is driven by the top management. The EHSS policy is the foundation on which EHS governance is built and is applicable to the entire Biocon Group.

The Policy is enforced and acted upon by the EHS heads of BL and BBL, who in turn are further supported by dedicated teams of 178 EHS specialists who are involved in the execution of EHS management systems. The policy is extended to all our internal and external stakeholders and requires them to adhere to it. The Policy’s primary aim is to ensure environmental stewardship, sustainability, and safety. Through this Policy we also aim to minimize all safety incidents to achieve our target of zero incidents and keep our people safe. Our EHSS Policy principally alludes to the precautionary principle.

Furthermore, our aim is to identify and mitigate potential environmental impacts by ensuring that all Biocon facilities meet strict environmental standards and our systems, practices and processes are regularly upgraded to align with leading industry standards.
Addressing the climate emergency

Climate emergency is perhaps the biggest challenge facing humanity in the 21\textsuperscript{st} century and requires collective action and transformative change to mitigate the impacts.

At Biocon, we are cognizant of our responsibilities towards sustainable development, and we are actively taking necessary steps by collaborating both internally and externally to ensure we are doing our bit to address the climate emergency.

This begins by increasing investments to help decarbonize our operations and build climate resilience. As a part of our unceasing efforts to lower carbon emissions over the long term, we leverage opportunities to increase the share of renewable energy across our operations through onsite solar installations and procurement of wind energy. These efforts have led to an increase in the share of green power to 58 percent of our total power consumption for BL & BBL Indian operations. All new facilities constructed on our campuses integrate green building design features to optimize resource use.

To monitor our climate change related initiatives, targets, objectives, priorities and performance, aspirational goals are set as part of our Environmental Management System (EMS).

Grid power, diesel, and natural gas account for a significant share of our direct energy consumption and we are continuously evaluating options to switch to cleaner sources of energy. As a result, over the years we have gradually reduced our dependence on traditional sources of energy and are moving towards more renewable forms. In FY22 we increased total renewable energy by 13.6 percent compared to FY21. We strive to continue increasing the share of clean energy in our operations in the coming years.

Over the course of FY22, our total energy consumption (direct and indirect) has increased by 8.4 percent attributed to increased production on account of greater demand.

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Biocon’s EHS Management System is ISO 14001:2015 and ISO 45001:2018 Certified
Total direct energy consumption has increased by 12.3 percent over the course of the last year on account of increased production.

We have also adopted innovative technologies like energy efficient centrifugal air compressors, water chillers and motors to reduce energy consumption, thereby reducing GHG emissions from our own operations. Furthermore, the use of variable refrigerant volume systems and steam condensate recovery measures have also helped us reduce our total energy consumption. Lastly, installed energy efficient economizers in boilers for steam generation, motors for air compressors and ETP, and motors for chilled water and cooling water pumps are also actively being implemented across our operations.

Greenhouse gas emissions (GHG) have increased marginally in FY22 by 1.1 percent on account of an increase in production, compared to FY21. The increase, however, is minimal and our GHG intensity of production has reduced\(^{16}\) compared to last year. This indicates that in relative terms we are reducing GHG emissions across our operations, although our overall energy consumption is increasing, by implementing forward looking and transformative initiatives.

Furthermore, by increasing the efficiency of our production, coupled with incorporating renewable energy technologies, we have substantially decreased GHG emissions. Increasing energy efficiency and upgrading our energy mix has also helped us offset a significant amount of our total GHG emissions. In FY22 procurement of green power from the grid has enabled us to offset approximately 99,000 tCO\(_2\).

We also have switched to natural gas, instead of using furnace oil to produce steam. Natural gas, a cleaner fuel, has considerably lowered GHG emissions compared to

\(^{16}\) Please refer to the “GHG emissions” table in Biocon’s ESG Scorecard
furnace oil, and this initiative alone has helped us achieve a reduction of 17,045 tCO₂. Through other technological upgradations, such as installation of energy efficient boiler economizers that reduce natural gas consumption, we achieved a cumulative reduction of 117,697 tCO₂.\(^7\)

In FY22, we were able to offset approximately 63 percent of our total GHG emissions through technology upgrades, green power procurement and fuel switchovers.

**Accelerating the Clean Energy Transition**

To further our commitment to a greener and sustainable future, we have commissioned the first captive solar power plant of 20 MW over 60 acres in North Karnataka in collaboration with a leading renewable energy partner. It reduces carbon emission by 25,000 tons annually. This addition of solar power complements our existing wind power and balances our renewable energy requirements to cater to manufacturing all 24 hours a day throughout the year. Biocon is one of the first pharmaceutical companies to operate on hybrid renewable energy sources that includes both wind and solar.

**Water management**

As our offices and manufacturing units are in regions that are projected to face moderate to extreme water stress by the mid-21\(^{st}\) century, it is imperative for us to take the necessary actions to mitigate the risks of water scarcity in the region through responsible consumption.

We realize the impact our business has on the communities we operate in, and we must be cognizant of our duty to optimally utilize and manage the scarce freshwater resources that are available to us, as these sources of water are essential for both domestic consumption and agricultural use. Therefore, we have deployed best-in-class water management practices to appropriately treat and reuse wastewater within our operations and facilities, thereby eliminating discharges into local water bodies and reducing our demand for freshwater.
Our efforts to conserve water involve process modifications and the adoption of new technologies which allow us to undertake 100 percent recycling of treated wastewater. As our manufacturing processes are water intensive we have implemented targeted interventions to minimize our water footprint.

One of our key initiatives is the introduction of Membrane Bioreactor (MBR) technology which improved our water quality in our wastewater stream. MBR technology was introduced in the newly installed 600 KLD capacity ZLD effluent treatment plant in Bengaluru. Based on advanced membrane bioreactor technology, this ZLD effluent treatment plant facilitates the recycling of an incremental 680,000 liters of water per day and allows us to reuse the treated permeate for boiler operations.

Furthermore, Multiple Effect Evaporator (MEE) and biological treatment has been expanded. Biological treatment is equipped with Membrane Bioreactors at one of the facilities to improve our treatment process as well as to improve the quality of the treated water.

Our transformative actions with regards to water management have enabled us to proudly state that 100 percent of our treated wastewater is recycled and reused in different processes and utilities at Biocon Limited and Biocon Biologics India. We have made substantial capital investments to upgrade to the latest advancements in wastewater treatment. ZLD, an innovative engineering system designed to treat and reuse wastewater and effluents, is implemented across all our manufacturing units in India.18

Through water accounting, audits, demand management, efficiency initiatives and risk assessments, we ensure that we responsibly use the scarce freshwater resources.

To further augment our water conservation efforts, we have also installed rainwater harvesting systems at our manufacturing units to reduce our reliance upon external sources of freshwater. We have also implemented several catchment-based interventions in local communities to promote aquifer recharge in the communities around our locations of operation.

**Waste reduction**

We strive to identify opportunities which promote the circular use of our resources and reduce waste disposal in the communities we operate in. This is guided by our approach to waste management and governed by the principles of reduce, reuse, and recycle. We extend our philosophy of circular economy across our operations and within the business value chain by actively engaging with our stakeholders, to effectively articulate our desire to enhance environmental equity.

Our EHSS policy clearly articulates procedures to manage waste in an environmentally responsible manner. Monthly reports track and categorize the waste generated, and our policies ensure that the waste is appropriately segregated, securely stored and safely disposed through authorized waste handlers and recyclers, in compliance with applicable central and state regulations in India.

18 Only two manufacturing units are in Special Economic Zones (SEZ) where wastewater and effluents are treated at a Common Effluent Treatment Plant (CETP)
following initiatives within our operations and in our business value chain to minimize our waste generation and maximize the recycling and recovery of wastes. It is our ongoing focus to continuously reduce the fraction of our waste diversion to landfills. We have introduced electric waste pickup vehicles as part of the solid waste management initiative at our SEZ facility in Bengaluru.

**Air emissions**

The air emission levels from our operations are significantly lower than the limits prescribed by regional pollution control boards and we monitor the air quality at our manufacturing units every quarter to track nitrogen oxide (NOx) compliance. Our transition to cleaner fuels such as natural gas in our boilers at the two sites in Bengaluru ensures minimum sulfur oxide (SOx) and NOx emissions. The use of diesel generators to generate power (which emits significant amounts of air pollutants) is restricted to times when grid power is interrupted. At our Bengaluru facilities, we have installed state-of-the-art continuous ambient air quality monitoring stations (CAAQMS) to improve the management of air quality parameters through real time monitoring. Lastly, the partial replacement of coal to biomass has also helped reduce the air pollution.

**Green Chemistry**

Another key area of focus in our R&D organization is ‘Green Chemistry’ that uses sustainable or green chemical development processes which, in turn, reduces or eliminates the use of polluting substances.

We have initiated several measures in this regard, including switching from solvent based reactions to water-based reactions, replacing hazardous solvents with harmless, greener solvents, enhancing our solvent recovery capabilities and improving our processes to maximize the incorporation of all materials used. These efforts extend to our existing as well as new product molecules. Green chemistry plays a key role in reducing our overall carbon footprint, by designing products that are not harmful to human or environmental health.

**Environmental awareness and engagement**

We engage our employees in all aspects of sustainability. From design and manufacturing to community outreach, we aim to embed a culture of environmental care. EHS Learning Series, a knowledge platform, was launched to share insights on various topics including environmental management. Sessions were conducted by eminent speakers and subject matter experts. In FY22, our employees also attended specialized EHS training sessions conducted by reputed external agencies. 35 employees were certified as ISO Internal auditors and 17 employees as ISO lead auditors from Biocon Biologics by TUV Nord on ISO 14001 and 45001 standards.

Our employees clocked over 64,373 hours of EHS training in FY22.

As we have in the past, this year too we celebrated the World Environment Day to spread environmental awareness amongst our employees. To encourage environmental action amongst employees, we have instituted a program to recognize and reward innovative projects that have demonstrated an impact on emission reduction, energy efficiency and environmental excellence.

Biocon Biologics has been conferred with the ‘20th Annual Greentech Safety India Award 2021’ for outstanding achievements in the ‘Safety Excellence’ category. Over 124 companies from both public and private sectors were in contention for this national level award.

**Environmental stewardship in our communities**

As we work towards long-term environmental sustainability, we are determined to create a positive impact on the environment and safeguard ecological diversity. As a result, we have taken proactive steps to conserve biodiversity around our manufacturing units and other regions through our corporate social responsibility (CSR) initiatives.

The ‘Namma Biocommunity’ initiative, which was started in 2017 by Biocon employees, allows us to implement change in local communities by making the environment cleaner, greener, and safer. Volunteers of the initiative engage with the local communities through activities like tree plantation drives, garbage cleanups and environmental awareness programs. In the past, we have also promoted conservation through celebration of the ‘World Environment Day’, where Biocon employees, along with school children, planted 1,000 saplings to emphasize the importance of safeguarding the environment and biodiversity.
Transforming our Communities

We believe that social transformation is only possible by making a tangible difference in the lives of our community members. Actions that promote inclusive growth, such as equal access to healthcare, education, and sustainable livelihoods, enable a metamorphosis in the lives of our beneficiaries. It is our firm belief that investing in the growth of people is the best utilization of financial resources.
We aim to make a positive impact on our communities through our Corporate Social Responsibility (CSR) arm, the Biocon Foundation. We are acting by designing our programs to serve the needs of the disadvantaged, vulnerable and marginalized sections of society.

The community-centered approach of our actions is reflected in the projects and partnerships we have initiated with like-minded, credible organizations. This has been undertaken through signing of memorandum of understandings and by providing grants to NGOs, trusts, and academic institutions under the Grant-in-Aid initiative for innovative and impactful social projects. The Foundation works across the following focus CSR areas:

- Primary healthcare
- Environmental sustainability
- Rural development
- COVID-19 relief

Our efforts have been recognized at several national as well as global platforms. We were awarded the ‘Mahatma Awards 2021’ on the eve of Gandhi Jayanti, under the ‘Good health and well-being’ category. We won the ‘Best Corporate Foundation Award’ at the World CSR Congress, 2021 and were bestowed with the Jury Commendation Certificate for our oral cancer screening program at the 18th FICCI CSR Awards in the ‘Exemplary Innovation’ category. In addition to these awards, the ‘Bengaluru Women Achievers’ award was conferred upon Dr. Anupama Shetty, Mission Director, Biocon Foundation by the Bangalore Political Action Committee. She also received the ‘South India’s best CSR Leaders’ award at the National CSR Leadership Congress & Awards.

**Primary healthcare**

**eLAJ Smart Clinic services:**

The Government of India formally launched the Pradhan Mantri Digital Health Mission (PM-DHM) on 27th September 2021, to enable unique health ID for every citizen and build an integrated digital health infrastructure in the country. The Biocon Foundation has continually invested in Information and Communications Technology (ICT), enabled process innovations by developing technology-enabled access to healthcare.

Developed in-house, eLAJ Smart Clinic is a one-stop solution that addresses the issue of healthcare delivery in remote areas of the country. Through these clinics, we provide free lab investigations, doctor consultation and counseling for lifestyle changes and medication adherence.

In FY22, our overall contribution stood at ₹113 million. We are focusing our resources on critical projects where our engagement has made a significant difference in the lives of our larger communities. The beneficiaries of these projects are primarily determined based on their socioeconomic status, gender, age, information asymmetry, infrastructure constraints, geographical challenges, and cultural barriers. Armied with the knowledge that transformation begins from the ground up, our initiatives are currently carried out in and around our facilities, a few remote rural areas with low-resource settings and in one aspirational district as well. Focus areas for our CSR activities

- Primary healthcare
- Environmental sustainability
- Rural development
- COVID-19 relief

Our efforts have been recognized at several national as well as global platforms. We were awarded the ‘Mahatma Awards 2021’ on the eve of Gandhi Jayanti, under the ‘Good health and well-being’ category. We won the ‘Best Corporate Foundation Award’ at the World CSR Congress, 2021 and were bestowed with the Jury Commendation Certificate for our oral cancer screening program at the 18th FICCI CSR Awards in the ‘Exemplary Innovation’ category. In addition to these awards, the ‘Bengaluru Women Achievers’ award was conferred upon Dr. Anupama Shetty, Mission Director, Biocon Foundation by the Bangalore Political Action Committee. She also received the ‘South India’s best CSR Leaders’ award at the National CSR Leadership Congress & Awards.

**Primary healthcare**

**eLAJ Smart Clinic services:**

The Government of India formally launched the Pradhan Mantri Digital Health Mission (PM-DHM) on 27th September 2021, to enable unique health ID for every citizen and build an integrated digital health infrastructure in the country. The Biocon Foundation has continually invested in Information and Communications Technology (ICT), enabled process innovations by developing technology-enabled access to healthcare.

Developed in-house, eLAJ Smart Clinic is a one-stop solution that addresses the issue of healthcare delivery in remote areas of the country. Through these clinics, we provide free lab investigations, doctor consultation and counseling for lifestyle changes and medication adherence.
This platform captures and securely stores electronic patient records to enable the practice of evidence-based precision medicine and ensure quality improvement in dispensing targeted, need-based care to the patient.

A total of 20 government-run Primary Health Centers (PHCs) and three Biocon Foundation-operated health centers across seven districts of Karnataka, transformed into eLAJ Smart Clinics, remained operational in FY22. More than 711,000 patient visits have been recorded at eLAJ Smart Clinics since inception and approximately 71,000 patient visits were recorded in FY22 alone.

**Outpatients exit survey:** Six key performance indicators (KPIs) were identified, and a five-point Likert scale was used to gauge the patient satisfaction. More than 1,100 patients were asked to grade their experience on a scale of one to five, with five signifying a very positive experience.

**Oral cancer screening:** Addressing the global burden of oral cancer, Biocon Foundation has formed an Oral Cancer Task Force composed of eminent national oncologists in 2018, with the objective of downstaging oral cancer through preventive and promotive efforts on ground leveraging on research, advocacy and use of appropriate technologies. This Task Force has developed clear guidelines for the management of head and neck cancer. It aims to develop a strategy to downstage oral cancer in India over the next decade.

As part of our oral cancer-screening program, the Foundation organized screening camps in partnership with KLE Society’s Institute of Dental Sciences (KLESIDS) in and around Bengaluru and Homi Bhabha Cancer Hospital in Varanasi.

Our mobile phone-based health technology platform captures data and intra-oral images of patients for recognizing the symptoms and signs of oral cancer in high-risk groups. The Foundation has built extensive field experience in early oral cancer screening, strengthening the initiative through a mobile health-based (mHealth) approach that equips the staff with smartphones to examine people in low-resource settings.

**Conditions (eLAJ Dashboard) Breakup by Category**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCDs</td>
<td>28%</td>
</tr>
<tr>
<td>Infectious</td>
<td>23%</td>
</tr>
<tr>
<td>Pregnancy</td>
<td>19%</td>
</tr>
<tr>
<td>Musculoskeletal</td>
<td>7%</td>
</tr>
<tr>
<td>Gastrointestinal</td>
<td>5%</td>
</tr>
<tr>
<td>Others</td>
<td>10%</td>
</tr>
<tr>
<td>Skin</td>
<td>2%</td>
</tr>
<tr>
<td>ENT</td>
<td>2%</td>
</tr>
<tr>
<td>Anaemia</td>
<td>4%</td>
</tr>
</tbody>
</table>

NCDs and infectious diseases account for 51% of all conditions.
A cancer treatment beneficiary from Varanasi

Cancer was a scary word for me. I never thought that even consuming paan (betel leaves) with areca nuts could cause oral cancer, until I attended a screening organized by the Biocon Foundation and Homi Bhabha Cancer Hospital.

I was initially hesitant to undergo screening, but a counseling session helped me realize the significance of screening. The doctors identified white patches in my mouth, which were symptoms of oral cancer. I was explained that it was a precancerous lesion, which could turn into cancer if not treated.

I panicked and couldn’t come to terms with the fact that I had been diagnosed with cancer. Since I was struggling to repay the auto loan, I couldn’t think of ways to afford the treatment. It was so comforting to know that it was curable because the cancer was detected at an early stage and treatment would be provided free of cost. The screening, which I was hesitant to attend earlier, changed my perception about health and life. The cessation counseling helped me overcome my habit. I am extremely grateful to the organizations for taking up such a noble initiative to save the lives of people like me. I want to thank the entire team for being so compassionate and patient with me.

Health clinics:

Biocon Foundation also operates clinics that provide specialist diagnostic, management, and counseling on a range of issues including women and child health, nutrition, NCDs and comorbidities.

- NCD Clinics to diagnose and manage type 2 diabetes and hypertension
- Geriatric Clinics for elderly health issues, including chronic health conditions
- The Well Woman Clinics provide services to deal with issues related to sexual and reproductive health, nutrition, diet related NCDs (diabetes and hypertension), common cancers and others
- The Well Baby Clinics to improve local access to cures for common childhood illnesses and to address malnutrition
- Support in augmenting the COVID-19 care infrastructure at the Anekal General Hospital in Bangalore.

In FY22, our outreach has expanded to 14,000 patients who have benefited from the services of these clinics.

Mazumdar-Shaw Advanced Research Center

The former Vice-Chairman of Biocon, John Shaw, along with Kiran Mazumdar-Shaw, our Executive Chairperson, have been honored by University of Glasgow by having the University’s new research center named after them. The Mazumdar-Shaw Research Centre will be home to over 500 researchers, spanning across various disciplines with far reaching impacts. Their contribution of ₹ 580 million in 2019 has been used to set up a new research hub within the University campus and create a Professor Chair, the Mazumdar-Shaw Chief of Molecular Pathology.

Environmental sustainability

Reviving Hebbagodi lake

In 2018, we executed a three-step bioremediation process using advanced technologies and implementing innovative solutions to revive the Hebbagodi lake. We installed trash barriers and bar screens to stop floating matter from entering the water body. In addition, we placed floating wetlands and also installed energy efficient cascading aerators and submersible mixers to increase dissolved oxygen and reduce sludge in the water. We have been regularly carrying out bioremediation to treat the organic pollutants. As a result of these concerted efforts, we successfully restored the ecosystem of the dying 35-acre Hebbagodi lake.

Regular water quality audits are carried out by NABL accredited laboratories, through sample collection and analysis from various points around the lake. In the year 2017, pre-intervention assessment of water quality suggested that several parameters indicative of chemical, physical, and biological properties were abysmally poor. The higher COD, BOD & TDS represented the greater levels of water pollution and the environmental concern. Nil DO concentration was indicative of lack of aerobic aquatic life. Water quality was calculated as per the National
Sanitation Foundation Water Quality Index. A comparison between the pre-and post-intervention levels of COD, BOD, TDS, Nitrates and DO after our intervention showed a significant improvement in the water quality. Between 2017 to 2022, we have spent over ₹82 million towards the Hebbagodi lake rejuvenation project.

Despite the challenges presented by the pandemic, our efforts towards lake revival and maintenance continued unabated to prevent the waterbody from any degradation. We also undertook a series of activities along with the local community, to augment awareness towards protection of the lake.

**Hebbagodi Metro project:**

In 2020, the Biocon Foundation partnered with the Bengaluru Metro Rail Corporation Limited (BMRCL) to finance the construction of a metro station at Hebbagodi in Anekal Taluk, Bengaluru. We pledged to contribute ₹650 million to fund the construction of the Hebbagodi Metro Station on Hosur Road and in FY22, over ₹32 Million was invested in this project by both Biocon Biologics and Biocon respectively.

The Hebbagodi Metro Station is part of the new 18.82 km line from R V Road to Bommasandra, being constructed under Phase II of the Bengaluru Metro Rail Project. In recognition of our efforts, the Government of Karnataka issued an order in December 2020, renaming Hebbagodi Metro Station to ‘Biocon Hebbagodi Metro Station’ for a period of 30 years. Once operational, the metro line is expected to see an average daily ridership of over millions of passengers, thereby reducing traffic congestion and helping in lowering the environmental impact from vehicular pollution.

**Minsk Square landscaping:**

To restore a historically important site at Minsk Square, we initiated a project to create an urban green space at the heart of Bengaluru. The landscape design comprises hard-scape and soft-scape features. Phase I of the project, covering an area of 460 square meter, has been completed. The project will aim to plant 4,500 square feet with 20 varieties of more than 4,000 shrubs, deploying drip irrigation techniques.

**Rural development**

We work with partners in rural India and join hands with like-minded organizations to help improve the quality of learning outcomes. In FY21, we invested to build new buildings at the government higher primary schools in Huskuru, Bengaluru and Sira, Tumkur. The improved infrastructure will provide an enabling environment to the students and is expected to positively influence the learning outcomes. Additionally, the school infrastructure project enabled 500 students to avail access to quality infrastructure.

**Covid-19 relief**

During the reporting period, we undertook the responsibility of augmenting the COVID-19 care infrastructure at the Anekal General hospital and supported the Government in its pandemic response efforts across other Primary Health Centres. With resources being diverted towards pandemic management, our health interventions addressed the need for prevention, screening, and control of common NCDs such as hypertension, diabetes, and common cancer. Our support in setting up the infrastructure stands to benefit over 60,000 patients who annually use the hospital facilities.

“We were conducting classes in an old and dilapidated school building, where walls and ceilings had developed cracks, posing a risk to the lives of the students. Our teachers and students thank the Biocon Foundation for reconstructing our school despite the challenges posed by COVID-19. The infrastructure has created a safe and fearless learning environment. As the students return to school, they are going to experience a friendly and conducive ambience.”

- Srinivasamurthy R, Headmaster, Government Higher Primary School, Huskur

Regular engagements and interactions among the local communities has created a support network across various geographies in Karnataka. We also undertake Baseline studies and Focus Group discussions to understand the needs and challenges of the communities.
Biocon Academy

The Biocon Academy is committed to building an ecosystem for biotech related skills in India. We help create an enabling environment that molds everyone into highly capable, forward-looking self-starters, equipped with the skills, experience and knowledge to move India forward. Since November 2013, over 700 people have received rigorous academic learning and world class industrial training on applied aspects of various life sciences disciplines at the Biocon Academy, and all of them have earned placements in some of the top biotech companies in India. The programs we offer aim to empower biotechnology and engineering graduates. Through the Biocon Academy, we partner with esteemed international education institutions such as Keck Graduate Institute, California, to deliver industry-oriented training programs for biotech students.

To enrich student experience and learning outcomes, we continue to implement innovative learning methods such as industry-oriented case study discussions and comprehensive project-based learning programs. We have now launched a unique program in Global Regulatory Affairs (GRA) in partnership with the JSS Academy of Higher Education and Research (JSS AHER), Mysuru. This program is exclusively structured for students to develop knowledge on various regulatory practices, clinical development processes, submission of filings, regulation for drugs, biologics, and medical devices. In addition to partly funding the course fees, we sponsor facilities such as meals and transportation, which enable students to retain their focus on their training.

During FY22, 120+ students successfully graduated from the Academy and found jobs with leading biotech and biopharma companies in India including the Biocon Group-Bangalore, Chennai, Vizag and Hyderabad, Dr. Reddy’s Labs, Hetero Drugs-Hyderabad; Intas Biopharma-Ahmedabad and Baxter- Gurugaon. We are proud to have maintained a 100 percent placement record in leading biotech and biopharma companies, including Biocon.

In addition to developing a talent pool for the industry, we are empowering many faculty members of the universities and colleges by imparting industry training in biopharmaceutical technologies. We are working closely with the Karnataka Science and Technology Academy (KSTA), Association of Biotechnology Led Enterprises (ABLE) and Biotecnika to organize joint webinars and seminars, promoting biotechnology initiatives across the country. Over 20 faculty members from more than 10 universities and colleges across India and Malaysia also received training under the Biocon Academy Certificate Program in Faculty Development. For our efforts, we were awarded the ‘Smart Bio Award’ in 2021 by the Government of Karnataka under the ‘Best Social Enterprise/Institute’ category.
**ESG Scorecard**

**Economic Performance:**
Biocon Total refers to Biocon and Biocon Biologics (India and Malaysia).

*Syngene is not included

### Economic Value Generated

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>₹ Million</td>
<td>51,114</td>
<td>56,849</td>
</tr>
</tbody>
</table>

### Economic Value Distributed and Retained

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating cost</td>
<td>₹ Million</td>
<td>29,518</td>
<td>34,648</td>
</tr>
<tr>
<td>Total employee related expenses (salaries + benefits)</td>
<td>₹ Million</td>
<td>10,808</td>
<td>11,620</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>₹ Million</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Payment to government</td>
<td>₹ Million</td>
<td>1,220</td>
<td>1,367</td>
</tr>
<tr>
<td>Community investments</td>
<td>₹ Million</td>
<td>97</td>
<td>114</td>
</tr>
<tr>
<td>Economic Value Retained</td>
<td>₹ Million</td>
<td>9,471</td>
<td>9,100</td>
</tr>
</tbody>
</table>

Data includes consolidated value excluding Syngene

### Philanthropic Contributions

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR expense</td>
<td>₹ Million</td>
<td>98.6</td>
<td>113</td>
</tr>
<tr>
<td>Charitable donations</td>
<td>% of total CSR spend</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Community Investments</td>
<td>% of total CSR spend</td>
<td>88</td>
<td>100</td>
</tr>
<tr>
<td>Political contributions</td>
<td>₹ Million</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Research and Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research &amp; Development spending</td>
<td>$ Million</td>
<td>75.56</td>
<td>78.37</td>
</tr>
<tr>
<td>Research &amp; Development spending</td>
<td>₹ Million</td>
<td>5,531</td>
<td>5,950</td>
</tr>
<tr>
<td>R&amp;D spending as percentage of Sales</td>
<td>%</td>
<td>11.23</td>
<td>11</td>
</tr>
<tr>
<td>No. of R&amp;D positions</td>
<td>No.</td>
<td>721</td>
<td>1,057</td>
</tr>
</tbody>
</table>
### Fines/Settlements/Complaints

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fines or settlements related to Anti-competitive practices</td>
<td>₹</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ongoing investigations related to anti-competitive practices</td>
<td>No.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Confirmed cases of Corruption &amp; Bribery</td>
<td>No.</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Current involvement in any ongoing corruption and bribery cases</td>
<td>No.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Contributions to and spending for political campaigns, political organizations, lobbying, trade associations, tax-exempt entities</td>
<td>₹</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No. of incidents of discrimination and harassment</td>
<td>No.</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>No. of complaints related to Child labour/Forced labour/Involuntary labour</td>
<td>No.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Class I product recalls</td>
<td>No.</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Class II product recalls</td>
<td>No.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Regulatory agency inspections</td>
<td>No.</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Complaints concerning breaches of customer privacy and losses of customer data</td>
<td>No.</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Environmental Performance*

### Material Consumption

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>tonnes/annum</td>
<td>23,445</td>
<td>21,859</td>
</tr>
<tr>
<td>Associated materials</td>
<td>tonnes/annum</td>
<td>6,536</td>
<td>6,164</td>
</tr>
<tr>
<td>Semi-manufactured materials</td>
<td>tonnes/annum</td>
<td>187</td>
<td>-</td>
</tr>
<tr>
<td>Packaging materials</td>
<td>tonnes/annum</td>
<td>84</td>
<td>132</td>
</tr>
</tbody>
</table>
### Energy Consumption

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>MWh</td>
<td>201,198</td>
<td>226,790</td>
</tr>
<tr>
<td>Diesel</td>
<td>MWh</td>
<td>16,492</td>
<td>22,755</td>
</tr>
<tr>
<td>Furnace oil</td>
<td>MWh</td>
<td>233</td>
<td>0</td>
</tr>
<tr>
<td>Coal</td>
<td>MWh</td>
<td>9,782</td>
<td>11,192</td>
</tr>
<tr>
<td>Wood Chips*</td>
<td>MWh</td>
<td>1,581</td>
<td>1,665</td>
</tr>
<tr>
<td>HSD*</td>
<td>MWh</td>
<td>212</td>
<td>206</td>
</tr>
<tr>
<td>LPG*</td>
<td>MWh</td>
<td>2,083</td>
<td>1,546</td>
</tr>
<tr>
<td><strong>Total Direct Energy</strong></td>
<td>MWh</td>
<td>231,581</td>
<td>264,154</td>
</tr>
<tr>
<td>Electricity purchased (from non-renewable sources)</td>
<td>MWh</td>
<td>141,700</td>
<td>137,200</td>
</tr>
<tr>
<td>Electricity purchased (renewable sources)</td>
<td>MWh</td>
<td>95,000</td>
<td>110,000</td>
</tr>
<tr>
<td><strong>Total Indirect Energy</strong></td>
<td>MWh</td>
<td>236,700</td>
<td>247,200</td>
</tr>
<tr>
<td>Electricity purchased (renewable sources)</td>
<td>MWh</td>
<td>95,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Biomass based Energy*</td>
<td>MWh</td>
<td>1,581</td>
<td>1,665</td>
</tr>
<tr>
<td><strong>Total Renewable Energy</strong></td>
<td>MWh</td>
<td>96,581</td>
<td>111,665</td>
</tr>
</tbody>
</table>

*Only BBL Malaysia

### GHG Saving Initiatives^

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green power (purchased)</td>
<td>tCO₂</td>
<td>85,500</td>
<td>99,000</td>
</tr>
<tr>
<td>Furnace oil offset due to natural gas use in steam in boiler</td>
<td>tCO₂</td>
<td>15,730</td>
<td>17,045</td>
</tr>
<tr>
<td>Boiler economiser induced natural gas savings</td>
<td>tCO₂</td>
<td>1,362</td>
<td>1,652</td>
</tr>
<tr>
<td><strong>Total carbon footprint reduction</strong></td>
<td>tCO₂</td>
<td>102,592</td>
<td>117,697</td>
</tr>
</tbody>
</table>

^ BL+BBL India Operations

### GHG emissions

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1: Direct emissions</td>
<td>tCO₂</td>
<td>55,997</td>
<td>62,253</td>
</tr>
<tr>
<td>Scope 2: Indirect emissions</td>
<td>tCO₂</td>
<td>127,530</td>
<td>123,480</td>
</tr>
<tr>
<td><strong>Total GHG emissions</strong></td>
<td>tCO₂</td>
<td>183,527</td>
<td>185,733</td>
</tr>
<tr>
<td>GHG emission intensity</td>
<td>tCO₂</td>
<td>3.59</td>
<td>3.27</td>
</tr>
</tbody>
</table>

* Exchange rate used: INR 77.77 to USD 1
### Emissions of ozone-depleting substances (ODS)

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCFC-22 or R-22</td>
<td>tonnes</td>
<td>0.15</td>
<td>0.7</td>
</tr>
</tbody>
</table>

### Air Pollutant Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Particulate matter (PM)</td>
<td>tonnes/annum</td>
<td>19.20</td>
<td>31.2**</td>
</tr>
<tr>
<td>Nitrogen Oxide (NOx)</td>
<td>tonnes/annum</td>
<td>0.60</td>
<td>0.76**</td>
</tr>
<tr>
<td>Sulfur Oxide</td>
<td>tonnes/annum</td>
<td>13.58</td>
<td>9.4**</td>
</tr>
</tbody>
</table>

*Excludes BBL Malaysia

**BBL Malaysia: PM, NOx and SOx levels are monitored and are within the regulatory limit

### Water Sourcing and discharge

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal water supplies (or from other water utilities)</td>
<td>million m³</td>
<td>1.74</td>
<td>1.71</td>
</tr>
<tr>
<td>Fresh surface water (lakes, rivers, etc.)</td>
<td>million m³</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>Fresh groundwater</td>
<td>million m³</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>Total Withdrawal</td>
<td>million m³</td>
<td>1.74</td>
<td>1.71</td>
</tr>
<tr>
<td>Discharge post treatment</td>
<td>million m³</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Treated wastewater recycled</td>
<td>%</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*2 Sites in India (Hyd and Vizag) and Biocon Malaysia send wastewater to Common Effluent treatment plant (CETP) for further treatment

### Waste generation and disposal and method*

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous</td>
<td>MT</td>
<td>17,147</td>
<td>24,748</td>
</tr>
<tr>
<td>Authorised BMW waste handler</td>
<td>MT</td>
<td>30</td>
<td>160</td>
</tr>
<tr>
<td>Authorised disposal agency</td>
<td>MT</td>
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<td>8,548</td>
</tr>
<tr>
<td>Authorised e-waste recycler</td>
<td>MT</td>
<td>3</td>
<td>10</td>
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<tr>
<td>Authorised recycler</td>
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<td>10,463</td>
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<tr>
<td>Authorised reprocessor</td>
<td>MT</td>
<td>23</td>
<td>157</td>
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<tr>
<td>Authorised TSDF</td>
<td>MT</td>
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<td>4,774</td>
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<tr>
<td>incineration/co-processing</td>
<td>MT</td>
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*BL and BBL (India+Malaysia)
### Social Performance

#### Employee Information

<table>
<thead>
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<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
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<tbody>
<tr>
<td><strong>Senior management (L12+)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>No.</td>
<td>124</td>
<td>137</td>
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<tr>
<td>Female</td>
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<td>19</td>
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</tr>
<tr>
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<td>No.</td>
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<td>0</td>
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<tr>
<td>30-50</td>
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<tr>
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<tr>
<td><strong>Middle management (L5-11)</strong></td>
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<td></td>
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</tr>
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<td>No.</td>
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<td>Female</td>
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<td>525</td>
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<tr>
<td>&lt;30</td>
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<td><strong>Junior management (L1-L4)</strong></td>
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<tr>
<td>Female</td>
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<td>460</td>
<td>469</td>
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<tr>
<td>&lt;30</td>
<td>No.</td>
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*BL and BBL (India+Malaysia)
## New Employee Hires

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<th>Biocon Total (FY22)</th>
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<td>34</td>
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<tr>
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<td>4</td>
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<tr>
<td></td>
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<td>No.</td>
<td>571</td>
<td>713</td>
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<tr>
<td></td>
<td>Female</td>
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<td>168</td>
</tr>
<tr>
<td>Middle management (L5-11)</td>
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<td>135</td>
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<td>30-50</td>
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<td>739</td>
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<td>1,465</td>
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<td>422</td>
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## Employee Turnover

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<tbody>
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<td>Male</td>
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<td>17</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>No.</td>
<td>3</td>
<td>5</td>
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<td>0</td>
<td>0</td>
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<tr>
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<td>30-50</td>
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<td>28</td>
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<tr>
<td></td>
<td>&gt;50</td>
<td>No.</td>
<td>8</td>
<td>11</td>
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<tr>
<td></td>
<td>Male</td>
<td>No.</td>
<td>302</td>
<td>709</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>No.</td>
<td>66</td>
<td>149</td>
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<tr>
<td>Middle management (L5-11)</td>
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<td>15</td>
<td>80</td>
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<td>30-50</td>
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<td>&gt;50</td>
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<td>11</td>
<td>17</td>
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<tr>
<td></td>
<td>Male</td>
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<td>522</td>
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<tr>
<td></td>
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<td>Junior management (L1-L4)</td>
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<td>30-50</td>
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<td>491</td>
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<td>&gt;50</td>
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</table>
### Workforce Breakdown: Gender

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of women in total permanent workforce</td>
<td>No.</td>
<td>1,354</td>
<td>1,531</td>
</tr>
<tr>
<td>Percentage of women in total permanent workforce (as % of total permanent workforce)</td>
<td>%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>No. of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions</td>
<td>No.</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Percentage of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)</td>
<td>%</td>
<td>0.02%</td>
<td>0.05%</td>
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### Trainings Man Hours

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Training Hours by Grade</th>
<th>Average Training Hours by Grade</th>
</tr>
</thead>
<tbody>
<tr>
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<td>FY21</td>
<td>FY22</td>
</tr>
<tr>
<td>Senior management (L12+)</td>
<td>1,375</td>
<td>1,557</td>
</tr>
<tr>
<td>Middle management (L5-11)</td>
<td>91,861</td>
<td>67,366</td>
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<tr>
<td>Junior management (L1-L4)</td>
<td>159,957</td>
<td>109,341</td>
</tr>
<tr>
<td>Total</td>
<td>253,193</td>
<td>178,264</td>
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</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Total Training Hours by Gender</th>
<th>Average Training Hours by Gender</th>
</tr>
</thead>
<tbody>
<tr>
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<td>FY21</td>
<td>FY22</td>
</tr>
<tr>
<td>Male</td>
<td>Hours</td>
<td>219,108</td>
</tr>
<tr>
<td>Female</td>
<td>Hours</td>
<td>34,538</td>
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### Parental Leave*

<table>
<thead>
<tr>
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<th>Unit</th>
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<th>FY 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Biocon, India</td>
<td>Biocon Biologics, India</td>
</tr>
<tr>
<td>Employees entitled for maternity leave</td>
<td>No.</td>
<td>351</td>
<td>702</td>
</tr>
<tr>
<td>Employees that took maternity leave</td>
<td>No.</td>
<td>18</td>
<td>30</td>
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<tr>
<td>Employees that returned to work in the reporting period after maternity leave ended</td>
<td>No.</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Employees that returned to work after maternity leave ended that were still employed 12 months after their return to work</td>
<td>No.</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Rate of Return to work that took maternity leave</td>
<td>%</td>
<td>89%</td>
<td>100%</td>
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<tr>
<td>Retention rates of employees that took maternity leave</td>
<td>%</td>
<td>0</td>
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*Parental leave includes maternity leaves only
### Suppliers and Procurement spend

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Biocon Total (FY21)</th>
<th>Biocon Total (FY22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Suppliers</td>
<td>No.</td>
<td>1,308</td>
<td>1,194</td>
</tr>
<tr>
<td>Critical suppliers</td>
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<td>304</td>
<td>296</td>
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<tr>
<td>Non-Critical Suppliers</td>
<td>No.</td>
<td>1,004</td>
<td>898</td>
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<tr>
<td>Total Procurement spend</td>
<td>Million ₹</td>
<td>17,870</td>
<td>20,700</td>
</tr>
<tr>
<td>Procurement spend on Critical Suppliers</td>
<td>Million ₹</td>
<td>16,250</td>
<td>18,120</td>
</tr>
<tr>
<td>Procurement spend on Non-Critical Suppliers</td>
<td>Million ₹</td>
<td>1,620</td>
<td>2,580</td>
</tr>
<tr>
<td>Procurement spend on locally based suppliers</td>
<td>Million ₹</td>
<td>4,210</td>
<td>5,520</td>
</tr>
<tr>
<td>Procurement spend on locally based suppliers(%)</td>
<td>%</td>
<td>24%</td>
<td>27%</td>
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<td>No of Tier 1 suppliers identified for sustainability high-risk</td>
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<tr>
<td>No of Non-Tier 1 suppliers identified for sustainability high-risk</td>
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### Health and Safety

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<td>0</td>
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<tr>
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<tr>
<td>Occupational disease cases</td>
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<td>Man hours worked</td>
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<td>Total working days scheduled to be worked by the workforce</td>
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<td>Injuries (Total)</td>
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<tr>
<td>Note: Only lost time injuries will be considered here. As per internal classification</td>
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<td>1.51</td>
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<td>Lost time injury frequency rate (LTIFR)</td>
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<tr>
<td>Category/Types of benefits provided</td>
<td>Permanent Employees</td>
<td>Contractors</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Life insurance</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Health insurance</td>
<td>Yes</td>
<td>Yes (for those who are not covered under ESIC)</td>
</tr>
<tr>
<td>Accident insurance</td>
<td>Yes</td>
<td>Yes (covered under ESIC)</td>
</tr>
<tr>
<td>Parental Medical Insurance (including paternity leave option from Biocon Biologics, Malaysia)</td>
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<td>Yes (covered under ESIC)</td>
</tr>
<tr>
<td>Disability</td>
<td>Yes</td>
<td>Yes (covered under ESIC)</td>
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<td>Parental leave (**maternity leave or paternity leave)</td>
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<tr>
<td>Marriage leave (additional to Normal leaves allotted)</td>
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<tr>
<td>Bereavement leave (additional to Normal leaves allotted)</td>
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<td>Leave for Haj (additional to Normal leaves allotted)</td>
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<td>No</td>
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<td>Leave for Baptism (additional to Normal leaves allotted)</td>
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<td>Leave for Circumcision Ceremony (additional to Normal leaves allotted)</td>
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<td>Retirement provision</td>
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<td>No</td>
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<td>Transportation</td>
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<td>Employee Car Scheme policies</td>
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*For select cadres of employees

**Maternity, surrogacy and adoption
## GRI Standards Index

### GRI Classification References

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<th>Classification</th>
<th>GRI Standards</th>
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<th>Report Section/Chapters</th>
<th>GRI index (reference pages)</th>
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<td><strong>Organizational Profile</strong></td>
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<td>102-1</td>
<td>Name of the organization</td>
<td>About the Report</td>
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<td>102-2</td>
<td>Activities, brands, products &amp; services</td>
<td>Our Transformative story</td>
<td></td>
<td>6-9</td>
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<td>Location of headquarters</td>
<td>Our Transformative story</td>
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<td>Our Transformative story</td>
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<td>Information on employees and other workers</td>
<td>Transforming the workplace</td>
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<td>102-9</td>
<td>Supply chain</td>
<td>Partnership in Action, ESG Scorecard</td>
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<td>Significant changes to the organization and its supply chain</td>
<td>Partnership in Action</td>
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<td>Precautionary Principle or approach</td>
<td>Governance in action</td>
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<td>30-37</td>
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<td>External Initiatives</td>
<td>Transformation progress in action</td>
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<td>20-23</td>
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<td>102-13</td>
<td>Membership of associations</td>
<td>Partnership in action</td>
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<td>40-43</td>
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<td><strong>Strategy</strong></td>
<td></td>
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<td>Statement from Senior decision maker</td>
<td>Statements from the Leadership</td>
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<td>73</td>
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<td>Transforming the workplace, ESG Scorecard</td>
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<td>GRI Standards</td>
<td>Disclosures</td>
<td>Report Section/Chapters</td>
<td>GRI index (reference pages)</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td><strong>Marketing and Labeling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>417-1</td>
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<td>Our Transformative story</td>
<td>6-7</td>
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<td>Incidents of non-compliance concerning product and service information and labeling</td>
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<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>ESG Scorecard</td>
<td>73</td>
</tr>
<tr>
<td><strong>Customer Privacy</strong></td>
<td></td>
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</tr>
<tr>
<td>GRI 418: Customer Privacy</td>
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<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>ESG Scorecard</td>
<td>73</td>
</tr>
</tbody>
</table>
## Section A: General Disclosures

### 1. Details of the listed entity

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Identity Number (CIN) of the Listed Entity</td>
<td>L24234KA1978PLC003417</td>
</tr>
<tr>
<td>Name of the Listed Entity</td>
<td>Biocon Limited</td>
</tr>
<tr>
<td>Year of incorporation</td>
<td>1978</td>
</tr>
<tr>
<td>Registered office address</td>
<td>20th KM Hosur Road, Electronic City, Bengaluru – 560 100, India</td>
</tr>
<tr>
<td>Corporate address</td>
<td>20th KM Hosur Road, Electronic City, Bengaluru – 560 100, India</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:co.secretary@biocon.com">co.secretary@biocon.com</a></td>
</tr>
<tr>
<td>Telephone</td>
<td>+91 80 2808 2808 / +91 80 4014 4014</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.biocon.com">www.biocon.com</a></td>
</tr>
<tr>
<td>Financial year for which reporting is being done</td>
<td>FY 2021-22</td>
</tr>
<tr>
<td>Name of the Stock Exchange(s) where shares are listed</td>
<td>BSE Limited</td>
</tr>
<tr>
<td></td>
<td>National Stock Exchange of India Limited</td>
</tr>
<tr>
<td>Paid-up Capital</td>
<td>INR 600,30,00,000</td>
</tr>
<tr>
<td>Name and contact details (telephone, email address) of the person who may</td>
<td>Mr. Mayank Verma</td>
</tr>
<tr>
<td>be contacted in case of any queries on the BRSR report</td>
<td>Email: <a href="mailto:co.secretary@biocon.com">co.secretary@biocon.com</a></td>
</tr>
<tr>
<td>Reporting boundary</td>
<td>The reporting boundary for this BRSR Report includes Biocon Limited (BL)</td>
</tr>
<tr>
<td></td>
<td>and Biocon Biologics Limited (India and Malaysia) (BBL), excluding</td>
</tr>
<tr>
<td></td>
<td>Syngene International, for the period from 1st April, 2021 to 31st</td>
</tr>
<tr>
<td></td>
<td>March, 2022. The entities will collectively be referred to as the ‘Company’ for the length of this report, unless specified otherwise.</td>
</tr>
</tbody>
</table>
2. Products/services

2.1. Details of business activities (accounting for 90% of the turnover):

Please refer to page numbers 6 - 9 for an overview of the Company’s services which constitute over 90% of the turnover.*

*Research services of the Company are undertaken by subsidiary Syngene International Limited. Syngene is excluded from the remainder of this report.

2.2. Products/Services sold by the entity (accounting for 90% of the entity’s Turnover):

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Product/Service</th>
<th>NIC Code*</th>
<th>% of total turnover contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manufacture of pharmaceuticals, medicinal chemical and botanical products</td>
<td>021</td>
<td>100</td>
</tr>
</tbody>
</table>

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

3. Operations

3.1 Number of locations where plants and/or operations/offices of the entity are situated:

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of plants/offices</th>
<th>Number of offices</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>3 Manufacturing Locations (1 plant - Bengaluru, 2 plants - Hyderabad, Vizag)</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>United States of America, Switzerland, United Kingdom, United Arab Emirates, Brazil, Malta and Singapore</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

3.2. Markets served by the entity:

(a) Number of locations

Please refer to page numbers 6 - 9 for information on the number of national and international locations the Company has offices/operations.

(b) A brief on types of customers

The Company is invested in cutting-edge science, key research partnerships and global manufacturing scale to expand its reach and develop products that address unmet patient needs. Its customers fall under two broad categories:

Healthcare providers

The Company is focused on delivering high-quality therapies to partners and healthcare systems across the globe.

It has leveraged its unique strength in fermentation technology to develop a differentiated portfolio of generic Active Pharmaceutical Ingredients (API) which are used in a variety of therapy areas, including cardiology, immunosuppressants, anti-diabetics, multiple sclerosis and cancer. The APIs developed by the Company have found application in high quality drugs that treat oncology,
cardiology, CNS and neurology, orthopedic, pulmonology, gastroenterology, nephrology, ophthalmology, and endocrinology
conditions. The Company supplies statins, immunosuppressants, cardiovascular drugs and other APIs to over 100 countries and has accomplished 33 filings and received 14 approvals for APIs globally.

Biocon operates its biosimilar business through its subsidiary Biocon Biologics Limited (BBL). We develop high-quality, affordable biosimilars that can expand access to cutting-edge therapeutics for patients globally at our R&D sites in Bengaluru and Chennai (India). These are manufactured at scale for both developed and emerging markets in Bengaluru (India) and Johor (Malaysia). Our products are marketed globally through a hybrid commercial model, wherein we have direct commercial presence in a few countries and in others, we leverage partners such as Viatris to expand patient reach.

**Patients**

We discover, develop, and deliver affordable medicines that help transform patient lives. Patients’ health and wellbeing are our top priority. Our products are helping enhance the healthcare process in both developed and developing countries, furthering our goal of achieving health equity for all.

Our commitment is to deliver medicines to a vast proportion of people and ensure better patient outcomes. Over the past 20 years, Biocon has leveraged India’s value advantage of scientific talent and advanced manufacturing to deliver scale, speed and quality that enabled affordable access to complex therapies for chronic conditions. Through our generics, biosimilars and novel biologics we have strengthened our value proposition to reflect our four strategic pillars: accessibility, affordability, availability, and assurance.

Our global portfolio of APIs has catered to over 700 pharma companies, with an impeccable track record of quality, safety, and reliability, for the past 20 years.

The Company’s biosimilar portfolio has benefitted over 5.3 million Patients worldwide in FY22.

Biocon’s subsidiary Biocon Biologics has launched a special program, ‘Mission 10 cents,’ to offer governments of Low- and Middle-Income Countries (LMIC) (specifically in the Philippines and Tanzania) its products for less than 10 U.S. cents a day.

### 4. Employees

#### 4.1 Details as at the end of Financial Year: Employees and workers (including differently abled):

For information on the employee force at the Company, please refer to page number 76 of this Report.

Note: The Company does not have any ‘Workers’ as defined in the guidance note on BRSR

<table>
<thead>
<tr>
<th>S. No</th>
<th>Particulars</th>
<th>Total (A)</th>
<th>Male No. (B)</th>
<th>Male % (B / A)</th>
<th>Female No. (C)</th>
<th>Female % (C / A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Differently abled employees</td>
<td>Permanent (D)</td>
<td>2</td>
<td>2</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other than Permanent (E)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Total differently abled employees (D + E)</td>
<td>2</td>
<td>2</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

*Data excludes BBL Malaysia numbers

Note: The Company does not have any ‘Workers’ as defined in the guidance note on BRSR
4.3. Participation/Inclusion/Representation of women

<table>
<thead>
<tr>
<th>Total No. and percentage of Females</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td>(B)</td>
<td>(B / A)</td>
</tr>
<tr>
<td>Board of Directors*</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Key Management Personnel</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

*Note: Dr. Kiran Mazumdar Shaw, Executive Chairperson and Mr. Siddharth Mittal, Managing Director & CEO, are members of the Board of Directors and are also considered Key Managerial Personnel.

4.4. Turnover rate for permanent employees

Please refer to page number 48 & 77 of the Report for details on the turnover rate of the Company’s employees.

5. Holding, Subsidiary and Associate Companies (including joint ventures)

5.1. Names of holding / subsidiary / associate companies / joint ventures

<table>
<thead>
<tr>
<th>Name of the holding / subsidiary / associate companies / joint ventures (A)</th>
<th>Indicate whether holding/ Subsidiary/ Associate/ Joint Venture</th>
<th>% of shares held by listed entity</th>
<th>Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company is associated with 22 entities</td>
<td>Of the 22 entities, 20 are subsidiaries while Bicara is an associate and Neo Biocon is a joint venture</td>
<td>The % of shares held by the Company is present in the independent financial statements. <a href="https://archive.biocon.com/biocon_invrelation_subsidiary.asp">https://archive.biocon.com/biocon_invrelation_subsidiary.asp</a></td>
<td>Yes, Biocon Academy (Non-Profit company), subsidiary of the Company, participates in the BR initiatives of the Company.</td>
</tr>
</tbody>
</table>

6. CSR Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -Yes
(ii) Turnover (in Rs.) - 17,382 Mn
(iii) Net worth (in Rs.) - 80,929 Mn

*Data for turnover and Net worth are standalone figures
7. Transparency and Disclosures Compliances

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

<table>
<thead>
<tr>
<th>Stakeholder group from whom complaint is received</th>
<th>Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)</th>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of complaints filed during the year</td>
<td>Number of complaints pending resolution at close of the year</td>
<td>Number of complaints filed during the year</td>
</tr>
<tr>
<td>Communities</td>
<td>Yes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Investors/Shareholders</td>
<td>Yes</td>
<td>119</td>
<td>1</td>
</tr>
<tr>
<td>Employees and Workers</td>
<td>Yes</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Customers</td>
<td>Yes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Value Chain Partners</td>
<td>Yes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others (Please specify)</td>
<td>Yes</td>
<td>*4</td>
<td>0</td>
</tr>
</tbody>
</table>

* Whistleblowing complaints

** Please note complaints that were material and substantial have been considered.

The Company’s grievance redressal mechanism has been detailed in its process for complaint/grievance redressal - https://www.biocon.com/whistle-blower-integrity-policy/
### 7.1. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Material issue identified</th>
<th>Indicate whether risk or opportunity (R/O)</th>
<th>Rationale for identifying the risk / opportunity</th>
<th>In case of risk, approach to adapt or mitigate</th>
<th>Financial implications of the risk or opportunity (Indicate positive or negative implications)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Product quality</td>
<td>Risk</td>
<td>All pharmaceutical companies are constantly being evaluated on possible recalls, product safety concerns.</td>
<td>We have implemented a system to ensure quality of products and continuous compliance to regulatory requirements. Additionally, through the pharmacovigilance process, Biocon tracks responses to actively address product related risks and continuously improve the products. A dedicated pharmacovigilance team tracks and reports complaints received via a purpose-built web portal. We also have a toll-free number, publicly available on the web portal for patients or other stakeholders to report complaints. All reports are proactively investigated to ensure that timely action is taken where necessary. Further, all employees undergo mandatory pharmacovigilance training.</td>
<td>Negative: In the case of poor product quality, Biocon can face reputational as well as operational damage. This may also lead to a decrease in customer satisfaction and trust.</td>
</tr>
<tr>
<td>2</td>
<td>Research and Development</td>
<td>Opportunity</td>
<td>R&amp;D investment has a positive impact on green innovation ie: technologies which are developed to reduce the environmental impact and ESG performance of an enterprise. Therefore, strategically investing in R&amp;D and disclosing publicly on its investments allows internal and external stakeholders to understand the approach and scale taken by an organization.</td>
<td>At Biocon, a key area of focus is ‘Green Chemistry’ and we have implemented several initiatives for the same. These include transitioning from solvent based reactions to water based reactions, using harmless, greener solvents instead of hazardous solvents, enhancing our solvent recovery capabilities and overall, improving our processes to maximize the incorporation of all materials used.</td>
<td>Positive: Cutting edge technological innovations can place Biocon at the forefront of industry-leading discoveries and open new avenues for business growth.</td>
</tr>
<tr>
<td>S. No.</td>
<td>Material issue identified</td>
<td>Indicate whether risk or opportunity (R/O)</td>
<td>Rationale for identifying the risk / opportunity</td>
<td>In case of risk, approach to adapt or mitigate</td>
<td>Financial implications of the risk or opportunity (Indicate positive or negative implications)</td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Access &amp; affordability</td>
<td>Opportunity</td>
<td>Responsible pricing for innovative and generic medicines which take affordable access, positive cost-benefit ratio, and overall healthcare costs into consideration, have a high chance of impacting Biocon’s reach and favor amongst patients, as compared to competitors.</td>
<td>At Biocon, our aim is to achieve health equity and believe that everyone, across the globe, has the right to access affordable and quality medicines. Through our generics, biosimilars and novel biologics businesses, we consistently work towards enhancing our value proposition and deliver best-in-class solutions to our patients.</td>
<td>Positive: Enabling access to affordable drugs and other services can support the reach and growth of Biocon, providing a competitive edge</td>
</tr>
<tr>
<td>4</td>
<td>Environmental performance</td>
<td>Risk</td>
<td>Biocon’s commitment towards protecting the natural environment and conserving resources has been embedded in our value system. Upholding these principles and complying with applicable regulatory requirements can affect the overall performance and enhance Biocon’s image with the stakeholders.</td>
<td>To limit the environmental impact of the operations, Biocon continuously strives to reduce the carbon footprint, recycle resources, transition to renewable energy, adopt responsible sourcing practices, drive productivity across the value chain and adopt digital solutions that reduce inefficiencies. For more details on the initiatives undertaken, please refer to: please refer to the chapter - “Responsible Action towards Environment”</td>
<td>Negative: In the case of non-compliance with environmental norms and regulations, Biocon can face reputational damage as well as adverse financial repercussions</td>
</tr>
<tr>
<td>S. No.</td>
<td>Material issue identified</td>
<td>Indicate whether risk or opportunity (R/O)</td>
<td>Rationale for identifying the risk / opportunity</td>
<td>Financial implications of the risk or opportunity (Indicate positive or negative implications)</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------</td>
<td>------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Safe &amp; empowering workplace</td>
<td>Risk</td>
<td>As a responsible employer, it is our duty to create a safe and healthy workplace that is free of injuries, fatalities and illness. In addition to this, it is imperative to foster a conducive workplace that attracts and retains talent by enabling empowerment, growth, flexibility, remuneration and purpose. Biocon implements robust procedures and continuous process safety improvements at all the sites to show commitment towards a zero-incident safety culture. There are employee training and protocols for preventing, reporting and addressing behavior that is not in line with the Business Principles and standards, including sexual, discriminatory or other misconduct. For more details on the initiatives undertaken, please refer to ‘Employee Health and Safety’. To inculcate an empowering workplace, we have developed stringent processes which focus on enabling our employees to achieve their personal aspirations as well as their professional goals. For more information please refer to the chapter - Transforming our workplace.</td>
<td>Negative: The absence of a safe and empowering workplace could result in adverse financial consequences such as fines and penalties. Additionally, it could lead to operational and reputational damage.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Digitization</td>
<td>Opportunity</td>
<td>Utilization of digital technology to improve efficiency in operations and quality management in the Pharmaceutical Industry is a clear opportunity for Biocon. This includes deploying digital initiatives to fully integrate supply chains and improve operational processes, making them more adaptive and responsive. Biocon is investing in building a robust digital architecture that will support data platforms networks across all functions. ESG is at the core of Biocon’s digital transformation where the aim is to enhance quality and compliance, augment productivity through enhanced operational excellence and enable data integrity through technology-led data transparency. More information on the initiatives can be found across the ESG Report for FY21-22.</td>
<td>Positive: Digitization can lead to improved sale and efficiency across operations which can impact Biocon’s performance as compared to peers.</td>
<td></td>
</tr>
<tr>
<td>S. No.</td>
<td>Material issue identified</td>
<td>Indicate whether risk or opportunity (R/O)</td>
<td>Rationale for identifying the risk / opportunity</td>
<td>In case of risk, approach to adapt or mitigate</td>
<td>Financial implications of the risk or opportunity (Indicate positive or negative implications)</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------</td>
<td>-------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Supply chain sustainability</td>
<td>Risk</td>
<td>In the Pharmaceutical Industry, it is extremely imperative to ensure a stable supply chain to ensure business continuity. Initiatives must be undertaken to anticipate, prevent and mitigate any concerns that cause disruptions.</td>
<td>The integrated supply chain ensures uninterrupted medicine availability to the customers, patients, partners and healthcare systems globally. Biocon relies on cost-effective and sustainable logistics and supply chain rationalisation to increase access, right from the stage of procurement of raw materials to the last-mile delivery of products to patients. Biocon enforces a mandatory minimum level of adherence towards environmental compliance for our critical vendors through periodic site audits. Additionally, a Supplier Code of Conduct to guide the value chain partners on applicable laws, regulations, policies and procedures, as well as, the behavioral and ethical standards has been developed. For more information, please refer to the chapter – ‘Partnerships in Action’</td>
<td>Negative: Disruption across Biocon’s value chain can adversely impact the operations, thus hampering the supply of products and increasing costs</td>
</tr>
<tr>
<td>8</td>
<td>Community engagement</td>
<td>Opportunity</td>
<td>It is crucial that Biocon engages with the communities we operate in to increase trust and foster harmony.</td>
<td>The Biocon Foundation is the principal channel for the corporate philanthropy undertaken by the Company. The aim of this Foundation is to build resilient solutions that enable underserved communities to live better, every day. The core areas of intervention are: • Primary Healthcare • Environmental Sustainability • Rural Development • COVID-19 Relief</td>
<td>Positive: By empowering and uplifting our surrounding communities, we can mitigate future grievances or concerns, thus safeguarding the business from any adverse events</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>S. No.</th>
<th>Material issue identified</th>
<th>Indicate whether risk or opportunity (R/O)</th>
<th>Rationale for identifying the risk / opportunity</th>
<th>In case of risk, approach to adapt or mitigate</th>
<th>Financial implications of the risk or opportunity (Indicate positive or negative implications)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Inclusion and diversity</td>
<td>Opportunity</td>
<td>Numerous steps have been undertaken to build a gender-inclusive workplace, which includes an extended maternity leave, part-time opportunities for returnees, gender sensitization sessions and women’s health initiatives. The Company also has several distinct developmental programs in place, focused on the Company’s female employees, geared towards preparing them for managerial and leadership roles. The Company has an ‘Equal Pay for Equal Work’ practice in place, where employees are compensated based on their merit, irrespective of the gender they identify with. More information can be found in the chapter – Transforming the Workplace</td>
<td>Positive: A pool of diverse workforce from different genders, ages and ethnic diversity, will enable Biocon to develop, expand and mitigate operational risks.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Ethical governance</td>
<td>Risk</td>
<td>At Biocon, the principles of integrity, transparency, accountability and ethics resonate throughout the organization. Professional management teams and independent Boards for Biocon Limited, Biocon Biologics Limited and Syngene International Limited have been built to allow better governance across the Biocon Group. By implementing global best practices in corporate governance and risk management, we ensure that the Group consistently preserves and enhances value. For more details, please refer to the chapter – Governance in Action</td>
<td>Negative: Absence of adherence with the policies of the Company on business conduct and ethical governance can lead to reputational as well as operational damage.</td>
<td></td>
</tr>
</tbody>
</table>
Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Principle Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable</td>
</tr>
<tr>
<td>P2</td>
<td>Businesses should provide goods and services in a manner that is sustainable and safe</td>
</tr>
<tr>
<td>P3</td>
<td>Businesses should respect and promote the well-being of all employees, including those in their value chains</td>
</tr>
<tr>
<td>P4</td>
<td>Businesses should respect the interests of and be responsive to all its stakeholders</td>
</tr>
<tr>
<td>P5</td>
<td>Businesses should respect and promote human rights</td>
</tr>
<tr>
<td>P6</td>
<td>Businesses should respect and make efforts to protect and restore the environment</td>
</tr>
<tr>
<td>P7</td>
<td>Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent</td>
</tr>
<tr>
<td>P8</td>
<td>Businesses should promote inclusive growth and equitable development</td>
</tr>
<tr>
<td>P9</td>
<td>Businesses should engage with and provide value to their consumers in a responsible manner</td>
</tr>
</tbody>
</table>
### 1. Policy and management processes

<table>
<thead>
<tr>
<th>Disclosure Questions</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
<th>P7*</th>
<th>P8</th>
<th>P9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>1.2 Has the policy been approved by the Board? (Yes/No)</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>1.3. Web Link of the Policies, if available</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>1.4. Whether the entity has translated the policy into procedures. (Yes/No)</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>1.5. Do the enlisted policies extend to your value chain partners? (Yes/No)</td>
<td>Yes, the Company’s Supplier Code of Conduct largely includes the above-mentioned principles, and the value chain partners are expected to adhere to the requirements outlined.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.6. Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle. **</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Environmental Management System (ISO 14001)</td>
<td>Occupational Health &amp; Safety Management System (ISO 45001)</td>
<td>Good Manufacturing Practice (GMP) compliance certification for the Company’s facilities across Bengaluru, Hyderabad and Visakhapatnam in India, and Malaysia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.7. Specific commitments, goals and targets set by the entity with defined timelines, if any.</td>
<td>Please refer to Chapters - ‘Transforming patient lives’, ‘Partnership in action’, ‘Transforming the workplace’, ‘Responsible action towards environment’ &amp; ‘Transforming our communities’ for an in-depth description of our actions and commitments towards fulfilling the NGBRC principles.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.8. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</td>
<td>Please refer to chapters ‘Transforming patient lives’, ‘Partnership in action’, ‘Transforming the workplace’, ‘Responsible action towards environment’ &amp; ‘Transforming our communities’ to get an overview of our performance against our efforts towards fulfilling the NGBRC principles.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2. Governance, leadership and oversight

<table>
<thead>
<tr>
<th>Disclosure Questions</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
<th>P7*</th>
<th>P8</th>
<th>P9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. Management's statement</td>
<td>Please refer to page numbers 10 - 19 for statements from our leadership.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies</td>
<td>The Business Responsibility (BR) policies are broadly managed by the Board of Directors, Chief Executive Officer and the concerned departmental head(s).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</td>
<td>Please refer to page number 14 of the Report for information on Board Committees on ESG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The Company plays a strong role in public policy advocacy through regular engagement with specific external stakeholders including industry associations, government bodies and regulatory departments. However, the Company does not have a formal advocacy policy.

**Link to the Company's ISO 14001 & ISO 45001 certifications: http://www.biocon.com/biocon_aboutus_ehspolicy.asp
2.4. Details of Review of NGRBCs by the Company:

<table>
<thead>
<tr>
<th>Subject for Review</th>
<th>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th>
<th>Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance against above policies and follow up action</td>
<td>The Corporate Social Responsibility Committee of the Board assesses the Business Responsibility (BR) performance of the Company on a half yearly basis and reports to the Board. The Board assesses the report on BR on an annual basis.</td>
<td></td>
</tr>
<tr>
<td>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</td>
<td>The Business Responsibility report is being published annually as part of the Company’s annual report in compliance with the provisions of SEBI Listing Regulations, which can be accessed at <a href="http://www.biocon.com">www.biocon.com</a>.</td>
<td></td>
</tr>
</tbody>
</table>

Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. No, the Company does not conduct an independent assessment by external agencies. But all Company policies are regularly monitored and reviewed by respective policy owners.

2.5. If answer to question (1.1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The entity does not consider the Principles material to its business (Yes/No)</td>
<td>The Company considers all the principles material to the business. It does not currently conduct independent third-party assessments of its policies.</td>
</tr>
<tr>
<td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td>
<td>No</td>
</tr>
<tr>
<td>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td>
<td>No</td>
</tr>
<tr>
<td>It is planned to be done in the next financial year (Yes/No)</td>
<td>No</td>
</tr>
<tr>
<td>Any other reason (please specify)</td>
<td>Note on P7: While the Corporation may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.</td>
</tr>
</tbody>
</table>
**Section C: Principle Wise Performance Disclosure**

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total number of training and awareness programmes held</th>
<th>Topics / principles covered under the training and its impact</th>
<th>Percent of persons in respective category covered by the awareness programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>13</td>
<td>Business model and overview of business units, Technical specification, building strategy and Regulatory policies and updates</td>
<td>100%</td>
</tr>
<tr>
<td>Key Managerial Personnel</td>
<td>1 (BL) 1 (BBL)</td>
<td>Talent Assessment for customized development journey (BL)</td>
<td>82% (BL) 90% (BBL)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trainings cover topics including BBL values, vision and Company culture.</td>
<td></td>
</tr>
<tr>
<td>Employees other than BoD and KMPs*</td>
<td>29 (BL) 135 (BBL)</td>
<td>The topics covered under training include Talent Assessment, mandatory &amp; Functional SOP Training, Interpersonal skills &amp; Leadership development and Business specific functional training (such as Lean 6 Sigma, Quality Refresher, CRE, etc.) (BL)</td>
<td>93% (BL) 90% (BBL)</td>
</tr>
</tbody>
</table>

Workers

The company does not categorize any employee under the worker category.

*Data for employees excludes BBL Malaysia numbers*
2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format:

<table>
<thead>
<tr>
<th>Monetary</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGRBC Principle</td>
</tr>
<tr>
<td>Penalty/ Fine</td>
</tr>
<tr>
<td>Settlement</td>
</tr>
<tr>
<td>Compounding fee</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Monetary</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGRBC Principle</td>
</tr>
<tr>
<td>Imprisonment</td>
</tr>
<tr>
<td>Punishment</td>
</tr>
</tbody>
</table>

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Nil.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has a Code of Conduct which further highlights the Company's commitment to do business with integrity and its zero-tolerance approach towards bribery and corruption. It is applicable to all operations, regardless of local business practices (https://www.biocon.com/code-of-conduct/)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

<table>
<thead>
<tr>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>Nil</td>
</tr>
<tr>
<td>KMPs</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>Nil</td>
</tr>
<tr>
<td>Workers</td>
<td></td>
</tr>
</tbody>
</table>
6. Details of complaints with regard to conflict of interest:

<table>
<thead>
<tr>
<th></th>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of complaints received in relation to issues of Conflict of Interest of the Directors</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Number of complaints received in relation to issues of Conflict of Interest of the KMPs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

<table>
<thead>
<tr>
<th>Total number of awareness programmes held</th>
<th>Topics / principles covered under the training</th>
<th>%age of value chain partners covered under the awareness programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company has a ‘Supplier Code of Conduct’ (SCoC) that provides guidance to value chain partners. The SCoC contains critical information on applicable laws, regulations, policies and procedures. It also provides direction on the behavioral and ethical standards to be met.</td>
<td>The SCoC provides necessary guidance on topics of training to be undertaken. The Biocon’s Good practices covers information related to Sustainability, management of Greenhouse gas, natural resources and waste management.</td>
<td>The Biocon’s good practices document has been shared with all key KSM/ intermediate vendors.</td>
</tr>
</tbody>
</table>

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Please refer to page numbers 30 - 36 of the report for details on the processes set in place for conflicting management.
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

<table>
<thead>
<tr>
<th></th>
<th>Biocon Limited (Amount in Mn INR)</th>
<th>Biocon Biologics (Amount in Mn INR)</th>
<th>Details of improvements in environmental and social impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2021-22</td>
<td>FY 2020-21</td>
<td>For details on environmental and social benefits driven by the Company, please refer to Chapters - (&quot;Responsible action towards the environment&quot;) and – (&quot;Transforming patient lives&quot;).</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>906</td>
<td>1,223</td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>2,852</td>
<td>1,312</td>
<td></td>
</tr>
</tbody>
</table>

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?

Please refer to page numbers 40 - 44 and 79 for overview of our procedures in place for ensuring responsible and local sourcing. We also have set systems in place to periodically evaluate our suppliers, which are mentioned in these pages.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Please refer to page number 58-65 and 73-76 of the Report for details on the Company’s waste management processes.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Our waste collection and management plan in our manufacturing facilities is in line with applicable central and state regulations. The Company does not have a formal EPR system in place. Steps taken to responsibly collect and dispose of the various types of waste generated via its operations have been detailed in response to Q.3 above.
Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

<table>
<thead>
<tr>
<th>Name of Product/Service</th>
<th>Boundary for which the Life Cycle Perspective / Assessment was conducted</th>
<th>Whether conducted by independent external agency (Yes/No)</th>
<th>Results communicated in public domain (Yes/No) If yes, provide the web-link.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vlidagliptin</td>
<td>Cradle to gate</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Mycophenolate mofetil</td>
<td>Cradle to gate</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Lenalidomide</td>
<td>Cradle to gate</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Rosuvastatin</td>
<td>Cradle to gate</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

The Company has a Life Cycle Assessment concept in place for our key products considering consecutive and interlinked stages of a product (or service) system, from raw material acquisition or generation from natural resources to final disposal.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

<table>
<thead>
<tr>
<th>Name of Product / Service</th>
<th>Description of the risk / concern</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vlidagliptin</td>
<td>Nil</td>
<td>NA</td>
</tr>
<tr>
<td>Mycophenolate mofetil</td>
<td>Nil</td>
<td>NA</td>
</tr>
<tr>
<td>Lenalidomide</td>
<td>Nil</td>
<td>NA</td>
</tr>
<tr>
<td>Rosuvastatin</td>
<td>Nil</td>
<td>NA</td>
</tr>
</tbody>
</table>

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

<table>
<thead>
<tr>
<th>Indicate input material</th>
<th>Recycled or reused input material to total material*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2021-22</td>
</tr>
<tr>
<td>Process Solvents</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>FY 2020-21</td>
</tr>
<tr>
<td></td>
<td>52.5%</td>
</tr>
</tbody>
</table>

*Use of recycled/reused material to total material is not tracked at Biocon Biologics.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

Please refer to page numbers 58-65 for details on waste management through reuse, recycle and other forms of disposal undertaken by the Company.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

The Company's waste collection and management plan in its manufacturing facilities is in line with the applicable central and state regulations. The Company is also currently evaluating EPR applicability in its business value chain.
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Employees
   a. Details of measures for the well-being of employees.
      Please refer to page numbers 46-53 of the Report for details on employee benefits provided by the Company.
   b. Details of measures for the well-being of workers:
      The Company does not have any ‘Workers’ as defined in the guidance note on BRSR.

2. Details of retirement benefits*:

<table>
<thead>
<tr>
<th>Benefits</th>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of employees covered as a % of total employees</td>
<td>No. of workers covered as a % of total workers</td>
</tr>
<tr>
<td>PF</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Gratuity</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>ESI</td>
<td>100% for applicable employees (whose gross is less than 21k per month)</td>
<td>100%</td>
</tr>
<tr>
<td>Others- please specify</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Please note the data coverage includes India employees.

3. Accessibility of workplaces
   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.


5. Return to work and Retention rates of permanent employees and workers that took parental leave:
   Please refer to page number 78 of the Report for details on the Company’s Return to work and Retention rate.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers?

Yes, the Company has a mechanism to receive and redress grievances.
If yes, give details of the mechanism in brief.

<table>
<thead>
<tr>
<th>Category of employees and workers</th>
<th>Mechanism for grievance redressal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Workers</td>
<td></td>
</tr>
<tr>
<td>Other than Permanent Workers</td>
<td></td>
</tr>
<tr>
<td>Permanent Employees</td>
<td></td>
</tr>
<tr>
<td>Other than Permanent Employees</td>
<td></td>
</tr>
</tbody>
</table>

The mechanism comprises of the following steps:

- The Integrity Committee determines whether the concern or complaint actually pertains to an unethical/non-compliant activity.
- If the enquiry indicates further action, it is carried out by the Investigation Committee nominated by the Integrity Committee.
- The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt.
- Depending on the seriousness of the matter, the Integrity Committee may refer the matter to the Audit Committee with the proposed disciplinary action/counter measure.
- The Audit Committee may decide the matter as it deems fit. In such cases, Integrity Committee shall ensure direct access for Whistleblower to the Chairperson of the Audit Committee.
- In case of dissatisfying solution by the Integrity Committee, employee may reach out to the Chairman of the Audit Committee.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Company is not associated with any associations or Unions.

8. Details of training given to employees and workers:

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (A)</td>
<td>On Health and safety measures</td>
</tr>
<tr>
<td></td>
<td>No. (B)</td>
<td>% (B / A)</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>7,250</td>
<td>6,281</td>
</tr>
<tr>
<td>Female</td>
<td>1,541</td>
<td>1,260</td>
</tr>
<tr>
<td>Total</td>
<td>8,791</td>
<td>7,541</td>
</tr>
</tbody>
</table>

*Data excludes BBL Malaysia figures
9. Details of performance and career development reviews of employees and worker*

<table>
<thead>
<tr>
<th>Category</th>
<th>Total (A)</th>
<th>No. (B)</th>
<th>% (B / A)</th>
<th>Total (C)</th>
<th>No. (D)</th>
<th>% (D / C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>7,100</td>
<td>5,748</td>
<td>81%</td>
<td>6,673</td>
<td>5,375</td>
<td>81%</td>
</tr>
<tr>
<td>Female</td>
<td>1,499</td>
<td>1,138</td>
<td>76%</td>
<td>1,288</td>
<td>990</td>
<td>77%</td>
</tr>
<tr>
<td>Total</td>
<td>8,599</td>
<td>6,886</td>
<td>80%</td>
<td>7,961</td>
<td>6,365</td>
<td>80%</td>
</tr>
</tbody>
</table>

*The company does not categorize any employee under the worker category.

For more details on our Talent and Organization Development Strategy, please refer to page nos 46-56 of the Report.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes, the Company has a well-established occupational health and safety management system in place, detailed on pages 55-57 of the Report.

If yes, what is the coverage of such a system?

The system has 100% coverage. All internal and external stakeholders of the Company Group, including personnel associated with its Joint Ventures, suppliers, contractors and other stakeholders like NGO, are covered as part of the Company health and safety system.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

For details on the Company’s risk management identification and control process, please refer to page numbers 55-57 of the Report.

For all workplace hazards, the Company conducts routine process safety risk assessments. It has the requisite permits in place for undertaking non-routine work-related hazards. Integrated process safety management systems ensure all existing processes and new developments are assessed for risk. Process safety studies such as Process Hazard Analysis, Equipment Safety Study through techniques including HAZOP, What-if and Risk Matrix are conducted by cross functional teams. Detailed risk-based assessments are conducted regularly along with extensive audits to evaluate our health and safety performance at the site level.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?

Several channels are in place for the Company’s workers to report concerns related to health and safety at the workplace. These include:

- Making use of the Whistleblower policy to report any kind of harmful condition in the workplace.
- Raising concerns during the periodic departmental level safety meetings. Based on the concern(s) raised an action plan, with a strict timeline and a dedicated responsible person, is identified to ensure timely resolution.
- Following the Standard Operating Procedure on ‘Incident reporting and investigation’
- In the event of an incident at the site, the workers are required to immediately make a report to the plant head. The event is analysed by the Investigating team, consisting of cross functional departments, which is responsible for taking appropriate action.
The Company has also implemented the Hazard Identification and Risk Assessment (HIRA) system to identify work-related hazards followed by routine risk assessment. We organize regular safety committee meetings to provide a forum for management, employees and contract workmen to come together to identify and resolve health and safety problems. The committee meets once every three months and consists of members who represent employees from all units and departments.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company's employees have access to non-occupational medical and healthcare services. Additionally, the company has well established occupational health centers in its facilities with a competent team of paramedics and doctors. Periodical examinations of employees are conducted to detect the initial stage of any occupational disease. Workers’ access to non-occupational medical and healthcare services are facilitated through various initiatives driven by the HR and EHS team.

11. Details of safety related incidents, in the following format:

For details on the Company's health and safety track record over the past year, please refer to page number 79 of the Report.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Please refer to page numbers 55-57 of the Report for details on the measures set in place by the Company to ensure a safe working environment for all its employees.

13. Number of complaints on the following made by employees and workers

<table>
<thead>
<tr>
<th></th>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Filed during the year</td>
<td>Pending resolution at the end of year</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

14. Assessments for the year

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety practices</td>
<td>100%</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>100%</td>
</tr>
</tbody>
</table>

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Hazard identification and risk assessment (HIRA) is employed to identify work-related hazards and assess risks on a routine and non-routine basis. These processes are periodically subject to internal and external audits as part of EHS Management systems. As part of the audit, competency of persons is also checked to see if he/she is aware of the standard operating procedure and trained in HIRA. As an outcome of HIRA, for unacceptable risks, remediation actions are defined by proposing implementation of controls as per hierarchy of controls.
Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company provides Group Term Life Insurance and other applicable benefits to their employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All statutory compliances related to MSME vendors have been instituted. The Company procures raw materials from approved vendors, both national and international. Additionally, a periodical audit is also conducted of all critical suppliers on business sustainability parameters. The company has also instituted a checks and balances system that ensures that the company’s business partners adhere to national codes on EHS and labor practices.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

No employee or worker has suffered high consequence work related injury/ill-health or fatality during the reporting period.

4. Details on assessment of value chain partners:

<table>
<thead>
<tr>
<th>% of value chain partners (by value of business done with such partners) that were assessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety conditions</td>
</tr>
<tr>
<td>Working conditions</td>
</tr>
</tbody>
</table>
### Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Please refer to page number 36 of the Report for the process followed by the Company to identify and interact with its key stakeholders.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</th>
<th>Channels of communication</th>
<th>Frequency of engagement</th>
<th>Purpose and scope of engagement including key topics and concerns raised during such engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government and regulatory authorities</td>
<td>No</td>
<td>By Email, through phone, In person, through meetings (visual and/or face to face)</td>
<td>Event driven and as need basis</td>
<td>Regarding ANDA/DMF/Query response submissions, GDUFA &amp; BLA compliance activities, clarification on guidelines and advice on technical/regulatory points, controlled correspondence, Pre-ANDA meeting, CARES ACT, Marketing Application submissions, Follow ups, Discussions, Query response submissions for regulatory approvals/permissions, Post approval variation submissions/fee payment correspondence, Scientific advice</td>
</tr>
<tr>
<td>NGOs</td>
<td>No</td>
<td>Direct Engagement at the project site, CSR activities and project team engagement, visit to NGO facilities and offices</td>
<td>Event driven and as need basis</td>
<td>Provide support to NGOs for social upliftment Ensure communities we operate in are supported through a network of NGOs Creating shared value</td>
</tr>
<tr>
<td>Stakeholder Group</td>
<td>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</td>
<td>Channels of communication</td>
<td>Frequency of engagement</td>
<td>Purpose and scope of engagement including key topics and concerns raised during such engagement</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------</td>
<td>------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Academia</td>
<td>No</td>
<td>Meetings, thought leadership events, campus events</td>
<td>Event driven and as need basis</td>
<td>Transfer of knowledge through engagement with students and universities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Recruitment and hiring of freshers</td>
</tr>
<tr>
<td>Employees</td>
<td>No</td>
<td>Townhalls, emails, employee engagement surveys, grievance mechanisms, training activities, and appraisals</td>
<td>Regular and on a continuous basis</td>
<td>Providing employees with adequate training and development for career progression</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ensuring employees are aligned with organizational values and code of conduct</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Addressing employee grievances</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Instilling health and safety practices in the organization</td>
</tr>
<tr>
<td>Customers</td>
<td>Yes, based on predefined criteria such as income, gender, etc.</td>
<td>Customer feedback forms, emails, telephone calls</td>
<td>Regular and on a continuous basis</td>
<td>Ensuring customer satisfaction and needs are met</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Resolving customer grievances</td>
</tr>
<tr>
<td>Suppliers</td>
<td>No</td>
<td>Audits, meetings, emails, initial screening</td>
<td>Regular and on a continuous basis</td>
<td>Ensuring business ethics and alignment with organizational values ensure quality of material is met Integration of ESG aspects into supplier operations</td>
</tr>
<tr>
<td>Stakeholder Group</td>
<td>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</td>
<td>Channels of communication</td>
<td>Frequency of engagement</td>
<td>Purpose and scope of engagement including key topics and concerns raised during such engagement</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------</td>
<td>-------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1. Local community</td>
<td>Not all stakeholder groups are considered vulnerable. (In the local community, the company work with the lower socio-economic section of society)</td>
<td>Pamphlets / Community Meetings</td>
<td>Fortnightly/ Monthly meetings</td>
<td>Topics of engagement: 1. Building awareness towards health services 2. Sensitization workshops on preventive health 3. Lake management updates 4. Civic issues 5. Capacity Building on relevant topics in health / education</td>
</tr>
<tr>
<td>2. Local NGOs</td>
<td></td>
<td></td>
<td></td>
<td>Ensuring community growth and development with regards to employment, education, healthcare, etc.</td>
</tr>
<tr>
<td>3. Panchayat</td>
<td></td>
<td></td>
<td></td>
<td>Enhancing reputation. To discuss about business performance and outlook, details of the announced events and to discuss about concerns/issues (if any)</td>
</tr>
<tr>
<td>4. City Municipal Council</td>
<td></td>
<td></td>
<td></td>
<td>To discuss about business performance and outlook, details of the announced events and to discuss about concerns/issues (if any)</td>
</tr>
<tr>
<td>5. Local Education officials</td>
<td></td>
<td></td>
<td></td>
<td>Ensure transparency and accountability</td>
</tr>
<tr>
<td>6. Local Health officials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Front-line Healthcare workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Civil Society Institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Local environmentalists</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Residents Welfare Associations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local community</td>
<td>Yes, based on predefined criteria such as income, gender, etc.</td>
<td>CSR activities, local community visits</td>
<td>Regular and on a continuous basis</td>
<td></td>
</tr>
<tr>
<td>Investors</td>
<td>No</td>
<td>Calls/In Person Meetings (one on one/group) - Annual General Meeting - Through Press Releases and website - Publishing Annual Report - Investor Presentations</td>
<td>Quarterly/Annually, Event based and need based</td>
<td></td>
</tr>
<tr>
<td>Shareholders</td>
<td>No</td>
<td>Shareholder meets, annual and sustainability reports, communication of financial results through emails, media and news</td>
<td>Annual, Quarterly, Need Basis</td>
<td>To discuss about business performance and outlook, details of the announced events and to discuss about concerns/issues (if any)</td>
</tr>
</tbody>
</table>
**Principle 5: Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2021-22</th>
<th></th>
<th>FY 2020-21</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (A)</td>
<td>No. of employees covered (B)</td>
<td>% (B / A)</td>
<td>Total (C)</td>
</tr>
<tr>
<td>Permanent</td>
<td>6,839</td>
<td>6,298</td>
<td>92%</td>
<td>6,731</td>
</tr>
<tr>
<td>Other than permanent</td>
<td>1,846</td>
<td>1,785</td>
<td>97%</td>
<td>1,741</td>
</tr>
<tr>
<td><strong>Total employees</strong></td>
<td>8,685</td>
<td>8,083</td>
<td>93%</td>
<td>8,472</td>
</tr>
</tbody>
</table>

*Data excludes BBL Malaysia numbers.

2. Details of minimum wages paid to employees and workers, in the following format:

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2021-22</th>
<th></th>
<th>FY 2020-21</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (A)</td>
<td>Equal to minimum wage</td>
<td>More than minimum wage</td>
<td>Total (D)</td>
</tr>
<tr>
<td></td>
<td>No. (B)</td>
<td>% (B / A)</td>
<td>No. (C)</td>
<td>% (C / A)</td>
</tr>
<tr>
<td>Permanent</td>
<td>7,503</td>
<td>3,560</td>
<td>47%</td>
<td>3,943</td>
</tr>
<tr>
<td>Male</td>
<td>6,340</td>
<td>2,948</td>
<td>47%</td>
<td>3,392</td>
</tr>
<tr>
<td>Female</td>
<td>1,163</td>
<td>612</td>
<td>53%</td>
<td>551</td>
</tr>
<tr>
<td>Other than permanent</td>
<td>1,846</td>
<td>990</td>
<td>54%</td>
<td>856</td>
</tr>
<tr>
<td>Male</td>
<td>1,433</td>
<td>814</td>
<td>57%</td>
<td>619</td>
</tr>
<tr>
<td>Female</td>
<td>413</td>
<td>176</td>
<td>43%</td>
<td>237</td>
</tr>
</tbody>
</table>

*Data excludes BBL Malaysia numbers.
3. Details of remuneration/salary/wages (Amount in Mn INR), in the following format:

**Biocon Limited:**

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Median remuneration/ salary/wages of</td>
</tr>
<tr>
<td>Board of Directors (BoD):</td>
<td></td>
<td>respective category</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>1</td>
<td>42.20</td>
</tr>
<tr>
<td>Non-Executive, Non-Independent Directors</td>
<td>1</td>
<td>4.20</td>
</tr>
<tr>
<td>Non-Executive, Independent Directors</td>
<td>4</td>
<td>4.87</td>
</tr>
<tr>
<td>Key Managerial Personnel</td>
<td>2</td>
<td>7.10</td>
</tr>
<tr>
<td>Employees other than BoD and KMP</td>
<td>2,819</td>
<td>0.59</td>
</tr>
</tbody>
</table>

*Mr. John Shaw stepped down effective from July 22, 2021 and Mr. Eric Mazumdar was appointed effective from November 1, 2021, hence the details for both of them are not covered.

**Biocon Biologics Limited**

|                                | Male                                      | Female                        |
|                                | Number | Median remuneration/ salary/wages of     | Number | Median remuneration/ salary/wages of respective category |
| Board of Directors (BoD):      |        | respective category                      |        | respective category                                     |
| Executive Directors            | 1      | 47.50                                      | 1      | 25                                                        |
| Non-Executive, Non-Independent Directors | 1 | 2.70                                      | -      | -                                                          |
| Non-Executive, Independent Directors | 4   | 6.07                                      | 1      | 5.54                                                      |
| Key Managerial Personnel       | 2      | 27.5                                       | -      | -                                                          |
| Employees other than BoD and KMP | 3,516 | 0.73                                      | 782    | 0.61                                                      |

*Mr. Thomas Jason Roberts was appointed effective from November 15, 2021
4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, there is a Compliance Officer who looks after all human right related grievances.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Integrity committee is made available to address such issues consisting of CEO, CFO and Head HR who delegate the investigation to relevant stakeholders.

The Company has a set procedure to address all complaints and grievances received:

- The Company’s Integrity Committee determines whether the concern or complaint received pertains to an unethical/non-compliant activity.

- If the enquiry indicates further action, it is carried out by the Investigation Committee nominated by the Integrity Committee, which consist of the CEO, CFO and Head HR.

- The investigation is conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt.

- Depending on the seriousness of the matter, the Integrity Committee may refer the matter to the Audit Committee with the proposed disciplinary action/counter measure.

- The Audit Committee may decide the matter as it deems fit. In such cases, the Integrity Committee shall ensure direct access for Whistleblower to the Chairperson of the Audit Committee.

- In case of dissatisfying solutions by the Integrity Committee, employees may reach out to the Chairman of the Audit Committee.

6. Number of Complaints on the following made by employees and workers:

Please refer to page number 73 of the Report for information related to Human Rights related cases/complaints.
7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company have Whistle Blower policy & Code of Conduct elaborating formation of committee to address cases related to discrimination. Additionally, a POSH committee to address harassment related cases. Apart from this, the code of conduct details the process to be followed in case any such instance happens.

The company has an Integrity and Whistleblower policy which covers measures to protect the complainant:

- If any Whistleblower feels that he/she is experiencing any kind of retaliation, victimization or discrimination in nature of intimidation, pressure to withdraw the complaint or threats for reporting, testifying or otherwise participating in the investigation proceedings, he/she should report the matter to the Integrity Committee.

- As with complaints of unethical/non-compliant activities, such actions of retaliation, victimization or discrimination too will be treated as misconduct and upon notification and the Integrity Committee will immediately take appropriate action to prevent/rectify the retaliation, including. For more details, please refer to the Company's policy - https://www.biocon.com/docs/Biocon-Integrity-and-Whistle-Blower-Policy_2020.pdf)

- The Company also has a POSH committee which addresses harassment related cases.

- Apart from this, the Company's Code of Conduct details the process to be followed in case of any discrimination or harassment cases.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

9. Assessments of the year

<table>
<thead>
<tr>
<th>ESG Report 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG Report 2022</td>
</tr>
</tbody>
</table>

**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**

| Child labour |
| Forced/involuntary labour |
| Sexual harassment |
| Discrimination at workplace |
| Wages |
| Others – please specify |

Assessment has been done at least once in all entities by the independent internal auditor. All the compliances are tracked on an ongoing basis using a workflow, which covers all the sites/entities.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant gaps identified as part of the reviews carried out. The company has a process to track the closure of non-critical observations (if any) identified as a part of such reviews.
Leadership Indicators

1. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
   Yes.

2. Details on assessment of value chain partners.
   100%: All business partners of the company are trained to adhere and comply with EHS norms and labor practices.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:
   Please refer to page number 74 of the Report for details on the Company’s energy consumption.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
   Not Applicable

3. Provide details of the following disclosures related to water, in the following format:
   Please refer to page number 75 of the Report for details on the Company’s water consumption.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
   Yes, the Company has a zero liquid discharge system consisting of Multiple Effect Evaporation (MEE) and Vertical Thin Film Dryer (VTDF). Water is treated in a biological treatment system, followed by a three-stage reverse osmosis system. All water is then recycled for non-process purposes. The system has 100% coverage (only within the Indian operations of the Company).

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
   Please refer to page number 75 of the Report for details on the Company’s air emissions.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:
   Please refer to page number 74 of the Report for details on the Company’s GHG emissions.

7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.
   Yes, the Company has several initiatives in place to reduce its GHG emissions. It has switched to natural gas, instead of using furnace oil, to produce steam. The Company is also committed to increasing its share of renewable energy in its energy mix, via purchase of green energy from the grid as well as installing onsite solar technologies and procurement of wind energy.
Additionally, implementation of energy-efficient boilers have led to a reduction in fuel consumption. Some examples for energy efficient measures adopted by the Company include:

- Installation of energy efficient centrifugal air compressors;
- Installation of LED lighting to replace fluorescent lamps;
- Power Trading through Indian Energy Exchange;
- Installation of energy efficient air blower motors;
- Installation of solar powered lighting;
- Installation of waste steam recovery system;
- Partial usage of Biomass briquettes as an alternative to coal

For more information, please refer to the chapter "Responsible action towards environment".

8. Provide details related to waste management by the entity:

Please refer to page number 75, 76 of the Report for details on the Company's waste generation and management processes.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Please refer to page numbers 62-65 of the Report for details on the Company’s waste management practices.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.

No Company offices are located in/around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Nil

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The company is compliant with all national and state regulations.
Leadership Indicators

1. Provide break-up of the total energy consumed from renewable and non-renewable sources.

Please refer to page number 74 of the Report for details on the Company’s break-up of total energy consumed.

2. Provide the following details related to water discharged:

Please refer to page number 75 of the Report for details on the water discharged.

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Please refer to page numbers 58-65 of the Report for initiatives/interventions undertaken by the Company to improve resource efficiency, reduce emissions/effluent discharge/waste generated.

4. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company’s Disaster Management system covers both natural disasters such as earthquakes and floods as well as manmade disasters such as bomb attacks among others with key mitigation measures in place. The authority to implement mitigation manners lies with the Site Controller, Incident Controller, Central Utility In charge and Shift Engineer in a structured manner. In case of a bomb threat, control measures as per the On Site Emergency Plan will be initiated by the Site Controller.

The Company’s Information Technology (IT) team has implemented a Disaster Recovery capability which helps the organization to regain use of critical systems and IT infrastructure instantly in emergency situations and minimize the impact on business operations.

5. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

We identify and evaluate the actual or potential aspects and impacts to the environment and climate change related, whether adverse or beneficial, from its activities, services and facilities through aspect impact assessment which is a part of our EHS Management Systems. During the evaluation process, significant impacts to the environment are determined which inturn addresses climate change impacts as well. We constantly check on existing or future regulations, among others on climate-related issues (e.g. emission trading schemes, energy efficiency requirements, reporting requirements, climate-related taxes etc.). Based on this, the businesses are informed on new developments and possible risks.
**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/associations. - 11

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the trade and industry chambers/associations</th>
<th>Reach of trade and industry chambers/associations (State/National)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federation of Indian Export Organisation (FIEO)</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Service Export Promotion Council (SEPC)</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Export Promotion Council EOU’S and SEZ’s (EPCES)</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Bangalore Commerce &amp; Industry Chambers (BCIC)</td>
<td>State</td>
</tr>
<tr>
<td>5</td>
<td>Confederation of Indian Industry (CII)</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Hyderabad Management Association (HMA)</td>
<td>State</td>
</tr>
<tr>
<td>7</td>
<td>The Federation of Telangana Chambers of Commerce and Industry (FTCCI)</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Bulk Drug Manufacturers Association (BDMA)</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>FICCI (Federation of Indian Chamber of Commerce and Industry)</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>USIBC Global Board of Directors</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>Association of Biotechnology Led Enterprises (ABLE)</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil
**Principle 8: Businesses Should Promote Inclusive Growth and Equitable Development**

**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

While the Company does not have a mandatory requirement of conducting SIA of its projects, it conducts internal assessments and identifies the impacts achieved. The details of the assessments are further shared during the CSR meetings.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.**

Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community. Sources of Adverse event information/ Complaints/ Medical Information queries:**

The Company has set up mechanisms to address the grievances, contextualized for specific community programs. The strategy to address this is through structured monitoring and evaluation of all programs, with assessment of stakeholder perceptions, either through regular surveys by the Company’s Foundation team or third-party impact assessment.

The main grievance of the life sciences student community is the lack of adequate practical skills that is required in the industry. Biocon Academy plays an active role in reducing the existing skill deficit and is working on transforming students into industry-ready professionals.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers*:**

<table>
<thead>
<tr>
<th>Source of Input Material</th>
<th>FY 2021-22</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly sourced from MSMEs/ small producers</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Sourced directly from within the district and neighboring districts</td>
<td>25%</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Data is not captured within BL. Above information is only for BBL.

**Leadership Indicators**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

The Company is not mandated to conduct SIA through a third-party. However, internal assessments are done for the projects implemented. During recent assessments, the Company has identified potential areas where negative impact could occur (e.g., Lake management, staff concerns in eLaj clinics, etc.) and necessary steps have been taken to rectify the impact. In the year under consideration, no negative has been identified.

2. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

The Company has always strived to work alongside and develop the small and medium enterprises around its area of operation. The Company procures a considerable part of its goods and avails services from local and small vendors, particularly those located around its manufacturing locations. 15-20% of its total supplier base are small and medium enterprises. There is also a strong corporate directive to develop sourcing capabilities locally. This enables the Company to achieve multiple benefits like:
a) Shorter turn-around times for delivery.

b) Promoting Vendor-Managed Inventory, closer to our facilities.

c) Quicker resolution of issues pertaining to material quality.

d) Contribute to the local economy, thereby enhancing sustainability of our operations. Additionally, we aid the long-term capacity planning for such vendors by sharing forecasts for up to 12 months.

3. Details of beneficiaries of CSR Projects:

Please refer to page number 66-71 of the Report for details on the Company’s CSR projects.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Sources of Adverse event information/ Complaints/ Medical Information queries:

- We receive queries via various methods like telephone calls received on Biocon’s toll free no., emails received at Drug Safety mailbox (drugsafety.smv@biocon.com), Fax, any postal mails received at Biocon offices e.g. MedWatch forms received from US FDA etc.

- All AE/ PQC/ MI collection modalities are periodically tested. Further required reconciliation is performed on a periodic basis.

- MICC call handlers managing the toll free numbers send the information to Drugsafety Mailbox or to the PQC department depending on their assessment of the type of report.

- All MedWatch forms received as postal mail at 485 US HIGHWAY 1 S Suite B305 ISELIN NJ 08830 are managed by a designated employee at the US office and these are converted into a scanned pdf and sent to the Drugsafety mailbox.

- All kinds of information received via different methods in the Drugsafety mailbox are tracked & monitored on all business days.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

<table>
<thead>
<tr>
<th>Environmental and social parameters relevant to the product</th>
<th>As a percentage to total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe and responsible usage</td>
<td>100%</td>
</tr>
<tr>
<td>Recycling and/or safe disposal</td>
<td></td>
</tr>
</tbody>
</table>
3. Number of consumer complaints in respect of the following:

<table>
<thead>
<tr>
<th></th>
<th>FY 2021-22</th>
<th>Remarks</th>
<th>FY 2020-21</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Received during the year</td>
<td>Pending resolution at end of year</td>
<td>Received during the year</td>
<td>Pending resolution at end of year</td>
</tr>
<tr>
<td>Data privacy</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Advertising</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Cyber-security</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Delivery of essential services</td>
<td>16</td>
<td>5</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Restrictive Trade Practices</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Unfair Trade Practices</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>0</td>
</tr>
</tbody>
</table>

4. Details of instances of product recalls on account of safety issues:

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Reasons for Recall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary recalls</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Forced recalls</td>
<td>Nil</td>
<td>-</td>
</tr>
</tbody>
</table>

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company respects the privacy of all individuals and confidentiality of the personal information it holds about them. Identified as a progressively critical risk, due to the increased adoption of the remote working model over the course of the COVID-19 pandemic, key mitigation measures were put in place to support business continuity and ensure safety of operations.

The Company’s IT infrastructure and information security management system is certified to ISO 27001:2013 and has undergone external third-party audits. This is supplemented with third-party vulnerability analyses including stimulated hacker attacks.

The manner in which the Company collects, uses, protects or otherwise has been provided in detail in the Company Privacy policy (Privacy policy). In collecting, using or storing personal data, each employee must comply with the following:

- Data is obtained from the individual with level of consent required by local laws or internal policies including where personal data is obtained from third parties
- Data collected is adequate, relevant and used solely for the purpose for which it is collected
- Personal data is used in accordance with relevant published Privacy laws
- Personal data is kept confidential and secure
All employees of the Company undergo annual awareness training on information security/cyber security. Special sessions are also conducted over the course of the year on critical focus areas. A clear escalation matrix has been established for employees to report suspicious activities in a timely manner. Information security/cyber security are also included as a parameter for employee performance evaluation.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

We take proactive steps in case any issue arises pertaining to any one of these categories. Corrective actions are also taken to prevent recurrences of similar instance.

Disclaimer

The contents of this report are intended to provide accurate and authoritative information in relation to the subject matter covered. Information regarding medical products or devices mentioned in the report is not intended to endorse, advertise, recommend or even act as an alternative to consulting qualified doctors or healthcare professionals. Nothing contained herein should be construed as an endorsement or be relied upon as the basis for making a decision without consulting a healthcare professional.
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NOTICE

Notice is hereby given that the 44th Annual General Meeting (“AGM”) of the members of Biocon Limited will be held on Thursday, July 28, 2022, at 3:30 P.M. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility, to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1: To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) of the Company for the Financial Year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon.

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT the audited financial statements (standalone and consolidated) of the Company for the Financial Year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

Item No. 2: To appoint Ms. Kiran Mazumdar Shaw (DIN: 00347229) as director, liable to retire by rotation, and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Kiran Mazumdar Shaw (DIN: 00347229), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby appointed as a Director of the Company."

Item No. 3: To declare a final dividend of ₹ 0.50 per equity share for the Financial Year ended March 31, 2022.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the final dividend at the rate of 10% i.e. ₹ 0.50/- per equity share of face value of ₹ 5/- each fully-paid up of the Company, as recommended by the Board of Directors for the Financial Year ended March 31, 2022, be and is hereby declared and that such dividend be paid to those equity shareholders whose names appear in the Register of Members as on the record date fixed for the purpose."

SPECIAL BUSINESS:

Item No. 4: To appoint Mr. Eric Vivek Mazumdar (DIN: 09381549) as a Non-Executive Non-Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Mr. Eric Vivek Mazumdar (DIN: 09381549), who was appointed as an Additional Director (Category: Non-Executive Non-Independent) of the Company by the Board of Directors w.e.f. November 01, 2021, and who holds office till the conclusion of this 44th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director (Category: Non-Executive Non-Independent) of the Company, liable to retire by rotation;
RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for appointment of Mr. Eric Vivek Mazumdar (DIN: 09381549), as a Non-Executive Non-Independent Director of the Company.

Item No. 5: To appoint Ms. Naina Lal Kidwai (DIN: 00017806) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Naina Lal Kidwai (DIN: 00017806), who was appointed as an Additional Director (Category: Independent) of the Company by the Board of Directors with effect from April 28, 2022 and who holds office till the conclusion of this 44th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director (Category: Independent) of the Company, not liable to retire by rotation, for a term commencing from the date of Board’s approval i.e. April 28, 2022 till the conclusion of 47th AGM of the Company to be held in the year 2025;

RESOLVED FURTHER THAT any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things which may be necessary for appointment of Ms. Naina Lal Kidwai (DIN: 00017806), as an Independent Director of the Company.”

Item No. 6: To approve amendment and termination of Biocon Limited Employee Stock Option Plan 2000 (“the ESOP Plan”).

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 2013 (“the Act”) or any amendments thereto, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the powers vested under the Biocon Limited Employee Stock Option Plan 2000 (“the ESOP Plan”), the provisions of the Memorandum and Articles of Association of the Company and the applicable guidelines and clarifications issued by any statutory / regulatory authorities, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to amend the ESOP Plan (with respect to the options granted but not yet exercised) and terminate the ESOP Plan, as detailed in the explanatory statement to the Notice of the Annual General Meeting (AGM);

RESOLVED FURTHER THAT the revised ESOP Plan incorporating the amendments be and is hereby approved and adopted by the members;

RESOLVED FURTHER THAT it is hereby affirmed that the variation in the terms of implementation and administration of the ESOP Plan and the other terms as applicable pursuant to amendments to the ESOP Plan are not prejudicial to the interests of the existing grantees of the Company or its subsidiaries;

RESOLVED FURTHER THAT the termination of the ESOP Plan, shall not affect options already offered and granted under this ESOP Plan to any grantee and such options shall remain in full force and effect, as if the ESOP Plan had not been terminated;

RESOLVED FURTHER THAT upon termination of the ESOP Plan and meeting all obligations thereunder, the consent of the shareholders be and is hereby accorded to transfer the cash and shares (existing or future) lying under the ESOP Plan to other share benefit schemes/plans (existing or future) implemented by the Company under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as recommended by the Compensation Committee i.e., Nomination and Remuneration Committee of the Board from time to time;

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company and such other persons as may be authorised by them, be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit to give effect to the above resolution.”
Item No. 7: To approve amendment in the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 of the Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the applicable provisions of the Companies Act 2013 (“the Act”) or any amendments thereto, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules / notifications / guidelines / regulations/ circulars issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s) and may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board or any other Committee constituted and empowered by the Board for the purpose, hereinafter referred to as ‘the Committee’), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to amend the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 (hereinafter referred to as “the Biocon RSU LTI Plan” or “the Plan”), as detailed in the explanatory statement to the Notice of this Annual General Meeting (AGM);

RESOLVED FURTHER THAT the revised Plan incorporating the amendments be and is hereby approved and adopted by the members;

RESOLVED FURTHER THAT it is hereby affirmed that the variation in the terms of implementation and administration of the Plan and the other terms as applicable pursuant to amendments to the Plan are not prejudicial to the interests of the existing and future grantees of the Company or its subsidiaries;

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company and such other persons as may be authorised by them, be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit to give effect to the above resolution.”

Item No. 8: To ratify the payment of remuneration to the Cost Auditors for the Financial Year 2022-23.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rao Murthy & Associates, Cost Accountants having Firm Registration Number 000065, appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, amounting to ₹ 4,00,000 (Rupees Four Lakhs only) (excluding all taxes and reimbursement of out of pocket expenses) be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Sd/-

Mayank Verma
Company Secretary
NOTES:

1. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs (‘MCA’), Government of India, vide General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 2/2022 dated May 05, 2022 (‘MCA Circulars’), permitted conduct of Annual General Meeting (‘AGM’) through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal presence of the members at the AGM and prescribed the specified procedures to be followed for conducting the AGM through VC/OAVM. Accordingly, in accordance with the MCA Circulars, applicable provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), the 44th AGM of the Members of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the meeting shall be Biocon Campus, Biocon Limited, 20th KM, Hosur Road, Bengaluru - 560 100.

2. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 37) and the same will also be available at the website of the Company at www.biocon.com.

3. The Company has appointed M/s. KFin Technologies Limited, Registrars and Share Transfer Agents (‘RTA’) of the Company, to provide VC/OAVM facility for the 44th AGM of the Company.

4. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800-309-4001 (toll free).

5. Proxies: Since the 44th AGM of the Company is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, where physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for this AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Institutional/Corporate Members are encouraged to attend and vote at the meeting through VC/OAVM. We also request them to send, a duly certified copy of the Board Resolution/Authority Letter etc., authorizing their representative to attend the AGM through VC / OAVM and vote through remote e-voting on their behalf to the Scrutinizer at email sree@sreedharancs.com with a copy marked to evoting@kfintech.com and co.secretary@biocon.com pursuant to Section 113 of the Companies Act, 2013.

7. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members and members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. The explanatory statement pursuant to Section 102(1) of the Act, which sets out details relating to Special Businesses to be transacted at the meeting, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto.

10. In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names in the Register of Members will be entitled to vote.

11. Only bonafide members of the Company whose names appear on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
12. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address, mobile number and email IDs etc. to their respective Depository Participants only. The Company or its RTA cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars.

13. Members holding shares in physical form are advised to inform the particulars of their bank account, change of postal address, mobile number and email IDs etc. to our RTA i.e. KFin Technologies Limited (Unit: Biocon Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

14. The Securities and Exchange Board of India (SEBI) has vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details etc.) and nomination details by holders of physical securities in prescribed forms by March 31, 2023. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. Further, SEBI has also mandated linking PAN with Aadhaar by March 31, 2022. In case any of the above cited documents/details are not available in the Folio(s) before the due date, RTA shall be constrained to freeze such Folio(s). Accordingly, Members are requested to send requests in the prescribed forms to the RTA of the Company for availing of various investor services as per the aforesaid SEBI circulars. Relevant details and forms prescribed by SEBI in this regard are made available under investors section on the website of the Company at www.biocon.com. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

15. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details, respectively, in all correspondences, including dividend matters to the RTA i.e. KFin Technologies Limited (Unit: Biocon Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

16. Members who have not registered their email IDs with the depository participants, are requested to register their email IDs with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid email IDs to our RTA at evoting@kfintech.com or co.secretary@biocon.com for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company. For more details, please refer Para B of instruction of e-voting’ section below.

17. Pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014 and Regulation 36 of SEBI Listing Regulations, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their email IDs either with the Company or with the Depository Participants.

18. **Despatch of Annual Report through electronic mode:** In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020 read with May 13, 2022, Notice of the AGM along with the Annual Report 2021-22, are being sent only through electronic mode to those Members whose email ids are available with the Company/Depositories/RTA.

19. Members may note that the Notice of the AGM and Annual Report 2021-22 will also be available on the Company’s website www.biocon.com and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of KFin Technologies Limited at https://evoting.kfintech.com/.

20. Since the AGM will be held through VC / OAVM, the Route Map is not required to be annexed to the Notice.

21. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute
of Company Secretaries of India (ICSI) and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Company is pleased to provide the facility of remote e-voting to all the members as per applicable Regulations relating to e-voting. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password. Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but will not be entitled to cast their vote again at the meeting.

22. The Company has fixed Thursday, July 21, 2022 as Cut-off date for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for a period of 5 (five) days commencing from Saturday, July 23, 2022 at 9:00 A.M. (IST) to Wednesday, July 27, 2022 at 5:00 P.M. (IST) (both days inclusive). The remote e-voting module shall be disabled for voting thereafter. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

23. The Company has fixed Friday, July 01, 2022 as Record Date for determining the names of Members eligible for dividend on equity shares for the financial year ended on March 31, 2022, if declared at the AGM.

24. The dividend on equity shares as recommended by the Board, if declared at this AGM, will be paid within a period of 30 (thirty) days from the date of declaration to those Members whose names appear on the Company's Register of Members as on Friday, July 01, 2022.

25. **Inspection by Members:** All documents referred to in the accompanying Notice and the Explanatory Statement are available electronically for inspection without any fees by the Members from the date of circulation of this Notice upto the date of the AGM. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at co.secretary@biocon.com up to the date of AGM.

26. Information required under Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by ICSI, in respect of Directors seeking Appointment/Re-appointment at the AGM is furnished as annexure to this Notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under the Act and rules made thereunder as well as SEBI Listing Regulations.

27. In line with the measures of “Green Initiatives”, the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, Members who have not registered their email IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.

28. **IEPF Related Information:**

**Unclaimed Dividend:** Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the “Investor Education Protection Fund” (IEPF) established by the Central Government under Section 125 of the Act. Therefore, the amount of unclaimed dividend up to financial year ended March 31, 2015 has been transferred to the IEPF. Unclaimed dividend for the financial year ended March 31, 2016 is due for transfer to IEPF in the year 2023. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021 on the website of the Company at www.biocon.com and also on the website of the Ministry of Corporate Affairs. Further, the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2022 are also uploaded on the website of the Company. Members may approach the IEPF Authority to claim the unclaimed dividend transferred by the Company to IEPF. Members may approach the Company Secretary and Compliance Officer of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

**Shares w.r.t. unclaimed dividend:** Members are requested to note that as per Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more
are required to be transferred to Demat Account of IEPF Authority. Consequently, the Company has transferred eligible equity shares during the financial year 2021-22 and 2022-23 to Demat Account of IEPF Authority. Details of shares so transferred are uploaded on the website of the Company at www.biocon.com.

Members are entitled to claim the same from IEPF by submitting an application in the prescribed online web based Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed, to the Nodal Officer of the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of dividend / shares so transferred.

29. **Dematerialization of Shareholding:** As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or our RTA for assistance in this regard.

30. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.biocon.com and on the website of the Company's Registrar and Share Transfer Agents, KFin Technologies Limited at https://ris.kfintech.com/default.aspx. It may be noted that any service request can be processed only after the folio is KYC Compliant.

31. **Mandatory PAN Submission:** The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company / to our RTA.

32. **Dividend related information:** Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax at Source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFin Technologies Limited (in case of shares held in physical mode) and depositaries (in case of shares held in demat mode).

The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ KFin Technologies Limited. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

(a) For resident shareholders, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 on the amount of Dividend declared and paid by the Company as follows:

| Shareholders having valid PAN registered | 10%* or as notified by the Government of India |
| Shareholders not having PAN / valid PAN registered | 20% or as notified by the Government of India |

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2022-23 does not exceed Rs. 5,000/-. 
Further, in cases where Member provides valid Form 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to individuals aged 60 years or above) subject to conditions specified in the Income Tax Act, 1961, no TDS shall be deducted. Resident shareholders may also submit any other document as prescribed under the Income Tax Act, 1961 to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

(b) For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20%* (plus applicable surcharge and cess) on the amount of Dividend payable to them.

However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder can avail beneficial rates under tax treaty between India and their country of residence, subject to providing the following necessary documents:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident along with duly filled and signed Form 10F.
- Self-attested copy of the Permanent Account Number (PAN) Card allotted by the Indian Income Tax authorities.
- Self-Declaration of having no Permanent Establishment in India, beneficial ownership of shares and dividend income and eligibility to claim treaty benefits.
- Any other documents as prescribed under the Income Tax Act, 1961 for lower withholding of taxes, if applicable, duly attested by the shareholders.

*As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as ‘Specified Person’ as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Saturday, July 16, 2022.

Kindly note that the aforementioned documents are required to be submitted at https://ris.kfintech.com/form15/ on or before Saturday, July 16, 2022 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. The documents may also be emailed to the Company at dividend.tax@biocon.com. No communication on the tax determination/deduction shall be entertained post Saturday, July 16, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The Company will arrange to issue the soft copy of TDS certificate to its shareholders at their registered email ID in accordance with the provisions of the Income Tax Act 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend. Shareholders will be able to download Form 26AS from the Income Tax Department’s website https://www.incometax.gov.in/.

The above tax rates are indicative in nature. For specific rates, members may refer to the separate email communication sent by the Company informing the members regarding this change in the Income Tax Act, 1961 as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate.
In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

33. Non-Resident Indian Members are requested to inform our RTA / respective depository participants, immediately of any:
   a) Change in their residential status on return to India for permanent settlement.
   b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

34. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to our RTA, for consolidation into a single folio.

35. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.

36. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to KFin Technologies Limited (Unit: Biocon Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or by sending a request on email at co.secretary@biocon.com or contact KFintech at einward.ris@kfintech.com. Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.

37. The process and manner of participating in Annual General Meeting through Video conferencing is explained herein below:
   a. Members may attend the AGM through video conferencing platform provided by M/s. KFin Technologies Limited (KFintech). Members may access the same at https://emeetings.kfintech.com and click on the “video conference” and access members login by using the remote e-Voting credentials. The link for AGM will be available in members login where the EVENT and the name of the company can be selected.
   b. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
   c. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforementioned glitches and Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
   d. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
   e. Questions and queries
      a. Members who may want to express their views or ask questions at the AGM may visit https://emeetings.kfintech.com and click on the tab “Post Your Queries Here” to write your queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. Please note that, members’ questions will be answered, only if the shareholder continues to hold the shares as on the cut-off date i.e. July 21, 2022. The window shall remain active during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.
Speaker Registration

f. Members may register themselves as speakers for the AGM to express their views or ask questions during the AGM. Accordingly, the Members may visit https://emeetings.kfintech.com and click on ‘Speaker Registration’ option available on the screen after login during the remote e-voting period. Members shall be provided a ‘queue number’ before the AGM. The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

g. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon (‘vote now’) on the left side of the screen to cast their votes.

h. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Limited at toll free number 1800-309-4001 or write at evoting@kfintech.com

By Order of the Board of Directors

Sd/-
Mayank Verma
Company Secretary

Place: Bengaluru
Date: June 30, 2022

Biocon Limited
Regd. Office: 20th KM, Hosur Road,
Electronic City, Bengaluru – 560 100
CIN: L24234KA1978PLC003417
Email: co.secretary@biocon.com
Website: www.biocon.com
Phone: 080 – 2808 2808
Fax: 080-2852 3423
Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4: To appoint Mr. Eric Vivek Mazumdar (DIN: 09381549) as a Non-Executive Non-Independent Director of the Company.

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, have appointed Mr. Eric Vivek Mazumdar as an Additional Director (Category: Non-Executive Non-Independent) of the Company with effect from November 01, 2021, in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. In terms of the aforesaid provision, he holds office up to the date of ensuing Annual General Meeting (AGM) of the Company.

Mr. Eric Vivek Mazumdar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (“the Act”), and has given his consent to act as a Director. The Company has also received requisite declarations from him as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Eric Vivek Mazumdar (DIN: 09381549) as a Non-Executive Non-Independent Director of the Company.

Considering his experience and expertise, the Board considers that the appointment of Mr. Eric Vivek Mazumdar as Director is desirable and would be beneficial to the Company, and hence, it recommends appointment of Mr. Eric Vivek Mazumdar as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

Accordingly, the Board recommends the resolution as set out at Item No. 4 of this Notice for approval of the members of the Company as an Ordinary Resolution.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars for Mr. Eric Vivek Mazumdar including his profile and specific areas of expertise are given in this AGM Notice.

Except Mr. Eric Vivek Mazumdar and his relatives, no other director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 5: To appoint Ms. Naina Lal Kidwai (DIN: 00017806) as an Independent Director of the Company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on April 28, 2022, appointed Ms. Naina Lal Kidwai (DIN: 00017806) as an Additional Director (Category: Independent) of the Company. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 Ms. Naina Lal Kidwai holds office up to the date of this ensuing 44th Annual General Meeting (AGM).

In terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Board of Directors at their meeting held on April 28, 2022 further recommended appointment of Ms. Naina Lal Kidwai as an Independent Director, not liable to retire by rotation, for a term commencing from the date of Board’s approval till the conclusion of 47th AGM proposed to be held in the year 2025.

Due to completion of tenure of 2 (two) independent directors on the Board of the Company this July, 2022, there is a requirement to have a Board members who will have skill, knowledge, and experience in the field of Finance, Risk Management, Corporate Governance, General Management and Compliances. Ms. Naina Lal Kidwai possessed these skills and has vast experience, and her induction on Biocon Board will immensely benefit the Company.
Ms. Naina Lal Kidwai is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (“the Act”). The Company has received requisite declarations from Ms. Naina Lal Kidwai as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations including the declaration that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing Regulations, she has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Further, she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Ms. Naina Lal Kidwai fulfils the conditions for her appointment as an Independent Director, as specified in the Companies Act, 2013 and SEBI Listing Regulations and is independent of the management.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the appointment of Ms. Naina Lal Kidwai as an Independent Director, not liable to retire by rotation, under Section 149 of the Companies Act, 2013.

Considering her expertise and knowledge, the Board considers that the appointment of Ms. Naina Lal Kidwai as an Independent Director of the Company will be in the interest of the Company, and hence, it recommends appointment of Ms. Naina Lal Kidwai as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from April 28, 2022 till the conclusion of 47th AGM proposed to be held in the year 2025.

Accordingly, the Board recommends the resolution as set out at Item No. 5 of this Notice for approval of the members of the Company as a Special Resolution.

The copy of draft letter of appointment of Ms. Naina Lal Kidwai setting out the terms and conditions of her appointment is available electronically for inspection by the members.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars for Ms. Naina Lal Kidwai including her profile and specific areas of expertise are given in this AGM Notice.

Except Ms. Naina Lal Kidwai and her relatives, no other director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 6: To approve amendment and termination of the Biocon Limited Employee Stock Option Plan 2000 (‘the ESOP Plan’).**

Biocon Limited ("the Company") has been granting stock options in various tranches to the employees of the Company and its subsidiaries under the Biocon Limited Employee Stock Option Plan 2000 ("the ESOP Plan") to retain, reward and create a sense of ownership amongst them.

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on April 28, 2022, has approved the below amendment (with respect to the options granted but not yet exercised) and termination of the ESOP Plan thereafter, subject to the shareholders’ approval.

**Variations to the terms of the ESOP Plan and rationale thereof:**

1. Exercise of options under the ESOP Plan at a price lower than the fair market value, results in a non-monetary perquisite and is taxable in the hands of employees. The ESOP Plan currently provides that employees have to pay exercise amount and perquisite tax at the time of exercise of stock options.

In order to ease the cash outflow at the time of exercising the stock options, it is proposed that the company may provide an option to its employees to bear the tax on exercise of stock options in compliance with the applicable provisions of the Income tax Act, 1961. This arrangement will be cash neutral to the company as the tax to be borne would be part of employee’s total salary entitlement.
(2) The ESOP Plan currently provides an option of cash settlement under cashless route wherein the Trust may sale entire Options on behalf of the employees. The Trust remits the sale proceeds to the employees after retaining exercise amount, tax obligations and other related expenses. However, SEBI vide its notification no. SEBI/LAD-NRO/GN/2021/40 dated 13th August, 2021 has amended the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 wherein on exercise of Options under cashless route, cash settlement is not permissible and Trust is only allowed to sell shares limited to funding of exercise amount, tax obligations and other related expenses. Thus, variation in Plan is proposed to align the amendment in regulation.

Considering the above, the following key amendments are being proposed in the Plan:

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<th>Item</th>
<th>Existing Provision</th>
<th>Amended/New Provision</th>
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<tr>
<td>Clause 7.3 'Exercise'</td>
<td>c. Upon receipt of the full amount of the Exercise Price in respect of any Options validly exercised by the Participant, the Trustees shall within 30 days transfer the Shares to the Participant. The Participant shall not acquire any rights as a shareholder of the Company (including voting rights) till the shares are duly transferred in favour of the participant.</td>
<td>c. Upon receipt of the full amount of the Exercise Price and applicable perquisite tax in respect of any Options validly exercised by the Participant, the Trustees shall within 30 days transfer the Shares to the Participant. The Participant shall not acquire any rights as a shareholder of the Company (including voting rights) till the shares are duly transferred in favour of the participant. However, an option may be provided to the Participants, for the company to bear the applicable tax liability, triggered by the exercise of their Options, in compliance with applicable provisions of the Income-tax Act, 1961.</td>
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<td>d. On receipt of cashless instruction from the eligible employee the Trust shall do the following:</td>
<td>d. On receipt of cashless instruction from the eligible employee, the Trust will sell the required number of shares, arising out of the Options exercised in accordance with the terms and conditions of the plan, sufficient to fund the exercise price, the perquisite tax amount and other related expenses and transfer the balance number of shares to the demat account of the Participant. The perquisite tax collected by the Trust will be transferred to the company.</td>
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<td>• Cash Settlement: In this case, the Trust will sell all the requisite number of Shares arising pursuant to options exercised for cash settlement through cashless exercise and the Grantee will receive the sale proceeds of such shares after deduction of the exercise price and the applicable perquisite tax from such sale proceeds including any expense thereon.</td>
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<tr>
<td></td>
<td>• Shares Settlement: In this case, the Trust will sell the required number of Shares, arising out of the Options exercised in accordance with the terms and conditions of the plan, sufficient to adjust the exercise price and the applicable perquisite tax amount and transfer the balance number of Shares to the demat account of the Grantee.</td>
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To give effect to the above proposed variations, the consequential changes have been made in Clause 9 of the ESOP Plan. Further, the Clause 3 of the ESOP Plan has also been modified to incorporate the new definition of Employee, Group etc. as per recent regulatory amendments. The Clauses have been renumbered accordingly.
The members may note that the above stated amendments are not inconsistent with the existing provisions of the scheme. Further, the terms of the modified Plan are not detrimental to the interests of the participants of the Company or its subsidiaries.

**Termination of the Plan:**

The members of the Company at their 41st Annual General Meeting held on Friday, July 26, 2019, had approved discontinuation of grant of options under its last tranches i.e. Grant IX and Grant X of the ESOP Plan effective May 1, 2019. Under the Plan, the Biocon India Limited Employees Welfare Trust (“ESOP Trust”) may have cash and surplus shares due to lapse of options granted to the employees and these surplus shares shall continue to increase due to lapse of options in future. Hence, in order to use the cash and surplus shares lying with the ESOP Trust, the Board based on the recommendation of Nomination and Remuneration Committee, approved the termination of the ESOP Plan and transfer the cash and surplus shares to the other share benefit schemes/plans (existing or future) implemented by the Company, after meeting all the obligations under the ESOP Plan.

The members may note that the termination of the ESOP Plan, shall not affect options already offered and granted under the ESOP Plan to any grantee and such options shall remain in full force and effect, as if the ESOP Plan had not been terminated.

Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the resolution set out in Item No. 6 of the Notice for approval of the members by way of Special Resolution.

A copy of the draft revised ESOP Plan is available electronically for inspection by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of equity shares held by them in the Company or the ESOPs granted under the ESOP Plan.

**Item No. 7: To approve amendment in the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 of the Company.**

The shareholders of the Company at their 42nd Annual General Meeting held on July 24, 2020, had approved “Biocon Restricted Stock Unit Long Term Incentive Plan 2020-24” (hereinafter referred to as “the Biocon RSU LTI Plan” or “the Plan”). The Plan has been designed to drive performance towards achieving the Strategy Objectives approved by the Board for the period FY 2020-24. The Plan would cover key employees who, by virtue of the roles they play, would be influencing the accomplishment of the Strategic Objectives of the Company. The Company has identified a few eligible employees till date under the said Plan, who have been granted options as per the existing Plan and those employees have started exercising their vested RSUs effective August, 2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on April 28, 2022, has approved the amendment to the Plan and has recommended the same to the members for its approval.

**Variations to the terms of the Plan and rationale therefor:**

(1) The Plan has been implemented through the trust route wherein the Biocon India Limited Employees Welfare Trust (“ESOP Trust”) administers the Plan. The Plan currently allows the Trust to acquire shares by direct allotment from the Company for further issuance of options to the employees. In order to utilize the cash available under ESOP Plan, it is proposed to enable secondary market acquisition of shares and also utilize the surplus shares available under ESOP Plan, as explained in Item No. 6.

(2) Exercise of options under the Plan at a price lower than the fair market value, results in a non-monetary perquisite and is taxable in the hands of employees. The Plan currently provides that employees have to pay exercise amount and perquisite tax at the time of exercise of stock options.

In order to ease the cash outflow at the time of exercising the stock options, it is proposed that the company may provide an option to its employees to bear the tax on exercise of stock options in compliance with the applicable provisions of the Income-tax Act, 1961. This arrangement will be cash neutral to the company as the tax to be borne would be part of employee’s total salary entitlement.
The Plan currently provides an option of cash settlement under cashless route wherein the Trust may sell entire Options on behalf of the employees. The Trust remits the sale proceeds to the employees after retaining exercise amount, tax obligations and other related expenses. However, SEBI vide its notification no. SEBI/LAD-NRO/GN/2021/40 dated 13th August, 2021 has amended the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 wherein on exercise of Options under cashless route, cash settlement is not permissible and Trust is only allowed to sell shares limited to funding of exercise amount, tax obligations and other related expenses. Thus, variation in Plan is proposed to align the amendment in regulation.

Considering the above, the following key amendments are being proposed in the Plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Existing Provision</th>
<th>Amended/New Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clause 5: ‘Implementation &amp; Administration’</td>
<td>5.1 The Company proposes to implement the Plan, through the trust route wherein the Trust shall acquire the shares by direct allotment from the Company which will subsequently be transferred to the Grantees as and when the RSUs are exercised. The Company believes that the implementation of the Plan through Trust will be in the best interests of the Company and its shareholders and will enable the Company to retain and incentivize eligible employees.</td>
<td>5.1 The Company proposes to implement the Plan, through the Trust route wherein the Trust shall acquire the shares by direct allotment from the Company or through market acquisition or utilize surplus shares lying with the Trust from other Stock Option Plan(s) of the Company. These shares will subsequently be transferred to the Grantees as and when the RSUs are exercised. The Company believes that the implementation of the Plan through Trust will be in the best interests of the Company and its shareholders and will enable the Company to retain and incentivize eligible employees.</td>
</tr>
<tr>
<td>Clause 6: ‘Biocon India Limited Employees Welfare Trust’</td>
<td>6.2 The Trust shall acquire shares by way of fresh allotment from the Company and shall utilize such shares for the purpose of transferring them to the Grantees upon Exercise of the RSUs under the Plan.</td>
<td>6.2 The Trust shall acquire shares by way of fresh allotment from the Company or through market acquisition or utilize surplus shares lying with the Trust from other Stock Option Plan(s) of the Company and shall utilize such shares for the purpose of transferring them to the Grantees upon Exercise of the RSUs under the Plan.</td>
</tr>
</tbody>
</table>
| Clause 11: ‘Exercise of RSUs’ | 11.1 After vesting, the RSUs can be exercised in one or both of the following routes:-

a. **Cash Route**:-

In this route, the Grantee will receive the shares equivalent to the number of the RSUs exercised in accordance with the terms and conditions of the Plan after he/she has made the payment of the exercise price and applicable perquisite tax.

However, an option may be provided to the Grantees, for the company to bear the applicable tax liability, triggered by the exercise of their RSUs, in compliance with applicable provisions of the Income-tax Act, 1961. | 11.1 After vesting, the RSUs can be exercised in one or both of the following routes:-

a. **Cash Route**:-

In this route, the Grantee will receive the shares equivalent to the number of the RSUs exercised in accordance with the terms and conditions of the Plan after he/she has made the payment of the exercise price and applicable perquisite tax.
Item | Existing Provision | Amended/New Provision
--- | --- | ---
b. Cashless Route:-
• Cash Settlement: In this case, the Grantee will receive the sale proceeds of the shares equivalent to the number of the RSUs in accordance with the terms and conditions of the plan after deduction of the exercise price and the applicable perquisite tax from such sale proceeds including any expense thereon.
• Shares Settlement: In this case, the Trust will sell the required number of Shares, arising out of the RSUs exercised in accordance with the terms and conditions of the plan, sufficient to adjust the exercise price and the perquisite tax amount and transfer the balance number of Shares to the Grantee.

To give effect to the above proposed variations, the consequential changes have been made in Clauses 12, 21 & 23 of the Plan and Clause 11.7 has been deleted. Further, the Clause 3 of the Plan has been modified to incorporate the new definition of Employee, Group etc. as per recent regulatory amendments. The Clauses have been renumbered accordingly.

The salient features of the Plan as approved by the shareholders at their meeting held on July 24, 2020, remains unchanged and should be read, interpreted in conjunction with the modification proposed hereinabove.

The members may note that the maximum percentage of secondary acquisition that can be made by the ESOP Trust for the purposes of the Plan shall be within the permissible limit as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The members may note that the above stated amendments are not inconsistent with the existing provisions of the scheme. Further, the terms of the modified plan are not detrimental to the interests of the Participants of the Company or subsidiaries.

A copy of the draft revised RSU Plan is available electronically for inspection by the members.

None of the Directors, Manager, Key Managerial Personnel of the Company, and their respective relatives are in anyway concerned or interested (financially or otherwise) in the resolution except to the extent of equity shares held by them in the Company or the RSU’s to be granted under the Plan.

In terms of applicable provisions of the Companies Act, 2013 and Regulation 6 read with Regulation 7 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Board recommends the resolution as set out in Item No. 7 of the AGM Notice for the approval of the members as a Special Resolution.

Item No. 8: To ratify the remuneration payable to the Cost Auditors for the Financial Year 2022-23.

The Board of Directors at their meeting held on April 28, 2022 approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2023 at a remuneration of Rs. 4,00,000 plus applicable taxes and out of pocket expenses, as recommended by the Audit Committee of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023, by passing an Ordinary Resolution.
The Board recommends the resolution set out at Item No. 8 of the Notice for approval by the members by way of an Ordinary Resolution.

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

By Order of the Board of Directors

Sd/-
Mayank Verma
Company Secretary

Place: Bengaluru
Date: June 30, 2022

Biocon Limited
Regd. Office: 20th KM, Hosur Road,
Electronic City, Bengaluru – 560 100
CIN: L24234KA1978PLC003417
Email: co.secretary@biocon.com
Website: www.biocon.com
Phone: 080 - 2808 2808
Fax: 080 – 2852 3423
ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 44TH AGM.
[Pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued by ICSI]

Brief Profile of Ms. Kiran Mazumdar Shaw

Ms. Kiran Mazumdar-Shaw is a pioneering biotech entrepreneur, a healthcare visionary, and a passionate philanthropist. Her vision is to enable universal access to high quality medical products, particularly to address the global chronic disease burden. She is a pioneer of India’s biotech industry and founder of Biocon, an innovation-led global biotechnology enterprise.

Her visionary journey has earned her several coveted titles and awards, both national and international, including India’s top civilian awards, Padma Shri and Padma Bhushan, as well as, the highest French distinction, Knight of the Legion of Honour and Australia's Highest Civilian Honour, the Order of Australia.

A well-regarded global influencer, she has most recently been named as the winner of EY World Entrepreneur of the Year™ 2020 Award and also ranked among the world’s top 20 inspirational leaders in the field of biopharmaceuticals in The Medicine Maker Power List 2020.

She serves on the board of Infosys, Narayana Hrudayalaya and United Breweries.

She holds key positions in various industry, educational, government and professional bodies. She was elected full-term member of the Board of Trustees of the prestigious Massachusetts Institute of Technology (MIT), U.S. in 2018 and as a Member of the National Academy of Engineering, U.S. in 2019.

She holds a bachelor’s degree in science (Zoology Hons.) from Bangalore University and has earned a master’s degree in malting and brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees by national and international universities of repute, including Ballarat (2004), University of Abertay (2007), University of Glasgow (2008), Heriot-Watt University (2008), National University of Ireland (2012), Trinity College, Dublin (2012), Presidency University, Kolkata (2017), and Deakin University, Australia (2019), for her pre-eminent contributions in the field of biotechnology.

Brief Profile of Mr. Eric Vivek Mazumdar

Mr. Eric Vivek Mazumdar is an Assistant Professor of Computing & Mathematical Sciences and Economics at the California Institute of Technology.

Being an avid learner, he has worked on many research projects from reputable institutions such as the University of California, Berkeley, MIT Computer Science and Artificial Intelligence Laboratory and the MIT Koch Institute for Cancer Research.

As a Ph.D. scholar from UCLA, Berkeley, he has developed tools and understanding, necessary for deploying Machine learning algorithms into societal-scale systems. He has also focused on studying the fundamental limits of learning algorithms in societal systems, and designing machine learning algorithms in real-world deployment, with applications in intelligent infrastructure, the delivery of healthcare, and e-commerce.

He was awarded Simons Institute Research Fellowship to pursue research at the intersection of machine learning and economics.
Brief Profile of Ms. Naina Lal Kidwai

Ms. Naina Lal Kidwai is an Additional Director and Senior Advisor Rothschild India, Senior Advisor Advent International and member of the Mission board of EQT Future Fund; a Non-Executive Director on the boards of Holcim, Nayara Energy, Gland Pharma, UPL and Past President of FICCI (Federation of Indian Chambers of Commerce & Industry). She retired in December 2015 as an Executive Director on the board of HSBC Asia Pacific and Chairman HSBC India and in April 2018 from the global board of Nestle.

She chairs the Financial Services Working Group of the BRICs Business Council and is a member the INDO-ASEAN Business Council. She is also a member of the Army Group Insurance Fund’s Investment Advisory Committee, Harvard Business School's South Asia Advisory Board, Standard Chartered Bank’s International Advisory Council, The Mission board of EQT Future Fund, India Advisory Council of the U.S.-India Business Council (USIBC) and Trustee of Asia House in the UK.

An MBA from Harvard Business School, she is the recipient of several awards and honours including the Padma Shri for her contribution to Trade and Industry. She is engaged with institutions in environment, water and sanitation and has authored 3 books including the bestsellers “30 women in Power: Their Voices, Their Stories” and “Survive Or Sink: An Action Agenda for Sanitation, Water, Pollution, and Green Finance”.


She has been a member of the Government of India’s Industry Task Force, the Prime Minister's Trade and Industry Council, the National Manufacturing Council, the National Trade Council, and on the Working Group on Banking, Financial Sector Legislative Reforms Commission and the National Institute of Bank Management.

Other details:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Birth &amp; Age</td>
<td>March 23, 1953 (69 Years)</td>
<td>January 12, 1993 (29 Years)</td>
<td>April 16, 1957 (65 Years)</td>
</tr>
<tr>
<td>Date of Appointment</td>
<td>Since Inception (Re-appointed as an Executive Chairperson w.e.f. April 01, 2020)</td>
<td>November 1, 2021</td>
<td>April 28, 2022</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------</td>
</tr>
</tbody>
</table>
| Qualification        | • Master's degree in Malting and Brewing from Ballarat College, Melbourne University  
• Bachelor's degree in Science (Zoology Hons.) from Bangalore University | • Ph.D., Electrical Engineering and Computer Science from University of California, Berkeley  
• B.Sc., Electrical Engineering and Computer Science from Massachusetts Institute of Technology, Cambridge, MA | • MBA from Harvard Business School  
• BA, Economics, Lady Shri Ram College for Women  
• Chartered Accountant |
| Relationship with other Directors, Managers and KMPs | Prof. Ravi Rasendra Mazumdar is brother and Mr. Eric Vivek Mazumdar is nephew. | Prof. Ravi Rasendra Mazumdar is father and Ms. Kiran Mazumdar-Shaw is aunt. | NIL |
| Directorship held in other listed entities | Please refer Corporate Governance Report | Please refer Corporate Governance Report | 1. Gland Pharma Limited  
2. UPL Limited |
| Membership of Committees of the Board in other listed entities | 1. United Breweries Limited – Nomination and Remuneration Committee (Chairperson); CSR Committee (Member); Risk Management Committee (Chairperson); Borrowing Committee (Member)  
2. Infosys Limited - Nomination and Remuneration Committee (Member); CSR Committee (Chairperson); Risk Management Committee (Member); Environmental, Social and Corporate Governance Committee (Chairperson)  
3. Narayana Hrudayalaya Limited - Nomination and Remuneration Committee (Member) | NIL | 1. Gland Pharma Limited – Risk Management Committee (Chairperson)  
2. UPL Limited – Sustainability Committee (Chairperson) |
| Listed entities from which he / she has resigned in the past 3 (three) years | NIL | NIL | 1. Larsen and Toubro Limited (28.02.2021)  
2. Cipla Limited (31.03.2022)  
3. Max Financial Services Limited (31.05.2022) |
<table>
<thead>
<tr>
<th>Number of meetings of the Board attended during the year [Out of 5 (five) held]</th>
<th>5 (Five)</th>
<th>2 (two)</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terms and conditions of Appointment or Re-appointment</td>
<td>Liable to retire by rotation</td>
<td>Liable to retire by rotation</td>
<td>Not liable to retire by rotation</td>
</tr>
<tr>
<td>Remuneration last drawn [FY 2021-22]</td>
<td>Rs. 24.60 Million</td>
<td>Rs. 2.52 Million</td>
<td>NA</td>
</tr>
<tr>
<td>Remuneration sought to be paid</td>
<td>Entitled to remuneration as may be approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time within the overall limits as per the Companies Act, 2013.</td>
<td>Entitled to sitting fees and remuneration as may be approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time within the overall limits as per the Companies Act, 2013.</td>
<td>Entitled to sitting fees and remuneration as may be approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time within the overall limits as per the Companies Act, 2013.</td>
</tr>
<tr>
<td>Shareholding in Biocon Limited</td>
<td>47,57,25,384 39.62%</td>
<td>21,68,000 0.18%</td>
<td>NIL</td>
</tr>
<tr>
<td>Shareholding as a beneficial owner</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**INSTRUCTIONS FOR E-VOTING**

**Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company is providing e-voting facility through KFin Technologies Limited (‘KFinTech’) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting, to Members holding shares as on July 21, 2022, being the cut-off date fixed for determining eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

As per the SEBI circular No. SEBV/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service providers (ESPs) thereby not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@KFinTech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

**Step 1: Login method for Individual shareholders holding securities in demat mode is given below:**

<table>
<thead>
<tr>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. User already registered for IDeAS facility:</strong></td>
<td><strong>1. Existing user who have opted for Easi / Easiest:</strong></td>
</tr>
<tr>
<td>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></td>
<td>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a></td>
</tr>
<tr>
<td>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</td>
<td>or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></td>
</tr>
<tr>
<td>III. On the new page, enter User ID and Password.</td>
<td>II. Click on New System Myeasi</td>
</tr>
<tr>
<td>IV. Click on company name or e-Voting service provider (i.e. KFintech) and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</td>
<td>III. Login with your registered user id and password.</td>
</tr>
<tr>
<td><strong>2. User not registered for IDeAS e-Services:</strong></td>
<td>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</td>
</tr>
<tr>
<td>I. To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></td>
<td>V. Click on e-Voting service provider name to cast your vote.</td>
</tr>
<tr>
<td>II. Select “Register Online for IDEAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></td>
<td><strong>2. User not registered for Easi/Easiest:</strong></td>
</tr>
<tr>
<td>III. Proceed with completing the required fields.</td>
<td>I. Option to register is available at</td>
</tr>
<tr>
<td>IV. Follow steps given in points 1.</td>
<td><a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></td>
</tr>
<tr>
<td><strong>3. Alternatively by directly accessing the e-Voting website of NSDL:</strong></td>
<td>II. Proceed with completing the required fields.</td>
</tr>
<tr>
<td>I. Open URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a></td>
<td>III. Post registration is completed, follow the steps given in point 1.</td>
</tr>
<tr>
<td>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</td>
<td><strong>3. Alternatively, by directly accessing the e-Voting website of CDSL:</strong></td>
</tr>
<tr>
<td>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</td>
<td>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></td>
</tr>
<tr>
<td>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</td>
<td>II. Provide your demat Account Number and PAN No.</td>
</tr>
<tr>
<td>V. Click on company name or e-Voting service provider name and you will be redirected to KFintech e-Voting website for casting your vote during the remote e-Voting period.</td>
<td>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</td>
</tr>
<tr>
<td></td>
<td>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-Voting is in progress.</td>
</tr>
<tr>
<td></td>
<td>V. Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.</td>
</tr>
</tbody>
</table>
Individual Shareholders (holding securities in demat mode) login through their depository participants.

I. You can also login using the login credentials of your demat account through your demat accounts / websites of Depository Participants registered with NSDL / CDSL for e-Voting facility.

II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.

III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites of Depositories / Depository Participants.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

<table>
<thead>
<tr>
<th>Members facing any technical issue - NSDL</th>
<th>Members facing any technical issue - CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</td>
<td>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.</td>
</tr>
</tbody>
</table>

Step 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

I. Launch internet browser by typing the URL: https://evoting.kfintech.com

II. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

III. After entering these details appropriately, click on “LOGIN”.

IV. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

V. You need to login again with the new credentials.

VI. On successful login, the system will prompt you to select the “EVEN” i.e., “Biocon Limited - AGM” and click on “Submit”.

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Biocon Limited
VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

VIII. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

IX. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

X. You may then cast your vote by selecting an appropriate option and click on “Submit”.

XI. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

XII. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email sree@sreedharancs.com with a copy marked to evoting@kfintech.com and co.secretary@biocon.com.

XIII. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name Even No.” The documents should reach the Scrutinizer on or before 17:00 pm on July 27, 2022.

B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

I. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFinTech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

II. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

III. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

In case of Members who have not registered their email IDs (including Members holding shares in physical form), may please follow the steps for registration of email IDs and obtaining User ID and Password for e-voting as mentioned in para 16 of the “Notes” and para (c & d) under the “Other Instructions” section below also.

C. Voting at the Annual General Meeting:

I. The ‘Vote Now Thumb sign’ on the left hand corner of the video screen shall be activated upon instructions of the chairperson during the AGM proceedings. Members shall click on the same to take them to the “Insta-poll” page and Members to click on the “Insta-poll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
II. Those Members who are present in the Meeting through VC and have not cast their vote on resolutions through remote e-voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.

III. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting during the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote during the AGM shall be treated as invalid.

The Company has appointed Mr. V Sreedharan, Practicing Company Secretary, partner of M/s V Sreedharan & Associates, Company Secretaries, Bengaluru (FCS 2347; CP 833) and in his absence Mr. Pradeep B Kulkarni, Practicing Company Secretary, Bengaluru (FCS 7260; CP 7835) or Ms. Devika Sathyarayana (ACS 16617; CP 17024), Partners of the same firm as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

The scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through e-voting (votes cast during the AGM and votes cast through remote e-voting), count the votes and shall submit a consolidated Scrutinizer’s Report of the votes cast in favour or against, if any, within stipulated timelines from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing shall declare the result of voting forthwith.

The results of the e-voting along with the scrutinizer’s report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the company are listed and shall be placed on the Company’s website www.biocon.com and on the website of KFinTech at https://evoting.kfintech.com immediately after the result is declared by the Chairperson or any other person authorised by the Chairperson.

OTHER INSTRUCTIONS:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. Suresh Babu, (Unit: Biocon Limited) of KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or evoting@kfintech.com or Phone no. 040 – 6716 2222 or call toll free No. 1800-309-4001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, July 21, 2022.

d. In case a person has become a shareholder of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., July 21, 2022, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

   Example for NSDL:  MYEPWD <SPACE> IN12345612345678
   Example for CDSL:  MYEPWD <SPACE> 1402345612345678
   Example for Physical:  MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
iii. Member may call KFinTech toll free number 1800-309-4001 for any assistance.

iv. Member may send an e-mail request to evoting@kfintech.com. However, KFinTech shall endeavour to send User ID and Password to those new Members whose mail ids are available.

e. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of AGM and e-voting instructions could not be serviced, may temporarily get their email address and mobile number registered with the RTA of the Company, by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Shareholders are requested to follow the process as guided to capture the email IDs and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in respect of shares held in electronic form and copy of share certificate in respect of shares held in physical form for sending the Annual report, Notice of AGM and the e-voting instructions.