

# Independent Auditor's Report

To the Members of Biocon Academy

## Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Biocon Academy** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year then ended, and 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibility for the Financial Statements

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

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

### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Company.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigation.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company

for S. Krishnaswamy & Co.,  
Chartered Accountants  
ICAI Firm Registration Number: 001556S

Ravindra T  
Partner  
Membership No.: 206864

Place: Bengaluru  
Date: May 14, 2020

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

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

To the Members of Biocon Academy

We have audited the internal financial controls over financial reporting of Biocon Academy ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 14, 2020 expressed an unqualified opinion.

*For S. Krishnaswamy & Co.,*  
*Chartered Accountants*  
ICAI Firm registration number: 001556S

Ravindra T  
*Partner*  
Membership No.: 206864

Place: Bengaluru  
Date: May 14, 2020

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## Balance Sheet as at March 31, 2020

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

	Note	March 31, 2020	March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Capital work in progress	3	1,062	–
Other non-current assets	4(a)	29,947	19,648
<b>Total non current assets</b>		<b>31,009</b>	<b>19,648</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	5	19,543	32,392
Other current assets	4(b)	240	352
<b>Total current assets</b>		<b>19,783</b>	<b>32,744</b>
<b>Total</b>		<b>50,792</b>	<b>52,392</b>
<b>Shareholders' funds</b>			
Equity share capital	6	500	500
<b>Total equity</b>		<b>500</b>	<b>500</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	7	–	–
- Total outstanding dues of micro and small enterprises		–	–
- Total outstanding dues of creditors other than micro and small enterprises		37,152	41,159
Other liabilities	8	13,139	10,733
<b>Total current liabilities</b>		<b>50,291</b>	<b>51,892</b>
<b>Total</b>		<b>50,791</b>	<b>52,392</b>

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

As per our report of even date  
for S.Krishnaswamy & Co.  
Chartered Accountants  
Firm Regn No.001556S

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

Ravindra.T  
Partner  
M.No.206864

Kiran Mazumdar Shaw  
Director  
DIN: 00347229

John M M Shaw  
Director  
DIN: 00347250

Bengaluru  
May 14, 2020

Bengaluru  
May 14, 2020

## Statement of Profit and Loss for the year ended March 31, 2020

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

	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income</b>			
Tuition fees		16,411	11,514
Other income		282	27
<b>Total</b>		<b>16,693</b>	<b>11,541</b>
<b>Expenses</b>			
Salaries wages and bonus		10,661	9,409
Other expenses	9	6,032	2,132
		<b>16,693</b>	<b>11,541</b>
Surplus/deficit for the period		–	–
Earnings per share [nominal value of share ₹ 10]		–	–
Basic and Diluted (in ₹)		–	–
Weighted average no. of shares used in computing Earnings per share			
Basic and Diluted		50,000	50,000

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

As per our report of even date

for S.Krishnaswamy & Co.

Chartered Accountants

Firm Regn No.001556S

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

Ravindra.T

Partner

M.No.206864

Bengaluru

May 14, 2020

Kiran Mazumdar Shaw

Director

DIN: 00347229

Bengaluru

May 14, 2020

John M M Shaw

Director

DIN: 00347250

## Statement of Changes in Equity for the year ended March 31, 2020

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

### Equity share capital

	March 31, 2020	March 31, 2019
Opening Balance	500	500
Changes in equity share capital	–	–
Closing balance	500	500

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

As per our report of even date

for S.Krishnaswamy & Co.

Chartered Accountants

Firm Regn No.001556S

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

Ravindra.T

Partner

M.No.206864

Bengaluru

May 14, 2020

Kiran Mazumdar Shaw

Director

DIN: 00347229

Bengaluru

May 14, 2020

John M M Shaw

Director

DIN: 00347250

## Notes to the financial statements for the year ended March 31, 2020

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

### 1. Company Overview

#### 1.1 Reporting entity

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

#### 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, 2020. These standalone financial statements were authorised for issuance by the Company's Board of Directors on May 14, 2020.

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 thousand, unless otherwise indicated.

##### c. Basis of measurement

These standalone financial statements have been prepared on the historical cost basis.

##### d. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

### 2 Significant accounting policies

#### a. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### 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 the cost of materials and direct labor, 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.

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.



## 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.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Computers and servers	3 years	3-6 years

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).

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

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.

## d. Revenue

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

## e. Foreign currency translation

### i. Initial Recognition

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

### ii. Conversion

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

### iii. Exchange differences

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

## f. Earnings per share

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, except where the results would be anti-dilutive.

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	March 31, 2020	March 31, 2019
<b>3. Capital work in progress</b>		
Capital Work in Progress - Computers	1,062	–
	<b>1,062</b>	<b>–</b>
<b>4. Other Assets</b>		
(a) Non-current		
Balances with statutory/government authorities	29,947	19,648
	<b>29,947</b>	<b>19,648</b>
(b) Current		
Prepayments	240	352
	<b>240</b>	<b>352</b>
<b>5. Cash and bank balances</b>		
Balances with Banks:		
On current account	19,543	2,392
Deposits with original maturity of less than 3 months	–	30,000
	<b>19,543</b>	<b>32,392</b>
<b>6. Share capital</b>		
Authorised		
50,000 equity shares (March 31, 2019-50,000) of ₹ 10 each	500	500
Issued, subscribed and fully paid-up		
50,000 equity shares (March 31, 2019-50,000) of ₹ 10 each	500	500
Total issued, subscribed and fully paid-up share capital	<b>500</b>	<b>500</b>

## (a) Reconciliation of the share outstanding at the beginning and at the end of the reporting year

## Equity shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
At the beginning of the year	50,000	500	50,000	500
Issued during the year	–	–	–	–
Outstanding at the end of the year	50,000	500	50,000	500

## (b) Terms and rights attached to equity shares

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

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

	March 31, 2020		March 31, 2019	
	Number	% holding	Number	% holding
Biocon Limited, including shares held through nominees	50,000	100%	50,000	100%

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

	March 31, 2020	March 31, 2019
<b>7. Trade payables</b>		
Trade payables		
- Total outstanding dues of micro and small enterprises	–	–
- Total outstanding dues of creditors other than micro and small enterprises	37,152	41,159
	<b>37,152</b>	<b>41,159</b>
There are no payables under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006		
<b>8. Other liabilities</b>		
Current		
Statutory taxes and dues payable	7,016	5,663
Advance fee received from students	6,123	5,069
	<b>13,139</b>	<b>10,733</b>
<b>9. Other expenses</b>		
Training expenses, net	681	224
Payments to auditors	50	50
Advertisement expenses	1,235	138
Travelling and conveyance	877	130
Communication expenses	668	148
Professional charges	2,140	604
Printing and stationery	381	138
Loss on foreign exchange transactions, net	–	410
Miscellaneous expenses	–	290
	<b>6,032</b>	<b>2,132</b>

**10. Related party transactions**

Name of the related party	Relationship	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Biocon Limited	Holding company	Donations received	52,242	43,516
		Cross charges towards other expenses	10,155	–
		Trade Payables	10,155	–

**11. Contingent liabilities and commitments****(i) Capital commitments:**

The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020, net of advances, is ₹ Nil-(March 31, 2019 - ₹ Nil).

**(ii) Contingent liabilities:**

The Company has no contingent liability as at March 31, 2020 and March 31, 2019

As per our report of even date  
for S.Krishnaswamy & Co.  
Chartered Accountants  
Firm Regn No.001556S

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

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