Biocon

Unwavering Purpose

Annual Report 2021

Unwavering Purpose

As an innovation-led company we are driven by our purpose to enhance global healthcare through high quality, affordable biopharmaceuticals. We are leveraging advanced science, innovative tech platforms and international research collaborations to develop therapies that can lower treatment costs, increase access and improve healthcare outcomes.

When the COVID-19 pandemic threatened to disrupt our research, quality and manufacturing operations, we demonstrated resilience and agility and responded with a sense of purpose, duty and empathy. Our people exhibited immense courage and commitment to manage the crisis driven by a singular purpose of serving patients. We leveraged our core competencies to reboot and reimagine operational strategies to ensure business continuity. We implemented new initiatives, re-oriented time-tested paradigms and re-invented ourselves through increased digitalization and automation.

Consistent with our belief that the pharmaceuticals industry has a humanitarian responsibility to serve patients who are in need, we explored uncharted territories to find innovative solutions to fight the pandemic.

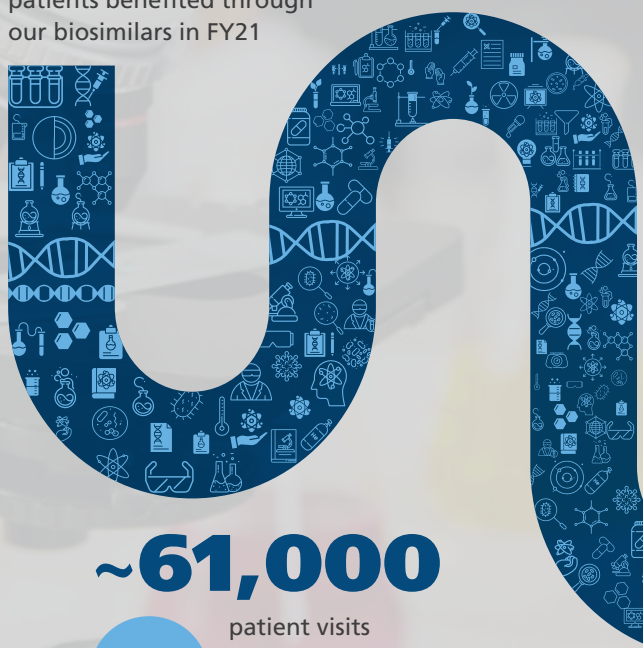
The year made unprecedented demands of us, yet we pushed forward fueled by our undeterred spirit, uncompromising ethics and unwavering purpose.

Unparalleled Impact

During FY21, we achieved several milestones on the journey of making a meaningful impact to patient lives globally. Our actions helped ensure better patient care and improved treatment outcomes while reducing costs for wider access to affordable, quality assured, complex therapies. We contributed to national and international efforts to tackle COVID-19 through innovative science and repurposed one of our novel drugs to save the lives of COVID-19 patients suffering from moderate to severe complications in India. We also supported the government and the community in the fight against the coronavirus by using our domain knowledge and capabilities. Moreover, we worked on finding innovative healthcare solutions that go beyond therapies to provide a holistic patient experience.

~3.1[#] Million

patients benefited through our biosimilars in FY21



~61,000

patient visits recorded at Biocon Foundation-run eLAJ smart clinics in FY21

[#]Patient reach numbers are Company estimates based on volumes supplied and standard dosage.

~2.75* **Billion**

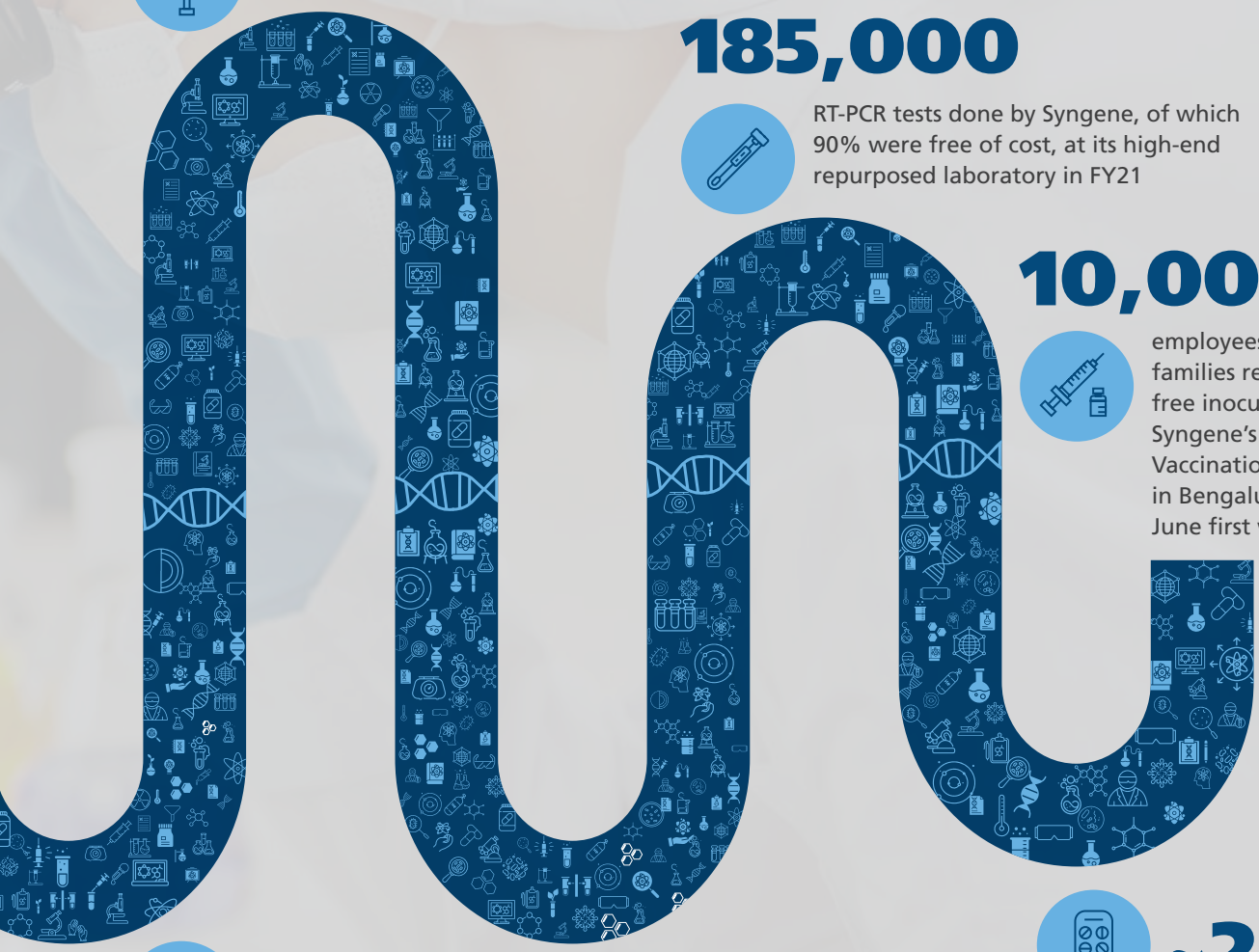
doses of recombinant human insulin supplied globally since 2004

185,000

RT-PCR tests done by Syngene, of which 90% were free of cost, at its high-end repurposed laboratory in FY21

10,000+

employees and their families received free inoculations at Syngene's COVID-19 Vaccination Center in Bengaluru till June first week



5th

rank on prestigious Global Biotech Employers 2020 rankings by U.S.-based Science Careers magazine

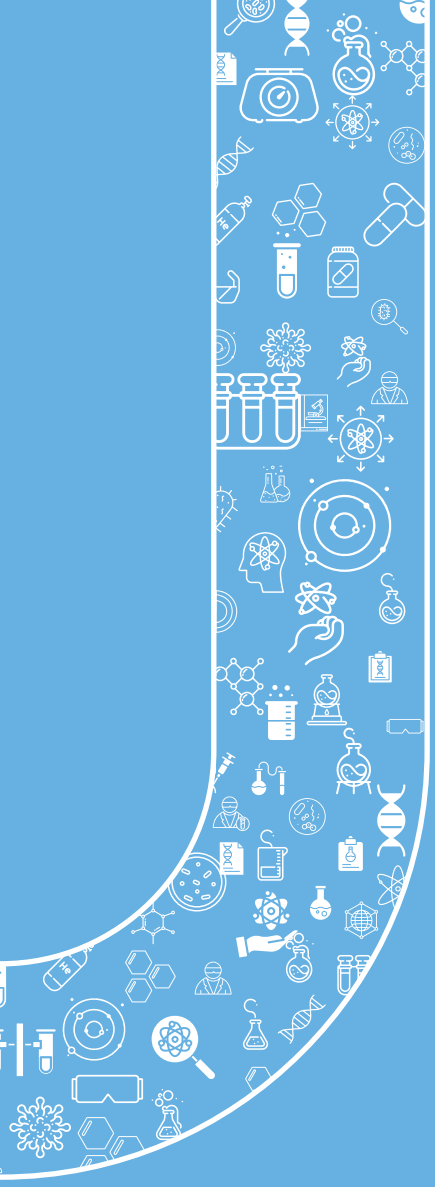
27,000+

COVID-19 patients benefited through our repurposed novel biologic Itolizumab till May 2021

~2 Billion

statin pills delivered for the benefit of patients in the U.S. in FY21

**Estimated doses calculated on the basis of drug substance, drug product sales data.*



United in Commitment

The Biocon Group rose to the challenges thrown by the COVID-19 pandemic and the consequent lockdowns. To minimize disruption during the crisis, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remained united in our commitment to serve patients and enhance global healthcare throughout the pandemic.

Patients

Dr. Belani

Mumbai

When I came off the ventilator, my primary treating physician Dr. Gaurav Gupta at the Breach Candy Hospital, Mumbai told me to be prepared for convalescent plasma therapy. But the need for plasma therapy was mitigated by the administration of *ALZUMAb-L* (Itolizumab), which foiled the life-threatening impact of cytokine storm due to COVID-19.

My turnaround was miraculous after the administration of the drug. Above all, I wish to express my sincere gratitude to Biocon Chairperson, Madam Kiran Mazumdar-Shaw for giving me the elixir of life – *ALZUMAb-L*. Jai Hind!

Vijaya

Senior Nursing Officer, AIIMS, New Delhi

I am a Senior Nursing Officer working in the COVID-19 Department at AIIMS, New Delhi. Despite taking all safety measures, I contracted COVID-19 in 2020 and had to be hospitalized. As plasma for my blood group was not available, the doctors gave me Itolizumab injection. I would like COVID-19 patients to know that Itolizumab is an effective drug for treating COVID-related complications.

Sanjai Rai

Mumbai

COVID-19 resulted in persistent fatigue. When my condition deteriorated, I was admitted in the ICU of Lok Nayak Hospital, New Delhi. It was at this stage that the doctors administered Itolizumab. After receiving this drug my condition improved, and I was moved out of the ICU the next day. From then on, my condition improved so much so that within a few days I could help other patients, even those in wheelchairs.

Caregivers

Taslimarif Saiyed

CEO and Director, C-CAMP, Bengaluru

My immense gratitude towards Biocon and its Chairperson Madam Kiran Mazumdar-Shaw for their phenomenal and continuous support during my mother's COVID-19 treatment at Manipal Hospital, Bengaluru in 2020. My mother developed complications and was administered with Itolizumab immediately, which turned out to be a timely intervention playing a major role in her recovery.

I cannot thank Ms. Mazumdar-Shaw and her team enough for supporting us and many others by ensuring we received Itolizumab on time. Salute for this remarkable act of humanity and social responsibility!

Sumeet Ashok Kotak

Manager, Mahindra Insurance Brokers Limited

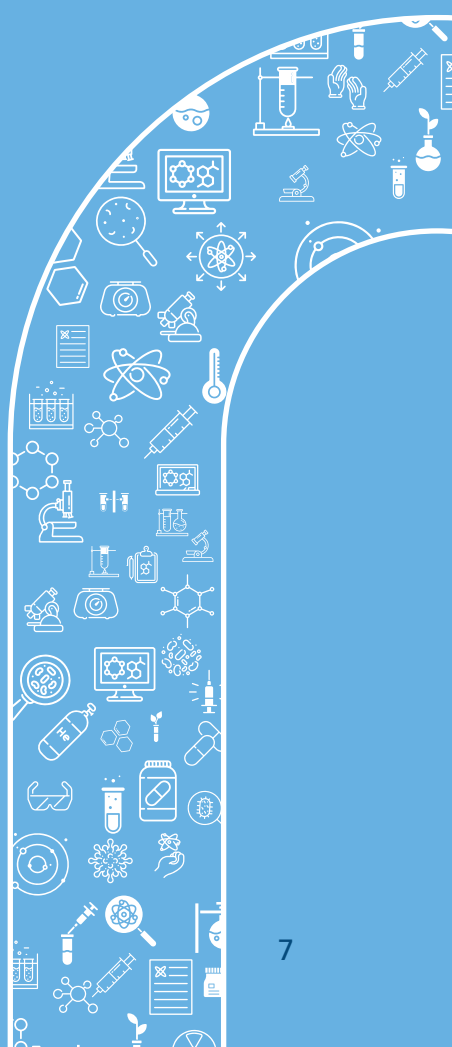
My 75-year-old father tested positive for COVID-19 in April 2021 and had to be admitted to a hospital in Mumbai. The hospital asked me to procure Itolizumab injection for my father as it had run out of stock. I reached out to over 200 people but failed to make any headway. It was then that I contacted the communications team at Biocon Biologics, who with the help of their colleague in Medical Affairs helped me procure this injection well in time.

Thanks to their quick response, I was able to procure the Itolizumab injection on time. After being administered this critical therapy, my father's condition improved, and he recovered completely.

Akash Bhushan

CNBC, Delhi

You people are doing a great job, life saver. Salute to you. Thanks a ton. We will always keep you in our prayers. You are like God to us.



FY21 At a Glance

Revenue
73,603
₹ Million

Profit for the year*
7,405
₹ Million

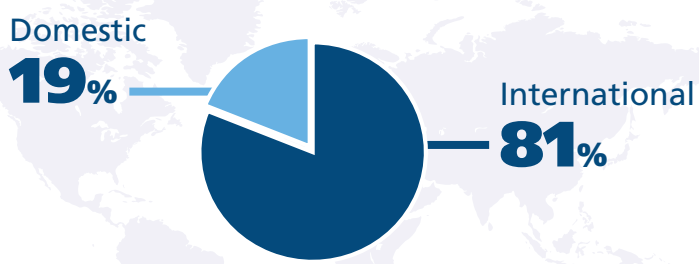
EBITDA Margin
26 %

EPS
6.2
₹

R&D Spend (Gross)
6,270
₹ Million

Employees (TOTAL)
13,500+

Geographic Distribution



Our international revenue contribution grew to 81% in FY21 from 78% in FY20.

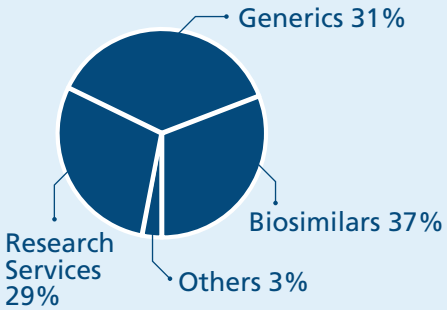
Business Segment Revenue#

Generics
23,359 ₹ Million
6% Growth

Biosimilars
28,002 ₹ Million
21% Growth

Research Services
21,843 ₹ Million
9% Growth

Business Segment Revenue Contribution



* Includes exceptional items and loss from discontinuing operations
\# Includes inter-segment revenue

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FY21 Business Highlights

Undeterred Endeavor

While we took on the pandemic head-on by ramping up drug innovation and production, we remained undeterred in our endeavor to deliver on our commitment to our patients, partners and customers across the world.

GENERICS

- Launched Tacrolimus capsules, Biocon's first immunosuppressant formulation in the U.S., for the benefit of organ transplant patients.
- Received U.S. FDA approval for Everolimus (gAfinitor), an immunosuppressant formulation to prevent rejection of organ transplants, and treat renal cell cancer and other tumors.
- Entered into a partnership with Libbs Farmaceutica, marking the entry of Biocon's Generic Formulations into Latin America, starting with Brazil.
- Partnered with DKSH to expand access to Biocon's Generic Formulations portfolio in key South East Asian markets of Singapore and Thailand.
- Continued to build our Generic Formulations portfolio through new regulatory filings in the U.S., EU and Most of World markets.
- Received a GMP compliance certificate from MHRA, UK, for Generic Formulations manufacturing facility at Biocon Park in Bengaluru.

COVID-19

- Repurposed an in-market novel biologic drug, Itolizumab, to treat COVID-19 patients. 27,000+ patients benefited from the drug.
- Offered a comprehensive portfolio of products for COVID-19 patients – Itolizumab (*ALZUMAb-L*), *CytoSorb*, Remdesivir (*RemWin*) and Favipiravir (*ARAFLU*).
- An ELISA antibody testing kit developed by Syngene enabled efficient, reliable and scalable testing.
- Several novel, high-affinity monoclonal antibody assets developed by Syngene to combat SARS-CoV-2 infection.
- Syngene was a co-recipient of BIRAC grant to discover measles virosome-based COVID-19 vaccine.

NOVEL BIOLOGICS

- Obtained the Drugs Controller General of India's approval for *ALZUMAb-L*, a new 100 mg/vial formulation of Itolizumab, for treating moderate to severe COVID-19 complications.
- U.S. partner Equillium reported encouraging developments on clinical advancement of Itolizumab in treating acute graft-versus-host disease, lupus and lupus nephritis, and uncontrolled asthma.
- BCA101, a first-in-class EGFR / TGFβ-trap bifunctional antibody, entered a Phase 1/2 study at leading U.S. and Canadian cancer centers.

BIOSIMILARS

- Commercialized biosimilar Insulin Glargine (*Semglee**), making Biocon Biologics the only company from India to make three biosimilars available in the U.S. for chronic diseases like diabetes and cancer.
- Commercialized biosimilar Pegfilgrastim (*Fulphila**) in Australia and Canada, enabling access to an affordable supportive cancer care medicine.
- Received marketing authorization approvals from the European Commission for biosimilar Insulin Aspart (*Kixelle**) and biosimilar Bevacizumab (*Abevmy**), widening the choice of biosimilars for diabetes and cancer patients in EU countries.
- Received pre-qualification approval from WHO for our biosimilar Trastuzumab, opening opportunities to serve cancer patients in 46 low- and middle-income countries (LMICs).
- Rolled out 'Mission 10 cents' as a part of our commitment to enable universal access to affordable insulins in low- and middle-income countries of Philippines and Tanzania.
- Raised ~USD 330 million from global marquee investors to expand capabilities that will address rising demand for high quality biosimilars across the globe.

*(*Partnered with Viatris)*

RESEARCH SERVICES

- Extended till 2030, a long-standing partnership with Bristol Myers Squibb (BMS) for drug discovery research.
- Entered a 5-year pact with 3DC, the drug discovery and development unit of Deerfield Management Co, to advance therapeutic discovery projects.
- Helped partner Albireo Pharma advance their compound to regulatory filings in U.S. and Europe, putting it on track to be the first approved drug for treating specific genetic liver diseases, primarily in children.
- Continued to support clients on drug research projects for leukemia, Parkinson's disease, inflammatory disorders, fibrotic disorders and orphan diseases.
- Expanded research facility in Hyderabad by adding capacity for an additional 90 scientists.
- Commissioned a new microbial manufacturing facility to reduce dependency on external service providers.

Chairperson's Review

Kiran Mazumdar-Shaw
Executive Chairperson

Chairperson's Review

Unwavering Purpose

Dear Shareholders,

The pharmaceutical and healthcare industry's fight against COVID-19 intensified over the past year as fresh waves of infections hit many countries around the world. As the pandemic left societies and economies in disarray, biotechnology-led companies quickly developed diagnostics, vaccines and therapies to tilt the battle in favor of humanity.

India has been at the forefront of this crusade, producing cost-effective vaccines at scale for millions of people. At the same time, the country has continued to supply a global patient pool with generic and biosimilar therapies to prevent and treat non-COVID health threats such as cancer, diabetes, heart attacks, HIV infections, malaria, tuberculosis etc.

Biocon Group Endures COVID-19 Challenge

As an innovation-led, life sciences group based in India, Biocon and its subsidiaries ensured that we delivered on our promise of providing access to life-saving healthcare solutions during COVID-19.

Our belief that the top priority in a public health crisis is to protect human lives, led all employees of Biocon, Biocon Biologics and Syngene to relentlessly contribute towards ensuring continuity of operations

despite lockdowns in the country and many parts of the world. The unwavering purpose of our people to put 'patients first' enabled us to sustain the supply of life-saving medicines, worldwide.

We also took up the challenge to find solutions to support India's fight against COVID-19, by leveraging our deep scientific expertise and large

scale manufacturing capabilities. From diagnostics to therapies, from testing to vaccinations, we did our best to make a meaningful difference.

As we continued with our operations, we also focused on protecting our people and ensuring their health and well-being. We invested in implementing strict safety protocols and regularly engaged with our people to keep them motivated. The leadership team constantly monitored the fast evolving situation and took data-driven decisions for operational planning across our facilities.

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Realizing The Biosimilars Promise

Our Biosimilars business revenue at ₹ 28,002 million, recorded a growth of 21% in FY21. We commercialized our third biosimilar, Insulin Glargine, in the U.S. and obtained regulatory approvals for key biosimilars Bevacizumab and Insulin Aspart in the European Union. Our biosimilars benefited 3.1 million patients during the year.

With the pandemic overwhelming healthcare systems globally, chronic diseases took a backseat as budgets and resources were diverted to tackle COVID-19. This and other COVID-related challenges affected the growth trajectory of our Biosimilars business. In the post-COVID world, we believe, Biocon Biologics will have a larger opportunity to shape the global biosimilars landscape, as healthcare systems worldwide are compelled to leverage both generics and biosimilars to contain medical costs.

As the only company from India to have three biosimilars commercialized in the U.S. and among the select few globally to have five biosimilars approved in Europe, we are confident of enabling affordable access to expensive biologic drugs for several million patients globally.

Our diverse portfolio of products straddling monoclonal antibodies for cancer and autoimmune diseases and rh-insulin and insulin analogs for diabetes as well as our continued commitment to quality and product safety, position us to deliver robust and enduring growth in the coming years. The market potential for biosimilars remains solid, with biologics worth ~USD 90 billion in originator sales losing exclusivity over the next decade.

The confidence of investors in Biocon Biologics' growth story is reflected in the entity's post-money valuation of ~USD 4.17 billion.

The confidence of investors in Biocon Biologics' growth story is reflected in the entity's post-money valuation of ~USD 4.17 billion during the last round of fundraising from Abu Dhabi-based ADQ. Including the infusion from ADQ, we have raised ~USD 330 million from top global investors like True North, Tata Capital Growth Fund and Goldman Sachs.

Serving Patient Needs Through Generics

The Generics business acted with agility to ensure supplies of much-needed generic APIs (Active Pharmaceutical Ingredients) and formulations from India to the rest of the world, belying fears of large-scale medicine shortages due to the pandemic. We supply statins, immunosuppressants, narrow-spectrum antibiotics and other APIs to over 100 countries, and were able

to serve our partners despite COVID-related disruptions. Revenues from the Generics business grew by 6% over the previous year to ₹ 23,359 million, supported by double-digit growth in Generic Formulations and a modest single-digit growth in APIs.

In FY21, Generics Formulations achieved a key milestone with the launch of Tacrolimus capsules, an immunosuppressant used to treat organ transplant patients, in the U.S. It also entered new partnerships to expand commercial footprint to Singapore, Thailand and Brazil.

We remain committed to investing in building new capabilities and capacities across functions, including R&D, Manufacturing and Quality, and strengthening our product portfolio to deliver long-term, sustainable growth in our Generics business.

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Making A Difference With Our Novel Biologics

Realizing the acute need for an effective treatment for people hospitalized with COVID-19 and those at risk of developing severe illness, we repurposed our 'first in class' anti-CD6 monoclonal antibody, Itolizumab, which has a unique 'mechanism of action' in controlling cytokine release syndrome (CRS). The Drugs Controller General of India (DCGI) granted Restricted Emergency Use approval to Itolizumab in July 2020, to treat CRS in patients experiencing moderate to severe acute respiratory distress syndrome (ARDS) due to COVID-19. We are gathering additional data as part of the Phase 4 post marketing study for Itolizumab, which will further validate the potential of this therapy in COVID-19.

Results from the Phase 2 clinical trial, which established Itolizumab as a promising, safe and effective immunomodulatory therapy for COVID-19 with survival and recovery benefits, have been published in a prestigious, peer-reviewed scientific journal in FY21.

Equillium, our U.S.-based partner, reported encouraging developments on the clinical advancement of Itolizumab in treating acute graft-versus-host disease, lupus, lupus nephritis, and uncontrolled asthma. We are expecting clinical data from all studies later in calendar year 2021.

Boston-based Bicara Therapeutics is spearheading the development of novel bi-functional fusion antibodies in immuno-oncology. Its lead program, BCA101, is in Phase 1/2 clinical trials in the U.S. and Canada. Bicara started operating as a standalone company under an independent management team in FY21 after we ceded control to its Board and Management.

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Keeping Research Projects On Track

Despite a challenging year, Syngene successfully delivered on its commitment to clients who depend on the Company for their research and development needs. It delivered revenue of ₹ 21,843 million, and an annual growth of 9%. Syngene also built on its integrated drug discovery and development portfolio during the year, signing on new clients and renewing contracts

with existing ones like Bristol Myers Squibb. It also invested and built on its scientific and manufacturing capabilities during the year.

Tackling COVID-19

The Biocon Group was able to very quickly pivot its capabilities to fight against COVID-19 in FY21.

Itolizumab, our novel anti-CD6 monoclonal antibody repurposed for COVID-19, has benefited over 27,000 patients suffering from acute lung inflammation. We have a comprehensive portfolio of products for treating COVID-19 patients at different stages of the disease spectrum, including *RemWin* (Remdesivir) and *ARAFLU* (Favipiravir) for mild to moderate patients, *ALZUMAb-L* (Itolizumab) for moderate to severe patients and *CytoSorb* for critical patients.

The Biocon Group was able to very quickly pivot its capabilities to fight against COVID-19.

Biocon's Research Services subsidiary Syngene manufactured Remdesivir under a license from Gilead and distributed in India through Biocon Biologics and Sun Pharma to address patient needs for this life saving therapy. Syngene leveraged its deep scientific expertise to develop various solutions to support the nation's battle against COVID-19.

Syngene, through its repurposed, high-end laboratory, conducted 185,000 RT-PCR tests, of which 90% were free of cost. The Company also developed an ELISA (Enzyme-Linked Immunosorbent Assay) antibody testing kit for COVID-19. Currently, scientists at Syngene are engaged in developing an mRNA technology platform for vaccines including a novel vaccine against COVID-19 using the measles virosome and working to generate a human-ACE-2 transgenic mouse to support studies on prevention or treatment of SARS-CoV-2 infection. Additionally, it developed and validated several relevant assays for assessing immune response against SARS-CoV-2.

To support the government's efforts to combat and contain the pandemic, Syngene has set up a Vaccination Center to provide free vaccination for Biocon Group employees and their families.

Scientists at Syngene are engaged in developing an mRNA technology platform for vaccines.

Paying Tribute To Our Colleagues Lost To COVID-19

The second wave of COVID-19 in India has tragically impacted us and we have lost some of our dear colleagues across Biocon, Biocon Biologics and Syngene. We express our deepest condolences to the bereaved families. We understand we cannot compensate the loss of a human life, however, we have taken steps to help their families rebuild their lives. Biocon Group has decided to pay the families of the deceased, 50% of the employee's gross salary for two years, up to a maximum payout of ₹ 50 lakhs. We will also extend the education allowance support for two children until the age of 18. We will also assist with job hiring for either the spouse or child, in one of our group companies, or help them find employment elsewhere, depending on their education and eligibility. The above support is in addition to the Group Term Life Insurance and other benefits applicable as

per the Company's policy. We sincerely appreciate the contributions made by our dear colleagues and earnestly share the grief of their families.

Financial Performance

Despite a tough and unpredictable year, Biocon delivered a credible financial performance with consolidated revenue growing 14% to ₹ 73,603 million and EBITDA climbing 8% to ₹ 19,071 million, representing an EBITDA margin of 26%. Net Profit (before exceptional item and discontinuing operations) was at ₹ 7,540 million. Our determination to keep investing in science to stay a step ahead of the pandemic is reflected in the 19% rise in our Gross R&D spends to ₹ 6,270 million in the year.

Dr. Arun Chandavarkar was appointed as Managing Director of Biocon Biologics and entrusted to steer the Company to the next level.

Dividend Postponed

On account of the uncertainty due to the unprecedented second wave of the COVID-19 pandemic in India, Biocon's Board of Directors has deemed it prudent not to declare a dividend for FY21, in order to prioritize cash and maintain liquidity. As the business environment evolves over the coming months, the Board will review the dividend payable for FY22.

Strengthening The Management

The Board of Biocon Biologics appointed Dr. Arun Chandavarkar as the Managing Director (MD) w.e.f. January 21, 2021 and entrusted him to steer the Company to the next level. Shreehas Tambe was promoted from Chief Operating Officer to the position of Deputy Chief Executive Officer (CEO).

We appointed Susheel Umesh as the Chief Commercial Officer for Emerging Markets to drive the Company's business in these markets. Susheel brings over 30 years of experience in the pharmaceuticals industry, having worked in India, France and Sub-Saharan Africa for leading global pharma companies.

I do believe we have a strong leadership team in place now to drive the future growth of our Biosimilars business and return the Company to its high growth trajectory soon. I will also be playing a more active role as the Executive Chairperson of Biocon Biologics Limited.

I am also happy to welcome Prof. Peter Piot to the Board of Biocon Biologics Limited as an Independent Director.

I am also happy to welcome Prof. Peter Piot, Director of the London School of Hygiene & Tropical Medicine and the Handa Professor of Global Health, to the Board of Biocon Biologics Limited as an Independent Director. His scientific expertise and long experience in global healthcare will be invaluable for the Company.

Recently, the Board of Biocon Limited has appointed Indranil Sen as the Chief Financial Officer of Biocon, in place of Anupam Jindal who resigned from the position due to personal reasons.

Looking Ahead

In the face of the biggest health calamity faced by humanity in a century,

Biocon kept its commitment to its patients and partners in FY21. We are continuing to brave the challenges of the second wave of COVID-19 in India and hope that with increasing vaccination coverage the social and economic situation in India will improve. We look forward to an overall improvement in business sentiment.

On the back of investments made so far, we expect to drive revenue growth in our Biosimilars, Research Services and Generics businesses in FY22. We will continue to focus on expanding our product portfolio, strengthening the development pipeline and accelerating capacity enhancement. We will invest in skilling our workforce to prepare for a digital future. These initiatives will bolster our pursuit of enabling affordable access to essential and life-saving medicines for patients worldwide. At a time when the world sadly acknowledges inequitable access to vaccines, we hope that our purposeful business philosophy embedded in health equity and access resonates with our partners and every stakeholder.

I would like to thank our esteemed shareholders, partners and other stakeholders for continuing to repose their faith in us. While the pandemic will bring many further challenges, our unwavering purpose of ensuring equitable access to healthcare gives us the confidence to build a stronger, better Biocon for the future.

Thank You.

Yours sincerely,
Sd/-
Kiran Mazumdar-Shaw
Executive Chairperson
June 18, 2021

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CEO's Message

Siddharth Mittal

Managing Director and
Chief Executive Officer,
Biocon Limited

CEO's Message

Unflinching Focus

Dear Shareholders,

The tectonic shifts in social and business paradigms that the COVID-19 pandemic brought with it had people, the world over, pinning their hopes on pharmaceutical companies for recourse.

The industry responded with grit and resilience. Be it the expedited development of drugs and vaccines, or ensuring uninterrupted care for patients who rely on us for their healthcare needs, the pharma sector led from the front.

At Biocon Group, our patient-centric approach put us at the forefront of the fightback against the pandemic, as we quickly developed capabilities to help meet the demand for Itolizumab, *CytoSorb* and Remdesivir to combat the virus. We also facilitated the testing of 185,000 samples for COVID-19 and set up an accredited vaccination center in Bengaluru, underscoring our commitment to do what it takes to benefit humanity.

At Biocon Group, our patient-centric approach put us at the forefront of the fightback against the pandemic.

The pandemic has made it amply evident that the ability to accept and adapt to change, however disruptive, will determine our future. We are confident that the lessons learnt during the past one and a half years will help us surmount new challenges the pandemic may potentially throw at us.

Let me now turn to the performance of our business verticals in FY21.

Generics

Our Generics vertical delivered 6% year-on-year growth in FY21 to ₹ 23,359 million, primarily driven by our U.S. formulations business and modest growth in the API business.

Despite being a relatively late entrant in the formulations business, we are confident of replicating the success of our API growth story in formulations as well. Our strategy is focused on forward integrating our portfolio of niche, difficult-to-make APIs into formulations.

Our Generics vertical delivered 6% year-on-year growth in FY21 to ₹ 23,359 million.

In my last year's message, I spoke about a set of key strategic priorities we had identified to accelerate our growth – building a robust portfolio, expanding our manufacturing base, strengthening the quality systems, people development, sustaining the base business, cost improvement initiatives and expanding our commercial footprint.

We owe our accomplishments in FY21, which I will touch upon in the paras ahead, to the unwavering focus on these fronts.

To begin with, we are making steady progress on establishing a strong global footprint for our generic formulations, either directly or through strategic partnerships. During the year, we launched Tacrolimus capsules, an immunosuppressant, in the U.S. We received U.S. FDA approval for Everolimus (the generic to Afinitor), an immunosuppressant used to treat cancer, which we expect to launch in FY22. We received a certificate of Good Manufacturing Practice compliance from MHRA, UK, as well as licenses from the regulatory agency which will enable us to export and distribute our products in the UK and EU.

We are making steady progress on establishing a strong global footprint for our generic formulations.

We have also partnered with DKSH to commercialize seven of our generic formulations in Singapore and Thailand, and with Libbs Farmaceutica to commercialize select products in Brazil.

Meanwhile, our portfolio of statin formulations, commercialized in the U.S., held on to mid to high teens market share through the year.

The API segment, the biggest revenue generator for the Generics business, got a shot in the arm with our first anti-diabetic DMF approval for Sitagliptin API in China. We accomplished 33 filings and received 14 approvals for APIs globally, which reflects our commitment to expand our API portfolio, as well as reach.

Laying the foundation for future business growth, we embarked on key capacity expansion projects, which are at various stages of execution. These projects will contribute to the growth of our API customer base and help us forward integrate in-house APIs into technology-intensive finished dosages.

We simultaneously undertook cost improvement initiatives across the organization, which will increase our efficiency significantly in the mid to long term. These initiatives will help us improve our cost structure and price our products competitively.

We also embarked on a digital transformation journey to enhance quality and compliance, and accelerate productivity by leveraging technology. We made rapid strides on this front. We have started the implementation of digital tools such as Laboratory Information Management System (LIMS), Learning Management System (LMS), Scientific Data Management System (SDM) and Quality Management System (QMS). These programs will be rolled out across the organization during FY22.

These crucial milestones in our digital adoption journey will significantly bolster our ability to upskill or cross-skill the workforce, as well as uphold the highest standards of quality, compliance and safety. Several other digital initiatives, which are at various stages of implementation, are expected to roll out during FY22.

Cognizant of the fluid geo-political situation that the pandemic left in its wake, I would like to touch upon a key strategic development in our supply chain, where we successfully reduced our reliance on a single vendor or geography for procurement of key materials for API manufacturing.

This development shields us from risks related to potential operational disruptions at the vendor's location and helps us maintain continuity of operation at our sites.

Despite all pandemic-induced challenges, we did not neglect our responsibility to the environment and stayed firm on our commitment to build an ecologically sustainable and socially responsible business. For instance, renewable energy accounted for approximately 53% of our overall consumption. We also acquired a 26% stake in Hinduja Renewables Two Private Limited, in another step towards increasing renewables-based power consumption.

We stayed firm on our commitment to build an ecologically sustainable and socially responsible business.

While FY21 was a year of many positives, we were equally faced with challenges, which I shall briefly list out.

Intense pricing pressure across both APIs and formulations, particularly in competitive markets such as the U.S., impacted our growth.

Customers resorted to stockpiling in the first half of the year, apprehending supply shortages due to the pandemic. This resulted in muted demand for APIs in the latter half.

Travel restrictions delayed regulatory inspections of our facilities. The consequent delays in approvals have impacted our new product launches.

Our conversations with stakeholders on new market entries have also taken longer than usual, which slowed down geographical expansion.

Some of our capacity expansion projects, particularly the greenfield API facility in Visakhapatnam, were slowed down by COVID-related operational and logistical challenges.

If there is one thing that we have learnt in the recent past, it is how to be more agile and responsive to changing dynamics, which are often unexpected and unprecedented. Let me assure you that we will draw upon all these learnings, and more, in eliminating or mitigating the challenges on hand and those that will inevitably come our way in the months ahead.

Biosimilars

In FY21, Biocon Biologics registered encouraging growth and saw several positive developments. Revenues rose to ₹ 28,002 million, a growth of 21% over last year.

Biocon Biologics received investments totaling $330 million from marquee funds such as True North, Tata Capital Growth, Goldman Sachs, and the Abu Dhabi-based ADQ, which underscores its position as a global frontrunner in biosimilars and testifies to the robustness of its science and business prospects. The funds are being used to address capex, R&D, and operational expenses, and to redeem Biocon Limited preference shares in Biocon Biologics.

We will draw upon the learnings from the pandemic to eliminate or mitigate current and future challenges.

We commercialized crucial products around the world, in association with our partner Viatris, such as biosimilar Insulin Glargine (*Semglee*) in the U.S.

and biosimilar Pegfilgrastim (*Fulphila*) in Australia and Canada. Our product pipeline also got a boost with approvals from the European Commission for biosimilar Bevacizumab and biosimilar Insulin Aspart, co-developed with Viatris. That said, business challenges, amplified by COVID-19, impacted revenues of Biocon Biologics. Delays in award of tenders and allocation of resources of strained healthcare systems towards COVID-19 related therapeutics, restricted revenue growth. Fewer patients visiting hospitals due to uncertainty around COVID-19 also impacted product off-take.

These are, however, short term challenges and we are confident of the overall biosimilars opportunity and Biocon Biologics' ability to establish itself as a global leader in biosimilars.

Novel Biologics

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

For Insulin Tregopil, we commenced a multiple ascending doses (MAD) study for Type 1 DM in Germany in FY20, in partnership with the U.S.-based Juvenile Diabetes Research Foundation (JDRF). The Phase 1 component of this trial is expected to be completed in FY22.

In association with our partner Viatris we commercialized bGlargine (*Semglee) in the U.S.**

Our second program, Itolizumab, has seen multiple developments in FY21. Itolizumab was granted Restricted Emergency Use approval in July 2020 to treat Cytokine Release Syndrome (CRS) in moderate to severe Acute Respiratory Distress Syndrome (ARDS) patients in India. The drug was subsequently made available in the domestic market, having benefited over 27,000 patients as of May 2021.

Equillium, our U.S.-based partner, reported encouraging developments on the clinical advancement of Itolizumab. Equillium remains excited about Itolizumab's therapeutic use in acute graft-versus-host disease, lupus and lupus nephritis, and uncontrolled asthma. While COVID-19 delayed clinical studies in 2020, we are awaiting clinical data from all the studies in Calendar Year 2021.

BCA101, the lead program for Boston-based Bicara Therapeutics, a first-in-class EGFR / TGFβ-trap bifunctional antibody, entered a Phase 1/2 study at leading U.S. and Canadian cancer centers in July 2020. On the basis of the current progress, we anticipate transitioning to dose expansion studies in the second half of 2021.

During the fiscal, Biocon ceded control over the Board and operations of Bicara Therapeutics, which housed our immuno-oncology program focused on developing novel bifunctional fusion antibodies. This will enable Bicara to operate and raise funds independently for its advanced development programs under a U.S.-based leadership team.

Research Services - Syngene

In FY21, Syngene's revenue grew 9% to ₹ 21,843 million. The growth was broad-based across Discovery, Development and Manufacturing Services, along with Dedicated Centers.

In Discovery Services, Syngene signed a five-year collaboration with Deerfield Discovery and Development, a subsidiary of Deerfield Management Company and added two new programs under its collaboration with C4 Therapeutics. The company launched SynVent, a platform for fully integrated therapeutic discovery and development across large and small molecules.

In Development Services, Syngene partnered with Albireo Pharma to advance Odevixibat from pre-clinical supplies to regulatory filings in Europe and U.S. and it is on track to become the first approved drug for PFIC3 patients.

Syngene also extended its engagement with Bristol Myers-Squibb on the dedicated R&D center until 2030.

Syngene reached an important milestone on the capability enhancement front, with the commissioning of a High Potent Active Pharmaceutical Ingredient (HPAPI) laboratory in Bengaluru. The commercial API manufacturing facility in Mangalore also completed the qualification process during the year and is now a GMP1-certified facility

I cannot underscore enough the vital role Syngene played in the fight against COVID-19.

The company received a voluntary license for manufacturing and distributing Remdesivir, a drug used widely to treat COVID-19. The first batch of *RemWin* was released in November 2020, in partnership with group companies, Biocon and Biocon Biologics. Syngene's COVID-19 RT-PCR testing capabilities helped test close to 1,85,000 samples. The firm also indigenously developed ELISA (Enzyme-linked Immunosorbent Assay) testing kits for COVID-19, which was marketed and distributed across the country by HiMedia Laboratories.

Syngene's revenue growth was broad-based across Discovery, Development and Manufacturing Services, along with Dedicated Centers.

Syngene released the first batch of *RemWin* in November 2020, in partnership with group companies, Biocon and Biocon Biologics.

Preparing For A Post-COVID World

We are hopeful that the countrywide vaccination drive and adherence to safety protocols will help us beat the pandemic and gear us up for a world after COVID-19.

Several policy boosts by the Central government has potentially set the stage for economic recovery and growth, particularly in the pharma sector. The Union Budget for FY22 more than doubled the outlay for healthcare and well-being, and includes allocations towards COVID-19 vaccination and initiatives to strengthen the country's primary, secondary and tertiary health infrastructure.

Moreover, the Performance Linked Incentive (PLI) scheme is poised to bolster local manufacturing of pharmaceuticals and brings the audacious vision of achieving self-reliance as a nation, or Aatmanirbhar Bharat, well

within our reach. The scheme's focus on biopharmaceuticals and complex generic drugs plays to our strengths and quest for innovation. The associated incentives, coupled with our own cutting-edge capabilities, will help us stay ahead of the curve as competition intensifies.

These are welcome developments and should contribute to building positive sentiments in the market as we move into FY22.

The government's PLI scheme to bolster local manufacturing of pharmaceuticals and complex generic drugs plays to our strengths.

Looking Ahead

We have emerged from a year that has made us wiser and think out of the box on multiple fronts. However, we are cognizant of the fact that the pandemic is far from over. While we do not know what new uncertainties the future might throw up, the lessons we learnt over the past year have prepared us to deal with them.

Going forward we will continue our focus on portfolio and geographical expansion, which, of course, depends on regulatory approvals. We will also continue to strengthen our development pipeline, expedite the capacity enhancement projects and ensure our digitization programs pick up speed.

At a macro level, I believe that we will see more pharma companies looking at diversifying their supply chains, which will work to the benefit of Indian companies, including yours.

Let me conclude by assuring you that your company fully recognizes the rapidly changing sectoral landscape and evolving market dynamics. We believe that our commitment to our strategic imperatives, coupled with our relentless focus on cost competitiveness and operational excellence, will position your company for long-term growth and value creation for all our stakeholders.

I would like to express my deep appreciation to our employees, who demonstrated resilience and commitment in these tumultuous times, in continuing to deliver on our mission of making affordable, innovative healthcare accessible to all.

I thank all our shareholders for the confidence you have placed in us and look forward to your continued support.

Thank you and stay safe.

Sd/-
Siddharth Mittal,
Managing Director & CEO,
Biocon Limited
June 18, 2021

Untiring Commitment

During COVID-19 pandemic, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remained steadfast in our commitment to serve patients and enhance global healthcare throughout the pandemic.

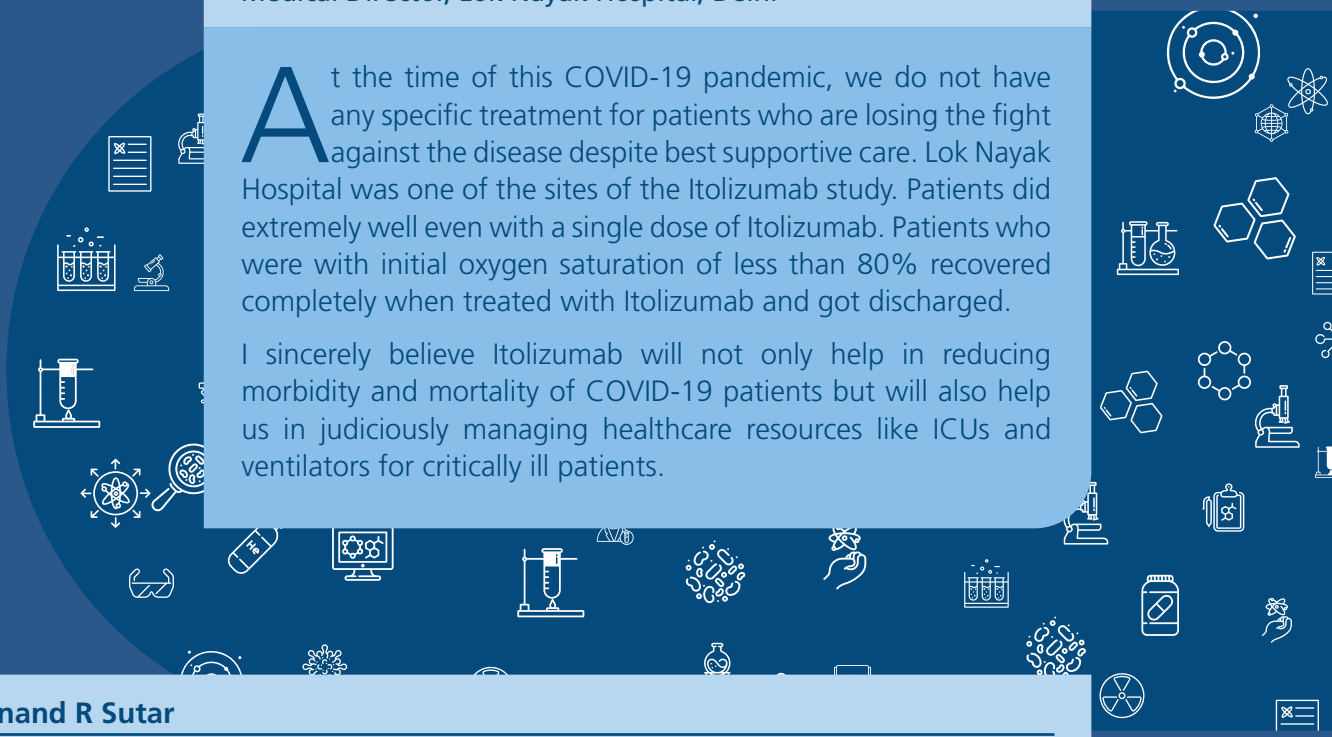
Health Care Professionals

Dr. Suresh Kumar

Medical Director, Lok Nayak Hospital, Delhi

At the time of this COVID-19 pandemic, we do not have any specific treatment for patients who are losing the fight against the disease despite best supportive care. Lok Nayak Hospital was one of the sites of the Itolizumab study. Patients did extremely well even with a single dose of Itolizumab. Patients who were with initial oxygen saturation of less than 80% recovered completely when treated with Itolizumab and got discharged.

I sincerely believe Itolizumab will not only help in reducing morbidity and mortality of COVID-19 patients but will also help us in judiciously managing healthcare resources like ICUs and ventilators for critically ill patients.



Dr. Anand R Sutar

Intensivist, Apollo Hospitals, Bengaluru

In the current pandemic, there were many drugs that were tried, tested and used with varying results in the management of COVID-19. We were glad that Itolizumab was approved by DCGI for managing CRS in COVID-19 at a right time. As an intensivist who has used Itolizumab in many COVID-19 patients, I believe *ALZUMAb*-L has changed the paradigm in COVID-19 management when used in carefully selected patients at the right stage.

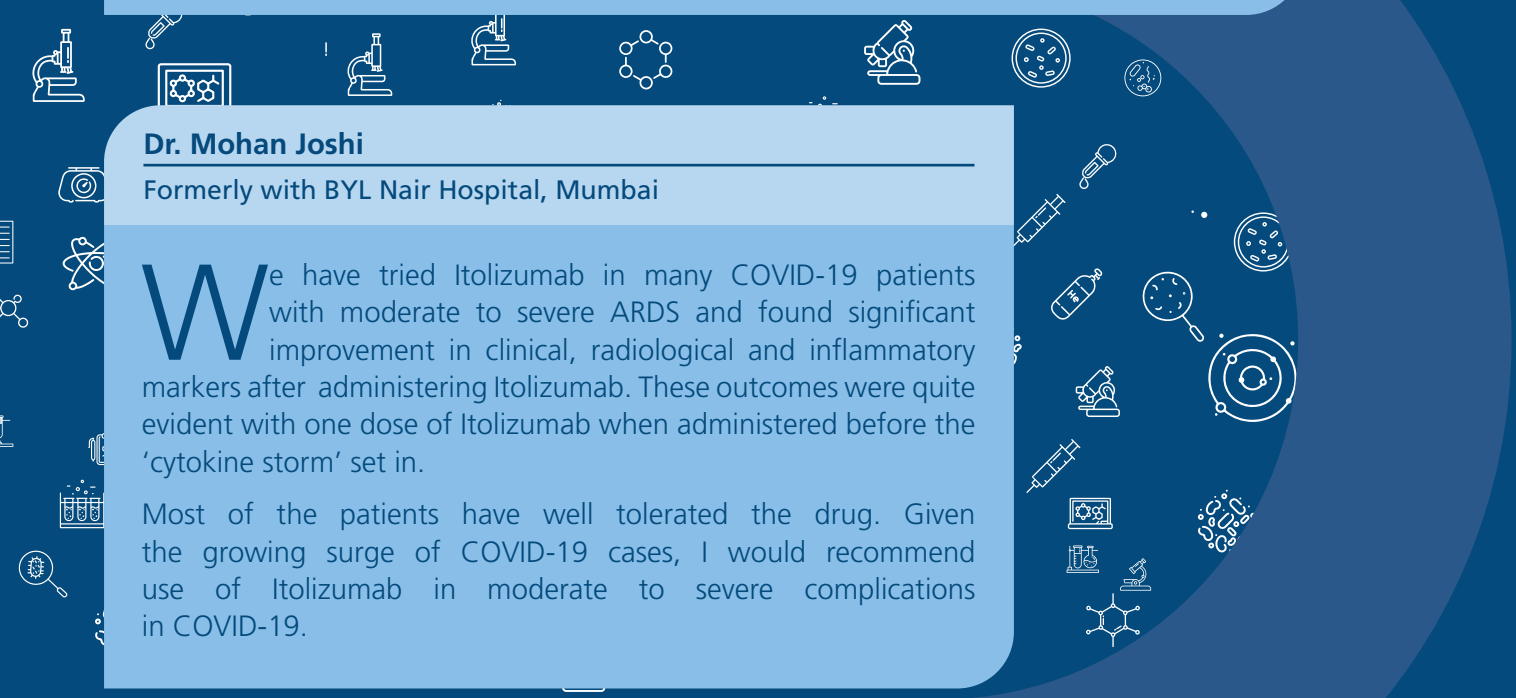
Itolizumab reduced the inflammatory markers, reduced the oxygen demand and showed a sustained and significant improvements within 48 - 72 hours of its administration. We could see the ray of hope with this molecule when used in judicious patient at an appropriate time. We really thank Biocon for making a meaningful difference in patients' life.

Dr. Vishal Gore

Physician and Intensivist, Markandeya Hospital and CNS Hospital, Solapur

COVID-19 patients who present co-morbidities such as diabetes and hypertension have a higher chance of experiencing the 'cytokine storm' as a result of the novel coronavirus infection. I administered Itolizumab to a few of my patients who were showing serious COVID-19 complications, and this drug has by far given the best experience.

None of the patients treated with Itolizumab suffered from sepsis or other bacterial infections after using the drug. The drug is also affordable considering that it can reduce three to four days in ICU on a ventilator, which can be far more expensive.



Dr. Mohan Joshi

Formerly with BYL Nair Hospital, Mumbai

We have tried Itolizumab in many COVID-19 patients with moderate to severe ARDS and found significant improvement in clinical, radiological and inflammatory markers after administering Itolizumab. These outcomes were quite evident with one dose of Itolizumab when administered before the 'cytokine storm' set in.

Most of the patients have well tolerated the drug. Given the growing surge of COVID-19 cases, I would recommend use of Itolizumab in moderate to severe complications in COVID-19.

Dr. Rahul Pandit

Director of Critical Care Services, Fortis Hospital, Mumbai

There are not many drugs currently available to block the COVID-19-induced cytokine release syndrome (CRS), which patients typically experience at the start of the second week of the viral infection. I used only a single dose of Itolizumab on my patients at the onset of CRS and the drug's mechanism of action of immunomodulation suppressed the pro-inflammatory cytokines, and the patients showed clinical improvement.

Managing Director's Message

Dr. Arun Chandavarkar
Managing Director,
Biocon Biologics Limited

Biocon Biologics Managing Director's Message

Undaunted Pursuit

As an innovation-led company, Biocon has always taken the path less travelled, seeking new opportunities whilst building on its strong foundation of over four decades in biotechnology. Biocon Biologics was incubated to capture the opportunity in biosimilars, a niche area marked by high entry barriers of complex science, rigorous product quality and stringent manufacturing standards.

The undaunted pursuit of our collective vision of transforming healthcare and transforming patients' lives, led Biocon Biologics to work on a mission mode, demonstrating a strong sense of ownership, to combat ongoing COVID-related challenges and being resourceful in ensuring that our products reached patients worldwide during the year.

Five of our molecules have now obtained approvals in the developed markets. Through our commercialized biosimilars, we served over 3 million patients in FY21.

Making A Difference Through Biosimilars

Through our pioneering spirit, collaborative approach and pursuit of excellence we have built one of the broadest and deepest pipelines in the industry straddling monoclonal antibodies for cancer and autoimmune diseases, insulin and insulin analogs for diabetes and conjugated recombinant proteins. Five of our molecules have now obtained approvals in the developed markets. Through our commercialized biosimilars in India, emerging markets as well as advanced markets, we served over 3 million patients in FY21.

Financial Performance

Our annual revenues grew 21% to ₹ 28,002 million, driven by improved performance in both developed and emerging markets, despite a challenging business environment aggravated in part by the pandemic.

We reported EBITDA margins of 27% despite a 60% jump in Net Research & Development costs to ₹ 2,840 million in FY21. Higher R&D costs reflect progress on several of our biosimilar development programs that will fuel our future growth. Stripped of R&D costs, licensing income and forex, our Core EBITDA margins were 36%. Profit Before Tax stood at ₹ 3,652 million in FY21.

Annual revenues for the Biosimilars business grew 21% to ₹ 28,002 million.

Key Milestones

Biocon Biologics reached several milestones in FY21. These included the Company's third biosimilar approval in the U.S., two recent approvals in the European Union (EU) and product commercialization in both developed and

emerging markets, widening the treatment options available to patients living with diabetes and certain cancers.

Value Unlocking

We have successfully initiated the process of unlocking value from our Biosimilars business and raised ~USD 330 million from marquee private equity investors such as True North, Tata Capital, Goldman Sachs and ADQ. The most recent PE investment in Jan 2021 (by ADQ) had put the post money valuation of Biocon Biologics at ~USD 4.17 billion. The capital raised is being deployed primarily to fund the ongoing expansion and qualification of our manufacturing facilities and to support our R&D programs, besides the redemption of Biocon Limited's preference shares in Biocon Biologics.

We have raised ~USD 330 million from marquee private equity investors such as True North, Tata Capital, Goldman Sachs and ADQ.

Product Launches and Approvals

Commercialization of Insulin Glargine (*Semglee*) in the U.S. in August 2020, through our partner Viatris, is a milestone achievement for Biocon Biologics in making insulin-based therapy accessible for people with diabetes globally. We are proud to provide another quality treatment option for more than 30 million Americans living with diabetes in the U.S.[1]

The European Commission approved our Bevacizumab, developed in partnership with Viatris, close on the heels of approving Insulin Aspart. These approvals give us a robust portfolio of five approved biosimilars in Europe along with an economic interest in two more approved in-licensed products. Moreover, we received approvals from regulators of over 20 Emerging Market countries in FY21 for our portfolio of biosimilars.

Boosting Manufacturing Capacity

We continued to make investments in building global scale, cost-competitive, complex manufacturing capabilities to address market opportunities worldwide and enhance patient access to our high quality biosimilars. Our capital expenditure in FY21 was ~USD 125 million, net of partner funding, primarily for the expansion of our production capacity for monoclonal antibodies (mAbs). In FY22, we are looking at an additional capital expenditure of about USD 100 million.

Our FY21 capital expenditure of ~USD 125 million was primarily on expansion of our production capacity for monoclonal antibodies.

Our new facility, one of the largest mAbs manufacturing facilities in India, has been qualified and is awaiting commercialization. This is the first biopharma facility from India to receive an Honorable Mention as Facility of the Year by the International Society for Pharmaceutical Engineering (ISPE). We have also built another new facility with state-of-the-art single use technology to support our monoclonal antibody portfolio.

Strengthening Research Capabilities

On the Research & Development front, we enhanced our in-house capabilities and capacity, improved the efficiency of the R&D engine and supported the progress of our in-development biosimilars pipeline in line

with the Company's vision to be a leading global player.

Going ahead, we expect to increase our investment as we advance the development of our next wave of biosimilar molecules, which we expect to commercialize over the second half of this decade.

Quality is a part of Biocon Biologics' DNA and we are committed to making available medicines that are safe, effective and of high quality. To strengthen our Quality Control and Quality Assurance systems further we accelerated the adoption and implementation of best-in-class digital processes during the year and will continue to invest in this multi-year effort.

Widening Our Commercial Footprint

We continued to expand our commercial footprint across global markets. We have established a strong foothold in developed markets like U.S., Canada and Australia through our partner Viatris who remain focused on gaining market shares for our key biosimilars and ensuring success in the new launches expected next year.

Biocon Biologics also has a wide commercial footprint across many of the top 20 Emerging Markets, where we have partnered with leading local pharma companies. Our efforts to expand business in these markets led to an increase in market shares for our bTrastuzumab (in Brazil, Malaysia, and Indonesia), rh-Insulin (in Mexico, Thailand, and Vietnam), and bGlargine (in Malaysia and Bangladesh).

We repurposed our novel biologic drug Itolizumab to treat the cytokine release syndrome observed in some COVID-19 patients.

Tackling COVID-19

Since early 2020, COVID-19 has had devastating social and economic consequences worldwide, impacting business across many industries. The pharmaceuticals industry, whilst being at the forefront of the fight against COVID-19, did face several challenges that impacted product development, regulatory inspections and approvals, and commercial demand on account of delays in tenders and reprioritization of healthcare budgets. It was also a challenge sustaining peak operating performance whilst adopting stringent COVID related safety protocols and managing strained supply chains.

Despite the challenges, we continued to serve patients across the world. As an innovation driven organization, we entrusted our research team to find solutions to help combat the raging pandemic. In a short span of time, Biocon Biologics repurposed its novel biologic drug Itolizumab, an anti-CD-6 monoclonal antibody, to treat the cytokine release syndrome observed in some COVID-19 patients. The product, *ALZUMAb-L*, received emergency use authorization from the Indian drugs regulator and proved to be a good therapy option for doctors to treat moderate to severe ARDS patients and enabled them to save lives. In order to address the growing patient needs we rapidly scaled up our production capacities and succeeded in ensuring supplies of Itolizumab to all parts of the country thus benefitting over 27,000 patients during the pandemic thus far.

In addition to *ALZUMAb-L*, we offered a comprehensive COVID-19 therapy portfolio encompassing *CytoSorb*, *ARAFLU* and *RemWin*, which cater to patients at different stages of the disease continuum.

Biocon Biologics reinforced its reputation of resilience and reliability through its agility in using its scientific and manufacturing prowess to supply critical therapies for COVID-19 to patients in India.

We succeeded in our core mission of serving patients on the strength of our purpose driven organization, an engaged and visible leadership, an effective communications strategy, quick and agile decision-making, a motivated workforce and technology-enabled digital solutions.

We offered a comprehensive COVID-19 therapy portfolio encompassing *ALZUMAb-L, CytoSorb, ARAFLU* and *RemWin*.

Our People

I commend the courage of our employees in demonstrating their commitment to patients by ensuring continuity of operations despite personal and professional challenges. All teams, both working on site and working from home, embraced the new normal and focused on minimizing any adverse impact to patients who depend on the Company's products. The can-do spirit of our people embodies our culture of collaboration and teamwork, where patients are at the core.

Strengthening Leadership

As part of our focus on organizational change to sustain our future growth, we promoted Shreehas Tambe to the role of Deputy Chief Executive Officer. He has been with the Company for over 20 years in diverse leadership and operational roles and has played a critical role in shaping our Biosimilars business. With his elevation, the Company will be able to draw on his expertise and leadership skills to drive business growth and achieve operational excellence.

All teams embraced the new normal and focused on minimizing any adverse impact to patients who depend on the Company's products.

Prepared for a Post-COVID Future

Whilst enduring the first wave of the pandemic, we put in place robust safety protocols, employee support schemes and business continuity plans that have now stood us in good stead as we confront the enormity of the second wave. We plan to deploy digital technologies in our manufacturing and supply chain to gain real-time control all the way from procurement to production to dispatch to serve patients in diverse markets. With the help of new digital tools we are aiming to enhance compliance and operational efficiencies.

As the COVID-19 pandemic stretches healthcare budgets, the need for affordable medicines for non-communicable diseases such as cancer and diabetes would become increasingly important. Biocon Biologics, as an integrated biosimilars player with a focus on developing therapies for chronic conditions, has the ability to make a difference to patients and healthcare systems across the world. We believe we are well placed to

deliver on our core purpose of developing quality alternatives to expensive biologics and enabling affordable access to these complex therapeutics.

Whilst near term uncertainties linked to the pandemic remain, we are confident of growing our Biosimilars business in a sustained manner, on the back of our robust business fundamentals, scientific know-how, efficient operations, early-mover learnings, and a broad product portfolio.

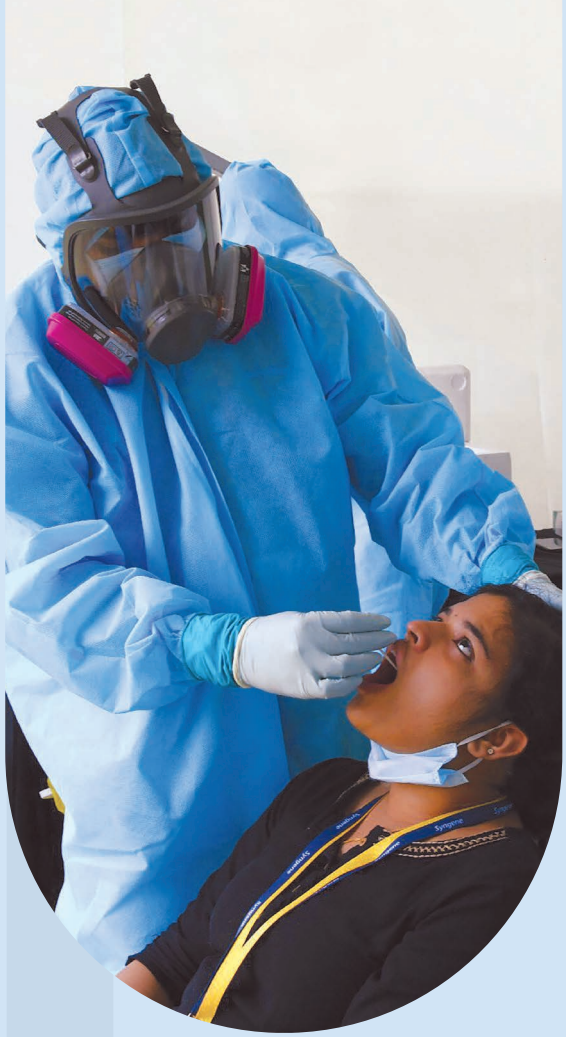
Best regards,
Sd/-
Arun Chandavarkar, Ph.D.
Managing Director, Biocon Biologics Limited
June 18, 2021

We believe we are well placed to deliver on our core purpose of developing quality alternatives to expensive biologics and enabling affordable access to these complex therapeutics.

Sources:
[1] Centers for Disease Control and Prevention. National Diabetes Statistics Report, 2020. Atlanta, GA: Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; 2020

Responding to the Pandemic

Unlimited Care



The Biocon Group reinforced its reputation of resilience and reliability by continuing to supply life-saving therapies worldwide, despite lockdowns and other production and supply chain disruptions due to COVID-19. A robust business continuity plan allowed us to overcome unprecedented challenges to meet our business commitments. The indomitable spirit of our people supported by prudent management and disciplined implementation of COVID appropriate protocols across our facilities, helped us deliver on the promise of unlimited care to patients who use our therapies.

Keeping Manufacturing Operations Going

Our first priority was to ensure that the challenges created by the pandemic did not hamper normal manufacturing operations across our facilities in India and Malaysia. We continued with the production, quality and R&D operations to ensure that our patients across the world did not suffer from shortages of critical medicines like insulins, anti-cancer biosimilars, statins and immunosuppressants.

- Dedicated COVID Task Force ensured business continuity while making sure our employees were safe.
- ISO 22301:2019-compliant Business Continuity Management System implemented to identify disruptive events proactively, mitigate their impact and protect our human resources.
- Production planning was recalibrated to introduce optimized shift timings and staffing, core teams were on standby at sites to ensure smooth operations.
- Automation and digital technology leveraged to reduce human engagement and thereby reduce employee density at our sites.
- Uninterrupted supply of power and utilities ensured to all our manufacturing units by Central Engineering Department team.
- Implemented a comprehensive Zoning system dividing sites into multiple, color-coded zones to restrict people movement in order to minimize the risk of potential wide-spread infection.
- Zone-specific cafeterias, badges, lanyards etc. were introduced to help monitor people movement.
- Restricted distribution of super-access tags for people required to move between different zones.
- Periodic area/ facility sanitization in each manufacturing block was undertaken.
- Block managers were identified to facilitate movement of employees to ensure presence of critical production staff for continuity of operations.
- Employees were provided relevant travel passes and accommodation closer to production sites.
- Daily tracking of positive COVID-19 cases and tracing of primary, secondary contacts were done at various blocks to minimize the risk of transmission and ensure the safety of our people.
- Optimized shift timings and staffing, introduced rotational rosters, created 'work bubbles' to minimize the risk of potential spread of infection.
- Quality, Supply Chain Management, Human Resources and Administration teams worked together to deliver on commitments.

Ensuring Quality

A strong culture of quality is the bedrock of our operations at Biocon. In line with the larger enterprise excellence culture, we prioritized the quality of the products we manufacture through continuous monitoring, investigation and improvement as we navigated the COVID-19 crisis. Despite challenges, we continued to deliver on our promise of serving our patients and partners with medicines that are safe, effective and of the highest global quality.

- Digitization initiatives accelerated to build on our robust quality system and to ensure data reliability.
- Initiated implementation of several digital solutions, like Trackwise Quality Management System (QMS), Scientific Data Management System (SDMS), Laboratory Information Management System (LIMS) etc. to enhance compliance and efficiency.
- Periodic qualification and calibration activities in ongoing batches carried out despite resource constraints.
- Regulatory requirements fulfilled through smooth execution of production and quality control processes.
- On-time support provided for document issue, document distribution, review of change control, document support and review of qualification documents.
- Monitored lab inventories and coordinated with cross-functional stakeholders to ensure that operations remained uninterrupted.
- Ensured monthly dispatches remain undisrupted through proper planning of in-process operations, finished product analysis, review of data, audit trails, daily update of QMS activities, follow-up on the QMS records and regular reporting.
- Addressed critical regulatory submissions and prepared various documents for responding to queries on time.

Keeping our People Safe

Employee safety is paramount for us at Biocon. In the wake of the pandemic, we set up a dedicated COVID Task Force to ensure employee safety and business continuity. We ensured a safe and secure work environment for our people so that they had the peace of mind to focus on quality excellence and ensure full compliance with zero deviation. We motivated everyone to put their best foot forward during this time of crisis and stay focussed on the common purpose of serving patients.

- Initiated proactive onsite RT-PCR testing of our employees to identify infection cases if any, and provided necessary quarantine and medical support.
- Offered immunization against COVID-19 to employees as well as their families through Syngene; vaccinated ~10,000 or 90% of employees by first week of June 2021.
- Signed up multiple indigenous vendors to procure gloves, masks, personal protective equipment (PPE) suits etc. and produced hand sanitizers in-house to protect the workforce.
- Temperature monitoring, screening at Occupational Health Center, sanitization and PPE distribution conducted regularly.
- Increased the frequency of facility cleaning, ensuring regular sanitization of high-traffic surfaces like door handles, elevator buttons, lockers and touch screens.
- Introduced 'zoning' as an additional safety measure at our facilities to restrict movement of people and ensure physical distancing.
- Introduced safety protocols in buses to ensure physical distancing; fumigated and sanitized buses multiple times in a day.
- Organized accommodation for employees involved in critical functions in close proximity to our facilities to ensure their health and

safety and easy commute.
- Moved large events such as employee townhalls and our annual shareholders meeting online.
- Ensured that more people could 'Work from Home' by quickly equipping eligible employees with laptops.
- Transitioned to virtual job interviews and orientation for new recruits.

Keeping Supply Chain Intact

As COVID-led disruptions threatened the pharmaceutical supply chain, we quickly set out to find alternative options to ensure manufacturing operations continued uninterrupted and our products reached our customers. To ensure seamless supply of raw materials and finished products, we collaborated with global logistics service providers and customs and freight forwarding agencies. We proactively identified, evaluated and qualified multiple vendors across the value chain to de-risk single supplier dependency.

- Identified and developed indigenous suppliers to fulfil our raw material needs and reduce the China dependency for key inputs.
- Proactively planned for obtaining Customs clearances and vessel space by mapping logistics routes from vendors' factories to seaports.
- Arranged multi-layered logistics for high-risk vendors to ensure timely and seamless supply of raw materials at all Biocon sites.
- Maintained strategic inventory for critical materials at different nodes of the supply chain.
- Closely tracked all COVID-related guidelines being issued by the governments of different countries and moving our stocks accordingly.
- Used alternative transportation ports, both air and sea, for quick product despatch.
- Adapted to changes in the U.S. FDA approval process and obtained pre-approvals wherever allowed to prevent hold up in shipments.
- Delivered to over 60 countries through judicious utilization of two operating freighters amid scarcity of global air cargo capacity.

Making Use of Technology

We accelerated the pace of technological adoption across the organization to deliver on our commitments despite an uncertain business environment. Digital solutions helped reinvent operations and minimize health risks to our employees. We transitioned to remote work wherever feasible and where it was not an option we used technology to create a virtual environment to enable business continuity.

- Remote working model mobilized quickly by issuing laptops to employees eligible to work from home and providing 24X7 IT support.
- Digital platforms for communications and collaboration enabled teams to work effectively from remote locations.
- Leadership and other critical communications routed through virtual meeting platforms, emails and SMSs kept workforce informed at all times.
- Digital clinical trial platform introduced to accelerate clinical trials amid COVID-related restrictions.
- Virtual hiring platform for recruitment and onboarding of newcomers ensured all aspects of the hiring program were available to HR teams.
- Addressed all documentation requests when several international regulators switched to digitally enabled facility inspections.
- Deployed video technology to give regulators an immersive virtual facility tour to facilitate virtual inspections.
- Implemented digital solutions to connect with suppliers for

improved material movement tracking and real-time updates.
- Digital solutions such as webinars, online advertisements, emails and social media campaigns used extensively for sales and marketing.
- Customer visits and acquisitions facilitated through immersive virtual reality based solutions.

Keeping our People Engaged and Motivated

FY21 was a critical year for the Global Communications Team as well. It ensured a continuous stream of open, two way communication between the leadership and the rest of the organization amidst the pandemic. Through targeted Internal Communication campaigns we boosted employee morale and promoted a positive mindset by addressing their concerns and challenges. At the same time, we reinforced Biocon's positioning as a global, innovative and trustworthy brand, working towards transforming healthcare and impacting millions of patient lives globally.

- Introduced an engaging, integrated communications program, 'With You Always,' for employees working on site as well as from home.
- Encouraged employees to strictly comply with COVID-appropriate behavior, ensuring their health and well-being.
- Shared leadership videos and messages and other communications frequently to engage with our people and make them feel safe.
- Ensured employees were kept engaged and motivated through contests, informative videos, emailers on safety guidelines, government advisories, company announcements etc.
- Launched a dedicated microsite 'UNITED AGAINST COVID-19' as a one-stop resource for employees to get information on national and state government notifications, health advisories, as well as replace fake news with facts.
- Prioritized employees' mental wellness by sharing speeches and talks by motivational speakers, inspirational leaders as well as mental health coaches.
- Highlighted accounts of people who survived COVID-19 against all odds through our 'Stories of Hope' series.
- Launched 'Your Safety Our Priority' Campaign to promote vaccination for employees and their family members.
- Acknowledged and appreciated the contribution and commitment of our employees in braving the pandemic through the 'Our Heroes – The Frontline Soldiers' campaign.
- Used our social media channels effectively to build awareness, provide credible information, and remove stigma around COVID-19.
- Several campaigns like #SmashCOVID-19Stigma,#BreakTheChain,#YouAreImportant, #UnitedAgainstCOVID were run on the Company's social media channels to appreciate contributions from healthcare warriors, to address myths associated with COVID-19 and to promote vaccination.
- Introduced Itolizumab, our repurposed novel biologic for treating COVID-19 related complications, through a virtual press conference and a webinar.
- Through video bytes from Patients and Doctors personal experiences with Itolizumab, created awareness on this therapy to enable saving of maximum patient's lives.
- Active social media listening and close monitoring of our external communication channels allowed us to respond to a large number of SOS messages, for our life-saving drugs from patients across the country, during the lockdown.

Q&A with the CFO

Unequivocal Progress

How will you describe the financial performance of Biocon?

In FY21, our total consolidated revenues grew 14% to ₹73,603 Million (₹64,619 Million in FY20). Our revenues from operations were up 13% at ₹71,058 Million (₹63,005 Million in FY20). From a segment standpoint, the Biosimilars business reported 21% growth to ₹28,002 Million (₹23,151 Million in FY20), and Research Services posted a 9% growth to ₹21,843 Million (₹20,119 Million in FY20). The Generics segment grew 6% to ₹23,359 Million (₹22,070 Million in FY20).

EBITDA grew 8% to ₹19,071 Million (₹17,645 Million in FY20). The EBITDA margins stood at 26% (27% in FY20). Our Net Profit from Continuing Operations for FY21 was down 3% to ₹7,502 Million (₹7,771 Million in FY20).

During the year, the exceptional items stood at ₹126 Million and comprised the following:

a) Insurance Claims of ₹350 Million related to the fire incident at Syngene in 2016

b) Severance pay-out of ₹224 Million to the erstwhile leadership team at Biocon Biologics

We also recorded a gain of ₹1,597 Million in FY21 on account of the fair valuation of Bicara, where we ceded control over the Board of Directors and operations. Bicara has been reclassified from subsidiary to associate, and this gain has been reported under "Other Income." Adjusting for the gain from Bicara, our FY21 EBITDA stood at ₹17,474 Million, reflecting an EBITDA margin of 24% and a Core margin of 32%. Adjusting for this, our Net Profit stood at ₹5,943 Million.

Indranil Sen
Chief Financial Officer

FY21 total consolidated revenues grew 14% to ₹ 73,603 Million.

How did COVID-19 impact the performance of the Company?

FY21 posed us several challenges from a business and operations standpoint. First, strict COVID-19 safety measures at our R&D and manufacturing facilities restricted our ability to operate at full capacity. Second, the delay of new product launches in both Generic Formulations and Biosimilars due to delays in the inspections impacted our growth. Third, COVID-19 related challenges in the marketplace, such as delays in tender, reprioritization of budgets, and entry into new markets, impacted our biosimilars ramp-up. That said, we responded to the changing times and aligned our resources to ensure continuity of operations, simultaneously exercising financial prudence and strong governance.

We responded to the changing times and aligned our resources to ensure continuity of operations, simultaneously exercising financial prudence and strong governance.

Why has the Company not declared a dividend this year?

We are conscious that the pandemic is far from over, and it will continue to pose new challenges. Given the uncertainty created by the second wave of the pandemic, and our continued investments in R&D and Capex, the Board of Directors decided it would not be appropriate to declare a dividend for FY21.

The Generics segment saw modest growth this fiscal; how do you expect this segment to perform in the coming year?

The Generics segment accounted for 31% of the consolidated revenues in FY21. The segment reported modest growth, mainly on account of COVID-19 related challenges, increasing competition, and pricing pressure. In APIs, the demand for immunosuppressants remained strong, while we faced a challenging pricing environment in key established statin products due to an increase in competition. Our ongoing capacity expansion projects will help us ramp up our volumes for immunosuppressant APIs and expand our API portfolio. While our formulations retained their market share, this segment also experienced pricing pressure in the U.S.. We are undertaking several cost improvement measures to drive efficiencies and improve our cost structures. We continue to deploy capital to create capacity and introduce new products through our R&D efforts to demonstrate growth in the coming years.

In APIs, the demand for immunosuppressants remained strong in FY21.

How did Biocon Biologics perform this year? Can you share your views on the outlook of this business in the future?

Biocon Biologics recorded revenues of ₹28,002 Million, representing year-on-year growth of 21%. This segment now accounts for 37% of our group revenues. While we have seen growth in FY21, certain business challenges were amplified by COVID-19, restricting our ability to achieve our initial targets. While we have been gradually recovering from the impact of COVID-19, the second wave of the pandemic may pose fresh challenges. We are, however, confident that our robust business fundamentals, scientific know-how, and wide product portfolio will lead us to strong growth in the coming years.

How do you plan to deploy that $330 million that Biocon Biologics raised from marquee investors? Do you expect to raise more capital in the future?

The capital is being used for investment in capex and R&D, meeting operational expenses in Biosimilars, and redemption of preferential shares held by Biocon Limited, which will be deployed to fund our Generics business expansion. For now, we are well-placed to meet our near-term capital requirements.

Capital raised by Biocon Biologics is being used for investment in capex and R&D, meeting operational expenses in Biosimilars, and redemption of preferential shares held by Biocon Limited.

Gross R&D spends during FY21 was 13% of revenues (ex-Syngene). Do you see this trend continuing in FY22?

We continue to make investments to strengthen our commercial portfolio and development pipeline in both Generics and Biosimilars. We will also selectively invest in the Novel Biologics business (ex-Bicara). Our absolute spending on R&D programs is expected to remain steady, and Gross R&D expenditure is expected to remain between 12% and 15% of revenues, ex-Syngene

Gross R&D expenditure is expected to remain between 12%-15% of revenues, ex-Syngene.

How do you see the Capex cycle for the Company in FY22?

As we continue to invest in building capacities across segments, the capex guidance for FY22 is estimated at USD 300 Million - USD 320 Million (USD 100 million each for Generics and Biosimilars, and USD 100-120 Million for Research Services). The capex will be funded through a combination of internal accruals and funds already raised through private equity investments in Biocon Biologics.

What have been the key digital initiatives and areas of focus for internal controls?

We are embracing digitalization in a big way, which, we believe, will help us become more efficient in terms of execution, cost, level of accuracy, and speed. We have begun our digitization journey by automating some of the key processes that are carried out manually via robotics or advanced systems, rolling out dashboards across functions that enable the business to take decisions on a timely basis. This reflects our commitment to digitalization and makes us future-ready. We are also automating some of the processes which were earlier executed with manual intervention. In fact, the phased rollout of automation in our key processes is beginning to show encouraging results.

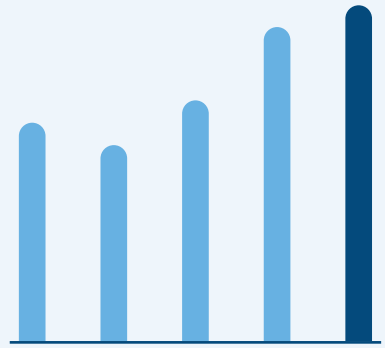
Financial Highlights

Segment Wise Revenue*#

Generics
₹ Million

Growth **6%**

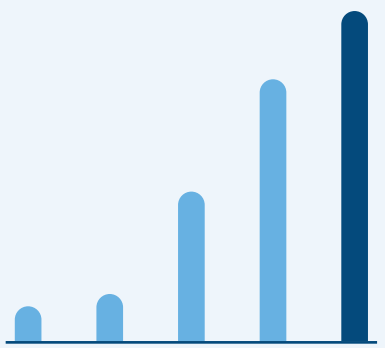
2017	2018	2019	2020	2021
16,405	15,077	17,728	22,070	**23,359**



Biosimilars
₹ Million

Growth **21%**

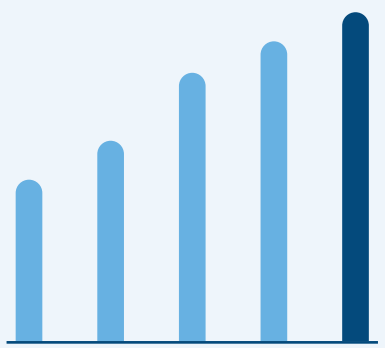
2017	2018	2019	2020	2021
7,018	7,702	15,169	23,151	**28,002**



Research Services
₹ Million

Growth **9%**

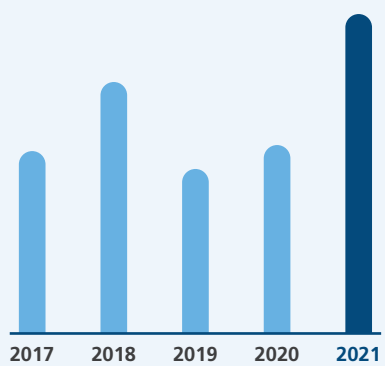
2017	2018	2019	2020	2021
11,925	14,231	18,256	20,119	**21,843**



Other Income
₹ Million

Growth **58%**

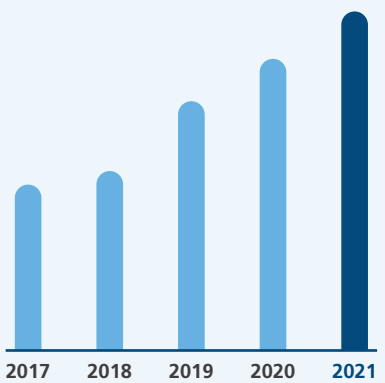
2017	2018	2019	2020	2021
1,571	2,062	1,444	1,614	**2,545^**



Total Revenue
₹ Million

Growth **14%**

2017	2018	2019	2020	2021
40,787	43,359	56,588	64,619	**73,603**



*Includes inter-segment revenue

#Effective April 01, 2020, the Group pursuant to its internal restructuring process has restated segment information for FY21 and FY20.

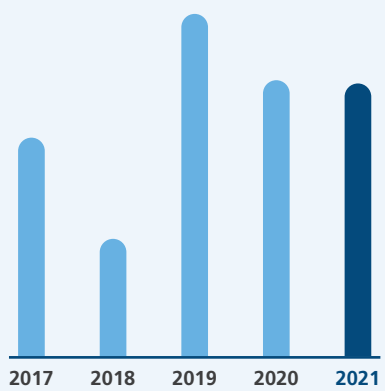
^Includes fair valuation gain of Bicara ₹ 1,597 million.

Profit^$

₹ Million

Growth **-1%**

2017	2018	2019	2020	2021
6,121	3,724	9,053	7,482	**7,405**

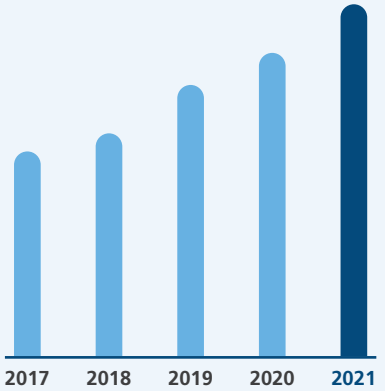


Net Worth

₹ Million

Growth **14%**

2017	2018	2019	2020	2021
48,377	51,808	60,980	67,058	**76,269**

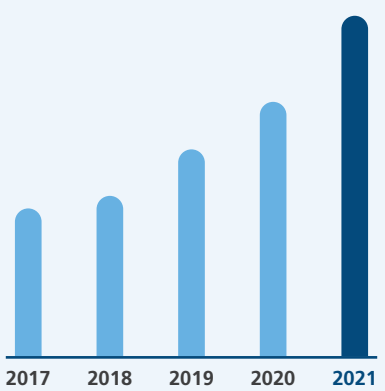


Total Assets

₹ Million

Growth **28%**

2017	2018	2019	2020	2021
93,942	99,897	1,21,924	1,44,438	**1,85,223**



Current Ratio

₹ Million

2017	2018	2019	2020	2021
2.41	1.94	1.61	1.33	**1.81**

Gross R&D Spend

₹ Million

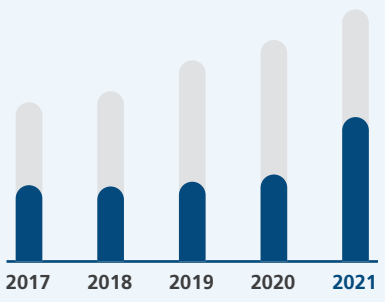
Growth **19%**

2017	2018	2019	2020	2021
4,019	3,804	4,796	5,271	**6,270**

Debt : Equity

₹ Million

	2017	2018	2019	2020	2021
Equity	48,377	51,808	60,980	67,058	**76,269**
Debt	23,025	22,640	24,070	26,254	**43,586**



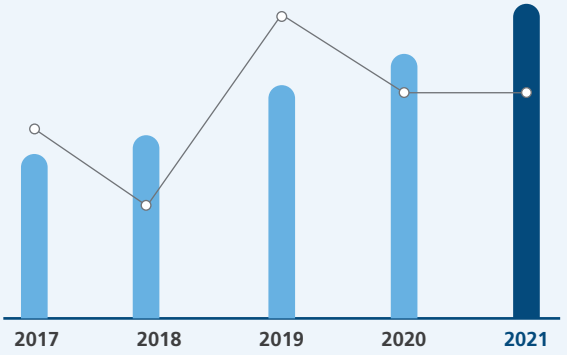
^includes exceptional items for the years 2019, 2020, 2021

$includes loss from discontinuing operations for the years 2020 and 2021

EPS & Book Value Per Share#

₹

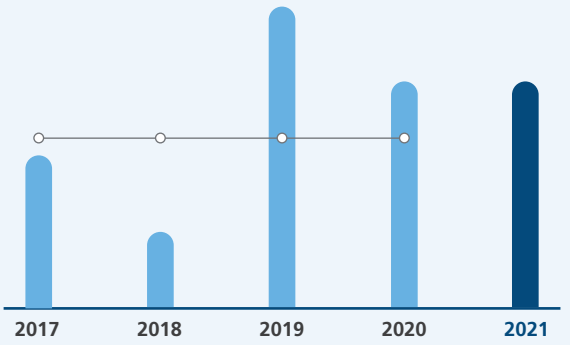
	2017	2018	2019	2020	2021
Book Value per share	40	43	51	56	**64**
EPS	5.17	3.10	7.65	6.32	**6.24**



EPS & Dividend Per Share#

₹

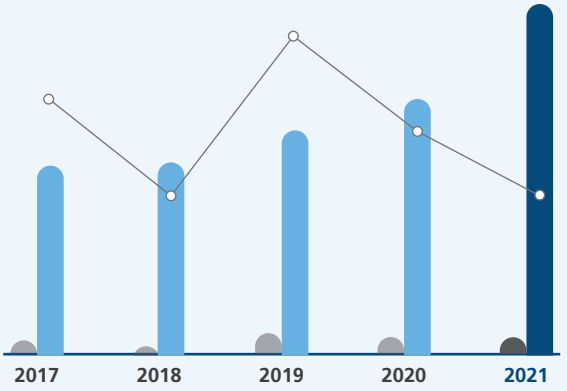
	2017	2018	2019	2020	2021
EPS	5.17	3.10	7.65	6.32	**6.24**
Dividend per share	0.5	0.5	0.5	0.5	**-**



Return on Net Assets^@

₹ Million

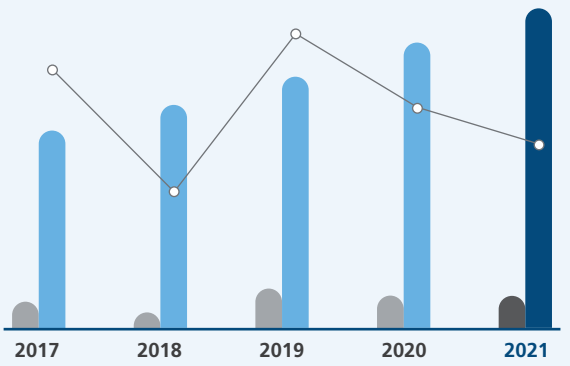
	2017	2018	2019	2020	2021
Net Assets	77,159	78,484	91,539	1,04,358	**1,43,122**
Profit	6,121	3,724	9,053	7,482	**7,405**
Return on Net Assets	8%	5%	10%	7%	**5%**



Return on Net Equity^

₹ Million

	2017	2018	2019	2020	2021
Average Equity	44,358	50,093	56,394	64,019	**71,664**
Profit	6,121	3,724	9,053	7,482	**7,405**
Return on Net Equity	14%	7%	16%	12%	**10%**



^includes exceptional items for the years 2019, 2020 and 2021.
#2017 - 2019 are adjusted for bonus issue in 2020
@Net Assets = Total Assets - Current Liabilities

Board of Directors

Uncompromising Leadership

Biocon's Board of Directors provides effective leadership by engaging, enabling and encouraging the management to deliver on the Company's vision, mission and values. The diverse and multidisciplinary group of knowledgeable and experienced professionals possess the relevant skills, expertise and competence to guide the Company through business-as-usual scenarios as well as in extraordinary times. Our directors serve as a source of advice and counsel in ensuring the highest levels of corporate governance through risk control and regulatory compliance. They also act as mentors for the management in value creation and value enhancement, whilst upholding our firm commitment to ethics and values.

Our Board's diversity, in terms of gender, age, experience, ethnicity, geography and industry expertise contributes significantly to enriching the quality of the Company's decision-making process.

Our directors have vast insights and experience across Research & Innovation and Scientific Knowledge, General Management, Finance & Risk Management, Corporate Governance & Compliance, Global Healthcare and Technology & Digital Perspective. Our international board members are based in the U.S., Europe, and Canada and bring diverse perspectives to address the demands of global healthcare. Our Board comprises nine members, including two women members, and an appropriate mix of two Executive Directors, two Non-Executive, Non-Independent Directors and five Independent Directors.

Key Expertise Of The Board

Board of Directors	Research & Innovation	General Management	Finance & Risk Management	Corporate Governance & Compliance	Global healthcare	Technology & digital perspective	Scientific knowledge
Kiran Mazumdar-Shaw	o	o	o	o	o		o
John Shaw		o	o	o	o		
Siddharth Mittal	o	o	o	o	o	o	
Prof. Ravi Mazumdar	o		o			o	
Mary Harney	o			o	o		
Daniel Mark Bradbury	o	o	o	o	o		
Dr. Vijay Kumar Kuchroo	o					o	o
Meleveetil Damodaran		o	o	o			
Bobby Parikh		o	o	o			

Kiran Mazumdar-Shaw

Executive Chairperson

Chairperson of the Board of Directors since inception

Year of birth: 1953 | Nationality: India

Professional Experience

- First-generation entrepreneur
- Founded Biocon in 1978
- Non-Executive Chairperson, Syngene
- Lead Independent Director at 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, Australia
- Signatory, The Giving Pledge
- 45+ years of experience in Biotechnology

Recognitions

- Recipient of Padma Shri (1989), Padma Bhushan (2005)
- 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)

Education

- B.Sc. (Zoology Hons.), Bengaluru 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

John Shaw

Vice Chairman and Non-Executive Director

Member of the Board of Directors since 1999

Year of Birth: 1949 | Nationality: UK / OCI

Professional Experience

- Foreign promoter and on the advisory boards of Biocon Group Companies
- Former Chairman, Madura Coats Limited
- Former Finance and Managing Director of Coats Viyella Group

Education

- M.A. (Economics Hons.) in History and Political Economy from University of Glasgow, UK
- Honorary Doctorate from University of Glasgow, UK

Siddharth Mittal

Managing Director & CEO

Member of the Board of Directors since 2019

Year of Birth: 1978 | Nationality: Indian

Professional Experience

- CFO, Biocon Limited (2014-2019)
- 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 U.S. divisions at 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

M. Damodaran

Lead Independent Director

Member of the Board of Directors since 2016

Year of Birth: 1947 | Nationality: Indian

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
- On the boards of leading Indian corporates as well as on the advisory boards of a few foreign entities
- Founder Chairman, Excellence Enablers Private Limited, a Corporate Governance advisory firm
- Founder Chairman, Indian Institute of Management, Tiruchirappalli
- Chairman, RBI Committee on Customer Service in Banks
- Chairman, Ministry of Finance's Committee on setting up Resolution Corporation of India
- Chairman, MCA's Committee on Reforming Regulatory Environment for Ease of Doing Business

Education

- L.L.B., University of Delhi
- B.A. (Economics), Loyola College, University of Madras

Bobby Kanubhai Parikh

Independent Director

Member of the Board of Directors since 2018

Year of Birth: 1964 | Nationality: Indian

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
- Former CEO, EY in India
- Country Managing Partner, Arthur Andersen
- Works closely with regulators and policy formulators
- Over 30 years of experience of working with private equity funds, other institutional investors and owners and managers of businesses in providing tax and regulatory advice in relation to transactions and other forms of business reorganizations

Education

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

Daniel M. 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
- Board Chairman, Castle Biosciences Inc & Biolinq
- Member, Advisory Council, Rady School of Management, San Diego, U.S.
- Life sciences executive with over 38 years of experience in creating and implementing strategies and transforming businesses
- Former CEO, Amylin Pharmaceuticals, a leading metabolic disease company, acquired by Bristol Myers Squibb in 2012

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

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 in pharmaceutical, healthcare, technology and financial services sectors
- Chancellor, University of Limerick
- Chairperson, Pharmed Limited
- Board member, Diona Technology
- Board member, Euro Insurances
- Board member, Brindley Healthcare
- Board member, Vital Voices Europe
- Member of International Women's Forum

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

Dr. Vijay Kuchroo

Independent Director

Member of the Board of Directors since 2015

Year of Birth: 1955 | Nationality: U.S. / OCI

Professional Experience

- Samuel L. Wasserstrom Professor of Neurology and Director of Evergrande Center for Immunologic Diseases, Harvard Medical School
- Senior Scientist, Brigham and Women's Hospital, all in United States
- Co-Director, Center for Infection and Immunity, Brigham Research Institute, Boston
- Member, Broad Institute of MIT & Harvard
- Founded multiple biotech companies including CoStim Pharmaceuticals and Tempero Pharmaceuticals
- Participant in a Klarman Cell Observatory project that focuses on T cell differentiation
- Holds 25 patents
- Published over 325 original research papers in immunology
- Serves on scientific advisory boards of leading pharmaceutical companies and works in an advisory capacity to several companies, including Pfizer, Sanofi and GlaxoSmithKline

Recognitions

- His paper on development of Th17 is one of the highest cited papers in immunology
- Named Distinguished Eberly Lecturer (2014)
- Recipient of many awards for the discovery of TIM-3 'checkpoint' molecules for cancer immunotherapy and Th17 cells in induction of autoimmunity
- Recipient of Peter Doherty Award for Excellence in STEM (2014)
- Ranbaxy Award for Medical Research from the Ranbaxy Science Foundation (2011)
- Recipient of the Javits Neuroscience Award from the National Institutes of Health (2002)
- Recipient of Fred Z. Eager Research Prize and medal for his Ph.D. (1985)

Education

- Doctorate in Pathology from the University of Queensland, Australia
- Fogarty International Fellow at The National Institutes of Health, Bethesda

Prof. Ravi Mazumdar

Non-Executive Director

Member of the Board of Directors since 2000

Year of Birth: 1955 | Nationality: Canada/OCI

Professional Experience

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

Recognitions

- Fellow of the Royal Statistical Society
- Fellow of the Institute of Electrical and Electronics Engineers (IEEE)
- Recipient of several Best Paper Awards from the IEEE and ITC

Education

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

Undivided Commitment

During COVID-19 pandemic, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remained undivided in our commitment to serve patients and enhance global healthcare throughout the pandemic.

Partners

Dhananjay Sonawane

Director – Pharma Health Care Division, Mega Lifesciences Limited, Myanmar

Our patients in Myanmar were delighted as we informed patient forums, retail pharmacies and hospitals on the availability of insulin stocks especially premix and Glargine. The lockdown in India during the pandemic had impacted us such that shipments were unable to reach Myanmar and we were facing shortages.

We appreciate Biocon's support in enabling shipments to Myanmar when flights were restricted, and we were dealing with logistics nightmare. This was a tremendous support that helped patients receive treatment and take charge of their health. We thank Team Biocon.

Dr. Manjunath Ramarao

Group Director & Head of Discovery Biology and Translational Sciences, Bristol Myers Squibb

Syngene has been a trusted long-term partner in our endeavor of discovering and developing novel drugs. They have gone beyond our expectations in delivering projects even during the challenging times of the COVID-19 pandemic while keeping the safety of our people as the top priority.

Leonard Ariff Bin Abdul Shatar

Group Managing Director, Duopharma Biotech, Berhad, Malaysia

In these tumultuous times, the leadership shown by Biocon's Chairperson Kiran Mazumdar-Shaw, in accelerating global cooperation during the COVID-19 outbreak resonates with all of us at Duopharma Biotech.

As the pharmaceutical and healthcare industry is among the frontline in the fight against the pandemic, we are heartened as colleagues by the spirit of innovation-driven agility exemplified by several key advances such as Biocon's breakthrough drug Itolizumab, approved mid-2020 for emergency use in moderate to severe COVID-19 patients.

Scientific Advisory Board

Uncharted Innovation

Alan D. Cherrington
Ph.D.

Professor, Molecular Physiology and Biophysics + Past Chairman, Molecular Physiology & Biophysics Department, Vanderbilt University + Associate Director of the Vanderbilt Diabetes Research and Training Center & Charles H. Best Professor of Diabetes Research + Holds Jacquelyn A. Turner and Dr. Dorothy J. Turner Chair in Diabetes Research + Past President of the American Diabetes Association (ADA) + Member ADA since 1972 + Member of editorial boards for scientific journals + Published 287 peer review papers and 84 review articles over past four decades + Honoured with the Frederick Banting Award in 1997 & Josiah Kirby Lilly Sr. Distinguished Service Award in 2002

G. Alexander Fleming
MD

Founder and Executive Chairman of Kinexum LLC + President and Chief Executive Officer of Tolerion + Member of the expert working groups on Good Clinical Practices and General Considerations for Clinical Trials of the International Conference on Harmonization (ICH) + Frequently published scientific articles and book chapters

Harold E. Lebovitz
MD FACE

Professor of Medicine at National Institutes of Health (NIH) + Ex-Professor of Medicine/ Chief of Endocrinology & Diabetes of NIH sponsored Clinical Research Center at the State University of New York, Health Science Center, Brooklyn + Ex Director of NIH-sponsored Clinical Research Center + Serves on the Board of Directors of the American Association of Clinical Endocrinologists (AACE) + Served on numerous review committees for ADA, NIH and the Veterans Administration + Authored more than 200 peer-reviewed publications and more than 100 book chapters + Recipient of several awards including the 1994 Albert E. Renold Medal of the ADA

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.

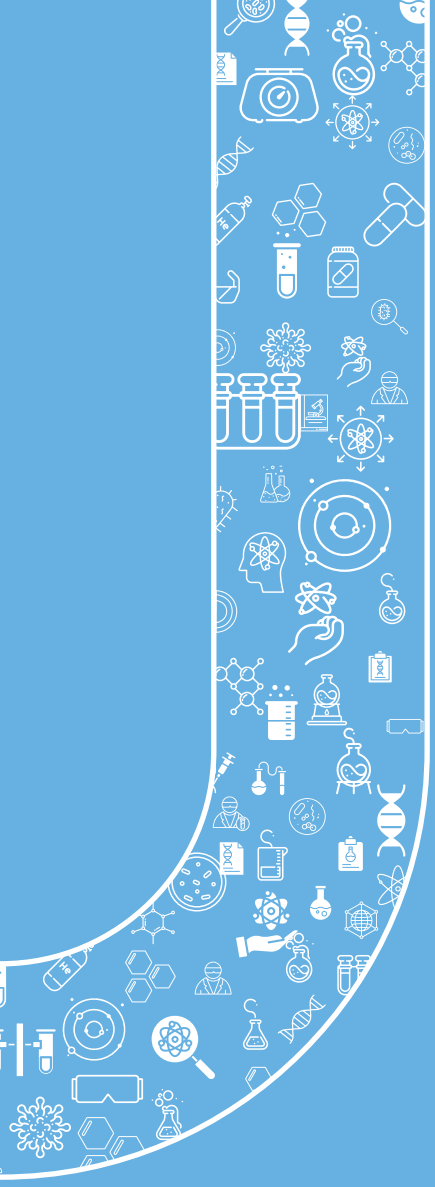
Professor of Diabetic Medicine, Institute of Cardiovascular & Medical Sciences, University of Glasgow + President, European Group for the Study of Insulin Resistance + Lead author of a statement on the risks and benefits of Insulin Pumps in 2015 + Member of the joint ADA and European Association for the Study of Diabetes (EASD) Technology Committee + Associate Editor of the journal of 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 + Received 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 (U.S.A), American College of Physicians (U.S.A) + 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.



Unmeasurable Commitment

During COVID-19 pandemic, we went the extra mile to serve patients and support the caregivers. We remained united in our commitment to enable access and make a difference to patients' lives throughout the pandemic.

Caregivers

Pravin Sarwankar
CBI, Mumbai

Thank you so much for your help! I could not have managed without you. I don't know about God but there is humanity for sure.

Suryakant Naik
Pune

Thank you so much for Itolizumab injection and special thanks to Biocon Biologics team for being very helpful.

Trisha Sinha Majumdar
Kolkata

I am thankful to state that the lifesaving injection "Itolizumab" was applied to my mother, who was very serious due to COVID-19, under BiPAP support admitted at JN Ray Hospital, Kolkata. To myself and even Doctors got amazed by the action of the injection as my mother started positive recovery sign within 6 hours of application of Itolizumab. She not only survived but recovered within 5 days without any further side effects. I am thankful for this support extended by Biocon and recommend application of Itolizumab to serious condition patients who are undergoing Cytokine storm when the doctor prescribes on time.

Raj Devar
Andhra Pradesh

Kiran Mazumdar-Shaw should be proud of her superb and prompt Biocon Social Media team. Reached out to them for a friend desperately looking for Itolizumab and received a prompt response.

Sanjiv Mishra
SSP, Patna

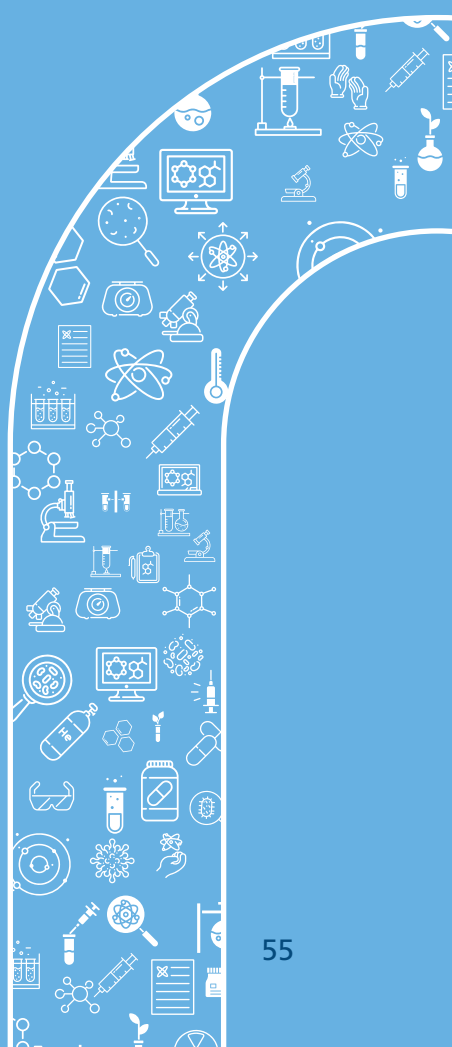
I am extremely happy to inform you that my mother has been discharged from hospital. Your advice of administering her Itolizumab acted as life savior for my mother. Thanks a lot.

Udayan Jain
Manager, Mahindra Insurance Brokers Limited

Your timely help in procuring *ALZUMAb-L* for my mother-in-law has helped her in recovering from COVID-19. Like million others I too have been an admirer of your work but did not know I would get a chance to interact in such a situation. I thank you from the bottom of my heart. I am a lawyer and have a counsel practice in corporate litigation, with all humility at my command, if I can ever be of help in some humble manner, it would be my honour and privilege.

Adarsh Kumar
New Delhi

I would like to thank Madam Kiran Mazumdar-Shaw and Biocon Biologics for the great work they are doing in saving people's life. Special thanks for responding promptly to our plea in the hour of need for providing *ALZUMAb-L*. Keep up the good work.



Biocon

Our Generics Business

Unmatched Affordability

Our Generics Business

Executive Leadership Team

Siddharth Mittal
Managing Director & Chief Executive Officer

Amitava Saha
Chief Human Resources Officer

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 & Central Engineering

Sriram AV
Head, Quality

Vivek Gupta
Head, Manufacturing & Projects

Our Generics Business

Unmatched Affordability

In a year that posed us a string of unforeseen challenges, our Generics business grew 6% year-on-year to ₹23,359 million in annual revenues.

The segment was impacted by multiple factors. Stockpiling by customers in the first half of the fiscal led to a muted demand for APIs in the second half. We saw pricing pressure on most of our products, particularly in the U.S. Travel restrictions due to the ongoing pandemic impacted facility inspections by regulatory authorities, which deferred product approvals and consequently, new product launches. Further, capacity enhancement projects were impacted by lockdowns imposed to control the pandemic, which delayed the delivery of long lead equipment and led to a shortage of construction workforce.

6% year-on-year to **₹ 23,539 million** revenue.

Despite such challenges, our formulations business witnessed healthy growth in the U.S. while our API business grew modestly, driven by immunosuppressants. We made steady progress with our plans to enter new geographies, either directly or through strategic partnerships, and received regulatory approvals for both formulation and API products. We continue to work towards strengthening our R&D and expediting product development, as reflected by the 33 product filings for APIs and 9 for formulations, globally.

We continue to focus on a slew of initiatives, including cost improvement programs and an organization-wide digitalization drive, which will enable us to strengthen our position as a global leader in APIs and establish a strong global presence with our formulations.

The year gone by has not only laid a solid foundation for our future growth, but also bears testimony to our resilience, endurance and relentless pursuit of our strategic imperatives in these challenging times.

We made steady progress with our plans to enter new geographies, either directly or through strategic partnerships.

In fact, our strategic priorities, coupled with our organizational values, serve as a guardrail in our journey to make high-quality, yet affordable therapies available to patients across the world.

Accelerated Product Development

As an innovation-led organization, we remain committed to investing significant resources to strengthen our R&D function, which holds the key to accelerated product development.

Over the past year, we reorganized our R&D function to enhance efficiency and facilitate cross-functional collaboration. We have stepped up our collaboration with academia through partnerships with premium institutions across India (Indian Institute of Technology -Bombay), U.S. (University of Minnesota) and Germany (Saarland University), among others.

We have planned investments to further strengthen our R&D infrastructure and instrumentation capabilities.

We are also enhancing our capabilities for biotransformation and strain improvement, among others, and adopting new packaging technologies.

These initiatives are aimed at enabling us to get things 'right first time' and reach the market at the right time and, at the right cost.

Manufacturing Expansion

Capacity expansion projects across our sites are at various stages of execution. These investments are aligned with our objectives to enhance technological capabilities, expand our customer base, increase engagement with existing customers and enter new markets, all of which makes it imperative for us to ramp up production.

Once completed, the new facilities will help us deliver on anticipated demand from existing and potential customers for our key APIs. It will also cater to our requirement for manufacturing vertically integrated, technologically intensive formulations, without compromising on volumes earmarked for API customers.

The construction of our greenfield immunosuppressant facility at Visakhapatnam was impacted by COVID-related challenges. Subject to any further such unavoidable delays, we expect this facility, to be commissioned in 2022, followed by qualification activities and regulatory approval.

We will continue to maintain a mix of in-house and contract manufacturing for our formulation products.

Strengthening Quality

As an organization that counts the well-being and safety of patients among its top priorities, Quality and Compliance are integral to our value system.

In FY21, we completed an inspection from MHRA, UK, for our oral solid drug product facility, with no critical or major observations. We received a Manufacturing and Import License and a Warehouse Distribution Authorization licence from the UK regulatory authority to import and commercialize our products in the region, bolstering our ability to enter this market directly. Consequently, we received a certificate of Good Manufacturing Practice from MHRA.

We initiated several measures to augment the quality culture across the organization, including the following:

- An organization-wide digitalization drive, which entails the implementation of Quality Management System (QMS), Scientific Data Management System (SDMS), Laboratory Information Management System (LIMS), and Learning Management System (LMS) to enhance compliance and efficiency.
- Several training and refresher programs were conducted for GMP functions to reinforce a quality mindset, comprising 'zero-tolerance' for deviations and doing things right first time.

De-risking & Sustaining Base Business

As we pursue growth opportunities through portfolio expansion and new market entry, we are equally mindful about the stability and sustainability of our base business.

We remain one of the largest manufacturers of statin and immunosuppressant APIs globally. Our key statin formulations, commercialized in the U.S., also continue to hold mid to high teens market share.

We plan to sustain/de-risk our base business through the following initiatives:

- Secure strategic relationships with key customers, expand our customer base and increase engagement with existing customers.
- Augment our portfolio of in-house developed products with in-licensed products.
- Continue to reduce dependency on a single vendor or geography for procurement of key starting materials (KSM) and other raw materials. This will shield us from rapidly evolving geopolitical dynamics and other risks related to operational disruptions at the vendor's location and enable us to continue operations at our facilities unabated.

Regional Expansion

We envision a strong global presence for our portfolio of APIs and formulations, to ensure that prohibitive pricing doesn't deter patients from accessing high-quality, affordable healthcare.

Having established ourselves as a global leader in APIs – in FY21 we catered to nearly 500 customers in more than 60 countries - we are confident about making a mark with our generic formulations as well. Our confidence stems from our unique value proposition of vertically integrated finished dosages, which ensures reliability of supply at a competitive cost.

In an important development for our API business, we received a DMF approval for an anti-diabetic product, Sitagliptin, in China, the world's largest pharmaceutical market. Despite FY21 being a challenging year, we accomplished 33 DMF filings with 14 DMF approvals globally, which reflects our unwavering focus on expanding our portfolio and entering new geographies.

We also expect to enter new markets such as Japan and Russia in FY22, following delays caused by the pandemic.

During the year, we made notable progress on the generic formulations front as well. We launched Tacrolimus capsules in the U.S. and received U.S. FDA approval for Everolimus tablets (gAfinitor), which we expect to commercialize in FY22. Both products are vertically integrated and will contribute to future revenue growth.

We inked a partnership with DKSH, a leading Market Expansion Service provider with a focus on Asia, to commercialize our portfolio of generic formulations in Singapore and Thailand, and with Libbs Farmaceutica, a leading pharma company in Brazil, to commercialise select products in the world's sixth most populous country.

We remain committed to strengthening our formulations business by entering new markets either directly or through partnerships, and expanding our portfolio through vertical integration of in-house APIs, as well as in-licensing deals.

People Development

We recognize human capital as a crucial enabler of our pursuit of innovation and excellence. It has therefore been our constant endeavor to develop and nurture talent and create an enabling environment that helps our workforce realize their professional aspirations.

We implemented several programs over the past year to enable our people to grow in their current roles, assume new responsibilities and acquire new skillsets.

Our leadership assessment and succession planning programs are intended to groom potential leaders for their next big role. We are also in the process of rolling out a career pathing framework, which will introduce our workforce to the entire gamut of opportunities across the organization and help them identify roles that are best suited to their skills and aspirations.

Comprehensive training programs to re-skill and cross-skill our employees continue to be a top priority for us.

While we accomplished a six-fold increase in overall learning hours in FY21 over the previous fiscal, implementation of a digital learning management system, with features such as on-demand and customized learning, will further boost our skill enhancement and development programs.

COVID-19 vaccination drive rolled out for our employees and their families.

We also continue to rollout several initiatives to ensure the physical and mental wellbeing of our employees, including an employee wellness mobile application, and a COVID-19 vaccination drive for our entire workforce and their immediate family.

Profitability And Cost Competitiveness

With competition mounting, we experienced pricing pressure for some of our key products in both APIs and formulations, which impacted our growth, as well as bottom line in FY21. We are cognizant of the fact that to deliver value to our customers, we must reach the market at the right time, and at the right price, which makes cost competitiveness one of our crucial strategic imperatives.

Our pursuit of cost competitiveness started with a mindset change, as we began challenging every cost, reduced discretionary spend and linked our budgets with the organization's strategic objectives.

Over the past year, we improved our cost structure through savings in procurement, as well as utilities by increasing consumption of renewable energy. Going forward, we will step up focus on cost improvement programs for our key products and optimization of capital expenditure.

Digital Initiatives

The competitive nature of the market and enhanced regulatory scrutiny on drug manufacturers make it imperative for us to become increasingly efficient and accurate in executing at scale and speed. Else, we stand the risk of being left behind.

Digitalization, the newest addition to our strategic priorities, is a step forward in that direction. We started our digitalization drive by strengthening our quality systems and training platforms. Digital tools and technologies minimize human error, facilitate informed, data-driven decision making, enable effective implementation of training programs and most importantly, help us meet or exceed regulatory expectation.

But that's the tip of the iceberg. As we prepare ourselves for the next phase of growth, we have set our sights on adopting industry 4.0, covering the whole gamut, from paperless records and automation of important processes, to implementation of AR/VR or advanced analytics and robotic process automation.

Outlook

The global Generics market is poised for substantial growth in the years to come, driven by a spurt in demand for efficacious and cost-effective substitutes for branded drugs. While the competitive nature of the business and uncertainties around the pandemic may continue to test us, we believe that our learnings from the year gone by and relentless execution on our strategic imperatives have laid a strong foundation for our future growth. Our initiatives around capacity enhancement, strengthening R&D capabilities, digitalization and cost improvement, to name a few, will enable us to overcome volatilities in the overall Generics landscape in the future and accelerate our growth momentum that will, in turn, create superior shareholder value.

Unquestioned Commitment

During COVID-19 pandemic, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remain steadfast in our commitment to serve patients and enhance global healthcare throughout the pandemic.

Partners

Rajiv Malik

President,Viatris

One of the most critical components of the Viatris and Biocon collaboration over the past year has been open and transparent communication. When physical borders started to quickly close in early 2020, we knew our top priority needed to remain the same – providing a reliable supply of biosimilar treatments to patients in need.

We're proud to say that we have been able to deliver on this goal by finding new ways to stay virtually connected, meeting more frequently through video calls and remaining nimble to provide additional support and resources to those impacted by COVID-19 including our own colleagues and their families around the world. Together we have been able to overcome many unprecedented challenges to meet patient needs. Thank you to the entire Biocon team for being a strong, committed and steadfast partner to ensure access to biosimilar medicines during these challenging times.

Wilfredo Colunga

Oncology Division Manager, Abbott EPD – Perú

The Peruvian Government considers that cancer care must be comprehensive and that it is essential to improve access to safe, effective and quality medicines. In this regard, Abbott and Biocon took on the challenge of improving breast cancer patients' access to high-cost, life-saving treatment, making it more affordable. The entry of BISINTEX (Trastuzumab) in Peru, allowed the State to save 2.9 million dollars, guaranteeing accessibility to patients who are part of the National Plan for the Prevention and Control of Breast Cancer, these resources were used in the fight against COVID-19.

Alcebíades de Mendonça Athayde Junior

Executive President, Libbs Farmaceutica, Brazil

Times like the one we are living show the importance of relationships based on ethics, in the commitment and respect to people. Since the beginning of COVID-19 pandemic, Libbs has been searching for technical alternatives, with scientific basis, for the reduction of virus transmission among its collaborators and to prevent the lack of drugs for those who need them. And it is the same commitment with the patients that we expect from our partners.

Over three years, Biocon has been a great partner of Libbs and, in a time when canceled flights and closed airports could compromise the supply of *Zedora* (Trastuzumab) to thousands of Brazilian patients, it was not different. We knew that we could, once again, count on Biocon efforts to get around this issue. Transparency, readiness in decision-making, and agile communication have been constant between the companies in order to ensure the access to patients to what they have the right to, their treatment. And it is this trust that reinforces our belief in the strengthening of our partnership in the long term.

Nakkiran Saravanakumar

Director, Innogene Kalbiotech, Philippines

Biocon has provided excellent services in supporting us to face the market dynamics and challenges in this pandemic era. We really appreciate how they are so accessible & committed. They have been working so hard to provide punctual product delivery despite of current circumstances. Our mutual and long-term partnership reflects the value of good collaboration, openness and innovation.

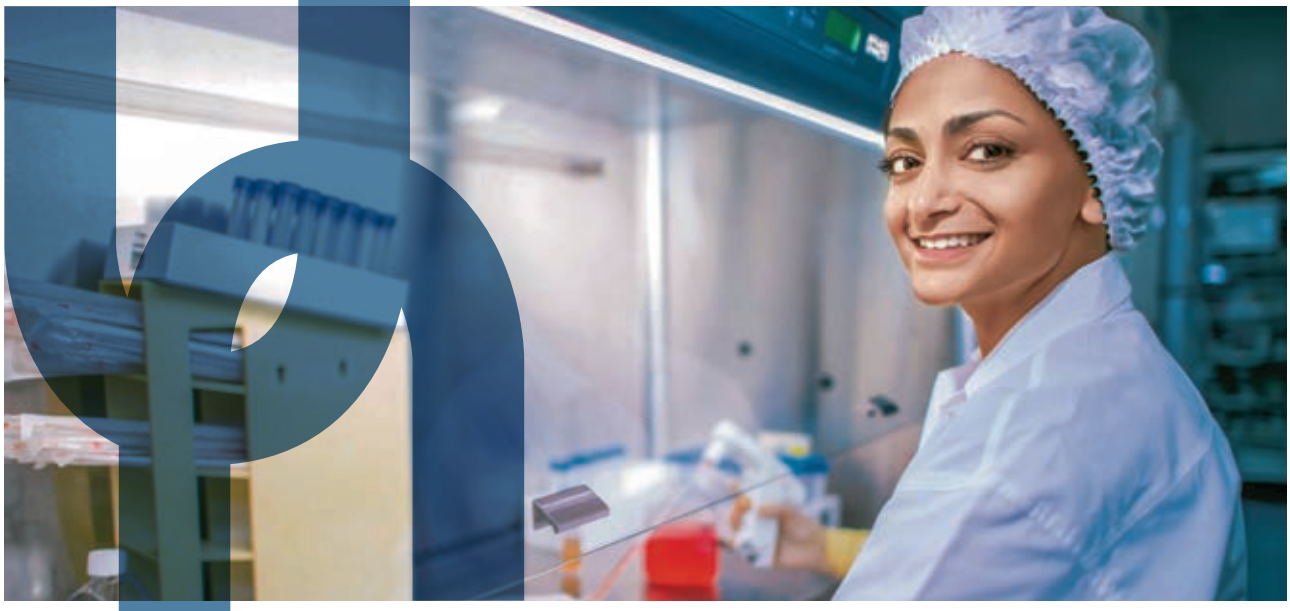
Nagesh NC

Director, R&D, Herbalife India

The Syngene team did a great job in completing all projects on schedule helping us launch new products despite the COVID-19 situation. Thanks to Syngene, we launched five new products this year: Skin Booster, ShakeMate, F1 Banana Caramel, Brain health & Immune Health.

Our Novel Biologics Business

Unbridled Innovation



Our portfolio of Novel assets, comprising therapeutics for diabetes, autoimmune or inflammatory diseases and cancer, reflects our track record of pioneering cutting-edge innovation. Our Novels program counts reputable organizations such as the U.S. based JDRF and Equillium as partners, which underscores its potential to impact lives globally.

Itolizumab

Itolizumab is playing a crucial role in the fight against COVID-19 in India, having benefited more than 27,000 COVID-19 patients as of May 2021. Itolizumab *ALZUMAb* was initially launched in India for the treatment of chronic plaque psoriasis in 2013. It was repurposed for the treatment of COVID-19 and subsequently made available to patients in July 2020, following an Emergency Use Approval from the Drugs Controller General of India (DCGI).

In September, *ALZUMAb-L*, a new 100 mg/vial formulation of Itolizumab, was approved by the DCGI for the treatment of cytokine release syndrome (CRS) in moderate to severe ARDS (acute respiratory distress syndrome) patients due to COVID-19.

ALZUMAb-L underscores our relentless focus on patient-centricity and affordability. Not only does it replace the need for four vials of the previous formulation with a single dosage but is also priced at less than

half of other comparable therapies. We continue to gather additional data as part of the Phase 4 post marketing study and Real World Evidence (RWE). Itolizumab's unique mechanism of immunomodulation involves binding to the CD6 receptor and blocking the activation of T lymphocytes, which in turn suppresses the pro-inflammatory cytokines, thus reducing inflammation. We believe this could help prevent and treat patients with CRS, which is a major cause of fatality in COVID-19 patients.

Out-Licensing Partnership

We out-licensed Itolizumab to U.S.-based biotechnology company Equillium Inc. in 2017. Itolizumab holds the potential for multiple high-value indications. Equillium is developing Itolizumab for multiple severe immuno-inflammatory diseases, including acute graft-versus-host-disease (aGVHD), lupus and lupus nephritis and uncontrolled asthma. We are expecting clinical data from all the studies in CY 2021.

Insulin Tregopil

Insulin Tregopil is a first-in-class molecule for post-prandial glycaemic (PPG) control. A clinical study report (CSR) of the phase 2 component of a study in India, evaluating higher dosage forms (up to 45 mg TID), has been submitted to the DCGI and the U.S. Food and Drug Administration.

While the data from our Type 2 diabetes studies were encouraging with respect to safety and PPG control, the marketing authorization application was deferred in the wake of the pandemic.

In FY20, we had commenced a multiple ascending dose study for Type 1 diabetes in Germany. The Phase 1 study, held in partnership with JDRF, a leading non-profit organization that funds research on Type 1 diabetes, is expected to be completed in FY22. We will decide on further development activities based on the outcome of this trial.

Bicara

BCA 101, Bicara Therapeutics' lead program, a first-in-class EGFR/TGFβ-trap bifunctional antibody, entered a Phase 1/2 study at leading U.S. and Canadian cancer centers in July 2020. BCA101 is under evaluation, both in combination with the checkpoint inhibitor Pembrolizumab and as a single agent, in patients with advanced Epidermal Growth Factor Receptor (EGFR) driven solid tumors, who stopped responding to the standard of care. We anticipate transitioning to dose expansion studies in the second half of calendar year 2021.

In an important development during the year, Biocon ceded control over the Board and operations of Bicara, which housed our immuno-oncology program focused on novel bifunctional fusion antibodies. As a result of this change, Bicara was classified as an Associate from a Subsidiary under IND-AS accounting standards. With its lead program, BCA101, achieving critical scale, this development will enable Bicara to operate independently under a U.S.-based leadership and raise funds to advance its development programs.

Outlook

We expect results from studies involving our Novel assets, which are currently underway at various stages of progress. The progress made so far signals a strong potential for our portfolio. The advancement of our programs will be driven by our inherent capabilities as well as external collaborations to fund more extensive studies required to bring these novel molecules to the market.

Unrestricted Commitment

During COVID-19 pandemic, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remain unrestricted in our commitment to serve patients and enhance global healthcare throughout the pandemic.

Employees

Dr. Praveen R

MBBS, MD, Head - Medical Affairs, Metabolics Business, Biocon Biologics

Working on the Itolizumab project was quite interesting and inspiring too. This project is an outstanding example of cross functional team collaboration. Most of the treating doctors were unaware on administration protocol for Itolizumab in COVID-19 patients. As part of the medical affairs team, one of the critical aspects is to train the treating physicians about right administration and usage of Itolizumab in COVID-19 patients.

In fact, we used to get 200+ telephonic calls in a day and the phone kept ringing day & night. These calls were from hospitals, physicians, nursing staff, pharmacy team etc. We worked together with our sales colleagues in making the drug available. To quote an instance, when Cyclone Nisarga hit Mumbai, our team traveled almost six hours from Mumbai to Pune to deliver the drug and saved a patient's life. As a team, we worked with utmost passion in delivering science to save patients' lives. Trust me, it is a life changing experience!

Dr. Sandeep Nilkanth Athalye

Chief Medical Officer, Biocon Biologics

COVID-19 affected my close relatives and I learnt about the disease and treatments closely. I was connected with the doctors and experts throughout and witnessed the evolution of treatment options. To be able to deliver something that could save lives was immensely satisfying.

There was a strong drive to work hard and deliver because of a strong purpose that each team member had. Great team collaboration where patients were at the center and understanding of science was strong. The team feels immensely proud to have delivered. Kiran's personal involvement in this project was also inspiring for the team.

Srinivas Rao Desu

Senior Executive – Production, Biocon Limited, Hyderabad

My role was to execute and ensure batch charging with delivery plan without any delays. At a time when COVID-19 cases were increasing in India, I stayed 21 days in Company's premises to ensure the continuity of my work. I was anxious to work with limited manpower, but our goal of helping the patients was the key motivating factor for us.
I am quite humbled to be able to do my part. I made sure that I was available throughout the crisis and ensured manufacturing activities within the timelines.

Prasanna Sampath

Senior Director - Supply Chain Management, Biocon Limited

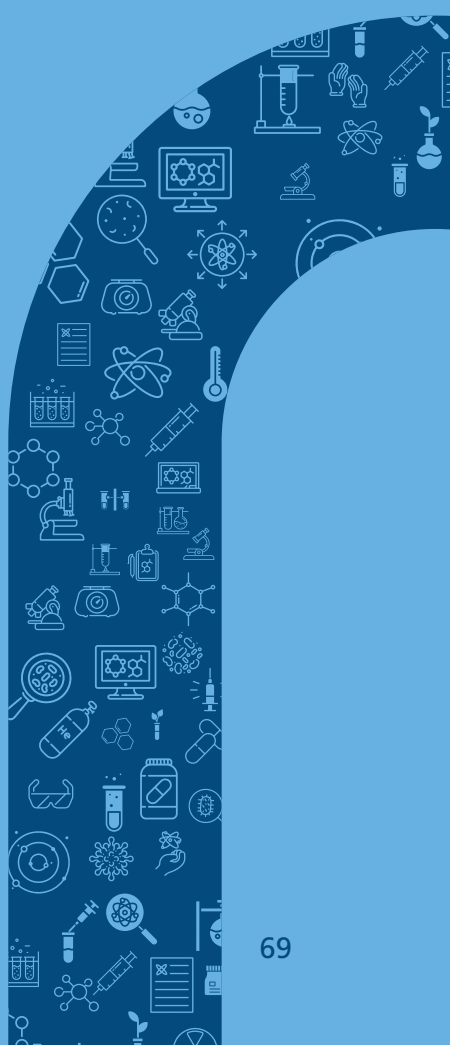
COVID-19 era has brought us newer challenges where out of the box thinking, and inside out approach is the need of the hour. Our teams too faced challenges such as reduced transportation capacity, high air freight cost, capacity limitations in ocean freight, port disruptions and quarantined crews & labour shortage. As a team, we stepped towards the paradigm shift and had to be creative and logical with the solutions that had to be implemented to ensure customer success.

We simply could not afford delays both in our inbounds and outbound. We acted fast, ensured excellent co-ordination between procurement, planning, logistics and warehousing teams. Our process improvements and automations ensured continued and efficient supplies. Our collaboration, drive and dedication helped us in overcoming all types of challenges.

Sunil Koteel

Senior Director - Administration, Biocon Limited

It was hard work, especially since March 2020. For more than 75 days after the lockdown was announced, the transport team literally worked round-the-clock. But looking back, it was worth it because we could ensure business continuity. Also, our leadership was prompt with approvals. They empowered us to take decisions, which helped us execute our plan to perfection.



Biocon Biologics
Transforming Healthcare. Transforming Lives.

Our Biosimilars Business

Unfailing Accessibility

Our Biosimilars Business

Executive Leadership Team

Dr. Arun Chandavarkar
Managing Director

Shreehas Tambe
Deputy Chief Executive Officer

Chinappa M B
Chief Financial Officer

Susheel Umesh
Chief Commercial Officer, Emerging Markets

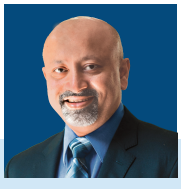
Paul Thomas
Chief Commercial Officer, U.S. & Portfolio Strategy & Business Development, Advanced markets

Dr. Anuj Goel
Chief Scientific Officer

Dr. Sandeep N Athalye
Chief Medical Officer

Dr. Sundar Ramanan
Chief Regulatory Officer

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



Amitava Saha
Chief Human Resources Officer

Seema Ahuja
Chief Communications Officer

"Our proven track record of scientific credibility, large scale manufacturing capability and a strong supply & distribution network in compliance with the highest standards of quality and governance gives me the confidence that we can successfully deliver on our vision to transform healthcare. As a fully integrated innovation-led biologics company, we continue to make significant investments in advancing our R&D portfolio, expanding our manufacturing capacity and enhancing our reach to patients. At Biocon Biologics we remain committed to making healthcare affordable and importantly accessible to the benefit of millions of patients and their families across the world.

FY21 was unprecedented in many ways and it brought with it severe hardship, grief and personal loss to many families. Despite the various challenges, I am proud that even during the peak of the pandemic we worked together as one team to keep our manufacturing plants operational, research and testing laboratories functional and the overall supply chain efficient. It is this strong sense of purpose and the unwavering commitment that allowed us to serve over 3 million patients who look up to us for a reliable supply of these life-saving drugs. It is this culture of collective ownership and team spirit that sets Biocon Biologics apart."

Shreehas Tambe
Deputy Chief Executive Officer
Biocon Biologics Limited

Our Biosimilars Business

Unfailing Accessibility

The COVID-19 pandemic has magnified societal and healthcare disparities globally and underlined the need for expanding affordable access to advanced therapies like biologics.

Biosimilars, which are safe and effective alternatives to innovator biologics, can provide relatively lower cost access to advanced therapeutics for treating non-communicable diseases such as diabetes and cancer. Increased penetration of biosimilars is leading to an expansion of access to biologic treatments for patients who could not afford these expensive therapeutics otherwise.

Biocon's early entry into this segment, more than 15 years ago, has enabled it to become a frontrunner in biosimilars. We deploy highly efficient technology platforms to develop monoclonal antibodies (mAbs) for cancer and autoimmune disease, insulin and insulin analogs for diabetes, and conjugated recombinant proteins.

We are among the select few globally to have co-developed five biosimilars, bTrastuzumab, bBevacizumab, bPegfilgrastim, bGlargine and bAspart, which have received approvals in key advanced markets and three of these are also commercialized in these markets through our partner Viatris.

We are also among the few to have successfully commercialized five biosimilars, bTrastuzumab, bBevacizumab, bPegfilgrastim, bGlargine, rh-Insulin, in many emerging markets though our strong network of partners.

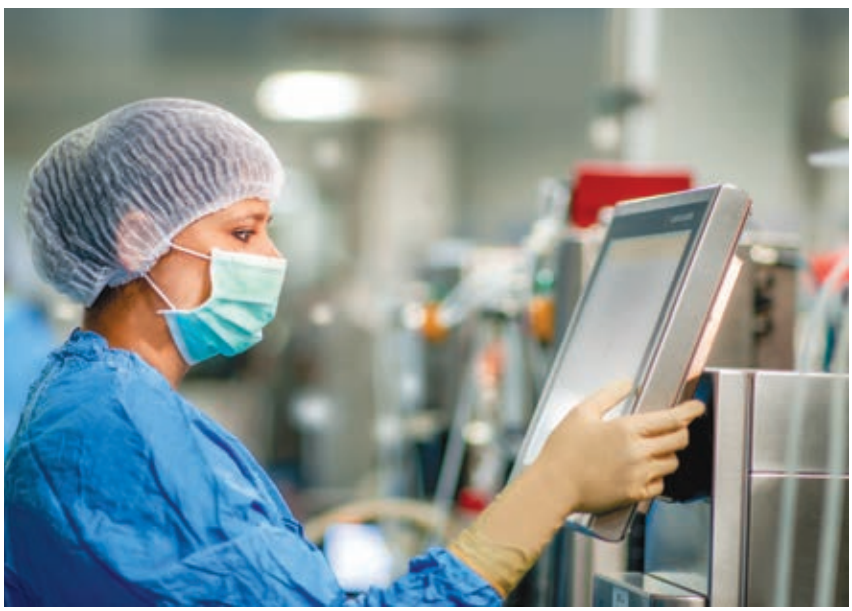
The biosimilars opportunity is expected to grow as biologics worth USD 90 billion in originator sales lose exclusivity over the next decade, as per industry estimates. Biosimilars have the potential for substantial system savings. Therefore, biosimilars spending is expected to reach USD 16-36 billion^ by 2024. Given the expertise we have developed over the years, Biocon Biologics aims to capitalize on this unfolding biosimilars opportunity to enable access to patients globally.

Financial Performance

Biocon Biologics' revenues grew 21% over last year to ₹ 28,002 million, driven by improved performance in both developed and emerging markets. This segment now accounts for 37% of our group revenues. We reported EBITDA margin of 27% and Core EBITDA margin of 36% (i.e., EBIDTA margin, net of licensing, forex, and R&D).

Biocon Biologics' revenues have **grown by 21%** over last year to **₹ 28,002 million.**

Net Research & Development costs increased 60% to ₹ 2,840 million, representing 10% of our annual revenue. The higher R&D costs reflect progress on several of our biosimilar development programs, which will support our future growth. Profit before Tax for the year stood at ₹ 3,652 million.



Business Performance

Biocon Biologics reached several milestones in FY21, including its third biosimilar approval in the U.S. and two new approvals in EU. We also extended our commercial footprint in new emerging markets and key developed markets.

Insulins

As a leading global insulins player, Biocon Biologics is already benefiting people with diabetes in many emerging and developed markets through improved access to its more affordable recombinant human Insulin (rh-Insulin) and bGlargine. Our rapid acting insulin analog, bAspart, received regulatory approvals in developed markets like EU and emerging markets like Malaysia in FY21. We now have a broad portfolio, comprising basal, mixed and rapid acting insulins, which will enable us to meet varied patient needs and make a difference globally.

Progress of Insulins

Biocon Biologics became the first company from India to have three biosimilars commercialized in the U.S. after launching bGlargine (*Semglee**) through Viatris in the second quarter of FY21. *Semglee* witnessed a gradual ramp-up in market share in U.S. in FY21.

We now have the unique distinction of having a biosimilar monoclonal antibody, a conjugated recombinant protein and an insulin analog commercialized in the U.S.

In the EU, we have been able to increase the market share of *Semglee* in select markets, as well as, launch it in additional markets through Viatris.

Sales of our bGlargine also witnessed good traction in key markets in Asia-Pacific and Africa such as Malaysia and Algeria.

We continued to expand sales of our rh-Insulin across emerging markets in the Latin America, Asia Pacific, Middle East & Africa regions through our partners. This included improving our share in existing markets as well as entering new ones. Biocon Biologics has supplied ~2.75 billion doses of rh-Insulin globally since its launch in India in 2004.

To enable better patient outcomes and reduce costs to healthcare systems, we collaborated with Voluntis for Insulia, a unique digital therapeutic solution that has U.S. FDA clearance and a CE mark to help manage the treatment of Type 2 diabetes with bGlargine.

Increasing Access to Insulin Biosimilars in LMICs

Given our extensive experience in providing affordable insulins globally, we aspire to drive policy changes to increase access and transform patients' lives. To translate intention into action, we rolled out our 'Mission 10 cents' program in Philippines and Tanzania in FY21. Under this program, we offer governments in low- and middle-income countries (LMICs) our rh-Insulin for less than 10 U.S. cents a day. Through our local partners, we engaged in diabetes awareness campaigns to promote early diagnosis and better diabetes management.

To contribute to a stronger global voice for diabetes patients globally, we entered a partnership with the International Diabetes Federation (IDF) this year, coinciding with the start of the centenary celebrations of the discovery of insulin.

mAbs And Therapeutic Proteins

Trastuzumab

Biocon and Viatris were the first to get approval for bTrastuzumab (*Ogivri**) in the U.S. in 2017, and the drug was commercialized in December 2019. *Ogivri* has witnessed a steady increase in market share in U.S. and has become the leading bTrastuzumab brand in Canada and Australia. It has also gained market share in several EU countries.

Our bTrastuzumab recorded a strong uptake in several emerging markets. *Zedora* is the leading bTrastuzumab in Brazil's private market with high double-digit market share; *Canmab* is the market leader in Algeria; and *Zuhera* leads in Malaysia's private market.

Adalimumab

Biosimilar Adalimumab, in-licensed by Viatris from a third party, received U.S. FDA approval in July 2020 and reported a steady sales performance in selected EU countries. We retain an economic interest in the biosimilar and will gain a share of profits from global markets.

Pegfilgrastim

Our bPegfilgrastim (*Fulphila**) maintained steady market share throughout the year in the U.S. despite competitors entering the market.

Etanercept

Biosimilar Etanercept, in-licensed by Viatris from a third party for Europe and other markets, was launched in the EU in August 2020. We retain an economic interest in the biosimilar and will gain a share of profits from global markets.

We provide access to best-in-class therapies for cancer that are currently out of reach for patients in low- and middle-income countries.

Increasing Access to Cancer Biosimilars in LMICs

Biocon Biologics is enabling access to biosimilars for cancer patients in LMICs, where the economic and epidemiological burden of cancer is considerably worse due to high morbidity and mortality owing to limited access to advanced treatment.

In February 2021, Biocon Biologics partnered the Clinton Health Access Initiative (CHAI) and the American Cancer Society (ACS) to expand access to life-saving cancer biosimilars for healthcare systems in over 30 countries in Sub-Saharan Africa and Asia under the Cancer Access Partnership (CAP).

Sharpening Focus On Emerging Markets

A disproportionately high chronic disease burden in emerging markets is accentuated by patients' inability to afford long-term treatment and healthcare systems' budget limitations. By ensuring the availability and accessibility of our high quality biosimilars to as many people as possible, we are expanding access to affordable biologics. In line with our mission to make a global impact, we have built our business through strong relationships with regional partners over the years. We are now preparing to be closer to patients, prescribers and our partners in these markets. Accordingly, we have set up commercial offices in Brazil, Malaysia, UAE and Saudi Arabia.

We have recently appointed Susheel Umesh as the Chief Commercial Officer for Emerging Markets. With his strong global experience and expertise in diabetes and other chronic diseases, our focus on emerging markets will further strengthen.

Regulatory Approvals

The European Commission (EC) approved our bBevacizumab (*Abevmy**) in April 2021. Our biosimilar also received approval from Malaysia's National Pharmaceutical Regulatory Agency.

Our bAspart (*Kixelle**) got EC approval in February 2021. It received an approval in Malaysia. The Biologics License Application (BLA) for bAspart is under review in the U.S.

The U.S. FDA has been unable to travel to our India site for a pre-approval inspection due to the pandemic and hence the agency's approval of Viatris' BLA for our co-developed bBevacizumab has been delayed. There are no additional observations or outstanding data requests from the agency related to the application.

To get around travel restrictions, some regulators started conducting remote inspections virtually. In FY21, Biocon Biologics successfully underwent nine virtual inspections of its biosimilars manufacturing facilities in India and Malaysia by regulators from Russia, the World Health Organization (WHO), as well as, several key customers.

The WHO pre-qualified our bTrastuzumab, opening opportunities to serve cancer patients in 46 LMIC countries.

Our biosimilars received regulatory approvals in over 20 emerging markets in FY21.

We received EU GMP certification for some of our Biologics Drug Substance and Drug Product manufacturing facilities at Bengaluru's Biocon Park.

We received approval for Bevacizumab from the National Pharmaceutical Regulatory Agency (NPRA) in Malaysia.

These approvals are an outcome of great team effort and years of hard work and underline our commitment to expand affordable access to life-saving biosimilars and make an enduring impact on global health.

*(*In Partnership with Viatris)*
(^IQVIA Institute, Jan 2021)

Policy Shaping

During the year, we engaged with key stakeholders globally to advocate for policies that will broaden biosimilars access.

Contributing to Evolution of Biosimilars Regulatory Framework in the U.S.

Biocon Biologics made a presentation on the reauthorization process for the Biosimilar User Fee Act (BsUFA III) program at the U.S. FDA's public meeting held to collect a wide variety of stakeholder perspectives on the broad goals laid out by the agency for the FY23-27 period.

We were among the select presenters, which included representatives from pharma trade associations, patient groups and physician groups who shared their wish lists for the third iteration of the agency's biosimilars review program.

Starting with BsUFA I and subsequently through BsUFA II, the U.S. FDA has improved the biosimilar regulatory process by providing greater clarity around the regulatory framework, as well as, expectations from the industry through timely guidance and communications. The agency has done a great job of evolving the regulatory requirements with emerging scientific evidence.

Biocon Biologics' suggestions were that in BsUFA III, the agency should further evolve the regulatory framework based on emerging cumulative scientific evidence. The Company recommended a patients-first, science-based approach to enhance regulatory predictability and efficiency of biosimilar development.

Investing In Research & Development

We continued to invest in the development of our next wave of biosimilar molecules, which we expect to commercialize over the second half of this decade. In FY21, our Net R&D spends were ~10% of annual revenues.

Biocon Biologics Management and Research & Development leadership invested in evolving robust processes and "future ready" technology that ensured business continuity and safety of employees while delivering on many key product approvals in FY21.

Replacing paper-based processes with electronic workflows helped improve efficiency, collaboration, compliance and data security.

A highly motivated team of scientists drove the momentum towards achieving organizational objectives through sustained efforts on all fronts in order to manage and advance the Company's pipeline of biosimilars.

The technical diligence of the Research & Development team resulted in successful regulatory approvals in EU for the bBevacizumab and bAspart.

Equipment installation and qualification of our newly established 60,000 sq. ft., state-of-the-art biologics development facility at TICEL Bio Park in Chennai was completed successfully during the year. The facility, which has end-to-end capabilities from cell line development to pilot scale, will support the development of our growing pipeline of biosimilar mAbs.

Incisive IP Strategy

Biocon Biologics also worked on developing and implementing a robust in-house Intellectual Property (IP) strategy designed to constrain key patents and enable early market penetration of next-in-line molecules. By invalidating certain patents covering Insulin Glargine, we accelerated the route to market for *Semglee*, making it accessible to millions of patients across the U.S. We also obtained process patents as well as trademarks for other biosimilar products in multiple jurisdictions during FY21.

Clinical Development & Medical Affairs

As an innovation-led global biopharmaceutical organization, Biocon Biologics repurposed its first-in-class, anti-CD6 monoclonal antibody, Itolizumab, to treat moderate to severe ARDS (acute respiratory distress syndrome) by preventing and treating the Cytokine Release Syndrome (CRS) in COVID-19 patients. Itolizumab, a novel biologic with a unique mechanism of action, is an approved and in-market drug that has been available in India for treating plaque psoriasis since 2013.

Biocon conducted a multi-centric, open label, randomized, controlled trial to study the efficacy and safety of Itolizumab in COVID-19 complications at four top public health institutions and medical colleges in Delhi and Mumbai under strict GCP standards.

We conducted the Phase 2 trial in accordance with a comprehensive plan, which outlined the types of patients who could enter the trial, the schedule of tests and procedures, drugs and dosages, necessary follow up and the length of the study. The trial also described the endpoints that would be measured and the type of information to collect, which we then shared with regulatory authorities to obtain approval. The clinical trial was designed to answer certain questions, while taking steps necessary to safeguard the patients taking part.

In July 2020, the Drugs Controller General of India (DCGI) issued a 'Restricted Emergency Use' approval for Itolizumab in the treatment of CRS in moderate to severe ARDS patients due to COVID-19, based on the results of the Phase 2 study. Itolizumab received label extension approval for restricted emergency use in additional indication in COVID-19.

Repurposed Itolizumab addressed an area of unmet need, providing doctors with a safe, effective treatment option that is saving lives and helping reduce the mortality rate in our country.

Going Digital

A digital platform using various digitization tools was deployed to manage ongoing clinical trials in the midst of the pandemic. eConsent used in Phase 4 of the Itolizumab study enabled patients or caregivers to provide consent remotely. It empowered patients to take informed decisions through interactive multimedia engagement. The platform also enabled remote monitoring of the trial.

An Electronic Trial Master File system, which allows for real-time management of all Trial Master File documents and processes and helps sponsors, CROs and sites work together to accelerate trials, is also being implemented.

Scientific Publications

Biocon Biologics featured in key scientific publications and peer-reviewed journals during FY21.

Two critical publications on Itolizumab, our novel mAb, have been published in the *Expert Opinion on Biological Therapy*, including a mini-review (Loganathan et al 2020) and results of the Phase 2 study (Kumar et al, 2021). A mini review titled 'Itolizumab, an anti-CD6 monoclonal antibody, as a potential treatment for COVID-19 complications' garnered ~6,500 views and is on *EoBT's* list of most-read articles. The review has been cited six times and has a high Altmetric Attention Score of 50.

The publication of Itolizumab's Phase 2 clinical study results show the efficacy and safety of the drug in treating moderate to severe acute respiratory distress syndrome (ARDS) due to cytokine release in COVID-19 patients. In this multi-centric, open-label, two-arm, controlled, randomized study Itolizumab has come across as a promising, safe and effective immunomodulatory therapy for treating COVID-19 patients, with survival and recovery benefits.

Emerging real world evidence (RWE) has fast substantiated the immunomodulatory role of Itolizumab in management of COVID-19 complications (Gore et al 2021; Thacker et al 2021a, 2021b, 2021c). A single dose of Itolizumab accelerated recovery in 25 adult patients with COVID-19 by controlling immune hyperactivation. Clinical improvement was demonstrated through reduction in inflammatory markers, weaning-off from oxygen, reduced length of hospital stay and improvement of ordinal score (Gore et al, 2021). Another instance of RWE showed that Itolizumab reduced inflammatory markers and improved oxygen saturation levels in 27 ARDS patients. Further, Itolizumab accelerated recovery time in hospitalized patients with no serious adverse events and no mortality (Thacker et al 2021).

A study of RWE for bTrastuzumab by a team from Christian Medical College, Vellore, India (Joel et al 2021) was published in the e-CANCER journal. The data generated so far, largely, had been in a metastatic setting and this is the first data in early breast cancer showing comparable pathological complete response rates. This is also the first of its kind RWE of any bTrastuzumab in a neo-adjuvant setting with data compiled over three years.

List Of Citations In FY21

Authors	Subject	Publication
ITOLIZUMAB		
Gore V, Kshirsagar DP, Bhat SM, Khatib KI, Mansukhani B.	Itolizumab Treatment for Cytokine Release Syndrome in Moderate to Severe Acute Respiratory Distress Syndrome Due to COVID-19: Clinical Outcomes, A Retrospective Study.	J Assoc Physicians India. 2021 Feb;69(2):13-18. PMID: 33527804.
Thacker HP, Dhekane A, Wadhwa N, Patil S. I.	Itolizumab in addressing symptoms of acute respiratory distress syndrome (ARDS) with weaning off oxygen requirements in a COVID-19 patient: A case study.	IP Indian Journal of Immunology and Respiratory Medicine 2021;6(1):58–61
Thacker HP, Halnor D, Dhekane A, Wadhwa N, Patil S, Gandhi B, Nimbolkar J, Avhad A.	An early experience of Itolizumab with best supportive care in the treatment of moderate to severe COVID-19 patients: A retrospective study.	IP Indian Journal of Immunology and Respiratory Medicine 2021;6(1):24–28
Thacker HP, Dhekane A, Wadhwa N, Patil S.	Anti-CD6 humanized monoclonal antibody itolizumab, halts disease progression and severity of acute respiratory distress syndrome in COVID-19 disease: A case study.	Indian Journal of Respiratory Care. 2021 Jan 1;10(1):112.
Loganathan S, Athalye SN, Joshi SR.	Itolizumab, an anti-CD6 monoclonal antibody, as a potential treatment for COVID-19 complications.	Expert Opinion on Biological Therapy. 2020 Sep 1;20(9):1025-31.
Kumar S, de Souza R, Nadkar M, Guleria R, Trikha A, Joshi SR, Loganathan S, Vaidyanathan S, Marwah A, Athalye SN.	A two-arm, randomized, controlled, multi-centric, open-label Phase-2 study to evaluate the efficacy and safety of Itolizumab in moderate to severe ARDS patients due to COVID-19.	Expert Opinion on Biological Therapy 2021 (In press)
TRASTUZUMAB		
Anjana J, Thomas GJ, Divya Bala T, Oommen JA, Raju Titus C, Grace R, Elanthenral S, Jagan C, Marie Therese M, Anish Jacob A, Deepak Thomas A, Jacob Paul M, Patricia S, Selvamani B, Ashish S	Neoadjuvant chemotherapy with biosimilar trastuzumab in human epidermal growth factor receptor 2 overexpressed non-metastatic breast cancer: patterns of use and clinical outcomes in India.	ecancer 15 1207. https://doi.org/10.3332/ecancer.2021.1207

Expanding Manufacturing Capacities

Despite a national lockdown, Biocon Biologics was able to sustain operations at all our plants to meet committed supplies to partners and ensure patients were unaffected. During the nationwide lockdown in India, we faced many challenges and had to adopt innovative planning and implementation strategies to run our manufacturing facilities without compromising on the safety and well-being of our employees.

We progressed well on new projects to expand our mAbs manufacturing capacities to address projected volume growth from increased market shares and to support the development of our biosimilars pipeline.

We also augmented our existing Drug Substance and Drug Product capabilities, which enabled us to expand our capacities multi-fold. We also tied up additional capacity to meet demand for our insulin and insulin analogs. The Manufacturing teams successfully managed to scale up production of Itolizumab through effective planning and execution to ensure timely supplies of *ALZUMAb-L* for treating COVID-19 patients.

In FY21, Biocon Biologics for the first time completed the tech transfer and scale up of a high cell density process using alternating tangential flow (ATF) technology.

New mAbs Facilities in Bengaluru

We completed the qualification process for the first phase of our new mAbs Drug Substance (B3) facility in Biocon Park. At 350,000-

sq. ft., this is one of the largest mAbs manufacturing facilities in India in terms of the built up area of a single building/site. Built at an investment of ~USD 120 million, this is India's first biopharma facility awarded by the International Society for Pharmaceutical Engineering (ISPE) and is on track for commercialization in FY22. When completed the B3 facility would boost our mAbs production capacity substantially.

We also completed qualification of our first single-use mAbs facility (B5) in Bengaluru. Scale-up and manufacturing of our pipeline molecules is ongoing at this 150,000 sq. ft. facility. Both B3 and B5 facilities will support our future growth and drug development pipeline.

Malaysia: Center of Excellence (CoE) for Insulins

In Malaysia, our focus has been to create a Center of Excellence (CoE) for insulins. This CoE achieved two key milestones this year, with the commercialization of bGlargine in the U.S. and the approval of bAspart in EU.

Enabling this CoE is a strong team spanning personnel from the R&D, Manufacturing, Quality, Regulatory and Commercial functions. With the EU approval for bAspart, we are now manufacturing a broad portfolio of regular, basal and rapid insulins end to end at our state-of-the-art insulins facility in Malaysia.

Through our scientifically validated, high quality products manufactured at Malaysia, we are providing affordable access to life-saving insulins to patients in developed markets as well as many emerging markets, including Malaysia.

Through our biosimilar insulin analog portfolio we have enabled the local healthcare system to save over 50% of its spending on diabetes in Malaysia. The Ministry of Health, Malaysia is deploying these savings to expand insulin access to a larger patient population. Over time, we expect to enable substantial savings for people with diabetes across the globe.

Unified Commitment

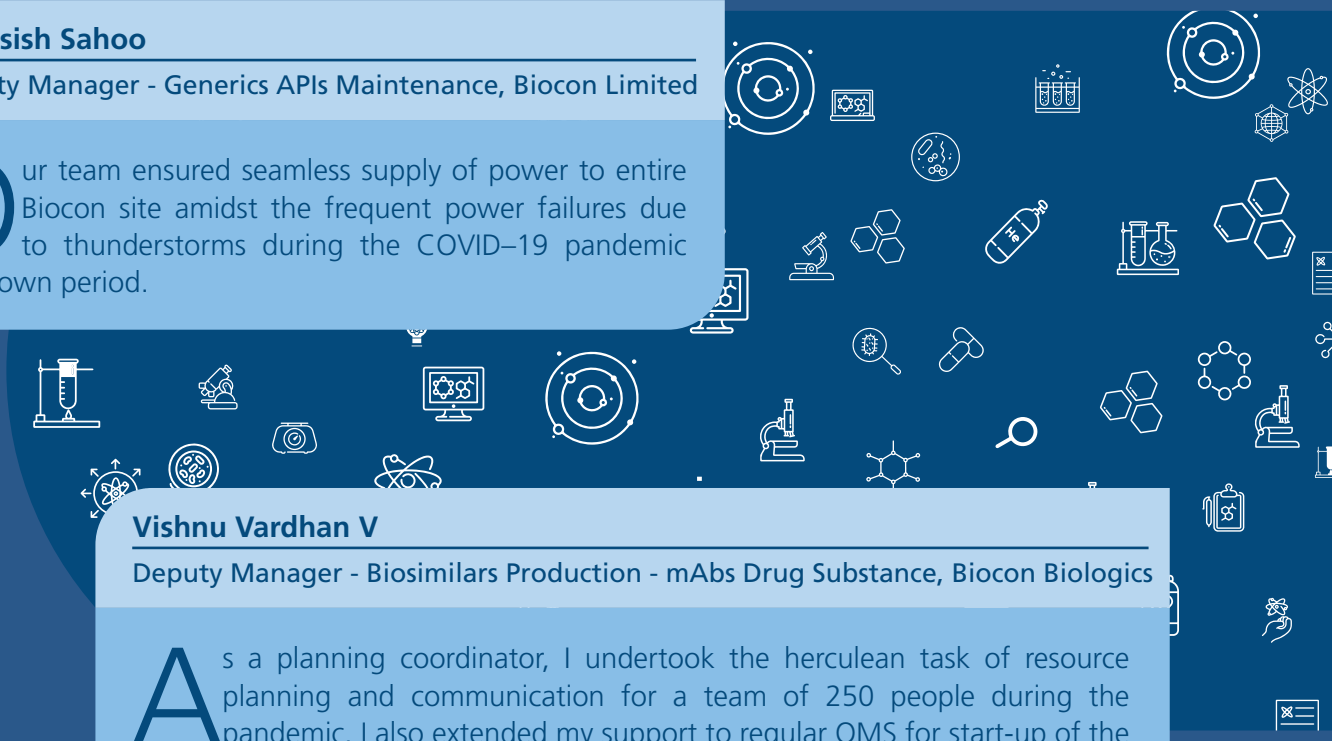
During COVID-19 pandemic, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remain unified in our commitment to serve patients and enhance global healthcare throughout the pandemic.

Employees

Devasish Sahoo

Deputy Manager - Generics APIs Maintenance, Biocon Limited

Our team ensured seamless supply of power to entire Biocon site amidst the frequent power failures due to thunderstorms during the COVID–19 pandemic lockdown period.



Vishnu Vardhan V

Deputy Manager - Biosimilars Production - mAbs Drug Substance, Biocon Biologics

As a planning coordinator, I undertook the herculean task of resource planning and communication for a team of 250 people during the pandemic. I also extended my support to regular QMS for start-up of the B3 facility during these challenging times.

Mohammad Suhail

Assistant Manager - Generic Formulations, Biocon Limited

By putting in extended hours and odd hour availability at work, I prepared and executed the qualification activity to lock the bottle line conveyor speed for packing validation.

Mohamad Fadzli Bin Mohamed Yassin

Production-Drug Product Packaging, Biocon Malaysia

To ensure business continuity by coordinating with various team members, I ensured all packing activities are completed as per the committed timeframe. This in turn is a firm commitment towards our patients. Along with my supervisor, we took on the duty to assure there are enough members at the shop floor to complete the task at hand and worked as a team for meeting stringent deliverables.

Sadananda Naik

Senior Executive - Operations, Science & Technology Innovation Center, Biocon Biologics

As a part of the in-house preventive maintenance activity for critical equipment, I have taken care of continuous temperature monitoring for more than 90 equipment and preventive maintenance of 30 critical equipment, during the lockdown.

Vinitha K R

Executive, Fill Finish, Packaging Operations, Biocon Biologics

As a team we contributed to the closure of QMS elements like change control, CAPA and annual planer related to visual inspection during the COVID-19 lockdown by personally visiting the plant every single day.

George Thomas P

Associate Scientific Manager-I, SM-API, Biocon Limited

Our entire team has put in extensive efforts in addressing the regulatory queries for vertically integrated synthetic projects. The analytical data required to send response was made available to regulatory science within the timeframe for the filings.

Biocon Biologics Branded Formulations In India

Our Branded Formulations business in India continues to make a significant impact through a wide portfolio of branded biosimilars, novel biologics and specialty products in chronic and acute disease segments such as diabetes, cancer, end-stage renal illnesses, immune disorders, and other life-threatening conditions.

Given our patient-centric focus, our teams remained committed to providing high quality, life-saving medicines even during adverse times like this pandemic. This year, we saved several thousand lives of COVID-19 patients through our repurposed Itolizumab, *ALZUMAb-L*.

Committed to Serve Patients

The team employed innovative solutions to support physicians and ensure patients continued to receive our insulins, cancer therapies and other essential drugs. Despite supply issues and COVID-related disruptions, we could touch the lives of ~1.7 million patients in India across therapies in FY21.

Our comprehensive COVID-19 portfolio addressed the needs of patients at different stages of the disease spectrum -- mild, moderate, severe and critical. The portfolio included *ALZUMAb-L* (Itolizumab), *RemWin* (Remdesivir), *ARAFLU* (Favipiravir) and *CytoSorb*. We set up helplines for patients and our field staff worked diligently to facilitate medicine supplies.

Over 16,000 COVID-19 patients were treated across the country with Itolizumab during the second wave of the pandemic. So far, over 27,000 patients have benefited from Itolizumab (till May 2021). This was made possible due to the unrelenting commitment of various teams across the organization, including the field force, who ensured Biocon's product reached patients.

Key Brands Addressing Patients' Needs

Among our flagship brands, *Insugen* continued to hold its position among the Top 3 human insulin brands in India while *Basalog* was the No. 2 brand of bGlargine in the country. *KRABEVA* (bBevacizumab) increased its market share in the ovarian cancer segment. Despite the pandemic we continued to provide Oncotherapy support to a large number of patients. Our range of immunosuppressants catered to ~7,000 post-transplant recipients and ~12,000 patients on dialysis / pre-dialysis to manage anemia.

Our COVID-Care Portfolio

Building Brand Equity

The Branded Formulations business further built on the considerable brand equity it enjoys with doctors and patients by highlighting the Company's strengths in cutting-edge science.

We shared the results of Biocon Biologics' landmark INSTRIDE-3 study for bGlargine among the medical community. The remarkable outcome about the interchangeability of our bGlargine with that of the reference product was communicated to thousands of healthcare professional across the country through a series of webinars as well as the on-ground SWITCH campaign.

We continued our education in diabetes management through our flagship programs such as ABIDE, Insulin & CGM workshops as our insulins served close to half a million patients.

To strengthen stakeholder engagement, we transitioned from a 'phygital' to a fully digital communication ecosystem, reorienting to a virtual world. This enabled us to step up our engagement with over 55,000 health care professionals and 250 therapeutic area experts, despite the restrictions imposed by the pandemic.

Digital Initiatives

In FY21, Biocon Biologics progressed towards re-imagining the ways of working with the right set of technologies and innovations to usher in digital transformation within the organization.

We initiated several key digital projects during the year across various functions, including Quality Assurance, Quality Control, R&D, Supply Chain, Manufacturing Operations, Clinical Trial Management and Learning & Development.

We believe this digital transformation will add speed and efficiency to the processes at Biocon Biologics. Digital tools will help reduce human errors, enable easy remote document reviews and approvals, and improve adherence to SOPs (standard operating procedures). Additionally, application of data analytics will provide superior insights for better decision making with an objective of creating a highly patient-centric organization.

Global Biosimilars Pipeline

Therapeutic Areas	Molecule	Product Status: U.S.	Product Status: Developed Markets: ex-U.S	Product Status: MoW^^
Oncology	Pegfilgrastim#		EU, CANZ	
	Trastuzumab#		EU, CANZ	
	Bevacizumab#		EU, AUS	
	Pertuzumab#			
Immunology	Adalimumab*		EU, CA, Japan	
	Etanercept*		EU	
Diabetes	Glargine** 100U#		EU, ANZ, Japan	
	Glargine 300U#		EU	
	Aspart#		EU	
	RHI^			
Undisclosed	7 Assets			

Early Dev./ Preclinical | Clinical | Filed | Approved

#In partnership with Viatris.

**Partner Viatris has in-licensed product (Biocon benefits from economic interest).*

***Japan is outside of Viatris partnership.*

^RHI non-partnered asset completed Ph 1 and considering potential Ph 3 waiver to be confirmed with U.S. FDA advice, shown as Planned submission.

^^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.

CANZ stands for Canada, Australia and New Zealand. CA - Canada, AUS - Australia and NZ - New Zealand.
Status of Biosimilars Portfolio as of May 2021.

Value Unlocking

The valuation of Biocon Biologics has increased by USD 1.2 billion over the last 12 months. The first private equity infusion USD 75 million by Activ Pine LLP, an affiliate of True North Fund, had valued the Company at USD 3 billion on a pre-money basis in January 2020. In FY21, we received additional investments of USD 255 million from Tata Capital Growth Fund, Goldman Sachs and ADQ. In July 2020, Tata Capital Growth Fund invested ~USD 30 million for a 0.85% stake in Biocon Biologics at an equity valuation of ~USD 3.5 billion. Goldman Sachs issued Optionally Convertible Debentures (OCDs) worth ~USD 150 million at a post-money equity valuation of USD 3.94 billion. Abu Dhabi-based ADQ invested ~USD 75 million for a 1.80% stake, valuing Biocon Biologics at a post-money valuation of ~USD 4.17 billion. Biocon Limited will hold an 89.89% stake in Biocon Biologics on a fully diluted basis after completion of these transactions.

Braving The Storm

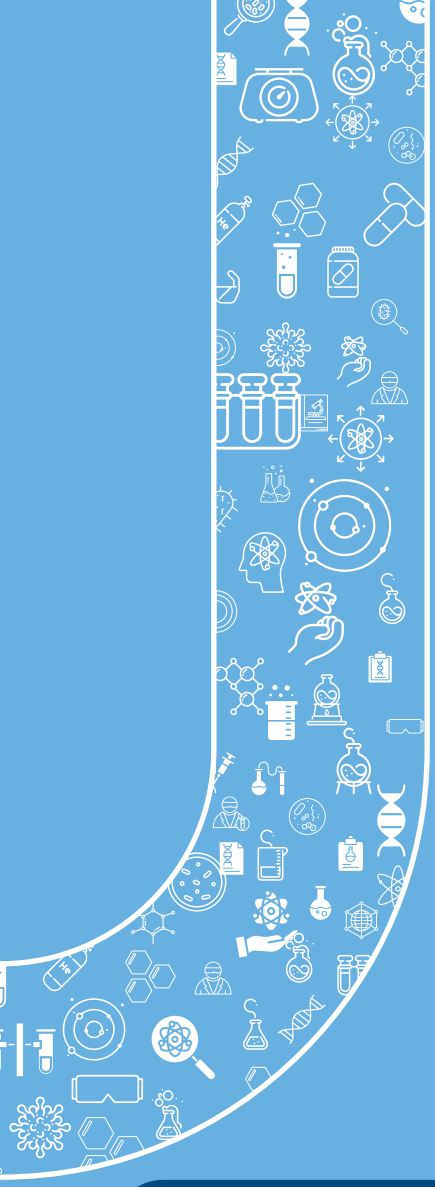
Though FY21 was a challenging year on many fronts, we steered through it on the collective strength of our people, our partners, and our unwavering commitment to serve patients. Our agility in making decisions and flexibility in rescheduling operations and embracing technology enabled business continuity. While a large section of the employees from the Production, R&D, Quality and Engineering functions reported for work at various sites, a significant number of people worked from home with complete dedication to their goals, thus fully enabling our business operations.

While we had recovered from the first wave of the pandemic with little impact, uncertainties with the second wave continue to pose new challenges with an expected impact in the near term. So far, we have not seen any major impact on our operations, but we are closely tracking the evolving situation. We have initiated a vaccination drive for all our employees and their family members.

Outlook

While becoming increasingly competitive, the biosimilar market continues to offer attractive opportunities for vertically integrated players like us. We expect to continue the momentum and improve market share for our current commercial products and expect to launch bBevacizumab and bAspart in some developed markets in FY22. We also expect to make good progress on the development of our robust R&D pipeline.

We believe that we are well-positioned to grow our Biosimilars business globally on the back of our robust business fundamentals, scientific knowhow, low-cost manufacturing setup, early-mover learnings, and a broad product portfolio. We are confident that we will continue to expand access to millions of patients across the world.



Unmistakable Commitment

During COVID-19 pandemic, we went the extra mile to support Patients, Caregivers, Health Care Professionals, our Partners and Customers. We remain steadfast in our commitment to serve patients and enhance global healthcare throughout the pandemic.

Employees

Esha Bagi

Assistant Manager - Operations, Biocon Biologics

As part of the upstream operations team for mAbs at B1 for biosimilars - Trastuzumab and Bevacizumab, I undertook the role of inoculum generation till the final production scale manufacturing. Despite the limited manpower, we as a team ensured that the operations ran as per regular schedule without any loss of a batch along with the smooth progress of Process Validation for the newly commissioned bioreactors.

Harihara Moorthy K

Deputy Manager - Operations, Insulin Production, Biocon Biologics

I along with my team ensured business continuity by accepting the challenges posed by the COVID-19 pandemic and planning well by 'expecting the unexpected' in critical circumstances. We adopted the model of maximum utilization of available resources to achieve the strategic objectives while simultaneously ensuring our team's safety.

Mayura Hegde

Associate Manager – Generics - APIs, Biocon Limited

Our Team ensured continuity of manufacturing operations by efficiently managing manpower availability to achieve our production targets and I personally ensured that every team member traveled comfortably & safely amidst the lockdown.

Anita Rao

Principal Scientific Manager – R&D, Biocon Biologics

The COVID-19 crisis tested the resilience of the R&D team, that had to complete multiple Biologics License Applications (BLAs), as well as respond to another molecule dossier. Despite thin staffing to ensure people's safety, the scientists at the bench learned to work smart. We used available online collaboration tools to meet each of our quality benchmarks while completing all deliverables on time.

When information requests started arriving from the U.S. Food and Drug Administration, we took on the increased workload, rethought procurement and thrived in the face of adversity. The entire analytical team's heroic efforts paid off as we were able to successfully respond to all information requests from the regulators.

Saravanan P

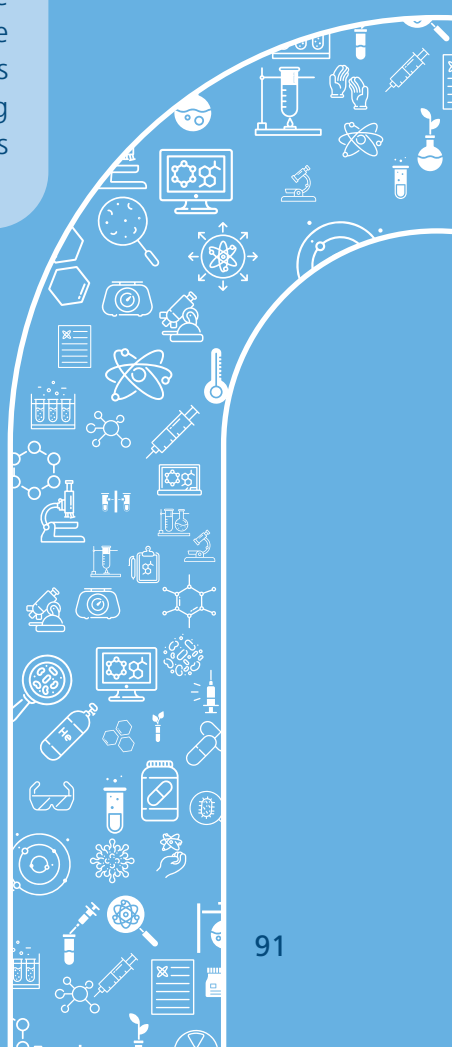
Senior Executive, Operations – GPP Production, Biocon Biologics

I undertook additional responsibilities of my teammates who could not be on-site and ensured autoclave requalification without any delays. To ensure a seamless production and dispatch of our products for serving our patients during the pandemic, our team made sure the pilot plant manufacturing facility, quality management system tasks, and equipment re-qualifications were on time.

Muthuvel I

Deputy Manager - Generics - APIs, Biocon Limited

I contributed by ensuring the availability of the raw materials, timely preparation and approvals of U.S.FDA CAPA related documents in conjunction with QA, PETT, and R&D. I also collaborated with the EHS team for distribution of masks, zoning badges, etc. and helped the pandemic response team during the lockdown.



Syngene

Putting Science to Work

Our Research Services Business

Unconstrained Science

Our Research Services Business

Executive Leadership Team

Jonathan Hunt
Managing Director & Chief Executive Officer

Dr. Mahesh Bhalgat
Chief Operating Officer

Sibaji Biswas
Chief Financial Officer

Ashu Tandon
Chief Commercial Officer

Sanjeev Sukumaran
Chief Human Resources Officer

Alok Mehrotra
Chief Quality Officer

Dr. Kenneth Barr
Senior Vice President, Discovery Services

Dr. Jan-Olav Henck
Senior Vice President, Development Services

"In a year defined by the COVID-19 pandemic, I am pleased to report that the resilience and adaptability shown across the Company enabled us to fulfill our commitments to clients, employees, shareholders and communities and deliver growth in both revenue and profits. We made good progress on our strategic priorities, expanded our capacity and capabilities while strengthening our position in our target segments. As the global scientific community came together to fight against the pandemic, our scientists played their part. We are proud of their contributions and the efforts we made to keep our employees safe and support the community."

Jonathan Hunt
Managing Director and CEO,
Syngene International Limited

Our Research Services Business

Unconstrained Science

Our pursuit of cutting-edge science led our research and development services subsidiary, Syngene, to continue its mission to be a world-class partner delivering innovative scientific solutions during a year when the COVID-19 pandemic tested every organization's resilience to the limit.

After a tense first quarter when operations had to be suspended temporarily, Syngene dedicated significant resources to finding effective solutions to manage the pandemic, resume operations and keep its employees and campuses safe.

In FY21, Syngene's revenue grew 9% to ₹ 21,843 million. The growth was broad-based across discovery, development and manufacturing services, along with dedicated centers.

The resilience of Syngene's people and processes, supported by prudent management and disciplined implementation of COVID-appropriate protocols across its facilities, enabled the Company to navigate the year and deliver a robust business performance. Importantly, Syngene used its scientific expertise to support and contribute to the fight against COVID-19.

The Company extended a number of ongoing collaborations, strengthened its integrated drug discovery portfolio, added new clients and continued to invest and build on its research, development and manufacturing capabilities.

Syngene's revenues **grew by 9%** to **₹ 21,843 million.**

Dedicated R&D Centers

Dedicated R&D Centers showcase Syngene's ability to build long-standing relationships with its clients. During the year, the Dedicated R&D Centers division witnessed a healthy performance, primarily driven by key clients Bristol Myers Squibb (BMS) and Baxter. The scope of scientific engagement and team strength was expanded for both these dedicated centers. BMS also extended its collaboration with Syngene to 2030.

The Company continued to run R&D projects, including those involving strict timelines for generating crucial data for regulatory filings, as well as invested in enhancing operational performance for all the Dedicated Centers despite the pandemic.

Discovery Services

The Discovery Services division continued to be a core driver of revenue growth for Syngene in FY21. Besides delivering a robust performance, the division achieved most of the planned objectives in terms of project deliverables, project timelines, new partnerships, team expansion and capability enhancements.

Synvent, Syngene's integrated drug discovery platform, brings together all the capabilities needed to progress a molecule through the value chain to achieve regulatory approvals and commercialization. It is now working with 10 clients under the integrated drug discovery model.

A key development was the signing of a strategic, five-year collaboration with Deerfield Discovery and Development Corporation (3DC) for integrated drug discovery projects from target validation to pre-clinical evaluation across multiple therapeutic areas and modalities.

Discovery Services division continued to be a core driver of revenue growth.

Syngene will drive integrated drug discovery projects in the oncology and autoimmune segments in FY22.

To enhance the breadth and depth of its integrated solutions, Syngene tied up with various Indian and international research institutions and companies during the year.

Syngene also expanded its newly established research facility at Genome Valley, Hyderabad by adding capacity for an additional 90 scientists. In Bengaluru, the analytical laboratory was expanded and new infrastructure was installed. Several technical and digital capabilities were added across the different disciplines of Discovery Services in FY21.

Development Services

The Development Services division reported a steady performance for the year, adding new clients for particular services while broadening relationships with existing ones.

One of the highlights of FY21 was Syngene's critical contribution in advancing partner Albireo Pharma's compound to regulatory filings in U.S. and Europe, putting it on track to be the first approved drug for treating a specific genetic liver disease, primarily in children. Syngene was involved in several campaigns, from registration batches to Phase 3 trials, for the drug candidate. It is now working with Albireo on its regulatory filings.

To enhance capability, Syngene set up and commissioned a Highly Potent Active Pharmaceutical Ingredient (HPAPI) laboratory at Bengaluru. This facility will develop chemical processes for highly potent molecules at laboratory scale before transfer to another internal facility for scale up. The HPAPI lab has completed the qualification process.

Manufacturing Services

Biologics Development & Manufacturing

The Biologics Development and Manufacturing division improved its performance from the previous year and added several new clients. It also signed contracts for antiviral testing of consumer products.

To drive continued innovation, Syngene expanded its mammalian capabilities, set up a new microbial manufacturing facility; added new lines of process development and clinical manufacturing; increased capacity of the microbial testing laboratory; and added a new quality control laboratory with the latest biologics infrastructure.

API Manufacturing

Syngene completed the qualification process for its Mangaluru commercial API manufacturing facility, which is now a GMP-certified facility. Production has commenced at the facility, and volumes are expected to ramp up gradually in FY22.

Digitalization and Automation

Over the last few years, Syngene has made systematic investments in digitalization and automation to enhance productivity, improve quality, increase safety, speed up delivery, reduce turnaround time and reduce manual intervention and errors. During FY21, Syngene continued its digitalization initiatives, to strengthen the quality management system, implement a sophisticated document management system and enable wider use of laboratory information management systems.

We made systematic investments in digitalization and automation to enhance productivity, improve quality, increase safety, speed up delivery.

Syngene also implemented the 'Remote Eye' technology platform that allows remote viewing of its facilities in real-time to replicate physical inspection by regulatory teams. Of the 47 inspections done by clients and regulators in FY21, 36 were done virtually.

The Company has also successfully renewed its accreditation with the College of American Pathologists (CAP), which certifies compliance to global quality standards, making it a strong candidate to participate in global clinical trial studies.

Tackling COVID-19

The coronavirus pandemic generated challenges in scientific research – from diagnostics to vaccines and treatments. Syngene stepped in to play an active role in the fight against COVID-19 by applying its scientific expertise to develop solutions for clients.

As the nation was battling to ramp up testing capacity for COVID-19, Syngene contributed to the cause with the commissioning of a RT-PCR testing laboratory. In addition to testing thousands of samples for hospitals in Karnataka free of charge, the laboratory also provided a backbone for a proactive all-employee testing program for the Biocon Group. Under this program, all employees working on site underwent mandatory testing. Of the 185,000 samples tested in FY21, 90% were free of charge.

Contributing through Research

As the pandemic spread throughout the world, there was an emerging need for an efficient, reliable and scalable testing mechanism. Syngene developed an ELISA (Enzyme-Linked Immunosorbent Assay) antibody testing kit at its research facility in Bengaluru to address this growing need. This advanced, highly reliable test identifies the presence of SARS-CoV-2 antibodies in blood samples and confirms if a patient has been exposed to the coronavirus. With high throughput, the kit can generate results within three hours and is being manufactured and distributed in partnership with bioscience firm HiMedia Laboratories.

Syngene also obtained a voluntary license from Gilead for manufacturing and distribution of Remdesivir, a treatment which is used to treat hospitalized COVID-19 patients. The Company manufactured Remdesivir and provided supplies to specialist distributors for distribution in India.

During the year, Syngene was a co-recipient of a Biotechnology Industry Research Assistance Council (BIRAC) grant to develop a novel vaccine against COVID-19 using the measles virosome. The Company also became the recipient of a BIRAC grant to generate a human-ACE-2 transgenic mouse to support studies targeting the prevention or treatment of SARS-CoV-2 infection. The human ACE-2 cell surface protein engages the viral spike protein to facilitate entry into the cell.

Additionally, the Company developed and validated several relevant assays, including a

neutralizing antibody assay and T-cell response assay for assessing immune response from infection or post vaccination towards assessment of acquired immunity against SARS-CoV-2.

It also discovered several novel, high-affinity monoclonal antibody (mAb) assets and manufactured research tools such as receptor-binding domain (RBD) and S1 proteins of SARS-CoV-2. These mAbs have the potential to prevent SARS-CoV-2 infection, alleviate symptoms and limit progression to severe disease in patients with mild to moderate COVID-19, particularly in those who have not yet developed an endogenous antibody response.

To support the Government's efforts to combat and contain the pandemic, Syngene is also providing free vaccination for Biocon Group employees and their families.

Further, it is collaborating closely with the Government of Karnataka and various industrial bodies to share knowledge and best practices.

Outlook

Despite the continuing uncertainty due to the pandemic, Syngene expects revenue from operations to grow in the mid-teens range in FY22. In the new financial year, Syngene will continue to focus on the smooth running of operations while keeping its staff safe. It will invest in expanding its infrastructure and workforce to meet demand, add capabilities across its core businesses, and ramp up its sales presence in key markets.

Uncommon Commitment

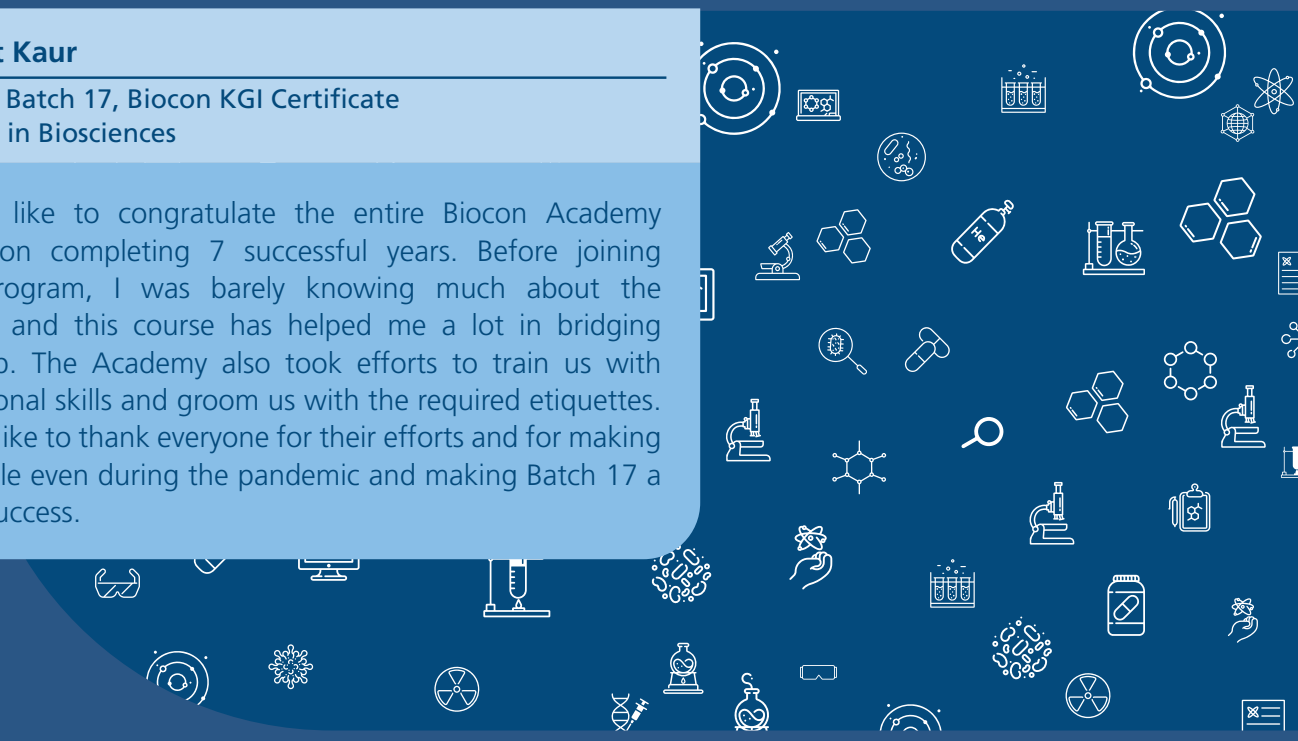
During COVID-19 pandemic, we went the extra mile to support our Patients, Partners and Customers. We remained united in our commitment to enhance global healthcare throughout the pandemic.

Biocon Academy: Student

Savneet Kaur

Student, Batch 17, Biocon KGI Certificate Program in Biosciences

I would like to congratulate the entire Biocon Academy team on completing 7 successful years. Before joining the program, I was barely knowing much about the industry and this course has helped me a lot in bridging that gap. The Academy also took efforts to train us with professional skills and groom us with the required etiquettes. I would like to thank everyone for their efforts and for making it possible even during the pandemic and making Batch 17 a virtual success.



Biocon Academy: Education Partners

Dr. Suchitra Sajja

R&D Manager, Thermo Fisher Scientific

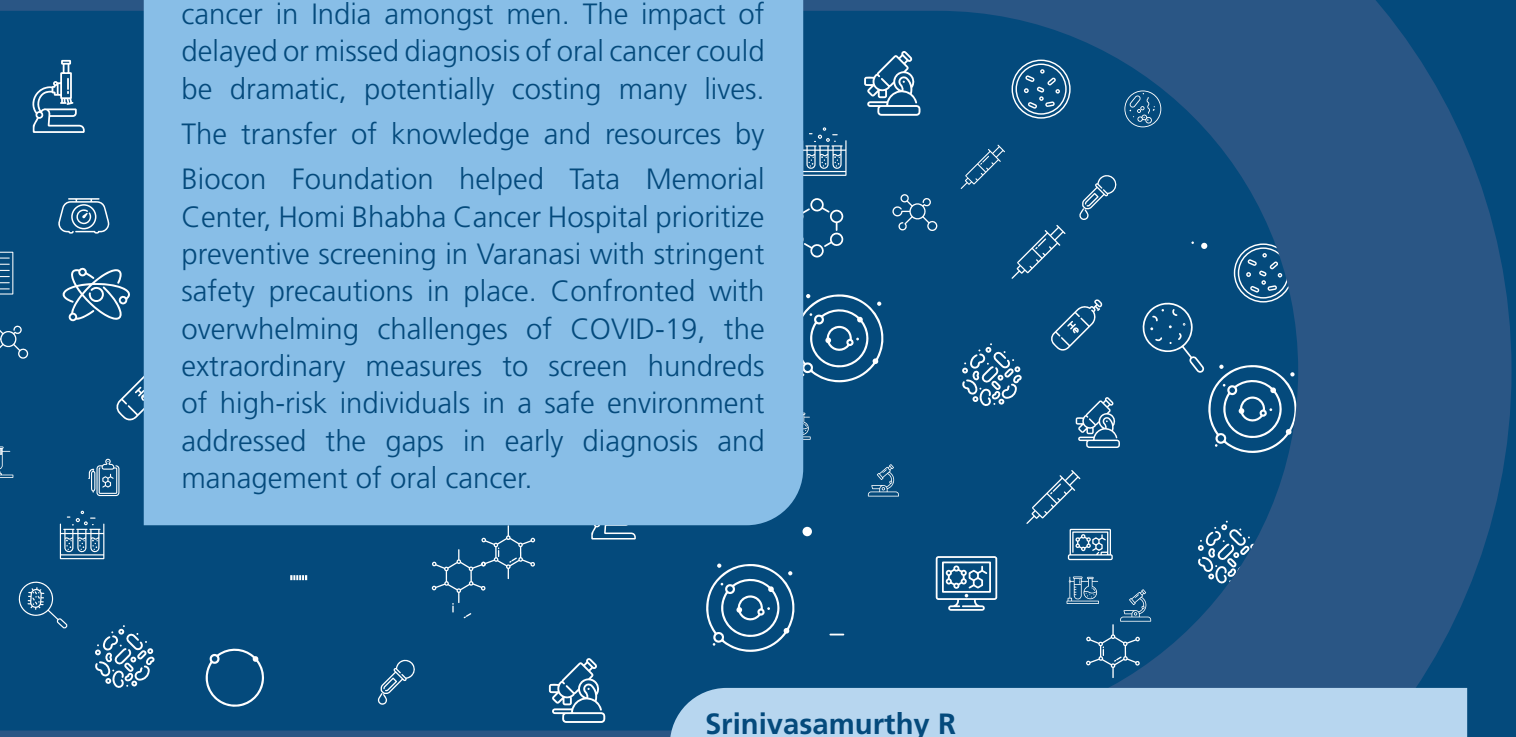
Thermo Fisher has been collaborating with Biocon Academy for the past 4-5 years and it has been a really great experience. Unfortunately, due to the pandemic, we had to conduct virtual training for the last two batches and we really hope the Biocon Academy students have enjoyed that. I am also happy to mention here that we have hired students from Biocon Academy, and they are really superstars over here. Congratulations to Biocon Academy on completing 7 years and I really look forward to seeing many years together.

Biocon Foundation: Doctors

Dr. Pankaj Chaturvedi

Head & Neck Cancer Surgeon, Tata Memorial Hospital, Mumbai

In this tough time, the healthcare resources have been diverted to manage the pandemic, therefore, the cancer care is mostly neglected. This is particularly concerning considering the high burden of oral cancer, the most common cancer in India amongst men. The impact of delayed or missed diagnosis of oral cancer could be dramatic, potentially costing many lives. The transfer of knowledge and resources by Biocon Foundation helped Tata Memorial Center, Homi Bhabha Cancer Hospital prioritize preventive screening in Varanasi with stringent safety precautions in place. Confronted with overwhelming challenges of COVID-19, the extraordinary measures to screen hundreds of high-risk individuals in a safe environment addressed the gaps in early diagnosis and management of oral cancer.



Biocon Foundation: Education

Srinivasamurthy R

Head Master, Government Higher Primary School, Huskuru

We were conducting classes in an old and dilapidated school building, in which walls and ceilings in the classrooms had developed cracks, posing a risk to the lives of the students. Our teachers and students are obliged to Biocon Foundation for reconstructing our school despite the challenges of COVID-19. The infrastructure has created a safe and fearless learning environment. As the students return to schools, they are going to experience a friendly and conducive ambience.

Biocon

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 Behaviour
- Performance Driven Work Culture
- Value Creation through Innovation and Differentiation
- Quality through Compliance and Best Practices
- Collaboration, Team Work and Mutual Respect

Financial Report

Corporate Information

BOARD OF DIRECTORS

Executive Chairperson
Kiran Mazumdar-Shaw

Managing Director and CEO
Siddharth Mittal

Non-Executive, Non-Independent Director
John Shaw
Prof. Ravi Mazumdar

Independent Directors
Meleveetil Damodaran - Lead ID
Bobby Kanubhai Parikh
Dr. Vijay Kumar Kuchroo
Daniel Mark Bradbury
Mary Harney

BOARD COMMITTEES

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

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

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

Corporate Social Responsibility Committee
Mary Harney, Chairperson
Dr. Vijay Kumar Kuchroo
Prof. Ravi Mazumdar

Nomination and Remuneration Committee
Mary Harney, Chairperson
Dr. Vijay Kumar Kuchroo
Prof. Ravi Mazumdar
Kiran Mazumdar-Shaw

Chief Financial Officer
Indranil Sen

Company Secretary and Compliance Officer
Mayank Verma

Statutory Auditors
B S R & Co. LLP
Chartered Accountants
Embassy Golf Links Business Park,
Pebble Beach, 3rd Floor,
Off Intermediate Road,
Domlur, Bengaluru-560071,
Karnataka, India

Secretarial Auditors
V Sreedharan & Associates
Company Secretaries
No. 291, 1st Floor, 10th Main Road
Jayanagar 3rd Block, Bengaluru 560011

Cost Auditors
Rao, Murthy & Associates
Cost Accountants
Sampurna Chambers
13, First 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 Private Limited
(formerly known as Karvy Fintech Private Limited)
(Unit: Biocon Limited)
Karvy Selenium, Tower - B,
Plot No. 31 & 32 Financial
District, Nanakramguda, Hyderabad, India
E-mail: einward.ris@kfintech.com

Board's Report

Dear Members,

We are pleased to present the Forty-Third (43rd) Annual Report on the business and operations along with the audited standalone and consolidated financial statements and the auditor's report of your Company, for the financial year ended March 31, 2021.

Financial Highlights				In ₹ Million (except EPS)
Particulars	Standalone financial highlights		Consolidated financial highlights	
	FY21	FY20	FY21	FY20
Total revenue	21,786	21,901	73,603	64,619
Expenses	18,198	18,016	62,260	53,145
Share of profit / (loss) of joint venture and associate, net	-	-	(695)	-
Profit before tax and exceptional items	**3,588**	**3,885**	**10,648**	**11,474**
Exceptional items, net	-	1,597	126	675
Profit before tax	**3,588**	**5,482**	**10,774**	**12,149**
Income tax	783	1,119	2,215	3,151
Non-controlling interest	-	-	1,057	1,227
Profit/ (loss) for the year from discontinued operations	-	46	(97)	(289)
Profit for the year	**2,805**	**4,409**	**7,405**	**7,482**
Other comprehensive income /(expense), net	24	(77)	1,582	(1,314)
Total comprehensive income	**2,829**	**4,332**	**8,987**	**6,168**
Earnings per Share (EPS) after exceptional items	2.36	3.72	6.24	6.32

Standalone and Consolidated Financial Statements

The standalone and consolidated financial statements of your Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial highlights and the results of the operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

Further, a statement containing the salient features of the financial statements of our subsidiaries pursuant to sub-section 3 of Section 129 of the Companies Act, 2013 in the prescribed form AOC-1 is appended as Annexure 1 to the Board's report. The statement also provides the details of performance and the financial positions of each of the subsidiaries.

State of Affairs

The highlights of your Company's standalone financial performance are as under:

- Revenue from operations for FY21 stood at ₹ 20,284 mn compared to ₹ 19,884 mn for FY20. Other income for FY21 amounted to ₹ 1,502 mn as against ₹ 2,017 mn in FY20, primarily comprised of income earned from providing utility services to subsidiaries ₹ 1,147 mn, income on investments at ₹ 339 mn. Forex loss of ₹ 103 mn in FY21 (disclosed under other expense) against gain of ₹ 317 mn in FY20 (disclosed under other income).
- Core operating margins (EBIDTA margins net of licensing, impact of forex, R&D and dividend from subsidiaries) was 27% compared to 25 % in the previous financial year, primarily driven by higher volumes with better margins in Generics business.
- Profit before tax and exceptional items (excluding discontinued operations) stood at ₹ 3,588 mn compared to ₹ 3,885 mn in FY20. Effective tax rate (ETR) for the year before exceptional item and discontinuing operations was 22% against 20% in FY20.
- Profit for the year stood at ₹ 2,805 mn compared to ₹ 4,409 mn (including exceptional item ₹ 1,597 mn) for FY20.

The highlights of your Company's Consolidated Financial performance are as under:

- During the year, our consolidated revenues registered a growth of 14% to ₹ 73,603 mn from ₹ 64,619 mn in FY 20. From a segment perspective, Biologics recorded an annual growth of 28% while Generics registered a growth of 6% and Research services grew by 9%.
- Further, to enable Bicara Inc. ("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 mn.
- Adjusting for the gain on fair value of Bicara Core margins (EBITDA margins net of licensing, forex and R&D) stood at 32% compared to 33% for FY 20.
- Profit for the year including non-controlling interest stood at ₹ 8,462 mn compared to ₹ 8,709 mn for FY20.
- Effective tax rate (ETR) for the year before exceptional item and adjusting for the gain on fair value of Bicara was 23% (22% in FY20).

Exceptional items (Consolidated)

Fire incident in Syngene (Consolidated Financial statements)

- Pursuant to a fire incident on December 12, 2016 at Syngene, certain fixed assets, inventory and other contents in one of the buildings were damaged. Syngene had recorded a loss of ₹ 1,057 mn arising from such incident and received the disbursements approval of ₹ 2,120 mn from the insurance company against the loss till March 31, 2021. The aforementioned loss and the disbursements from the insurance claim has been presented on a net basis as ₹ 350 mn and ₹ 713 mn under exceptional items in the standalone and consolidated financial statements for the year ended March 31, 2021 and March 31, 2020 respectively. Consequential tax of ₹ 122 mn and ₹ 254 mn respectively is included within tax expense in the standalone and consolidated financial statements for the year ended March 31, 2021 and March 31, 2020 respectively. Further non-controlling interest of ₹ 68 mn and ₹ 137 mn is included within non-controlling interest in the consolidated financial statements.

  As at March 31, 2021, Syngene has receivable of ₹ 105 mn from the insurance company against the approved disbursements and the same has been recorded as amount recoverable from the insurance company.

  In addition, Syngene is in the process of determining its final claim for loss of fixed assets and Business Interruption and has accordingly not recorded any further claim arising therefrom at this stage.
- During the year ended March 31, 2021, Biosimilars business has incurred severance cost amounting to ₹ 224 mn arising from exit of certain key personnel which is recorded as exceptional item. Consequential tax impact of ₹ 27 mn is included within tax expense.

Discontinuing operations (Consolidated)

Pursuant to the approval of the Board of Directors on May 14, 2020, the Group is in process of disposing off its interest in the JV entity and related UAE operations. Accordingly, share of profit / (loss) from the JV and results of its related business have been disclosed as discontinuing operations in the consolidated financial results.

Impact of the COVID-19 pandemic

The impact of coronavirus pandemic on India has been largely unsettling in terms of economic activity across all sectors. During this crisis, the Company has sustained its commitment towards ensuring the health and safety of its employees, their families, and other stakeholders. The pandemic has tapped the new digital era for the pharma industry, due to the rapid challenges arising from disruption in supply chains and the need to change business processes. It has driven the Company to implement responsive commercial strategies focused on ensuring business continuity during such unprecedented times.

The impact of the pandemic on our business performance is outlined in the initial sections of this Annual Report and under the Management and Discussion Analysis Report.

Subsidiaries, Associates and Joint Ventures

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*.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with the 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 SEBI Listing Regulations. The policy is available at the website of the Company at www.biocon.com.

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

Syngene International Limited, India

Syngene International Limited 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 Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

During the year ended March 31, 2021, Syngene (consolidated) registered a revenue growth of 7% to ₹ 22,489 mn (FY20 - ₹ 20,935 mn). EBIDTA margin for the year was 33% with the operating margin at ₹ 7,364 mn (FY20 - ₹ 6,994 mn), registering a growth of 5%.

Syngene USA Inc.

Syngene USA Inc. 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). The company provides sales and business support services to the operations of Syngene in USA. During FY21, Syngene USA Inc, posted a revenue of ₹ 223 mn and reported a net profit of ₹ 13 mn.

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

Biocon Biologics Limited ('BBL') 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. 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. BBL has commercialized three of its biosimilars in developed markets like EU, U.S., Japan and Australia. 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.

During the year, with a view to enlarge the presence globally before its patients, customers, vendors, partners, investors and stakeholders BBL has changed its name from Biocon Biologics India Limited to Biocon Biologics Limited w.e.f. October 17, 2020.

During the year, BBL received an equity investment from Tata Capital Growth Fund II for ₹ 2,250 mn and from Beta Oryx Limited, a subsidiary of ADQ for ₹ 5,550 mn.

BBL also received an investment by way of Unlisted Rated Secured Redeemable Non-Convertible Debentures from HDFC Bank Limited for ₹ 2,000 Mn and by way of Unlisted Unsecured Redeemable Optionally Convertible Debentures from Goldman Sachs India AIF Scheme – 1, a scheme setup under Goldman Sachs India Alternative Investment Trust, acting through its investment manager, Goldman Sachs (India) Alternative Investment Management for ₹ 11,250 mn.

During the year ended March 31, 2021, BBL posted standalone revenue growth of 9% to ₹ 19,471 mn (FY20 - ₹ 17,911 mn) and a standalone net profit of ₹ 2,097 mn (FY20 – ₹ 2,883 mn).

During the year ended March 31, 2021, BBL posted consolidated revenue growth of 20% to ₹ 28,036 mn (FY20 - ₹ 23,320 mn) and a consolidated net profit of ₹ 2,675 mn (FY20 – ₹ 3,173 mn).

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

Biocon Biologics UK Limited ('BUK') which was incorporated in the United Kingdom on March 2016 is a wholly owned subsidiary of BBL. In addition to the biosimilar Pegfilgrastim, which was launched in the United States under the brand name Fulphila, biosimilar Trastuzumab, branded as Ogivri TM was commercialised in the European union and the United States during the year.

During the year, BUK has changed its name from Biocon Biologics Limited to Biocon Biologics UK Limited w.e.f. October 19, 2020.

During the year ended March 31, 2021, BUK earned ₹ 13,869 mn as revenue and reported a net profit of ₹ 2,454 mn as against revenue of ₹ 12,460 mn and net profit of ₹ 1,940 mn in FY20. 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 ₹ 5,314 mn and net loss of ₹ 2,481 mn in FY21 against a total revenue of ₹ 2,742 mn and a net loss of ₹ 2,794 mn in FY20.

Biocon Biologics Healthcare Malaysia Sdn. Bhd., Malaysia (formerly known as Biocon Healthcare Sdn. Bhd.)

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

During the year, BHSB changed its name from Biocon Healthcare Sdn. Bhd. to Biocon Biologics Healthcare Malaysia Sdn. Bhd. w.e.f. June 18, 2020.

During the year ended March 31, 2021 no operations were in BHSB.

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, 2021, reported a net loss of ₹ 82 mn.

Biocon Biologics Do Brasil Ltda, Brazil

Biocon Biologics Do Brasil Ltda ('BBDBL') is a subsidiary of BUK which was incorporated during year to undertake direct marketing services and representatives' activities and intermediation in general.

During the year ended March 31, 2021, reported a net loss of ₹ 19 mn.

Biocon Biologics FZ–LLC, UAE

Biocon Biologics FZ-LLC (BBFL) is a subsidiary of BUK which was incorporated during year to undertake Import & Export, Marketing & Sales Promotion, Research & Development, Storage, support services activities related to Therapeutics.

BBFL is yet to commence commercial operations.

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 has capitalised ₹ 3,610 mn in the March 2020.

The Company launched Tacrolimus capsules, following an approval from the US FDA in November 2020.

During the year ended March 31, 2021, earned ₹ 2,012 mn as revenue and reported a net loss of ₹ 1,259 mn.

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 ₹ 4,419 mn and net profit of ₹ 249 mn in FY21 against a total revenue of ₹ 3,923 mn and a net profit of ₹ 277 mn in FY20.

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, 2021, BPUK has not commenced its commercial operations. During the financial year ended March 31, 2021, BPUK reported a loss of ₹ 51 mn against a loss of ₹ 45 mn in FY 20.

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, 2021, BPIL is yet to commence commercial operations. During the financial year ended March 31, 2021, BPIL reported a loss of ₹ 23 mn against ₹ 16 mn in FY20.

Biocon Pharma Malta Limited (BPML) and Biocon Pharma Malta I Limited (BPMIL)

BPML a wholly owned subsidiary of the Company and BPMIL subsidiary of BPML , was incorporated on January 25, 2021 in Malta. These subsidiaries will be engaged in commercialization of generic formulations and is yet to commence commercial operations as on March 31, 2021.

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, 2021, BBSL has not commenced commercial operations and had capital work in progress ₹ 706 mn.

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. As on March 31, 2021, the company has not commenced commercial operations.

Biocon Academy

Biocon Academy 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.

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 is anchoring the development of a pipeline of functional antibodies that exploit the recent advances in immuno-oncology.

During the previous year, the Company, to further develop and market Fusion MAB, molecules out-licensed the rights related to Fusion MAB molecules to Bicara for further development and commercialization.

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 Rs 1,597 mn. Such gain has been disclosed as Other Income in the consolidated financial statements.

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 financial year ended March 31, 2021, Bicara recorded a revenue of ₹ 15 mn (FY20- ₹ 31 mn), and reported a net loss of ₹ 1,800 mn (FY20 - ₹ 649).

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 ₹ 58 mn against a loss of ₹ 32 mn in FY20.

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, 2021, Biocon FZ LLC earned ₹ 469 mn in revenue and reported a net profit of ₹ 15 mn against a revenue of ₹ 834 mn and a net loss of ₹ 65 mn in FY20.

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, 2021 NB reported ₹ 335 mn as revenue and a net loss of ₹ 198 mn as against a revenue of ₹ 786 mn and a net profit of ₹ 590 mn in FY20. 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 year your Company had acquired 26% equity stake in Hinduja Renewables Two Private Limited towards enhancing the renewable based power consumption.

Dividend

On account of the uncertainty created by an unprecedented second wave of the COVID-19 pandemic and the continued investments in R&D and Capex, the Board of Directors ('the Board') had decided that it would not be appropriate to declare a dividend for the financial year 2020-21.

Dividend Distribution Policy

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board has formulated and adopted the Dividend Distribution Policy. The Policy is annexed as *Annexure 2* to the Board's report and is also available on our website at www.biocon.com.

Share Capital

The share capital of the Company as on March 31, 2021 is as follows:

Particulars	FY 2021 Amount in INR	FY 2020 Amount in INR
Authorized Equity Share Capital	6,250,000,000	6,000,000,000
Paid up Equity Share Capital		
March 31, 2021: 120,00,00,000 equity shares of ₹ 5/- each	6,000,000,000	6,000,000,000

During the year, the shareholders at the 42nd Annual General Meeting held on July 24, 2020, approved the increase of the authorised share capital of the Company from ₹ 600,00,00,000/ - divided into 120,00,00,000 equity shares of ₹ 5/- each to ₹ 625,00,00,000/- divided into 125,00,00,000 equity shares of ₹ 5/- each.

Management's Discussion and Analysis

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report for the year, is presented in a separate section, forming part of the Annual Report.

Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance. We believe in adhere to good corporate practices, implement policies and guidelines and 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 to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

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 the Annual Report.

Business Responsibility Report

As mandated by the Securities and Exchange Board of India ('SEBI'), the Business Responsibility Report ('BRR') forms part of the Annual Report. The report on the nine principles of the National Voluntary Guidelines on social, environmental and economic responsibilities of business as framed by the Ministry of Corporate Affairs is provided in relevant sections of the BRR.

Employee Stock Option Plan (ESOP)

Biocon's Employee Stock Option Plan ('the 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) Regulations, 2014 ('SEBI SBEB 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 3,887,572 shares were transferred from the ESOP Trust to the eligible employees under the Company's prevailing ESOP plan. As on March 31, 2021, the ESOP Trust held 11,168,774 equity shares of the company. During the year ended March 31, 2021, there has been no material change in the Company's existing plan and the plan is in compliance with SEBI SBEB Regulations.

During the year, at the 42nd Annual General Meeting, the shareholders had approved the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 and grant of Restricted Stock Units to eligible employees of the Company and its subsidiaries. This Plan is designed to drive performance towards achieving the Board approved Strategic objectives for the FY 2020-24. The Plan has been formulated keeping in mind delivery around key parameters measured through increase in revenue & profit, delivery against key business initiatives and shareholder value creation. The Plan covers key employees who, by virtue of the roles they play, would be influencing the accomplishment of the strategic objective.

The applicable disclosures as stipulated under the SEBI SBEB Regulations as on March 31, 2021 are appended herewith as Annexure 3 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 statutory auditors that the ESOP and RSU schemes have been implemented in accordance with SEBI SBEB Regulations and the resolutions passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by the members.

Deposits

Your Company has not accepted any deposit and as such no amount of principal and interest were outstanding as at the Balance Sheet date.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements.

Policy on Directors' Appointment and Remuneration

The Company's current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

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. The Committee also ensures that the incumbent fulfils such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act, SEBI Listing Regulations or other applicable laws. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on the remuneration of Directors, Key Managerial Personnel and other Employees as required under sub-section (3) of Section 178 of the Companies Act, 2013. The policy of the Company on director's appointment and remuneration is uploaded on to the website of the Company and available at www.biocon.com

As on March 31, 2021, the Board of Directors comprised of nine members including two women members, consisting of two Executive Directors, two Non-Executive Directors, and five Independent Directors. The Board periodically evaluates the need for change in its composition and size.

Board Diversity

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 of Directors 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 recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out its approach to diversity. The policy is available at the website of the Company at www.biocon.com.

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 SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Code of Conduct of the Company.

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. Further, the Independent Directors have also submitted their declaration in 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 Indian Institute of Corporate Affairs ('IICA') for a period of one year or five years or life time till they continues to hold the office of an independent director.

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 SEBI Listing Regulations, the Board had, during the financial year, engaged Egon Zehnder - a leadership advisory firm on board matters, to conduct the Board evaluation exercise. The evaluation process focused on Board dynamics and softer aspects. The process involved the evaluation of all the directors including the Chairperson, the Managing Director and Chief Executive Officer, Board committees and the Board as a whole. This exercise was 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, 2021, the Board of Directors comprised of nine members including two women members. The Board has an appropriate mix of Executive Directors ('EDs'), Non-Executive 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

With effect from April 1, 2020, Ms. Kiran Mazumdar-Shaw assumed the role of an Executive Chairperson and Mr. Siddharth Mittal was designated as the Managing Director and CEO of the Company. This was approved by the shareholders at the 42nd Annual General Meeting of the Company held on July 24, 2020.

Re-appointment

The shareholders, at the Annual General Meeting of the Company held on July 27, 2018, had appointed Mr. Bobby Kanubhai Parikh as an Independent Director for a tenure of three years until the conclusion of the ensuing AGM. On the basis of performance evaluation of Independent Directors, the Nomination and Remuneration Committee at its Meeting held on April 22, 2021, has recommended to the Board for the continued association of Mr. Bobby Kanubhai Parikh as an Independent Director of the Company. The decision was made based on the business knowledge, acumen, experience and the substantial contribution made by Mr. Bobby Kanubhai Parikh during his tenure.

Based on the above and the performance evaluation of Independent Directors, the Board recommends the re-appointment of Mr. Bobby Kanubhai Parikh as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years from conclusion of the 43rd AGM until the conclusion of 48th AGM, proposed to be held in 2026.

Prof. Ravi Mazumdar, Non-Executive Director retires by rotation at the ensuing AGM and being eligible, seeks re-appointment.

The Board recommends both the re-appointments and a separate resolution shall be placed for members approval at the ensuing AGM.

Key Managerial Personnel

Pursuant to the office of the Chief Financial Officer being vacant Mr. Indranil Sen, Vice President, Finance was appointed as the interim Chief Financial Officer, with effect from May 15, 2020. Subsequently, the Board, on recommendation from the Nomination and Remuneration Committee and Audit Committee, had appointed Mr. Anupam Jindal as the Chief Financial Officer with effect from September 22, 2020. Consequently, Mr. Indranil Sen had stepped down as the interim Chief Financial Officer with effect from the closing hours of September 22, 2020.

The Key Managerial Personnel(s) of the Company as on March 31, 2021 are Ms. Kiran Mazumdar-Shaw, Executive Chairperson, Mr. Siddharth Mittal, Managing Director & CEO, Mr. Anupam Jindal, Chief Financial Officer and Mr. Mayank Verma, Company Secretary & Compliance Officer.

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

Committees of the Board

Currently, the Company has five Board level Committees: Audit Committee ('AC'), Risk Management Committee ('RMC'), Nomination and Remuneration Committee ('NRC'), Stakeholders' Relationship Committee ('SRC') and Corporate Social Responsibility Committee ('CSR'). The composition of the above committees, as on March 31, 2021 is disclosed as under:

S. No.	Name of Members	Category	AC		RMC		NRC		SRC		CSR	
			C	M	C	M	C	M	C	M	C	M
1	Ms. Kiran Mazumdar-Shaw	Executive Chairperson				●		●				
2	Mr. John Shaw	Non-Executive Director										
3	Mr. Siddharth Mittal	Managing Director & CEO				●						
4	Prof. Ravi Mazumdar	Non-Executive Director						●		●		●
5	Mr. Bobby Kanubhai Parikh	Independent Director	●		●					●		
6	Mr. Daniel Mark Bradbury	Independent Director		●		●			●			
7	Mr. Meleveetil Damodaran	Independent Director		●		●						
8	Ms. Mary Harney	Independent Director					●				●	
9	Dr. Vijay Kumar Kuchroo	Independent Director						●				●

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 2020-21, the Board met six times. 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 are included in the report on Corporate Governance, which forms part of the annual report.

Due to the continued situation of the COVID-19 pandemic, the Government of India has extended the relaxation towards the requirement of holding Board meetings with physical presence of directors until June 30, 2021 under section 173 (2) read with Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, Board's report, etc.

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 the financial year 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 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 www.biocon.com.The details of related party disclosures form part of the notes to the Financial Statements provided in the Annual Report.

Credit Ratings

ICRA and CRISIL continued to reaffirm their rating of AA+/ Stable and A1+ respectively, for various banking facilities throughout the year enabling your Company to avail facilities from banks at attractive rates indicating a very strong degree of safety for timely payment of financial obligations.

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 4* 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 to hold office from the conclusion of the 38th AGM held on June 30, 2016 until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board is of the opinion that continuation of M/s. B S R & Co. LLP, as Statutory Auditors will be in the best interests of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company, for a term of five years, from the conclusion of the ensuing Annual General Meeting, till the Annual General Meeting to be held in the calendar year 2026, at such remuneration mutually agreed and approved by the Board.

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2021 is unmodified i.e. it does not contain any qualification, reservation or adverse remark. 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, 2020, 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, 2021. 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 the Company.

The Cost Auditors will submit their report for the financial year ended March 31, 2021 on or before the due date. 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 for the financial year ended March 31, 2021 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 2020-21. The Secretarial Audit Report for the FY 2020-21, does not contain any qualification, reservation or adverse remark and is appended herewith as *Annexure 5* to the Boards' report.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Company has submitted the Annual Secretarial Compliance Report, issued by M/s. V. Sreedharan & Associates, Practicing Company Secretaries with the stock exchanges where shares of the Company are listed.

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 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 provide for adequate safeguards 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 your Company is available on the Company's website and can be accessed at website of Company at www.biocon.com.

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 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 6* 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 statement containing the particulars of employees employed throughout the year and in receipt of remuneration of ₹ 1.02 crore or more per annum and employees employed for a part of the year and in receipt of remuneration of ₹ 8.5 Lakhs or more per month, as required under Section 197(12) of the Companies Act 2013 is available on the website of the Company at www.biocon.com

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 43rd 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 operations since inception. With the incorporation of Biocon Foundation in 2004, the Company formally structured its CSR activity. Today, the Company executes its CSR efforts through Biocon Foundation, Biocon Academy and select partnership programs with like-minded private organizations and the Government. The Company promotes social and economic inclusion for the marginalized communities with its integrated system focussing on the following areas:

Primary Healthcare:

In pursuit of technology enabled innovation in healthcare, Biocon Foundation developed the eLAJ Smart Clinic model, a real-time health information system, which has been integrated into twenty Primary Health Centres (PHCs) of the Government of Karnataka and three health centres of Biocon Foundation, across seven districts of Karnataka. The system enables storage of patient records and provides high-quality diagnostic services.

The asymptomatic attribute of oral cancer in the early stages results in delayed presentation and late-stage diagnosis and therefore high morbidity and mortality. Our Health innovation supports early detection and management of oral pre-cancerous lesions. In a secure network, the mobile application creates a robust electronic health record which includes intra-oral image-based data for active treatment and surveillance. The frontline health workers are trained for oral cancer prevention, early detection and subsequent treatment with the help of remote specialists, even in settings where health resources are generally scarce.

The clinics of Biocon Foundation provide specialist diagnostic, curative and counselling services that include, but are not limited to, women & child health, nutrition, NCDs and comorbidities. The NCD Clinics diagnose and manage type 2 diabetes and hypertension. The clinics provide free of cost lab investigations, doctor consultation and counselling for lifestyle changes and medication adherence. The Geriatric Clinics attend to health issues of the elderly, including chronic health conditions. The Mental Health Clinics deal with conditions such as stress, anxiety, insomnia, dementia and depression. The Well Women 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 have improved local access to treatment for common childhood illnesses, with a focus on management of protein energy malnutrition.

Environmental Sustainability:

After inaugurating the rejuvenated Hebbagodi Lake in December 2018, Biocon has made concerted efforts to preserve the waterbody. The preservation involves regular application of a blend of bio-enzymes and specially selected eco-friendly microorganisms that rapidly liquefy the organic waste and clean the polluted water. The liquefied organic waste is then degraded into water and gases that are totally harmless to the environment. Trash barrier and bar screens have been installed to arrest floating matter. Energy efficient cascading aerators and submersible mixers have been installed to increase the dissolved oxygen and reduce sludge in the water. Artificial wetlands have been added to reduce the excess nutrients and enhance the micro ecosystem underneath the water surface to clean the pollutants. The multipronged approach have resulted in upkeep of the lake. Weed control is undertaken regularly to prevent the invasive plants from growing back. The surroundings and children's park area are maintained to keep them safe, clean, and operational. Security personnel have been appointed to protect the assets and promote safety.

Biocon Foundation signed a memorandum of understanding with Bengaluru Metro Rail Corporation Limited (BMRCL) to finance the construction of a metro station at Hebbagodi, Anekal, Bengaluru. The mass rapid transit will mitigate the traffic congestion and reduce pollution levels in the city.

A project was undertaken at the Minsk Square to add urban green space at the heart of the city landscape of Bengaluru.

Rural Development:

The new buildings of Government Higher Primary School in Huskuru, Bengaluru and Government Higher Primary School in Sira, Tumkuru have been inaugurated. The improved infrastructure will provide enabling environment to attain better learning outcomes for children from poor backgrounds.

COVID-19 Relief Measures:

In order to provide immediate relief to the daily wagers and the underprivileged, who were disproportionately impacted due to the COVID-19 pandemic and lockdown, dry ration kits with basic grocery items were distributed in partnership with the Akshaya Patra Foundation and the Bengaluru Political Action Committee in Bengaluru urban area. The Akshaya Patra Foundation partnered with Biocon Foundation for similar initiatives in Telangana & Andhra Pradesh.

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility Committee, which monitors and oversees various CSR initiatives and activities of the Company. The CSR Committee comprises of Ms. Mary Harney (Chairperson), Dr. Vijay Kumar Kuchroo and Prof. Ravi Mazumdar.

A detailed report regarding Corporate Social Responsibility is appended herewith as *Annexure 7* to the Boards' report. The Policy on Corporate Social Responsibility has been uploaded on the website of the Company and is available at www.biocon.com.

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

The 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, 2 complaints with allegations of sexual harassment were filed, of which 1 were disposed-off and 1 is pending closure as per the timelines of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Transfer of Unpaid and Unclaimed Amounts to 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, the Company has transferred unpaid and unclaimed dividends of ₹ 1,452,234 for the financial year 2012-13 and 11,503 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 your 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 and SEBI Listing Regulations.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between March 31, 2021 and the date of this report.

Change in Nature of Business

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

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)

The Company is compliant with and has proper systems to ensure compliance under the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('the ICSI').

Dispatch of Annual Report owing to COVID-19

In compliance with the provisions of MCA vide its Circular No. 02/2021 dated January 13, 2021, and SEBI circular dated January 15, 2021, had dispensed with the printing and despatch of hard copies of annual reports to shareholders. Hence, the Annual Report 2020-21 has been sent only through electronic mode to those Members whose email IDs are available with the Company / Depositories / RTA. The Annual Report 2020-21 is available on the Company's website at www.biocon.com.

We also request all the investors whose email id(s) are not registered to take necessary steps to register their email id with the Depository Participant/ Registrar and Share Transfer Agent.

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 AP, 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 co-operation 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
DIN: 00347229

Place: Bengaluru
Date: April 28, 2021

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

₹ in Million

Sl. No	Name of the subsidiary	Date since subsidiary was acquired/ incorporated	Reporting Period	Reporting currency	Share capital*	Reserves & Surplus (other equity)*	Total Assets*	Total Liabilities (excl. capital & reserves)*	Investments (excluding in subsidiaries)*	Turnover#	Profit/ (loss) before taxation#	Provision for taxation#	Profit/(loss) for the year#	Proposed dividend	% of Shareholding by the Company
1	Syngene International Limited, India	November 18, 1993	April - March	INR	4,000	24,183	48,775	20,592	7,024	22,440	4,674	637	4,037	-	70.24%
2	Biocon Academy, India	December 03, 2013	April - March	INR	1	-	66	66	-	-	-	-	-	-	100.00%
3	Biocon Pharma Limited, India	October 31, 2014	April - March	INR	141	(2,274)	9,748	11,881	1,130	2,012	(807)	452	(1,259)	-	100.00%
4	Biocon SA, Switzerland	April 21, 2008	April - March	USD	7	4,662	4,710	41	-	-	(58)	-	(58)	-	100.00%
5	Biocon Biologics Limited, India	June 08, 2016	April - March	INR	10,588	9,905	68,434	47,941	3,330	19,471	2,441	344	2,097	-	93.47%
6	Biocon Biologics UK Limited	March 02, 2016	April - March	USD	18,973	6,209	40,449	15,267	-	13,869	2,903	449	2,454	-	Refer note 2
7	Biocon SDN BHD, Malaysia	January 19, 2011	April - March	USD	25,412	(7,443)	32,049	14,079	-	5,314	(2,481)	-	(2,481)	-	Refer note 3
8	Biocon Pharma Inc, USA	July 27, 2015	April - March	USD	1,340	187	2,951	1,424	-	4,419	325	76	249	-	Refer note 4
9	Biocon FZ LLC, UAE	June 16, 2015	April - March	AED	3	73	479	404	-	469	15	-	15	-	100.00%
10	Biocon Biologics Healthcare SDN BHD, Malaysia	August 10, 2017	April - March	MYR	35	(36)	1	2	-	-	-	-	-	-	Refer note 3
11	Syngene USA Inc., USA	August 24, 2017	April - March	USD	4	28	91	59	-	223	18	5	13	-	Refer note 6
12	Biocon Pharma UK Limited	December 07, 2018	April - March	GBP	102	(103)	12	13	-	-	(51)	-	(51)	-	Refer note 4
13	Bicara Therapeutics Inc	December 10, 2018	April - March	USD	2,928	(2,375)	1,404	851	-	-	(1,800)	-	(1,800)	-	87% (Refer Note 7)
14	Biocon Pharma Ireland Limited	December 14, 2018	April - March	EUR	67	(40)	29	2	-	-	(23)	-	(23)	-	Refer note 4
15	Biocon Biologics Inc, USA	November 12, 2019	April - March	USD	44	(86)	7	49	-	-	(82)	-	(82)	-	Refer note 3
16	Biocon Biosphere Limited, India	December 24, 2019	April - March	INR	1	(4)	825	828	-	-	-	-	-	-	100.00%
17	Biocon Biologics FZ LLC	November 20, 2020	April - March	AED	-	-	-	-	-	-	-	-	-	-	Refer note 3
18	Biocon Biologics Do Brasil Ltda	August 17, 2020	April - March	USD	20	(19)	7	6	-	-	(19)	-	(19)	-	Refer note 3
19	Biocon Pharma Malta Limited	January 25, 2021	April - March	EUR	-	(1)	0	1	-	-	(1)	-	(1)	-	Refer note 4
20	Biocon Pharma Malta I Limited	January 25, 2021	April - March	EUR	-	-	-	-	-	-	-	-	-	-	Refer note 5
21	Biofusion Therapeutics Limited	March 18, 2021	April - March	INR	-	-	-	-	-	-	-	-	-	-	100.00%

* Exchange rate considered in the case of foreign subsidiaries - 1 USD = 73.20; 1 AED = 19.93; 1 MYR = 17.66; 1 GBP = 100.89; 1 EUR = 85.88

Converted at monthly average exchange rates

Notes :

1. None of the subsidiaries have proposed dividends as at March 31, 2021.
2. Biocon Biologics Limited holds 100% of equity stake in Biocon Biologics UK Limited
3. Biocon Biologics Limited, UK holds 100% of equity stake in:-
   a) Biocon SDN BHD, Malaysia@
   b) Biocon Biologics FZ LLC
   c) Biocon Biologics Do Brasil Ltda

d) Biocon Biologics Healthcare SDN BHD, Malaysia
e) Biocon Biologics Inc., USA"
@The reporting currency of Biocon SDN BHD is MYR, however USD is disclosed since it is the functional currency.

4. 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 Limited"
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.
7. 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. 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.

Part B - Associates & Joint Ventures

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

S.No	Name of Associate / Joint Venture	Date on which the Associate / Joint Venture was acquired	Latest audited Balance Sheet date	Share of Associate / Joint Venture held by the Company at the year end			Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Net worth attributable to share holding as per latest audited Balance Sheet	Profit / (Loss) for the year	
				Number of shares	Amount of investments in Associate / Joint Venture	Extent of Holding %				Considered in consolidation	Not considered in consolidation
1	NeoBiocon, UAE	April 29, 2007	March 31, 2021	147,000	41	49%	By way of control of more than twenty percent of total share capital	NA	41	(99)	(99)
2	Bicara Therapeutics Inc (Refer note 7)	January 09, 2021	NA	42500000 ^	1,795	87%	By way of control of more than twenty percent of total share capital	NA	1,795	(695)	(106)

^ Includes preference shares

For and on behalf of the Board

Kiran Mazumdar-Shaw	**Siddharth Mittal**	**Indranil Sen**	**Mayank Verma**
Chairperson	Managing Director & CEO	Chief Financial Officer	Company Secretary

Place: Bengaluru
Date: April 28, 2021

Annexure 2 – Dividend Distribution Policy

INTRODUCTION

The Board of Directors ("the Board") of Biocon Limited ("the Company") understands the importance of shareholders' confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy ("the Policy") and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

The Dividend Distribution Policy ("the Policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company to strike balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force for accounting periods beginning from April 1, 2016.

OBJECTIVE

The Company has an objective of appropriately rewarding shareholders through dividends and long-term capital appreciation. The profits earned by the Company may either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans by reconciling between all these needs.

APPROACH

The Company's dividend payout will be determined based on available financial resources, investment requirements, long term growth strategies, internal and external factors and taking into account optimal shareholder return. The Board of Directors shall refer to the policy while declaring/ recommending dividends on behalf of the Company.

PROCEDURES

Pursuant to provisions of Section 123 of the Companies Act, 2013 and rules made thereunder, the Board may declare interim dividend or recommend final dividend, payable to the existing shareholders of the Company subject to shareholders' approval. The Board may consider the free cash flow position, profit earned during that year, capex requirements, applicable taxes, overall market situation and other requisite parameters as per company's state of profitability.

The Board, as they deem fit, may declare the interim dividend, one or more times in a financial year in line with this policy. This would be in order to supplement the annual dividend or in exceptional situations.

Whereas, the final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders in an Annual General Meeting.

ADDITIONAL MEASURES

- After satisfying the financial position of the Company, the Board shall declare interim dividend or recommend final dividend.
- The Company shall notify in advance to the stock exchange(s) where the securities of the Company are listed and also after the meeting of its Board of Directors at which the declaration of dividend is to be considered.
- On declaration of the dividend, the Company shall notify stock exchange(s) for the record date or book closure date as the case may be and determine the shareholders eligible for the dividend.
- The payment of declared dividend will be processed with the help of Registrar & Share Transfer Agents and the banks.
- The final dividend shall accord the approval of shareholders at the Annual General Meeting.
- In case of unpaid or unclaimed dividend, the Company shall prepare the statement of unclaimed dividend and the same shall be uploaded on Company's website at: www.biocon.com as required under law.
- According to the applicable laws, the unpaid or unclaimed dividend amount shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after the expiry of seven years from the date of transfer to "Unpaid Dividend Account" of the Company.

CLASS OF SHARES

The Company currently has only one class of shares - ordinary equity shares.

CATEGORY OF DIVIDENDS

The Act provides for two forms of Dividend- Final & Interim.

A. Final Dividend: Final dividend is paid once in a financial year after the annual accounts are prepared and adopted by the members of the Company. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the members in the Annual General Meeting.

B. Interim Dividend: Interim dividend may be declared by the Board of Directors one or more times in a financial year as may be deemed fit by the Board. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy. Normally, the Board may consider declaring an interim dividend after finalization of quarterly (or half yearly) financial results.

The Board at its discretion, may additionally recommend a Special Dividend under certain circumstances such as extraordinary profits from sale of investments etc.

FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

Subject to the provisions of the Companies Act,2013, dividend shall be declared or paid only out of:

(i) Profit of current financial year;

a) After providing for depreciation in accordance with law;

b) After transferring to reserves, such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

(ii) The profits for any previous financial year(s):

a) After providing for depreciation in accordance with law;

b) Out of remaining undistributed amount; or

(iii) Out of (i) & (ii) both

In computing the above, the Board may, at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in laws or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.

FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

While determining the nature and quantum of the dividend payout, the Board would take into account the following internal and external factors:

Internal Factors and Financial Parameters:

- Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
  - Previous years and
  - Internal budgets,
- Cash flow position of the Company and liquidity position;
- Accumulated reserves;
- Earnings stability;
- Future cash requirements for organic growth/expansion and/or for inorganic growth;
- Brand acquisitions;
- Current and future leverage and under exceptional circumstances, the amount of contingent liabilities;
- Deployment of funds in short term marketable investments;
- Capital expenditure(s)
- Long-term investments; and
- Any other factors as deemed fit by the Board.

External Factors:

- Sate of economy;
- Market conditions;
- Business cycles;
- Economic environment;
- Cost of external financing;
- Any political, tax and regulatory changes in the jurisdiction in which the Company operates.
- Industry outlook for the future years;
- Inflation rate, and;
- Changes in the Government policies or industry specific rulings and regulatory requirements.
- Any other factors as deemed fit by the Board.

Apart from the above, the Board also considers past dividend history while determining the rate of dividend.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus profits after providing for all expenses, depreciation and other necessary deductions and after complying with all other statutory provisions of the Companies Act, 2013 and other applicable laws. The internal and external factors specified above shall be a crucial factor for taking a dividend declaration decision and determining the dividend distribution amount.

The Equity Shareholders of the Company may not expect dividend, if the Company does not have surplus funds after providing for all expenses, depreciation, or other necessary deductions and after complying all other statutory provisions of the Companies Act, 2013 and other applicable laws. Also, the equity shareholders of the Company may not expect dividend, if the internal and external factors specified above warrant full retention of the surplus profit.

The Board may consider recommending a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such events, the Board shall provide the rationale in the Annual Report.

POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The retained earnings of the Company may be used in any of the following ways:

I. Capital expenditure for working capital;

II. Organic and/ or inorganic growth;

III. Investment in new business (es) and/or additional investment in existing business (es);

IV. Declaration of dividend;

V. Capitalisation of shares;

VI. Buy back of shares;

VII. General corporate purposes, including contingencies;

VIII. Correcting the capital structure;

IX. Any other permitted usage as per the Companies Act, 2013.

DISCLOSURE

This Policy shall be uploaded on the Company's website for public information and the web link of the same shall be provided in the Annual Report of the Company.

POLICY REVIEW

The Key management personnel's (KMPs) or the person authorised by the Board may review this Policy from time to time. Any material changes to this Policy shall require prior approval of the Board. In case of any inconsistency between the terms of this Policy, Listing Regulations & Companies Act, 2013 the provisions of the Listing Regulations & Companies Act, 2013 shall prevail.

Annexure 3 – Disclosure with respect to Employees Stock Option Plan of the Company

[Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014]

Sl. No	Particulars	Status of compliance
1.	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	There was no material changes in the scheme and scheme is in compliance with the regulations.
A	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.	Yes - Disclosed in Notes to Accounts – Refer note 30 to Standalone Financial Statements for the year ended March 31, 2021
B	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	Yes - Disclosed in Notes to Accounts – Refer note 30 to Standalone Financial Statements for the year ended March 31, 2021
C	Details related to ESOS	
	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	Refer notes to Standalone Financial Statements for the year ended March 31, 2021

1. Summary of Status of ESOP:

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

*Number of options approved under ESOP 2000 is adjusted for subdivision of face value of equity shares in FY 2001-02 and FY 2003-04 and issue of bonus shares in FY 2003-04, FY 2008-09 FY 2017-18, FY 2018-19 and FY 2019-20.

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

Sl. No	Particulars	
1	Date of shareholders' approval	July 24, 2020
2	Total number of options approved under ESOS	Refer note 30 of the standalone financial statements
3	Vesting requirements	
4	Exercise price or pricing formula	
5	Maximum term of options granted	
6	Source of shares (primary, secondary or combination)	Combination
7	Variation in terms of options	No variation
8	Method used to account for ESOS - Intrinsic or fair value	Intrinsic or fair value
9	The impact on the profits and EPS of the company	Refer note 30 of the standalone financial statements

3. Option movement during the year 2020-21:

Sl.No	Particulars	Grant V	Grant VI	Grant VII	Grant VIII	Grant IX	Grant X	RSU
1	Number of options outstanding at the beginning of the period	87,000	33,000	3,392,275	711,500	7,351,312	7,010,758	60,00,000
2	Number of options granted during the year	-	-	-	-	-	-	28,91,328
3	Number of options forfeited / lapsed during the year	-	-	120,000	136,500	1,780,875	340,498	300,000
4	Number of options vested during the year	-	-	1,020,750	159,000	290,063	1,993,501	-
5	Number of options exercised during the year	87,000	33,000	1,263,525	428,000	262,863	1,813,184	-
6	Number of shares arising as a result of exercise of options	87,000	33,000	1,263,525	428,000	262,863	1,813,184	-
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	-	-	-	-	-	-	-
8	Loan repaid by the Trust during the year from exercise price received	-	-	-	-	-	-	-
9	Number of options outstanding at the end of the year	-	-	2,008,750	147,000	5,307,574	4,857,076	2,630,000
10	Number of options exercisable at the end of the year	-	-	357,250	99,000	105,762	777,449	-
11	Weighted-average exercise prices of options outstanding at the end of year	-	-	82	75	124	142	5
12	Weighted-average fair values of options granted	-	-	-	-	-	-	337

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

(a) Options granted to Senior managerial personnel (Managing Director & CEO and 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:

Sl. No	Name of the Employee	Designation	No of options granted
1.	Siddharth Mittal	Managing Director & CEO	6,08,828
2.	Indranil Sen	Chief Financial Officer*	1,00,000

*Appointed as the Chief Financial Officer of the Company w.e.f April 28, 2021

(b) Any other employee who received a grant during the year, options amounting to 5% or more of option granted during the year – Refer Annexure on the Company's Website.

(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	Refer note 30 of the standalone financial statements
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	None

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

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

(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, 2020 – 14,811,872

(b) Number of shares acquired during the year through

(i) primary issuance - Nil

(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 – 244,474

(c) Number of shares transferred to the employees / sold along with the purpose thereof – 3,887,572

(d) Number of shares held at the end of the year i.e. March 31, 2021 – 11,168,774 (a +b-c)

(iii) In case of secondary acquisition of shares by the Trust –

Particulars	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year - A	14,811,872	1.23%
Acquired during the year – B	244,474	0.02%
Sold during the year - C		
Transferred to the employees during the year, including cashless exercise - D	3,887,572	0.32%
Held at the end of the year- E=A+B-C-D	11,168,774	0.93%

For and on behalf of the Board

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

Place: Bengaluru
Date: April 28, 2021

Annexure 4 - 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 FY21 was ₹178 mn units as against ₹192 mn units in FY20. The unit consumption has decreased by 7% YOY and the total energy cost has reduced by 6% (₹ 1,860 mn in FY21 from ₹ 1,972 mn in FY20).
ii)	The steps taken by the company for utilizing alternate source of energy	By using renewable energy for 53% of total power requirement and using cleaner fossil fuel for steam generation (Natural gas instead of furnace oil), lead to a reduction of CO2 emission by 1,01,230 Tons
iii)	The Capital investment on energy conservation equipments.	No capitalization in the current year

S. No.	Power and fuel consumption details	FY21	FY20
1	**Electricity**		
a	Purchased		
	Million Units	174	184
	Total amount (₹ mn)	1,166	1,218
	Rate / Unit (₹)	6.7	6.6
B	Captive generation		
	HSD Quantity, KL	1,477	2,674
	Million Units	5	9
	Units / Litre	3.3	3.3
	Cost / Litre (₹)	45.8	46.3
	Generation cost, Rate / Unit (₹)	14.0	14.2
2	**Steam**		
A	Furnace oil		
	Quantity, KL	20	16
	Total amount (₹ mn)	0.6	0.5
	Average rate	28.5	34.0
B	Natural gas		
	Quantity, SCM	18,671,681	16,647,845
	Total amount (₹ mn)	589	592
	Average rate	32	36
C	Coal		
	Quantity, TO	4,891	4,849
	Total amount (₹ mn)	36.6	34
	Average rate	7,467	7,109

Sl. No	Energy conservation measures	Investment (In ₹ Mn)	Energy saved per Annum	
			Units	Amount (In ₹ Mn)
1	Installed energy efficient Boiler Economizer	40	7,09,659 SCM	22

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.

*Note: Total energy costs include cost of discontinued operations Nil (March 31, 2020: ₹ 39 Mn).

B. Technology Absorption

i)	The efforts made towards technology absorption	No technology was imported by the Company during the year.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
	(a) The details of technology imported	
	(b) The year of import	
	(c) Whether the technology been fully absorbed	
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
iv)	The expenditure incurred on Research and Development (R&D)	Detailed disclosure on R&D are provided below

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).
3. Generation of Intellectual Property Development – Process Patents for manufacture of key Generic Small Molecules and Biotherapeutics.
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

1. Global presence in supply of fermentation based Small Molecules to the Generic Industry in regulated markets.
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 1231 patents and around 944 trademarks as on date in various jurisdictions.
5. Safe and environment friendly processes.
6. Launch of ANDA products in US & EU.
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

		₹ in Million
	FY21	FY20
a) Capital	15	152
b) Recurring	1,223	1,604
Total	**1,237**	**1,756**
Less: recharge	(13)	(29)
Net R&D Expenses	1,224	1,727

C. Foreign Exchange Earnings and Outgo

	₹ in Million	
Foreign exchange earned and used during the year:	FY21	FY20
Gross Earnings	11,791	11,753
Outflow	5,084	8,474
Net foreign exchange earnings	6,707	3,279

For and on behalf of the Board

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

Date: April 28, 2021
Place: Bangalore

Annexure 5 - Secretarial Audit Report for the financial year ended March 31, 2021

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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, 2021 (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) Regulations, 2014;

   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, 2009 (Not Applicable to the Company during the Audit Period);

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

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other Laws Applicable Specifically to the Company namely:

   a. Drugs and Cosmetics Act 1940

   b. Bio Medical Waste (Management & Handling) Rules, 1998

   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. Ms. Kiran Mazumdar-Shaw (Din: 00347229) was re-appointed as an Executive Director (Designated as an "Executive Chairperson") of the Company with effect from April 1, 2020 at the Board Meeting held on January 21, 2021 and approved by the shareholders at the Annual General Meeting held on July 24, 2020.

b. Appointment of Mr. Siddharth Mittal as Managing Director and CEO of the Company with effect from April 1, 2020.

c. Appointment of Mr. Indranil Sen as Interim Chief Financial Officer ('Interim CFO') of the Company with effect from May 15, 2020 and he resigned as Interim CFO with effect from September 22, 2020.

d. Appointment of Mr. Anupam Jindal as Chief Financial Officer of the Company with effect from September 22, 2020.

e. The Authorised Share Capital of the Company was increased from Rs. 600,00,00,000/- (Rupees Six Hundred Crores) divided into 120,00,00,000 (One Hundred Twenty Crores) Equity Shares of Rs. 5/- (Rupees Five) each to Rs. 625,00,00,000/- (Rupees Six Hundred and Twenty-Five Crores) divided into 125,00,00,000 (One Hundred Twenty-Five Crores) Equity Shares of Rs. 5/- (Rupees Five) each at the AGM held on July 24,2020.

For V. SREEDHARAN & ASSOCIATES

Sd/-
(Pradeep B. Kulkarni)
Partner
FCS: 7260; CP No. 7835
UDIN number: F007260C000161568
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 22, 2021

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.

'Annexure'

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: F007260C000161568
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: April 22, 2021

Annexure 6 - Particulars of Remuneration

Information pursuant to Section 197(12) of the Companies Act, 2013

(Read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

S. No.	Name of the Director/Key Managerial Personnel and Designation	Percentage increase in remuneration of each Director/CFO/CS in the FY 2020-21	Ratio of the remuneration of each Director to the median remuneration of the employees
Executive Directors			
1	Ms. Kiran Mazumdar-Shaw[1] Executive Chairperson	3.44%	73.21
2	Mr. Siddharth Mittal[2] Managing Director & CEO	NA	77.54
Non-Executive Directors			
3	Mr. John Shaw	2.42%	3.82
4	Prof. Ravi Mazumdar	(16.99)%	5.46
Independent Directors			
5	Ms. Mary Harney	(5.34)%	5.75
6	Mr. Daniel Mark Bradbury	43.05%	5.75
7	Dr. Vijay Kumar Kuchroo	19.38%	4.89
8	Mr. M. Damodaran	49.77%	5.75
9	Mr. Bobby Kanubhai Parikh	28.70%	7.52
Key Managerial Personnel			
10	Mr. Indranil Sen[3] Interim Chief Financial Officer	NA	16.01
11	Mr. Anupam Jindal[4] Chief Financial Officer	NA	30.60
12	Mr. Mayank Verma Company Secretary	Nil	7.21

Notes:

1. Ms. Kiran Mazumdar-Shaw assumed the role of an Executive Chairperson of the Company with effect from April 01, 2020.
2. Mr. Siddharth Mittal was appointed as the CEO and Joint Managing Director of the Company with effect from December 1, 2019. Subsequently, effective April 1, 2020, he was elevated to the position of Managing Director and CEO of the Company and the compensation has been enhanced and approved by the shareholders at the 42nd AGM. Due to the absence of the comparative figures as per his present designation, the percentage increase/decrease has not been stated.
3. Mr. Indranil Sen was appointed as the interim Chief Financial Officer with effect from May 15, 2020 until September 22, 2020.
4. Mr. Anupam Jindal was appointed as the Chief financial Officer with effect from September 22, 2020.
5. The remuneration paid to Non-Executive Directors (including Independent Directors) includes commission and sitting fees and is based on the position they occupied in the various committees and meetings attended by them during the FY 2020-21.
6. The remuneration does not include perquisite value on account of stock options exercised during the year.

I	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from INR 554,544 as at March 31, 2020 to INR 577,728 as at March 31, 2021, representing an increase of 4%.
II	Number of permanent employees on the rolls of the Company	There were 3,032 permanent employees as on March 31, 2021.
III	Average percentile increase in salaries of employees other than managerial personnel and its comparison with the percentile increase in managerial remuneration and justification thereof	The average increase in employee remuneration other than managerial personnel was nil. 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 2020-21 was as per the Company's Policy on Director's Appointment and Remuneration

Annexure 7- Annual Report on CSR Activities

1. **Brief outline on CSR Policy of the Company.**

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

   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 understanding.
   - Grants - Provide grants to NGOs, trusts and academic institutions under grant-in-aid initiative for innovative and impactful social projects. In such scenario, the Foundation shall employ its expertise to evaluate the proposals of grant seekers and conduct 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 shall be selected to carry out such activities, in pursuance of the Act. The grantees shall share fund utilization and project progress reports with the Foundation.

   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.

Sl. No.	Name of Director	Designation	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Mary Harney	Chairperson	Independent Director	2	2
2.	Dr. Vijay Kumar Kuchroo	Member	Independent Director	2	2
3.	Prof. Ravi Mazumdar	Member	Non-Executive Director	2	2

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.

   The CSR policy : https://www.biocon.com/docs/Biocon_CSR_Policy_2020.pdf

   The composition of the CSR committee : https://www.biocon.com/investor-relations/corporate-governance/board-committees/

   The projects as approved by the Board shall be disclosed on the website at 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.

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

6. Average net profit of the company as per section 135(5) : ₹ 3,291 million

7. (₹ in million)

(a)	Two percent of average net profit of the company as per section 135(5)	65.81
(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).	65.81

8. (a) CSR amount spent or unspent for the financial year: (₹ in million)

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
65.81	NIL	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: (₹ in million)

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes /No)	(5) Location of the project. State	District.	(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation- Direct (Yes /No)	(11) Mode of Implementation - Through Implementing Agency Name	CSR Registration number
1	Biotechnology	Promoting Education	Yes	Karnataka	Bangalore Urban	4 years	42.0	42.0	NIL	No	Biocon Academy	CSR00002303
	TOTAL						42.0	42.0	NIL			

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

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No).	(5) Location of the project State	District	(6) Amount spent for the project (in ₹).	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation –Through implementing agency. Name	CSR registration number
1	Govt. School Construction	Rural Development	Yes	Karnataka	Bangalore Urban	2.4	No	Biocon Foundation	CSR00002304
2	Govt. School Construction	Rural Development	Yes	Karnataka	Sira, Tumkur	1.4	No	Biocon Foundation	CSR00002304
3	Mass Transit System*	Environmental Sustainability	Yes	Karnataka	Bangalore Urban	20.0	No	Biocon Foundation	CSR00002304
	TOTAL					**23.8**			

*Note: Project being defined as on-going project with effect from FY 2021-22

(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): ₹ 65.81 million

(g) Excess amount for set off, if any: NIL

S. No.	Particular	(₹ in million)
(a)	Two percent of average net profit of the company as per section 135(5)	65.81
(b)	Total amount spent for the Financial Year	65.81
(c)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(d)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(e)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
NIL							

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

(1) S. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration.	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project -Completed / Ongoing
Not Applicable								

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
DIN: 03230757

Sd/-
Mary Harney
Chairperson – CSR Committee
DIN: 05321964

Place: Bengaluru
Date: April 28, 2021

Management Discussion and Analysis

Anticipating a Global Reboot of the Economy

As per the International Monetary Fund (IMF), the global economy is estimated to grow by 5.5% in 2021 and 4.2% in 2022. The projection comes on the back of vaccine approvals, which is expected to spur the economy later this year. However, the effectiveness of policy support and access to medical interventions will determine the extent of recovery in different countries.

This year's estimated growth follows a severe economic collapse in 2020 that has adversely impacted people globally. Based on the World Economic Outlook Update[1], the global growth contraction for 2020, estimated at -3.5%, was 0.9 percentage point higher than the growth estimated in the previous forecast, driven by a stronger than expected reboot in the second half of 2020.

We believe strong multilateral cooperation will form the basis of bringing the pandemic under control everywhere. Increasing funding for equitable access to COVID-19 vaccines for all countries, ensuring global distribution, and facilitating the therapeutics at affordable rates are essential measures to rein in COVID-19. Several countries, mainly the low-income developing economies, set foot into the crisis with a huge debt, which is expected to rise even further due to the pandemic. Therefore, there is a need for the global community to work collaboratively and ensure adequate access to international liquidity to help these countries.

The Pharmaceutical Market Amid COVID-19

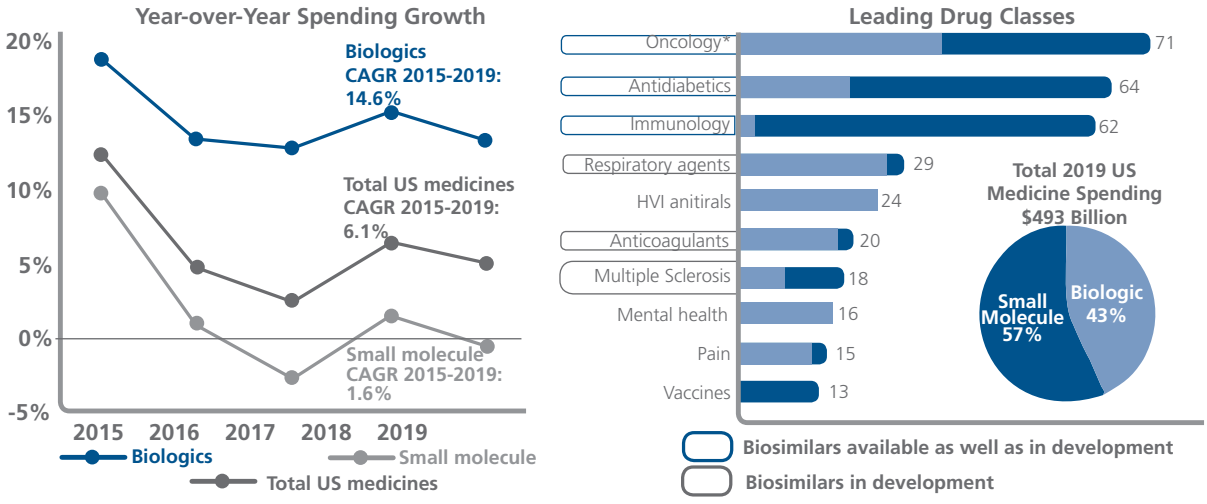
As per IQVIA[2], the global medicine net market size is estimated to reach more than $1 trillion by 2024, growing at a 5-year CAGR of 2-5%. The healthcare sector is projected to account for the highest R&D spend in a few years. In the past, the surge in healthcare spending was driven by treatment for chronic diseases and untreatable disorders. However, the emergence of COVID-19 temporarily redirected the R&D spending and shifted focus towards controlling the virus's spread. In the long term, the market will reward organizations that reinvent their R&D functions and adapt to changes in consumer preference.

The announcements on several promising COVID-19 vaccines were a much-needed shot of optimism after a period beset with challenges. Although there have been challenges in the distribution of these vaccines, that doesn't lessen the accomplishment. To manage the crisis, governments worldwide have formulated emergency response strategies, and many of these measures are likely to be continued even after the pandemic subsides. One of these measures is an increased focus on boosting national competitiveness and localized manufacturing, as COVID-19 has reinforced the significance of these policies to business continuity and economic sustainability. The governments are favouring domestic production in strategic sectors like pharmaceuticals, healthcare, and medical equipment. The Supply Chain Resilience Initiative (SCRI), announced by Australia, Japan, and India, will be implemented in phases in 2021. The SCRI will also accelerate the development of COVID-19 vaccines and is a broader attempt to reduce supply chain dependence on China in the pharmaceutical sector. The Government of India has also announced several schemes to strengthen the pharmaceutical sector and incentivize global and domestic players to enhance investment and production capacities in Active Pharmaceutical Ingredients/Key Starting Materials, biopharmaceuticals, complex generic drugs, patented drugs or drugs nearing patent expiry, cell-based or gene therapy drugs. These initiatives are also intended to ensure higher resilience of the Indian industry to external events and contribute meaningfully to achieve affordable healthcare.

Further, pharmaceutical drug spending remains an important element of the total healthcare cost. From a molecule perspective, biologics continue to drive a significant portion of the overall spending in leading global markets. In the US, biologics spending has increased considerably between 2015 and 2019, growing at a CAGR of 14.6%, outpacing small molecules that have been growing at a CAGR of 1.6% during the same period, as per IQVIA.

1 https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update
2 Global Medicine Spending and Usage Trends: Outlook to 2024 by IQVIA | March 2020

Exhibit 1 Total U.S. Invoice Spending Growth by type and Leading therapy Areas by 2019 Spending, US$Bn,



Source: IQVIA MIDAS; IQVIA Institute, June 2020'

More importantly, biosimilars and their originator products accounted for $40 billion in spending in 2019. This expenditure was across several key therapy areas where further biosimilar entry would significantly impact healthcare costs. Biosimilars have the potential for substantial system savings. Therefore, biosimilars spending is expected to reach $16-36 billion by 2024. The recent upsurge in approval and launches of biosimilars, mainly in oncology, has boosted biosimilar penetration. Moreover, regulatory bodies like the US FDA are supporting innovation and competition in biologics and biosimilar development, with an intent to raise awareness and acceptance for biosimilars.

Besides, small molecules continue to play a significant role in innovative treatments in oncology, diabetes, respiratory and autoimmune diseases and represent close to 60% of the total medicine spending compared to biologics. Even as this landscape is evolving in terms of drug complexity, manufacturing trends, and molecule potency, more than 80% of all the drugs prescribed in the US are generic drugs due to the cost benefits they offer, compared to their brand equivalents.

These changes are expected to establish a healthier competitive market in the coming years, with originator manufacturers also pursuing competitive measures.

The COVID-19 pandemic has been a thought-provoking revelation on the importance of health research and science. 2020 was not just a year full of challenges and tragedies but also acted as a catalyst for positive change, prompting the need for improved healthcare delivery using virtual engagements, digitized clinical trials, and new, disruptive business models, coupled with radical or innovative collaborations. The effects of these positive changes will be witnessed globally in the world of healthcare for years to come.

Trends Impacting the Global Pharmaceutical Sector

COVID-19 has impacted health and disease patterns and brought changes to several aspects of the pharmaceutical industry. Some of the emerging trends are highlighted below:

1. Demand for digital transformation
2. Advancements in technology and increasing R&D spends
3. Need for a new understanding of diseases
4. Affordable pricing and improved market access
5. Building a cohesive regulatory framework

Demand for Digital Transformation

Since the onset of artificial intelligence (AI) and the data science revolution a few years ago, healthcare has consistently lagged in adoption, compared to other sectors, in leveraging these technologies.

Noticeable trends that underscore the need for digital healthcare are evident, with COVID-19 further proving that health consultations can be

executed effectively through telehealth.

Readiness to adopt telehealth: Many health visits can be potentially replaced with telehealth, which saw a significant spurt amidst COVID-19. As per McKinsey, consumers using telehealth increased from 11% in 2019 to 76% of the consumers interested in adopting telehealth last year. Telehealth will create stability for patients in the short and long term and increase preparedness for future health crises. However, this evolution will require a supportive policy framework that includes investment in interoperable data infrastructure and coherent legislation, including data protection and well-regulated networks.

Low and middle-income countries benefit the most: Advancements in digital healthcare hold tremendous potential to bring much-needed medical innovation and care to low and middle-income countries and underserved patients. Moreover, these countries have been outpacing the rest of the world in embracing and scaling digital care models.

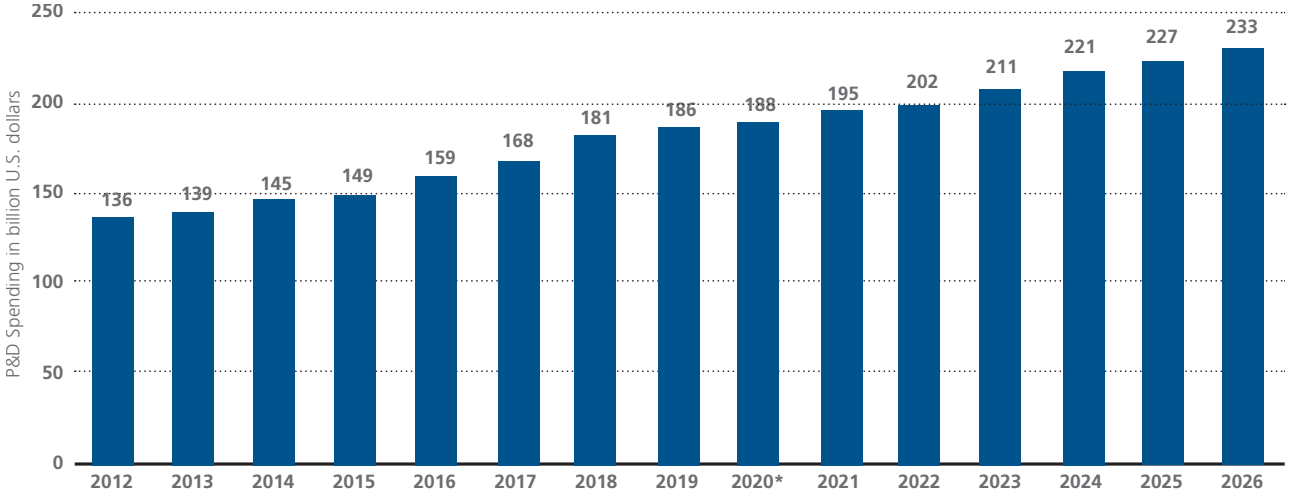
For example, Brazil came up with one of the first integrated countrywide AI platforms that can predict dengue outbreaks, with 80% accuracy and 30 days ahead of time. The platform even goes to the extent of recommending where and how much larvicide, insecticide, and human resources should be deployed to contain the outbreak. The platform has been used in the Philippines, Brazil, and Malaysia to help aid COVID-19 tracing and case detection. The prospects to reimagine global health with digital solutions are endless.

Besides telehealth, many pharma companies are now recognizing the potential benefits of cloud computing that enable cost savings and higher efficiencies and drive competitive advantages without compromising security and compliance. Implementation of cloud computing can improve data quality to support the sales and marketing of drugs. It can further provide new ways for clinical trial site managers to communicate effectively across countries.

Advancements in Technology and Increasing R&D expenses

New medicines offer an improved quality of life for patients, with fewer side effects, increased productivity, and, most importantly, extended lives. However, developing therapies is a complex and lengthy process. Companies often focus their R&D on areas where science is complex and risks of failure are high. Therefore, even though the rapid pace of scientific advances enables a better understanding of diseases at the molecular level, the scientific, technical, and regulatory challenges that come with it create complexities, making drug development difficult and more time-consuming. Clinical trials take six to seven years; hence, a new medicine takes at least ten years on average to complete the journey from discovery to the marketplace. Compared to other industries, pharmaceutical companies have a bigger drive to manufacture innovative products and invest substantially in R&D. This is because of the time-limited patent protection of drugs, coupled with the threat of sales erosion through generic and biosimilar competition. Moreover, patent expirations in the pharma industry give way to high R&D requirements and specialty drug development to diversify the product portfolio. In 2019, the global pharmaceutical industry spent $186 billion on R&D. It is expected to reach $233 billion by 2026.

Table 2: Global Pharmaceutical R&D spending, in US$ billion



Source: Evaluate Pharma - World Preview 2020

For the past several years, the R&D landscape has witnessed significant developments. To reduce R&D costs, many drug manufacturers have started outsourcing parts of R&D, primarily to Contract Research Organizations (CROs). Another significant development has been the use of big data in clinical research. Therefore, clinical and molecular data can build a predictive model to develop safer and more efficient drugs. Real-time or real-world evidence (RWE) attracts greater interest, increasing the need for collaboration with technology companies to gather

data from various sources, even social media.

Need for a new understanding of diseases

The pandemic has prompted the emerging understanding of health and diseases as indicators of complex clinical and non-clinical factors across biology, genetics, age, gender, and economic, social, and environmental dimensions. It has further helped uncover problems related to multi-disease, co-morbidities, and interconnections between conditions. There has been an urgency of moving 'upstream' to explore prodromal diseases to enable early diagnosis and interception of disease. Hence, this emerging understanding of the complexities of diseases is expected to challenge the siloed structure of healthcare provider systems and traditional distinctions of medical specialties.

Affordable Pricing and Improved Market Access

In response to the rising healthcare costs, payers have started demanding information on a drug's efficacy and safety. They also look for the economic justification for a given drug, compared with alternative medications, biosimilars, and generics. Earlier, market access for a drug depended exclusively on safety and efficacy. While these factors are still important, cost-effectiveness – built on clinical differentiation – has become critical and gaining importance. As more drugs lose patent protection and generic alternatives prosper, pharma companies will have to absorb the double blow of lost revenue and greater scrutiny from payers, who will have even more choices.

Acknowledging these concerns, companies have launched efforts to collect more data on the payers' decision-making processes. However, given the scope of market access challenges faced by pharmaceutical companies today, these efforts are expected to have incremental benefits only. To overcome this, organizations need to make market access an essential part of their organization. The economic value attained from the product should be pivotal during drug development and commercialization activities. Pharma companies may have to reallocate resources on a massive scale to implement this.

Building a Cohesive Regulatory Framework

Regulators worldwide have been working together to build a cohesive framework that increases the likelihood of a product getting rejected in one region, being banned in others. To boost transparency and public trust, the regulators have become more proactive as patients become more demanding. This has brought the pharma sector under extreme scrutiny. The way the sector conducts trials, the partnerships with providers and payers, contracting strategies, pricing agreements, digital marketing, and how it handles patient safety will attract more attention in the coming years.

Therefore, every Company is expected to make sure it works ethically and establish itself as an organization with which others would like to collaborate. This means being open and transparent instead of treating compliance as a cost of doing business.

Biocon's Strategy for Sustainable Growth in the Evolving Pharmaceutical Landscape

At Biocon, our strategy revolves around four pillars: accessibility, affordability, availability, and assurance. We aim to use our expertise and scale to address the underserved or the unserved markets by enhancing access to essential drugs. With an increased focus on generics and biosimilars, we continuously innovate to offer affordable medicines and quality alternatives to expensive drugs to patients globally. Our continuous focus on building strategic partnerships and simultaneously creating a diverse portfolio of drugs help us increase medicine availability to a great extent. Furthermore, we exhibit the highest standards of ethics and are committed to providing high-quality products in compliance with international regulatory standards. As a global innovation-led company, our strength lies in our technical & scientific expertise, vertical integration, a skilled team, quality culture, and a vast network of global partners and customers.

Biocon has four distinct business segments:

a. **Generics**

b. **Novel biologics**

c. **Biosimilars** (Under Biocon Biologics Limited)

d. **Research services** (Under Syngene International Limited)

Business Review

Generics

The Generics business has been a key pillar of success for Biocon. Over the past couple of years, we have sharpened our focus on the generics segment and identified strategic priorities, which will enable us to realize significant growth opportunities globally. Our strategy is to continue building a differentiated Active Pharmaceutical Ingredients (APIs) portfolio and vertically integrate it where possible to manufacture and supply generic formulations for the global markets. We also continue to explore asset acquisition, external development, and select in-licensing opportunities to bolster our formulation portfolio.

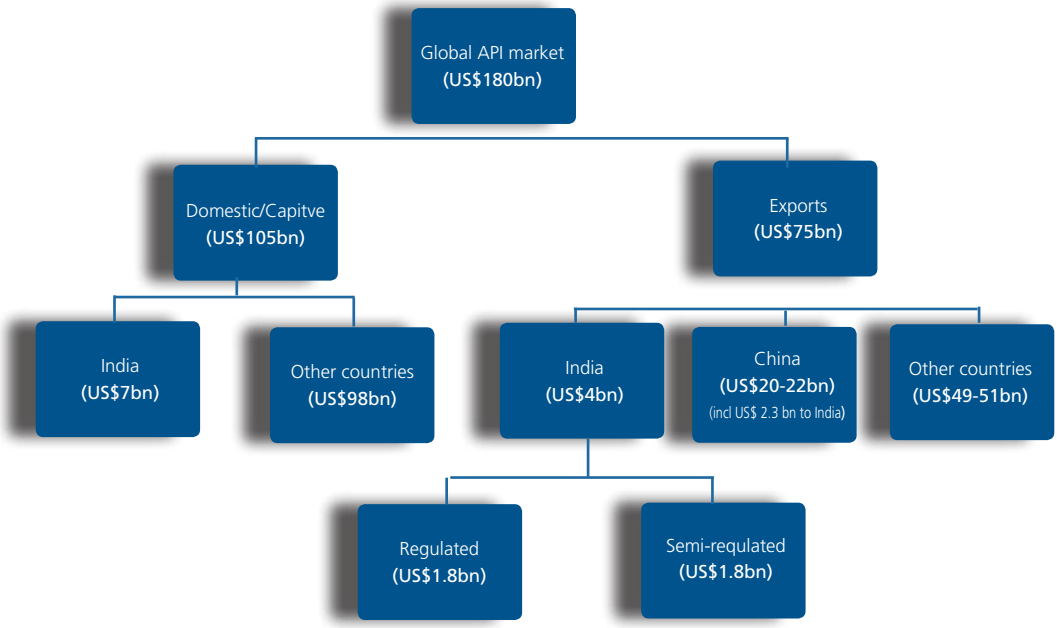
Over the past decade, we have established ourselves as a reliable manufacturer and supplier of APIs derived from fermentation and synthetic chemistry. We will continue to build upon our expertise in these technologies. We initiated our formulations journey with the US markets a few years ago, leveraging our in-house APIs to ensure continuity of supply and price competitiveness. Today, we have four commercial products in

the US, broadly tracking mid to high teens market share

While we expand our API portfolio in differentiated areas such as peptides and high potent APIs, we are confident of replicating the success of our APIs with our formulations, driven by the quality, reliability, and affordability of our products.

Active Pharmaceutical Ingredients (API)

Table 3: Breakdown of the Global API market across key segments/regions



Note: excludes KSMs/intermediates
Source: KPMG CII API industry report, DGCIS, Macquarie Reserach, October 2020

The Indian pharmaceutical industry has advanced steadily and evolved into a preferred destination for high-value and complex APIs for drug manufacturers worldwide. India, however, lags behind China in scale considerably. As per industry estimates, China's API exports stood at $20-22 billion in 2019, compared to ~$4 billion for India. The Indian API manufacturers are gearing to leverage the growing market opportunity, which will be driven by steps taken by the government to achieve self-sufficiency for APIs, promote domestic manufacturing, and India's competitive advantage to offer scientific skills and quality products.

Biocon is amongst the global leaders in fermentation-derived and chemical synthesis-based, high-value APIs. Our success in the global markets largely driven by our API portfolio selection, which aligns with our scientific skills and manufacturing capabilities. We have successfully built a good track record with leading regulatory agencies worldwide, including the US FDA, EMA, and MHRA. We owe our reputation as a trusted global supplier for APIs to our global footprint and good compliance record at our manufacturing facilities. Our differentiated product portfolio includes focussed therapies such as Cardiology, Anti-diabetics, Immunosuppressants, Multiple Sclerosis, and Oncology. We cater to over 1,000 pharmaceutical companies in 100+ countries, including the US, Europe, and other developing countries.

While we have created manufacturing capacities to deliver scale, speed, and quality for our commercial APIs, the ongoing investments will help us build additional capacity, cement our global positioning as a reliable partner for high-quality products, and secure potential growth opportunities in the future. An enhanced presence in adjacencies is a critical growth driver for us, as we witness increased demand from existing customers and expand the customer base. We have also stepped up our efforts to develop new fermentation-derived and chemical synthesis-based molecules, coupled with a focus on peptides and high potent APIs

Table 4: Our API Portfolio

Cardiology	Simvastatin, Pravastatin, Atorvastatin, Rosuvastatin, Fluvastatin, Dabigatran, Apixaban and Rivaroxaban
Anti-Diabetics	Sitagliptin, Vildagliptin, Linagliptin, Dapagliflozin, Empagliflozin, and Repaglinide
Peptides	Liraglutide and Semaglutide
Immunosuppressants	Tacrolimus, Sirolimus, Everolimus, Pimecrolimus and Mycophenolate Mofetil and Mycophenolate Sodium
Multiple Sclerosis	Glatiramer Acetate, Fingolimod and Teriflunomide
Oncology	Dasatinib, Lenalidomide, and Pazopanib
Other Key Products	Orlistat, Mirabegron, Posaconazole, Micafungin, Anidulafungin and Brinzolamide

Generic Formulations

As per industry estimates, the global generics drug market is expected to reach $675.2 billion by 2030, with the US market accounting for the lion's share of the spending. The US generic-drug market is expected to grow at a CAGR of 4% and generate revenues worth $86 billion by 2022, as per IQVIA.

Despite intense competition and pricing challenges, the generic formulations business offers attractive growth opportunities, with several products nearing patent expiry in 2023. Expansion of the market will be further driven by an increased generics penetration due to pressure in government healthcare spending, an ageing population, and expanded patient access.

At Biocon, we are committed to providing a continuous supply of affordable, high-quality medicines to patients across geographies by developing a pipeline of differentiated generic finished dosages. The strength of our generic formulations business lies in our portfolio selection -formulations, or even the constituent APIs, which are complex to develop. This is further augmented through our supply reliability due to the vertical integration and compliance on quality. On the commercial front, we are expanding our global footprint through select direct-to-market entry strategies as well as strategic B2B partnerships.

As we scale our business further, we are making investments to enhance our R&D capabilities and bolster our portfolio to include niche, difficult-to-make, complex molecules with relatively higher entry barriers.

Table 5: Our Generic Formulations Portfolio

Molecule	Status
Rosuvastatin Calcium	Launched – United States & EU
Simvastatin	Launched – United States
Atorvastatin	Launched – United States
Tacrolimus	Launched- United States
Everolimus	Approved (United States)
Fingolimod	Approved (United States)
Pemetrexed	Tentative Approval (United States)
Dapagliflozin	Tentative Approval (United States)

Currently, APIs make up for a significant portion of the Generics business. However, growing opportunities in formulations will drive this segment's growth.

FY21 Highlights

Steady growth in US formulations business: Despite intense competition and a challenging pricing environment, we demonstrated significant growth for our formulations business in the US. Our key statin formulations have successfully retained their mid to high teens market share. We also achieved another key milestone in our formulation journey, with the launch of Tacrolimus capsules, a vertically integrated drug, in the US. Tacrolimus is an immunosuppressant and a life-saving drug used to prevent organ rejection in a transplant patient, to be used for chronic conditions. We also received US FDA approval for Everolimus (gAfinitor), a kinase inhibitor drug indicated to treat various forms of cancer such as advanced hormone receptor and Breast Cancer (Advanced HR+BC), primitive neuroectodermal tumor (PNET), Renal cell carcinoma (RCC), and tuberous sclerosis complex (TSC). Everolimus is another example of our vertically integrated portfolio strategy.

Expansion of Generic Formulations business to new geographies: Biocon received licenses from the MHRA, UK, to import and distribute products. This will enable Biocon to commercialize its formulations directly in the UK. Biocon has multiple DCPs (Decentralized Procedure) ongoing in Europe to build its portfolio and support its European expansion. These developments align with Biocon's regional expansion strategy of direct-to-market initiatives and licensing / distribution deals in identified markets outside the US. Our subsidiary, Biocon Pharma and DKSH – a leading market expansion services provider – signed an agreement wherein DKSH will sell and distribute seven of Biocon's generic formulations in Singapore and Thailand. DKSH will also manage the logistics and help drive sales growth with its capabilities and strengths in

the pharmacy and medical channels. Biocon Pharma also partnered with Libbs Farmaceutica, a leading pharmaceuticals company in Brazil, to launch generic drugs in the world's sixth most populous country.

DMF Approvals Received for APIs: Biocon received its first anti-diabetic Drug Master File (DMF) approval in China with Sitagliptin API, used in medicines that treat Type 2 diabetes. We also entered new geographies, received 14 DMF approvals, and filed 33 DMFs for APIs in the US, Europe, and MoW markets.

Continued capacity expansion: Last year, we began constructing a greenfield, fermentation-based manufacturing facility in Visakhapatnam, Andhra Pradesh, to accelerate the growth of fermentation-derived APIs. This facility will allow us to meet the increasing needs of our global API customers and deliver on our strategy of developing and commercializing vertically integrated generic formulations. Due to delays on account of COVID-19, the construction of this facility has been impacted and is expected to be commissioned by CY2022. Additionally, various other expansion projects and contract manufacturing arrangements have been identified for APIs that need higher capacities in the future.

Moving towards Digitization: Biocon embraced digitization to reduce human interventions and strengthen our quality and compliance across the organization. To achieve this, we implemented various digital tools such as Quality Management System (QMS) Software, Laboratory Information Management Systems (LIMS), and Electronic Learning Management systems. Further, dedicated training programs were rolled out to augment a quality excellence mindset.

Further progress to the de-risk supply chain: We made progress in de-risking and stabilizing the supply chain for our key products. Steps have been taken to reduce our single-source dependency on specific geographies and the consequent procurement risks.

Continued Compliance: Our Generics API manufacturing facility at Biocon Park, Bengaluru, received an Establishment Inspection Report (EIR) with a Voluntary Action Indicated (VAI) status from the US FDA in May 2020 for the pre-approval and GMP inspection conducted in January 2020. We also received a GMP compliance certificate from the MHRA, UK, for our manufacturing facility at Biocon Park in March 2021. Biocon UK Ltd received the Manufacturing Import Authorization (MIA) and Warehouse Distribution Authorization (WDA) certifications from UK MHRA. This certification now allows us to sell our products in UK territory.

FY21 Financial Performance

Generics is the second biggest segment for our Company, contributing 33% to consolidated revenues in FY21. Our revenues stood at ₹ 23,359 million in FY21 compared to ₹ 22,070 million in FY20, reflecting a growth of 6%. The generics segment reported a modest performance against the backdrop of COVID-19 related challenges, increasing competition, and pricing pressure in some of our commercialized formulation products.

In APIs, the demand for immunosuppressants remained strong, while we faced a challenging pricing environment in key established cardiovascular products due to increased competition. With the completion of our ongoing capacity expansion projects, we shall see a ramp-up in the immunosuppressant APIs, along with the novel API portfolio.

Our formulations business saw a pricing pressure on some of the key statin products in the US. We have undertaken several initiatives to drive efficiencies, including cost improvement, to strengthen our position in price-sensitive products and segments. These initiatives will lead to improved cost structures and enable us to price our products competitively, without compromising margins. The formulation revenues were also impacted by the absence of new product launches caused by delays in facility inspections due to COVID-led travel restrictions.

In summary, the generics business remains in the investment phase as we continue to deploy capital to create capacity and introduce new products through our R&D efforts. We expect this segment to demonstrate modest growth over the next couple of years. In the future, our growth will be determined by new product approvals, foray into new geographies, relentless focus on cost competitiveness, operational excellence, and seamless execution of our existing business.

Novel Biologics

The Novel Biologics business of Biocon is a combination of in-house, partnered, and in-licensed products, targeting therapeutic areas such as diabetes, immunology inflammation, and oncology, including immuno-oncology.

The global advancement of our programs will be driven by our inherent capabilities and external collaborations to fund more extensive studies required to bring these novel molecules to market and realize their true potential.

Our basket of novel assets under development represents an exciting combination of early and advanced stage programs, comprising therapeutics to treat diabetes, oncology, and autoimmune/inflammatory diseases. These therapeutics span multiple modalities, including recombinant proteins, novel fusion antibodies, and monoclonal antibodies (mAbs). We continue to pioneer the development of novel molecules, a summary of which is given in the table below:

Table 6: Lead Novel R&D Assets

Disease Area	Asset	Status
Diabetes	Insulin Tregopil- first in-class oral, prandial Insulin	Phase I multiple ascending dose studies in Type 1 DM patients making steady progress in Germany
Immuno-Oncology	BCA101- (formerly FmAb2, a tumor-targeted fusion mAb). This program is part of Bicara	Phase 1/2 clinical trial initiated in July 2020. Based on the current progress, transitioning to dose expansion studies anticipated in the second half of 2021
Inflammation	Itolizumab - A novel humanized CD6 antibody	The US, Canada, Australia, and New Zealand rights out-licensed to the US-based Equillium Inc. Itolizumab holds the potential for multiple high-value indications. Equillium is a clinical-stage biotechnology company developing itolizumab for multiple severe immuno-inflammatory diseases, including acute graft-versus-host-disease (aGVHD), lupus and lupus nephritis and uncontrolled asthma. We are awaiting clinical data from all the studies in CY 2021.

In diabetes, Insulin Tregopil is a first-in-class oral prandial insulin molecule for post-prandial glycemic control. A clinical study report (CSR) on the phase 2 component of a study in India, evaluating higher doses (up to 45 mg TID) of Insulin Tregopil, was submitted to the DCGI and the FDA, as per regulatory requirements. While our Type 2 DM study data is encouraging for safety and Postprandial Blood Glucose (PPG) control, the marketing authorization application has been deferred because of the COVID-19 pandemic. Additionally, we commenced multiple ascending doses (MAD) study for Type 1 DM in Germany in FY20. This trial is in partnership with the US-based Juvenile Diabetes Research Foundation (JDRF), a leading non-profit organization funding research on Type 1 diabetes. The T1DM trial is progressing well. The Part 1 component of this trial is expected to be completed in FY22.

Our Second program, Itolizumab, has seen multiple developments in FY21. Under the brand ALZUMAb™, Itolizumab was launched in India to treat chronic plaque psoriasis in 2013. In 2020, Itolizumab was repurposed for the prevention and treatment of COVID-19 complications. Biocon was granted Restricted Emergency Use approval for Itolizumab in July 2020 for the treatment of Cytokine Release Syndrome (CRS) in moderate to Severe Acute Respiratory Distress Syndrome (ARDS) patients in India. Following this, Biocon stepped up its efforts to provide Itolizumab to COVID-19 patients in India.

Additional data is being collected as part of Phase 4 (post-marketing study) and Real-World Evidence (RWE) from COVID-19 patients. Itolizumab's unique mechanism of immunomodulation involves binding to the CD6 receptor and blocking T lymphocytes activation. This, in turn, suppresses pro-inflammatory cytokines, thus reducing inflammation. We trust our unique mechanism of action that could help prevent and treat CRS, a leading cause of death in COVID-19 patients. We have seven years of post-marketing safety data on this product for psoriasis treatment.

Bicara Therapeutics: Biocon's immuno-oncology program focused on developing novel bifunctional fusion antibodies is housed in Bicara Therapeutics (Bicara), based in Boston, US. Bicara is a clinical-stage biotechnology company, which develops dual-action biologics designed to spur a durable and potent immune response in the tumor microenvironment.

Bicara's bifunctional approach combines the power of immunomodulators and the precision of tumor-targeted antibodies. BCA101, Bicara's lead program, a first-in-class EGFR / TGFß-trap bifunctional antibody, entered a Phase 1/2 study at leading US and Canadian cancer centers in July 2020. BCA101 is under evaluation, both in combination with the checkpoint inhibitor Pembrolizumab and as a single agent, in patients with advanced EGFR-driven solid tumors who have stopped responding to the standard of care. Based on the current progress, the Company anticipates transitioning to dose expansion studies in the second half of 2021.

During the year, Biocon ceded control over the Board of Directors and operations of Bicara. Consequently, Bicara has now been classified as an Associate, from a Subsidiary, under IND-AS, and gain of ₹1,597 million arising on the fair valuation of Bicara due to loss of control is reported under "Other income" for the year. So far, Biocon has invested $40 million in Bicara to fund its growth programs. On a go-forward basis, Biocon does not have financial obligations towards Bicara, and all the future funding will be raised directly through a combination of various funding rounds.

Biosimilars (Biocon Biologics Limited)

Biocon operates its biosimilar business through a subsidiary, Biocon Biologics Limited (Biocon Biologics). It is engaged in developing high-quality, affordable biosimilars that can expand access to cutting-edge therapeutics for patients globally. The R&D, manufacturing, commercial, and essential business functions for Biocon's biosimilars business are housed under Biocon Biologics. Besides, the Branded Formulation India (BFI) business is also a part of Biocon Biologics.

Biocon Biologics is an established and vertically integrated global biosimilar player that has invested ahead of its peers in this exciting opportunity. Biocon's more than 40 years of experience in science and manufacturing laid the foundation for Biocon Biologics. Biocon's early entry into the biosimilar segment, more than 15 years ago, has enabled it to become a frontrunner in biosimilars.

Biocon Biologics has strong competency in developing high-quality biosimilars at its R&D sites in Bengaluru and Chennai (India) and manufacturing cost-efficient biosimilars at scale for both developed and emerging markets, in Bengaluru (India) and Johor (Malaysia). As of March 2021, Biocon Biologics has a global commercial footprint through a hybrid commercial model, wherein it has a direct commercial presence in some countries and leverages regional partners in others. Biocon also has a global partnership with Viatris for some products wherein Viatris has exclusive commercial rights in developed markets.

Biocon Biologics' therapeutic focus includes diabetes, oncology, immunology, dermatology, ophthalmology, neurology, rheumatology, and inflammatory diseases. So far, it has taken five products from lab to market, of which three have been commercialized in developed markets like the US, EU, Australia, Canada, and Japan.

Biocon Biologics has several first-in-class achievements to its credit, such as:

- 1st biosimilar Trastuzumab to be approved anywhere in the world; developed and launched in India (2014)
- 1st company globally to get US FDA approval for biosimilar Trastuzumab (2017)
- 1st biosimilar Pegfilgrastim approved by the US FDA (2018)

The market dynamics for biosimilars are evolving by the day. Initially, only a few players invested in this space, but we have seen a growing interest in this space among several companies. In the following decade, a strong growth is expected in the biosimilar market, with ~$90 billion worth of biologics revenue expected to lose exclusivity, as per industry estimates. This would increase further, given that large number of pharmaceutical products under development today are biologics and would lose exclusivity at some point. We believe the experience which Biocon Biologics has accumulated over the years and the competitive dynamics of the biosimilar market, as mentioned below, positions it well to capitalize on this opportunity.

High barriers to entry: The development of biosimilars requires the confluence of multiple high-end capabilities in physicochemical and biological characterization, sensitive orthogonal analytical techniques for demonstrating biosimilarity at the molecular level, pharmacokinetic (PK) and pharmacodynamic (PD) studies against the chosen reference product as well as extensive human clinical trials. Thus, R&D costs and time taken for developing biosimilars are significantly high as compared to conventional chemical synthesis-based "small molecule" generic pharmaceuticals.

Quality focus: By nature, biosimilar development requires a strong focus on quality at global scale. Being protein products administered by injection, it is critical to have consistency in product quality, which comes with experience and investments in high quality manufacturing and testing infrastructure.

Manufacturing capabilities at scale and a global reach: Biosimilars are designed to make healthcare affordable by improving access to high-value therapeutics and saving costs for healthcare systems worldwide. The ability to provide products to both developed and emerging markets enables us to manufacture high volumes and benefit from economies of scale. Moreover, it shields our business from the cyclical market dynamics of individual countries.

We have a large portfolio of molecules targeting sizable opportunities, of which 11 are in partnership with Viatris (originally Mylan, which got merged with Pfizer's Upjohn business in 2020), and a few in partnership with Sandoz (a subsidiary of Novartis). The Viatris collaboration is a cost-share and profit-share model wherein we participate in about one-third of the economics from developed markets where Viatris has exclusive commercial rights. We share equal economics in emerging markets where we have co-commercialization rights. We are responsible for developing, manufacturing, and supplying the products globally. The Sandoz partnership is structured based on an equal economic share with Sandoz having commercialization rights in developed markets and the responsibility for development and manufacturing is shared between the partners.

Table 7: Status of Biocon Biologics Portfolio (April 2021)

Global Biosimilars Pipeline

Biocon Biologics

Therapeutic Areas	Molecule	Product Status: US	Product Status: Developed Markets: ex-US	Product Status: MoW^^
Oncology	Pegfilgrastim#		EU, CANZ	
	Trastuzumab#		EU, CANZ	
	Bevacizumab#		EU	
	Pertuzumab#			
Immunology	Adalimumab*#		EU, CA, Japan	
	Etanercept*#		EU	
Diabetes	Glargine**# 100U		EU, ANZ, Japan	
	Glargine# 300U		EU	
	Aspart#		EU	
	RHI^			
Undisclosed	7 Assets			

Early Dev./ Preclinical | Clinical | Filed | Approved

In partnership with Viatris; *Partner Viatris has in-licensed product (Biocon benefits from economic interest); **Japan is outside of Viatris partnership; ^RHI non-partnered asset completed Ph 1 and considering potential Ph 3 waiver to be confirmed with US FDA advice, shown as Planned submission;
^^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. CANZ stands for Canada, Australia and New Zealand. CA - Canada, AUS - Australia and NZ - New Zealand. Status as of April 2021.

The Branded Formulations India (BFI) business focuses on specialty brands in critical therapies, offering affordable and differentiated medicines of world-class quality 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.

FY21 Highlights

COVID-19 has resulted in significant disruption to several businesses globally, including biosimilars. While our teams have done remarkably well to ensure our products reach patients worldwide, there have been circumstances beyond our control that have restricted our ability to deliver as per plan. That said, we have seen good growth and several positive developments around our business.

Biocon Biologics revenues have grown by 21% over last year to ₹28,002 million, representing 38% of consolidated revenues from operations with an EBITDA margin of 27%. The growth in revenue were primarily driven by improved performance in both developed and emerging markets.

- bPegfilgrastim: We have seen a resilient market share of Fulphila® throughout the year in the US despite competitors entering the market. Through our partner Viatris, we had launched bPegfilgrastim in Australia and Canada in April 2020.
- bTrastuzumab: In the US, Ogivri® was launched in December 2019 through our partner Viatris, where it has seen a steady increase in market share. Besides, we have also seen a strong performance of Ogivri® in Canada and Australia.
- bBevacizumab: We have commercialized bBevacizumab in select emerging markets. In India, it is marketed under the brand name Krabeva®. Our partner, Viatris, has filed a Biologics License Application (BLA) in the US under the 351(k) pathway. In April 2021, Biocon Biologics and Viatris received approval from European Commission for Abevmy® in the EU. Also, we received approval for bBevacizumab from the National Pharmaceutical Regulatory Agency (NPRA) in Malaysia.
- bAdalimumab: We have an economic interest in Hulio™ as a part of our three-way collaboration with Viatris and Fujifilm Kyowa Kirin Biologics. Hulio™ has been launched in the EU and 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® was launched in the US in August 2020 through our partner Viatris. Semglee® has also been commercialized in the EU and Japan.
- bAspart: In February 2021, Biocon Biologics and Viatris received European Commission approval for Kixelle® in the EU. Also, we received approval for insulin Aspart from the National Pharmaceutical Regulatory Agency (NPRA) in Malaysia. The BLA filing for insulin Aspart in the US is under review.
- Recombinant Human Insulin (rHI): We have commercialized recombinant human insulin in several emerging markets worldwide. We are developing the product for the US market, considering the positive FDA draft guidance for insulin biosimilars under the 351(k) pathway.

Improving patient access to high-quality, affordable products for chronic conditions such as diabetes and oncology are core to Biocon Biologics' mission. We are working on the "Mission 10 cents" initiative, which aims to enable equitable access to rHI by offering it at less than 10 US cents a day for Low/Middle-Income Countries (LMICs). In FY21, we signed agreements with two municipalities in the Philippines. Besides, we signed an MoU with the Christian Social Services Commission (CSSC), a faith-based organization active in Africa that works closely with the government and international and national partners to facilitate health and education services. Tanzania will be the first country in Africa to benefit from this collaboration between Biocon Biologics and CSSC.

Moreover, Biocon Biologics partnered with The International Diabetes Federation (IDF) as the first biosimilar insulins company to promote and support IDF's Core Mission initiative and activities. Biocon Biologics has also signed an agreement with the Clinton Health Access Initiative (CHAI) to expand access to life-saving cancer biosimilars as a part of the Cancer Access Partnership (CAP). Biocon Biologics aims to deliver substantial savings to healthcare systems by enhancing access and availability of these high-quality, affordable biosimilar cancer therapies in 25 countries in Africa and five countries in Asia. We will initially supply bTrastuzumab and bPegfilgrastim as a part of this agreement.

In FY21, we collaborated with Voluntis, a digital therapeutics leader, to develop and distribute innovative digital therapeutics, supporting people with diabetes on biologics therapy. It enables us to offer a US FDA-cleared and CE-marked digital therapeutic product, Insulia®, to Type 2 diabetes patients. Insulia® provides automated insulin dose recommendations enabling people with diabetes to self-manage their condition and healthcare teams to monitor progress remotely. It is the first digital therapeutic with regulatory clearance to provide automated titration recommendations for all basal insulins.

In manufacturing, our investment strategy is to build capacity in a modular manner, in-line with our projection of market opportunity. This has allowed us to scale up capacity in response to a higher-than-expected demand, even as we balance exposure to any underutilized capacity and costs in the early phase. We will continue to expand our manufacturing capacities to address volume growth on account of increased penetration of our products in developed and emerging markets and support new biosimilar pipeline development and launches. Our manufacturing facilities in Bengaluru and Johor are already approved by several key regulatory agencies including the US FDA, EMA, etc. In May 2020, we received EU GMP certification for our manufacturing facility at Bengaluru's Biocon Park, which is used to manufacture

Pegfilgrastim, Trastuzumab, and Bevacizumab Drug Substance and Drug Product. In the beginning of FY21, US FDA had closed the inspection of our Malaysia facility for insulin glargine, following which the New Drug Application (NDA) was approved in June 2020. We have built a 340,000-square feet mAbs Drug Substance facility located in Biocon Park (B3) which is one of the largest mAbs manufacturing facility in India in terms of built area for a single building/site, wherein we have invested ~$120 million. We have built this facility in a sustainable manner to ensure maximum energy conservation.

In continuation to the investment of $75 million by Activ Pine LLP, an affiliate of True North Fund, in Biocon Biologics Limited in FY20, we received additional investments of $255 million from Tata Capital Growth Fund II, Goldman Sachs India AIF Scheme – 1 and Beta Oryx Limited, an affiliate of ADQ in FY21. Activ Pine's equity infusion was for a 2.44% stake at an equity valuation of $3 billion on a pre-money basis. In July 2020, Tata Capital Growth Fund invested ₹225 crore (~$30 million) for a 0.85% stake, valuing Biocon Biologics at an equity valuation of ₹26,250 crore (~$3.5 billion). Goldman Sachs issued Optionally Convertible Debentures (OCD) worth ₹1,125 crore (~$150 million) at a post-money equity valuation of $3.94 billion.

Abu Dhabi-based ADQ invested ₹555 crore (~$75 million) for a 1.80% stake, valuing Biocon Biologics at a post-money valuation of ~$4.17 billion. Biocon Ltd will hold an 89.89% stake in Biocon Biologics on a fully diluted basis after completion of these transactions. The capital raised is being used for investment in capex, R&D, operational expenses, and redemption of Biocon Limited's preference shares in Biocon Biologics.

The investment validates Biocon Biologics' science, scale, scope, strategy, and business prospects. It also reflects a high level of conviction in Biocon Biologics' position as a global frontrunner in biosimilars, which leverages its large-scale manufacturing capabilities to shift the access paradigm for these life-saving therapies.

Research Services (Syngene)

As per MarketsandMarkets analysis, the global Contract Research Organisation (CRO) market is estimated to grow at a CAGR of 9.1% and increase from $47.77 billion in 2020 to $73.77 billion by 2025. The APAC region is likely to offer significant growth opportunities during the forecasted period. Over the years, R&D outsourcing has gradually transitioned from being a cost arbitrage initiative to enhancing R&D productivity, speed-to-market, and helping innovator companies concentrate on their core competencies. The interplay of several factors like expertise to manage complexities, innovation in newer areas, and driving flexibility in costs position the CRO industry to grow steadily in the coming years.

Established in 1993, Syngene International Limited (Syngene) is India-based integrated research, development, and manufacturing organization providing scientific services. Driven by an experienced leadership team, expertise of a highly qualified team of 5000 employees, supported by market-leading technology and world-class infrastructure, Syngene provides end-to-end services spanning a wide section of modalities, including small and large molecules, antibody-drug conjugates (ADCs), and oligonucleotides. The scientific services are accessed mainly by the global pharmaceutical and biotechnology industry. Nutrition, consumer goods, animal health, and specialty chemicals are among the other sectors being served by the Company. During the past year, the Company engaged with over 360 clients from multiple industry verticals.

Throughout its 25-year-long journey, Syngene has maintained an excellent track record of data integrity, data security, and client's intellectual property (IP) rights protection. This, along with being a one-stop solution provider, has enabled it to build relationships of trust with its clients and extend the scope of engagement. Syngene is involved in the discovery, development, and manufacturing of small and large novel molecules. Hence, its business is divided into four segments:

- Discovery Services: Conducts early-stage research that spans from target identification to delivery of drug candidates for further development
- Development Services: Involves activities from preclinical to clinical trials that include drug substance development, drug product development, and allied services to demonstrate safety, tolerability, and efficacy of the drug
- Manufacturing Services: Includes manufacturing of small and large molecules
- Dedicated R&D Centres: Ring-fenced infrastructure and exclusive multi-disciplinary scientific team and support personnel provided for client's research program.

Collaboration Models

Syngene operates a range of collaboration models: from long-term relationships with dedicated R&D centers to Full-Time Equivalent (FTE) contract, Fee-for-Service (FFS) contract, and Risk-Reward sharing arrangement. Clients can select any one or a combination of the above models to deliver their R&D programs.

FY21 Highlights

New Collaborations: Syngene recently collaborated with Deerfield Discovery and Development (3DC) to advance integrated drug discovery projects, from early target validation to preclinical evaluation. This year, 3DC awarded four antibody discovery projects to Syngene in oncology and autoimmune diseases that will be executed in 2021.

Syngene International and HiMedia Laboratories, a bioscience company with expertise in media manufacturing and diagnostics, have collaborated to manufacture ELISafe 19TM, an IgG-based ELISA test kit for COVID-19 that has been approved by the Indian Council of Medical Research (ICMR). The ELISafe 19TM antibody test kit has a sensitivity of 100% and a specificity of 99%.

Syngene International has collaborated with PharmAust Limited to manufacture and supply 10 kg of GMP-grade monepantel (MPL) to support clinical trials in humans. These trials will examine the effects of MPL in humans with motor neuron disease (MND) and the effects of MPL tablets in individuals with selected cancers. The synthesis of the GMP-grade MPL will be completed by June 2021; however, the manufacturing will begin after Syngene has conducted a feasibility study.

Capacity Expansion: Syngene has expanded its research facility in Genome Valley, Hyderabad, India, and added capacity for additional 90 scientists. The initial capacity of the facility was 150 scientists and was commissioned in February 2020. The Discovery Services division received NABL (National Accreditation Board for Testing and Calibration Laboratories) accreditation to provide safety assessment services for testing medical devices from its Bengaluru facility.

Improved Credit rating quality: In a further boost to Syngene, CRISIL upgraded its credit rating from AA to AA+ with a stable outlook. ICRA upgraded its credit rating in August to AA+ Stable from AA Positive. This is a further affirmation of Syngene's robust business model and strong fundamentals.

Fighting COVID-19: Continuing its contribution in the fight against COVID-19, Syngene has set up a new RT-PCR testing facility approved by NABL and ICMR that complies with the BSL-2 criteria. It has further completed testing of more than 100,000 samples at its COVID-19 testing facility. Syngene has joined a global consortium of 19 organizations from the healthcare industry, led by Bristol Myers Squibb, to help inform, improve, and accelerate various aspects of COVID-19 testing, ranging from research to clinical diagnostic applications.

Syngene and Gilead also signed non-exclusive voluntary licensing agreements to expand the further supply of Remdesivir, an intravenous nucleotide prodrug of an adenosine analog. Remdesivir combines with the viral RNA-dependent RNA polymerase, constraining viral replication through premature termination of RNA transcription. Therefore, it has confirmed in vitro activity to have worked against severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Syngene commenced the manufacturing of the product from its Bengaluru facility and launched Remdesivir during the year.

FY21 Financial Performance

During the year under review, Syngene's revenue from operations grew 9% to ₹21,843 million. The performance was driven by broad-based growth across all business units, with improved traction in Discovery Services. Segment margins improved over the last year, driven by lower material costs.

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, 2021 (FY21) and March 31, 2020 (FY20)

All Figures in ₹ million

ASSETS	Mar-21	Mar-20	Change
Non-current assets			
Tangible and intangible assets	91,641	81,671	12%
Investment in associates and a joint venture	1,795	142	1164%
Financial assets	8,302	1,764	371%
Assets for current tax (net)	2,648	2,417	10%
Deferred tax assets (net)	3,077	3,680	(16)%
Other non-current assets	1,756	1,514	16%
	1,09,219	**91,188**	**20%**
Current Assets			
Inventories	18,666	14,359	30%
Financial assets	53,178	35,496	50%
Other current assets	3,638	3,395	7%
Assets held for sale	522	-	100%
	76,004	**53,250**	**43%**
Total	**1,85,223**	**1,44,438**	**28%**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6,000	6,000	0%
Other equity	70,269	61,058	15%
Non-controlling interests	8,807	6,773	30%
	85,076	**73,831**	**15%**
Non-current liabilities			
Financial Liabilities	46,408	19,877	133%
Provisions and other non-current liabilities	11,638	10,650	9%
	58,046	**30,527**	**90%**
Current liabilities			
Financial Liabilities	33,269	32,795	1%
Income tax liability (net)	1,524	1,279	19%
Provisions and other current liabilities	6,904	6,006	15%
Liabilities directly associated with assets held for sale	404	-	100%
	42,101	**40,080**	**5%**
Total	**1,85,223**	**1,44,438**	**28%**

Tangible and intangible assets

Tangible and intangible assets grew 12%, primarily due to additions in the tangible assets and capitalization of product development expenses partly offset by depreciation and amortization for the year. Additions to tangible assets pertain primarily to the Biosimilars facility, Research Services, and other manufacturing facilities.

Non-current financial assets

The increase in Financial assets is due to investment in inter-corporate deposits for more than 12 months by ₹ 6,267 million and an increase in fair value of Equillium Inc. investment by ₹739 million. Such increase in fair value of investments is through other comprehensive income (OCI).

Other equity

Other equity majorly comprises securities premium, treasury shares, retained earnings, and further reserves. The Company's total other equity increased by 12% in FY21 due to profit accumulation.

Non-controlling interests

The Profit attributable to minority shareholders increased by 20% in FY21, attributable to the current year's profits accumulation.

Non-current liabilities

Non-current liabilities went by 105% in FY21. During the year ended March 31, 2021, Biocon Biologics has entered into an agreement with Goldman Sachs India AIF Scheme-1 (Goldman Sachs) whereby Goldman Sachs has infused ₹11,250 million against the issuance of Optionally Convertible Debentures. The debentures have been 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 features.

Biocon Biologics has also received an equity investment from Activ Pine LLP, Tata Capital Growth Fund II, and Beta Oryx Limited, amounting to ₹ 5,363 million, ₹2,250 million, and ₹5,550 million, respectively, for a minority stake of 2.44%, 0.85%, and 1.87%. The gross obligation for such investment is ₹14,966 million as at March 31, 2021. As per applicable Indian Accounting Standards, this has been recorded as a financial liability in the consolidated financial statements.

The increase in deferred revenue is mainly from Biosimilars, which is partially offset by repayment of long-term borrowings in Biologics and Research services.

Working capital (current assets less current liabilities)

As at March 31, 2021, working capital stood at ₹ 37,279 million, up by 183% compared to FY20 due to an increase in inventories, unbilled revenue, and cash balance partly offset by a decrease in current maturities of long-term borrowings, short term borrowing. Borrowings are primarily in Biologics and Research Service businesses.

Assets and liabilities held for sale

Pursuant to the Board of Directors' approval on May 14, 2020, Biocon is in the process of disposing of its interest in the JV entity and related UAE operations. Accordingly, the share of profit / (loss) from the JV and the results of its related business have been disclosed as discontinuing operations in the consolidated financial statements. Assets and liabilities associated with the business are disclosed separately as held for sale. Due to regulatory challenges, Biocon has not been able to exit, and it continues to evaluate its option concerning exit.

Debt and equity

Total debt at March 31, 2021, stood at ₹58,619 million, and the debt-equity ratio stood at 0.77. No material changes that may affect the financial position of the Group have occurred after the close of the year, until the date of the Director's Report.

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, 2021 (FY21) and March 31, 2020 (FY20)

All Figures in ₹ million

Particulars	FY 21	FY 20	Change
Total revenue	73,603	64,619	14%
Expenses			
Cost of materials consumed	22,085	19,895	11%
Employee benefit expense	15,657	13,279	18%
Finance costs	577	649	(11)%
Depreciation and amortisation expense	7,151	5,522	30%
Research and development expenses, net of recovery from co-development partners	5,531	4,392	26%
Other expenses	11,259	9,408	20%
Total expenses	62,260	53,145	17%
Share of profit / (loss) of joint venture and associate (net)	(695)	-	
Profit before tax and exceptional item	10,648	11,474	(7)%
Exceptional items, net	126	675	(81)%
Profit before tax	**10,774**	**12,149**	**(11)%**
Tax expense	2,120	2,495	(15)%
Tax on exceptional item	95	656	(86)%
Profit for the year from continuing operations	**8,559**	**8,998**	**(5)%**
Loss for the year from discontinuing operations	**(97)**	**(289)**	**(67)%**
Profit for the year	**8,462**	**8,709**	**(3)%**
Non-controlling interest	989	1,227	(19)%
Non-controlling interest on exceptional item	68	-	0%
Profit attributable to shareholders of the Company	**7,405**	**7,482**	**(1)%**
Other comprehensive income attributable to shareholders	1,582	**(1,314)**	(220)%
Total comprehensive income attributable to shareholders of the Company	**8,987**	**6,168**	**46%**

Revenue

During the year under review, revenues grew by 14% on a consolidated basis from ₹64,619 million to ₹73,603 million. Our Biosimilar revenues have increased by 21% over last year to ₹ 28,002 million, representing 38% of revenues from operations with an EBITDA margin of 27%. We have seen strong sales growth from our partnered program driven by improvement in market share in developed markets and the launch of Semglee in the US. We have seen a marginal improvement in the non-Viatris sales in emerging markets and BFI business. The Generics Revenues were ₹23,359 million in FY21 compared to ₹22,070 million in FY20, reflecting a growth of 6%. The generics segment reported a modest performance against the backdrop of COVID-19 related challenges, increasing competition, and pricing pressure in some of our commercialized products. The Research services grew 9% to ₹21,843 million. The performance was driven by broad-based growth across all business units, with improved traction in Discovery Services. The Total Revenue composition for FY21 and FY20 is detailed below:

Particulars	FY21		FY20	
	(₹ million)	(%)	(₹ million)	(%)
Generics	23,359	32	22,070	34
Biosimilars	28,002	38	23,151	36
Novel Biologics	-	-	-	-
Research Services	21,843	30	20,119	31
Inter-segment	(2,146)	(3)	(2,335)	(4)
Revenue from operations	**71,058**		**63,005**	
Other income	2,545	3	1,614	2
Total income	**73,603**		**64,619**	

Other income

Other income comprised of Interest on surplus funds and export incentives. Further, 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.

Material & Power costs

Material & power costs comprised raw materials, packing materials, traded goods, and change in inventories. In FY21, material costs, as a percentage of revenue from operations ex-licensing, decreased by ~1% compared to FY20.

Staff costs

Our employee benefit expenses comprise the following items:

- Salaries, wages, allowances, and bonuses
- Contributions to Provident Fund
- Contributions to gratuity provisions
- Amortisation of employees' stock compensation expenses and welfare expenses (including employee insurance schemes)

These expenses increased by 18% in FY21, driven by business growth, increased headcount, and stock compensation costs.

Research and development expenses

The net R&D expenditure for FY21 increased by 26% to ₹5,531 million (₹4,394 million in FY20). Total spend was at 13% (~10% in FY20) of revenue ex-Syngene. We capitalized ₹739 million, taking gross R&D spend to ₹6,270 million for the year compared to ₹5,271 million in FY20. The gross R&D spend increased due to higher spend in the biosimilar development programs, ANDA programs, and expenditures related to in-house novel programs.

Interest & Finance charges

The finance cost for FY21 at ₹577 million (₹649 million in FY20) primarily comprises interest cost on borrowings for Biologics and Research business.

Depreciation & Amortisation

During this fiscal, depreciation and amortization increased 30% to ₹7,151 million from ₹5,522 million in FY20, primarily due to amortization of intangibles capitalized in Biologics and commissioning of new facilities in Syngene.

Tax expenses

The effective tax rate (ETR) for the year before the exceptional item was 20% (22% in FY20). Lower tax rate is mainly due to profits from exempted units.

Exceptional items (net)

The Exceptional items during the year (FY21) comprised the following:

a) Pursuant to the claims related to the fire incident on December 12, 2016, at Syngene, receivable and the disbursements from the insurance claim have been presented on a net basis as ₹ 350 million under Exceptional items in the financial statements.

b) During the year ended March 31, 2021, Biocon Biologics has paid severance of ₹ 224 million to the erstwhile leadership team.

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 FVOCI. The decrease is primarily due to lower gains on hedging instruments in FY20 compared to the previous year and loss on the fair value of the investment in the equity of Equillium.

Key financial ratios

Particulars	FY21	FY20	Change
Debtors turnover	4.73	4.96	(2)%
Inventory turnover	2.02	2.31	(12)%
Interest coverage ratio	12.90	26.41	(51)%
Current ratio	1.81	1.33	36%
Debt equity ratio	0.77	0.39	96%
Operating profit margin (%) #	16%	19%	(14)%
Net profit margin (%) *	10%	12%	(13)%
Return on net worth^	10%	12%	(12)%

Operating margin is defined as Profit before taxes and interest

* Net Profit before exceptional income and tax thereon

^ Net Profit before exceptional income and tax thereon as a percentage of equity

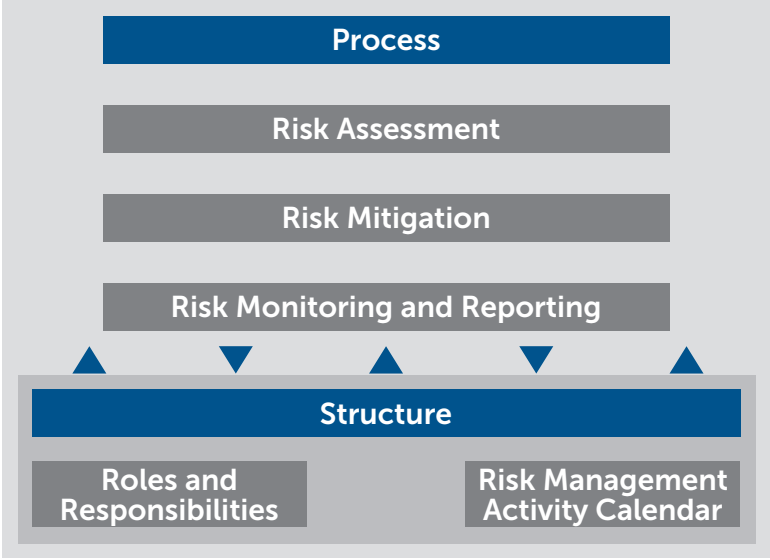
Risks, Threats, and Concerns

A key factor for a company to create sustainable value is the risks it is willing to take (at strategic and operational levels) and its ability to manage them effectively. Therefore, the ability to identify and manage risks promptly is a critical aspect of Corporate Governance for a company.

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. A risk could be categorized into financial, operational, strategic, regulatory/statutory, reputational, political, catastrophic/pandemic.

Amongst the risks discussed above, regulatory/statutory, operational, strategic, and financial are mostly controllable, while political and catastrophic/pandemic (impacting business continuity) risks are mostly uncontrollable.

Table 8: Our Risk Management Process



Risk management is a structured, consistent, and continuous process across the entire 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/opportunities. Instead, constant efforts are being made to analyze their potential impact, assess the changes to the risk environment, and define actions to mitigate their adverse impact. The Company has implemented a precise methodology that entails timely identification, analysis, and assessment of risks and potential consequences, formulation of specific mitigation strategies, and seamless execution. An enterprise-wide risk evaluation and validation process is conducted regularly and reviewed by the Risk Management Committee and Board of Directors.

With time, the practice of risk management has shifted fundamentally. In the past, risks were managed in "silos." Over time, the risk management framework recognized that risks are highly interconnected and interdependent. This evolved approach views all risks together, within a coordinated and strategic framework integrated throughout the organization.

The risk management process at Biocon consists of the following three steps:

1. Risk Identification and Assessment
2. Risk Mitigation
3. Risk Monitoring and Reporting

An effective risk management process entails these three steps being aligned with regular operations of the enterprise to ensure relevant and timely reporting and action on all risks which the organization faces. In the process of risk assessment, the organization's risks from time to time get identified, analyzed, and prioritized.

Table 9: Our Risk Management Structure

Board of Directors	• Reviews the risk management and internal control framework, key risks, and mitigating controls
Risk Management Committee	• Reviews and assesses the effectiveness of risk management framework • Recommends changes to the risk management and/or associated frameworks, processes, and practices Company
Senior Leadership Team	• Providing direction and ensuring sustainable implementation of the risk framework • Reporting to the Board of Directors & Risk Management Committee, the outcome of its periodic review of the risk management process
Chief Risk Officer	• Coordinates with senior leadership team and functional heads and assists in carrying out risk identification, assessment, prioritization, and mitigation activities • Preparation of consolidated risk reports and present to senior leadership/Risk Management Committee.
Department/ Functional Heads	• Directing and implementation of the risk management initiatives pertaining to their team/ department • Continuous risk assessment, review of risk mitigation procedures etc.

Risk mitigation is initiating responsive action for managing the key risks that the organization faces and restricting them at a tolerable level. The entire process can be broken down into "4T":

1. Treat (Mitigation)
2. Terminate
3. Transfer
4. Take (Acceptance)

The risk monitoring and reporting process aims to assure the management that risks have been adequately identified and prioritized and significant risks are well managed. The Risk Management Committee reviews the critical risks, gross exposure, mitigation action status, and net exposure periodically.

The pharmaceutical industry is growing day by day due to an ever-increasing demand for its services. Due to the nature of business, the global pharma industry is potentially exposed to inherent risks such as product safety & quality issues, intellectual property tangles, inappropriate marketing practices, etc. This leads to penalties, product recalls, brand/reputation loss, and revenue loss. The regulatory landscape of the

international pharma industry is complex and dynamic, which poses additional challenges. The primary industry driver is patient health and safety, even as a regulatory approach to patient protection may vary from market to market. Besides, increased regulatory scrutiny, sophisticated risk-monitoring techniques, and coordination across agencies & regions are some of the changes that impact the industry. In that context, it is imperative to respond to risk with a holistic risk mitigation framework. In today's world, a patient-centric approach is considered the only right way to do good business and serve citizens.

The Company is committed to conducting business following all applicable statutory laws, government notifications, and regulations across various locations where it has operations and pursuing its core organizational values. Our established risk management framework addresses financial, operational, strategic, regulatory/statutory, reputational, political, catastrophic/ pandemic risks inherent to the pharma business and impacts our strategic goals. Risk management, coupled with a robust internal control framework, helps the Company maintain qualitative consistency, employee safety, and long-term sustainability.

A variety of risks marks the global pharma business. Pharmaceutical companies struggle to enforce IP protection, particularly in some emerging markets globally. Enhanced regulatory scrutiny is set against a backdrop of increasing patient advocacy, social media, and affiliate marketing programs. The digitization and proliferation of electronic medical records, networked medical devices, mobile health applications, 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, Company can control quality and operations, bring in flexibility and adaptability, and improve management effectiveness.

The success of new products in the global pharmaceutical industry will more than offset global pricing pressures, supporting an outlook change from stable to positive for the industry.

In 2017, the US FDA began a push to get lower-cost generic drugs out to the market faster. Efforts of the regulator to clear generic applications have led to cheaper versions of high-cost drugs, which will impact the overall profitability of the generics business. As per US FDA's 2019 report on Generic Competition and Drug Prices, drug products with a single generic producer saw a 39% reduction in the price of the brand name. There was a reduction of more than 95% for products with six or more competitors.

The key risks relating to our current operations, which we believe could cause our actual results to differ materially from expected and historical results, include human capital risk such as loss of key personnel, timely non-replenishment of critical vacant roles with the apt skillset, concentration or reliance on third-party sole suppliers or service providers including regional supplier reliance, risk of our R&D programs failing or not getting completed in a timely manner, risk of inability to address the regulatory queries on various filings made, risk of non-adherence to good manufacturing practices on an ongoing basis, risk arising out of strategic co-development arrangements with a partner, disruption of operations or loss of information from natural disasters or pandemic, risk arising out of strategic projects where significant investments are made, foreign exchange fluctuations, changing global political and regulatory landscape, continued adherence to environment & safety-related requirements, critical information loss or cyber-attacks, losses due to treasury activities, failure to report accurate financial information in compliance with accounting standards and applicable legislation, change in company strategy amongst others.

Note on COVID-19 related risks

There's hardly any industry that hasn't been affected by COVID-19. The pharmaceutical manufacturing sector is no exception.

While pharma companies have been at the forefront of the fight against the COVID-19 pandemic, they have also been tackling a new wave of ransomware attacks and extortion demands since the last quarter of 2020, as per 'Turn the Page – Predictions for 2021 and Beyond' report released by Seqrite, an enterprise security solutions brand by Quick Heal Technologies. Ransomware attacks, which were earlier used to encrypt files and demand a ransom payment against the decryption key, are now gaining access to private and sensitive information of the Company. This has made it mandatory for pharma and research companies to adopt a comprehensive set of security solutions. Moreover, under the remote working model, employees use various tools, including video conferencing and chat applications, to communicate. This has made companies prone to critical data loss/cyber-attacks. Therefore, any new vulnerability in such widely used applications could be used by malware authors as soon as they are discovered, further emphasizing the need for a strong IT administration. While vaccine campaigns have been running globally, the recent spurt in the new COVID-19 infections worldwide has given way to stricter social distancing norms and extended lockdowns. Thus, experts have revised their forecasts and are claiming COVID-19's impact to last for "years to come." While the pharma industry is categorized as essential services and has been allowed to have minimal personnel on-premises to continue operations, it is imperative to adhere to all precautionary measures to ensure the safety of the employees at work and avoid any contamination. The full impact of the global pandemic is still unknown. Pharma companies, therefore, need to respond, recover, and thrive.

At Biocon, an assessment of risks triggered due to the COVID-19 pandemic was carried out, and critical levers to support enterprise resilience were identified. These included a focus on overall people safety, transparent communication, a focus on continued critical operations such as procurement, production, sales, and disposal of waste, a focus on compliance and governance, relooking at cash and liquidity management in the changing circumstances, and prioritization/rationalization of spends. Furthermore, remote working and cybersecurity, safe plant operations, impact assessment on R&D, and availability of insurance coverage and contract liabilities were evaluated. Key mitigation actions were put in place to support business continuity plans and continued safe operations.

Internal Controls

The Company is responsible for establishing and maintaining adequate and effective internal controls and the preparation & presentation of financial statements, including assertions on the internal financial controls following a broad criterion that it has set for itself.

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 policies, guidelines, and procedures adopted by the Company to ensure orderly and efficient business conduct, including adherence to policies, asset safeguarding, fraud cum error prevention & detection, accounting records accuracy & 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 & regulations, asset safeguarding & 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 the internal control environment.

An independent firm of chartered accountants performs periodic internal audits to provide a 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.

Outlook

FY21 was a challenging year testing our resilience, agility, and adaptability to the new business paradigm caused by the outbreak of COVID-19. At Biocon, we are conscious that the pandemic is far from over, and it will continue to assess with new challenges at regular intervals. We have transitioned to FY22, adapting to the new normal, and have prepared ourselves to tide past eventualities in the future.

We are confident of the long-term opportunities in every segment where we operate and our ability to deliver value to patients the world over. In FY22, we expect to retain the growth momentum, led by higher revenues across the segments. We will continue to focus on the portfolio, strengthening the development pipeline, and fast-track capacity enhancement. These initiatives will bolster our pursuit of enabling access to affordable therapies to patients worldwide and will have us positioned well to deliver our partners' and stakeholders' expectations.

Corporate Governance Report

I. Company's philosophy on Code of Governance

The corporate governance philosophy at Biocon Limited ("Biocon" or "the Company") believes in and adheres to good corporate practices, implements policies, guidelines and develops 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.

Being a global and multidisciplinary organisation, Biocon intends to harness the power of great teamwork. This cross-functional collaboration binds us together, towards enhancing global healthcare through innovative and affordable biopharmaceuticals for patients, partners and healthcare systems across the group. All employees are committed to a balanced corporate governance system, which provides the framework for achieving the Company's objectives encompassing practically every sphere of management, from action plans and internal controls to corporate disclosures.

The Company continues to strengthen its governance principles to generate long term value for all its stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels. In the achievement of its goals, the Company utilises its resources with accountability and professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the governance of the Company.

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") as amended from time to time, regarding corporate governance, but is also committed to sound corporate governance principles and practice 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.

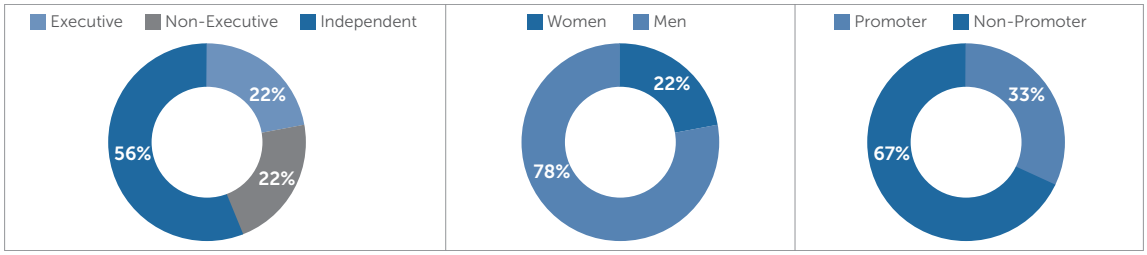
II. Board of Directors

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 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 an Executive Leadership Team, 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'), the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.



As on March 31, 2021, the Board of Directors comprised of nine members including two women members, consisting of two EDs, two NEDs, and five IDs.

With effect from April 1, 2020, Ms. Kiran Mazumdar-Shaw assumed the role of an Executive Chairperson and Mr. Siddharth Mittal was designated as the Managing Director and CEO of the Company. Prof. Ravi Mazumdar and Mr. John Shaw are Non-Executive, Non-Independent Directors of the Company.

Further, during the year, Mr. Meleveetil Damodaran has been designated as the Lead Independent Director, wherein he would provide leadership and liaise on behalf of the independent directors to ensure Board effectiveness.

The Board periodically evaluates the need for change in its composition and size. 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 seven listed companies. Further, none of the Director serves as an ID in more than seven listed companies or 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 committees and chairperson of more than 5 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 is an ID. Ms. Mary Harney is an Independent Woman Director on the Board of the Company.

The other five Directors of the Company are Independent Directors. 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 has 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 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.

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.

Name of the Director	Category	Directors Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Public Limited Companies, as on March 31, 2021			Name of Indian Listed Entities Including this Listed Entity	Category of Directorship
			Directorships$	Committee Chairpersonships^	Committee Memberships		
Executive Directors							
Ms. Kiran Mazumdar-Shaw#	Promoter & Executive	00347229	9	1	1	Biocon Limited	Executive Chairperson
						Syngene International Limited	Non-Executive Chairperson
						Infosys Limited	Independent, Non-Executive
						Narayana Hrudayalaya Limited	Non-Executive Non-Independent
						United Breweries Limited	Independent, Non-Executive
Mr. Siddharth Mittal	Executive	03230757	4			Biocon Limited	Managing Director and CEO
Non-Executive Directors							
Mr. John Shaw	Promoter & Non-Executive	00347250	5	-	1	Biocon Limited	Non-Executive, Non-Independent
						Syngene International Limited	Non-Executive, Non-Independent
Prof. Ravi Mazumdar	Promoter & Non-Executive	00109213	1	-	1	Biocon Limited	Non-Executive, Non-Independent
Independent Directors							
Mr. Daniel Mark Bradbury	Independent	06599933	2	1	2	Biocon Limited	Independent, Non-Executive
Ms. Mary Harney	Independent	05321964	1	-	-	Biocon Limited	Independent, Non-Executive
Dr. Vijay Kumar Kuchroo	Independent	07071727	2	-	-	Biocon Limited	Independent, Non-Executive
						Syngene International Limited	Independent, Non-Executive
Mr. Meleveetil Damodaran	Independent	02106990	9	4	4	Biocon Limited	Independent, Non-Executive
						InterGlobe Aviation Limited	Independent, Non-Executive
						Hero MotoCorp Limited	Independent, Non-Executive
						CRISIL Limited	Independent, Non-Executive
						Larsen & Toubro Limited	Independent, Non-Executive
						Tech Mahindra Limited	Independent, Non-Executive
Mr. Bobby Kanubhai Parikh	Independent	00019437	6	5	4	Biocon Limited	Independent, Non-Executive
						Infosys Limited	Independent, Non-Executive
						Indostar Capital Finance Limited	Independent, Non-Executive

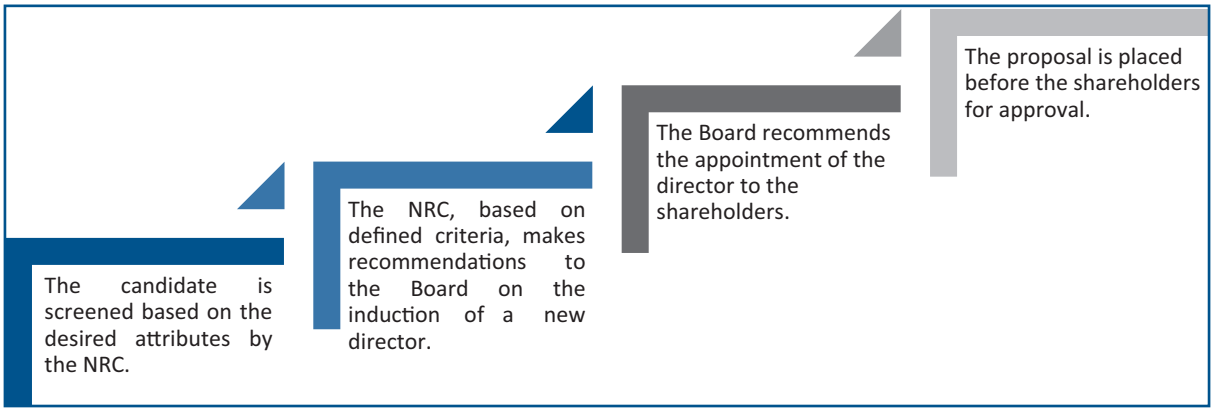
Note:

- $ Includes 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.
- # Ms. Kiran Mazumdar-Shaw is the spouse of Mr. John Shaw and sister of Prof. Ravi Mazumdar.

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") under Section 178 of the Act. 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.

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 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 the Listing Regulations, as amended, is made available to the Board.

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 / Committee Members within 15 days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The Minutes are entered in the Minute Books within 30 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, six Board Meetings were held on the following dates:

S. No.	Date of Board Meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of Attendance
1.	May 14, 2020	9	9	100
2.	July 23, 2020	9	9	100
3.	September 22, 2020	9	9	100
4.	October 22, 2020	9	9	100
5.	January 21, 2021	9	9	100
6.	February 19, 2021	9	8	88.88%

Due to the outbreak of COVID-19, the Government of India had in-principle decided to relax the requirement of holding Board meetings with physical presence of directors under section 173 (2) read with rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, Board's report, etc. The Board met at least once in every calendar quarter and the gap between two meetings did not exceed one hundred and twenty days.

In view of continuing COVID-19 pandemic, the 42nd AGM of the Company was held on Friday, July 24, 2020 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 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.

The attendance of the Directors at these meetings is mentioned in the table below:

Name of the Director	No. of Board Meetings which director was entitled to attend	No. of Board Meetings Attended	% of Attendance	Attendance at the 42nd AGM
Ms. Kiran Mazumdar-Shaw	6	6	100%	Yes
Mr. Siddharth Mittal	6	6	100%	Yes
Mr. John Shaw	6	5	83.33%	Yes
Prof. Ravi Rasendra Mazumdar	6	6	100%	Yes
Ms. Mary Harney	6	6	100%	Yes
Mr. Daniel Mark Bradbury	6	6	100%	No
Dr. Vijay Kumar Kuchroo	6	6	100%	Yes
Mr. Meleveetil Damodaran	6	6	100%	Yes
Mr. Bobby Kanubhai Parikh	6	6	100%	Yes

D. Shareholding of Non-Executive Directors

None of the Non-Executive Directors, including Independent Directors, hold any equity share of the Company except Mr. John Shaw and Prof. Ravi Mazumdar, being promoters, holds 84,45,348 and 48,15,084 equity shares respectively.

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 of your Company met once on January 21, 2021 without the presence of Non-Independent Directors and Members of the management and discussed matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors, assessed 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 2020-21 is available on the Company's website at www.biocon.com.

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 Board works with the NRC, to lay down the evaluation criteria for the performance of the Chairperson, the Board, Committees of the Board, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

The Board had engaged Egon Zehnder, a leadership advisory firm on board matters, to conduct Board evaluation for the financial year 2020-21. The evaluation process focused on Board dynamics and other aspects towards Board effectiveness.

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:

Board of Directors	Research & Innovation	General Management	Finance & Risk Management	Corporate Governance and Compliance	Global healthcare	Technology & digital perspective	Scientific knowledge
Ms. Kiran Mazumdar-Shaw	●	●	●	●	●		●
Mr. John Shaw		●	●	●	●		
Mr. Sidharth Mittal	●	●	●	●	●	●	
Prof. Ravi Mazumdar	●		●			●	
Ms. Mary Harney	●			●	●		
Mr. Daniel Mark Bradbury	●	●	●	●	●		
Dr. Vijay Kumar Kuchroo	●					●	●
Mr. Meleveetil Damodaran		●	●	●			
Mr. Bobby Kanubhai Parikh		●	●	●			

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.

Committees of the Board are as under:

A. Audit Committee

B. Risk Management Committee

C. Stakeholders Relationship Committee

D. Corporate Social Responsibility 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 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, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, 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, four meetings of the Audit Committee were held. The dates of the Meetings were May 14, 2020, July 23, 2020, October 22, 2020 and January 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, 2021 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to Attend	No. of Meeting attended	% of Attendance
1	Mr. Bobby Kanubhai Parikh	ID	Chairperson	4	4	100
2	Mr. Daniel Mark Bradbury	ID	Member	4	4	100
3	Mr. Meleveetil Damodaran	ID	Member	4	4	100

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 Meetings were held. The dates of the Meetings were May 14, 2020, July 23, 2020, October 22, 2020 and January 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, 2021 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to attend	No. of Meeting attended	% of Attendance
1	Mr. Bobby Kanubhai Parikh	ID	Chairperson	4	4	100
2	Mr. Daniel Mark Bradbury	ID	Member	4	4	100
3	Mr. Meleveetil Damodaran	ID	Member	4	4	100
4	Ms. Kiran Mazumdar-Shaw	ED	Member	4	4	100
5	Mr. Siddharth Mittal	ED	Member	4	4	100

ID - Independent Director; ED - Executive Director

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 Act. The SRC is primarily responsible for redressal 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 Meetings were held. The dates of the Meetings were May 14, 2020, July 23, 2020, October 22, 2020 and January 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, 2021 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to attend	No. of Meeting attended	% of Attendance
1	Mr. Daniel Mark Bradbury	ID	Chairperson	4	4	100
2	Mr. Bobby Kanubhai Parikh	ID	Member	4	4	100
3	Prof. Ravi Mazumdar	NED	Member	4	4	100

ID - Independent Director; NED – Non-Executive Director

During the financial year under review, the table below encompasses the details of the complaints and requests received and disposed off during the year ended March 31, 2021.

Particulars	Complaints
Opening Balance at the beginning of the year	-
Received during the year	184
Disposed during the year	184
Closing Balance at the end of the year	-

The quarterly statement on investor complaints received and disposed of are filed with Stock Exchanges within 21 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').

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 2019-20 as submitted by the KFin Technologies Private Limited, RTA of the Company.

D. Corporate Social Responsibility Committee

I. Brief description of terms of reference

The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to its business. The Company shall continue to pursue Corporate Social Responsibility activities (hereinafter referred to as "CSR") as one of its fundamental priorities. CSR activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. CSR 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 Committee are in line with the provisions of Section 135 of the Companies Act, 2013.

The primary responsibility of the Committee is to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing a framework in line with the corporate social responsibility policy of the Company.

The CSR Policy caters to the following parameters and ensures compliance with the provisions of Companies Act, 2013:

a) Areas of CSR activity (as per the Companies Act, 2013) were expanded and divided into:

   i. Core areas; and

   ii. Other areas

b) Provisions included to enable the Company to execute the activities directly or via implementing agencies (i.e. Biocon Foundation, Biocon Academy or any other third party to accomplish the objective of the CSR Policy of the Company).

   During the financial year under review, the Committee met on May 14, 2020 and October 22, 2020.

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, 2021 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to Attend	No. of Meeting attended	% of Attendance
1	Ms. Mary Harney	ID	Chairperson	2	2	100
2	Dr. Vijay Kumar Kuchroo	ID	Member	2	2	100
3	Prof. Ravi Mazumdar	NED	Member	2	2	100

ID - Independent Director; NED – Non-Executive Director

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) Regulations, 2014, 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 and 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.

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a Director. The Committee on a periodical basis, recommends to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy on Director's Appointment and Remuneration is available on our website at www.biocon.com.

The NRC engaged Egon Zehnder, a leadership advisory firm, to carry out a separate exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires, one on one discussions with the Board and the management covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution & performance of specific duties, obligations and governances. Performance evaluation is carried out based on the responses received from all Directors.

The performance evaluation of Independent Directors is based on various criteria including experience and expertise, independent judgement, ethics & values, adherence to the corporate governance norms, interpersonal relationships, attendance and contribution at meetings, amongst others.

During the financial year under review, four Meetings were held. The dates of the Meetings were May 14, 2020, July 23, 2020, October 22, 2020 and January 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, 2021 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to Attend	No. of Meeting attended	% of Attendance
1	Ms. Mary Harney	ID	Chairperson	4	4	100
2	Dr. Vijay Kumar Kuchroo	ID	Member	4	4	100
3	Prof. Ravi Mazumdar	NED	Member	4	4	100
4	Ms. Kiran Mazumdar-Shaw	ED	Member	4	4	100

ID - Independent Director; NED – Non-Executive Director; ED – Executive Director

II. Remuneration of Directors

A. Remuneration Policy

Your Company has a well-defined policy for remuneration of the Directors, Key Management 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 at the website of the Company at www.biocon.com.

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 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 three months' notice period, or such period as mutually agreed upon. There is no provision for payment of severance fees to Executive/ 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 Executive Directors

The shareholders, at their 42nd Annual General Meeting held on July 24, 2020, have approved the re-appointment of Ms. Kiran Mazumdar-Shaw as an Executive Director, designated as an Executive Chairperson for a period of 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.

To ensure enhanced corporate governance practices, the Securities and Exchange Board of India ('SEBI') had mandated a clear separation in the roles of Chairperson and Managing Director; the Chairperson should be a Non-Executive Director and not related to the Managing Director or the CEO. Upon such requirement coming into effect, either on April 1, 2022 or later at such extended date as may be determined by the SEBI,

Ms. Kiran Mazumdar-Shaw shall cease to be an Executive Director of the Company and would continue in the capacity of a Non-Executive Director (designated as 'Non-Executive Chairperson') of the Company, on such remuneration as applicable to other Non-Executive Directors of the Company, as may be determined by the Board of the Company from time to time.

Further, at the same meeting, the shareholders have approved the appointment of Mr. 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 comprising of 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.

Criteria for Making Payment to Non-Executive Directors

The roles of Non-Executive/Independent Directors are not just restricted to corporate governance, but also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas such as Scientific Knowledge, Research and Innovation, Global Healthcare, Manufacturing, Corporate Strategy, Financial Management, Compliance and Governance, Human Resource Capital, and other corporate functions. The Company seeks their expert advice on various matters from time to time. The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to Directors.

C. Service Contracts, Notice Period and Severance Fees

As on March 31, 2021, the Board comprised of nine members, including two Executive Directors and seven Non-Executive Directors, of which five are Independent Directors. Ms. Kiran Mazumdar-Shaw, Executive Chairperson and Mr. 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.

D. Pecuniary Relationship or Transactions of the Non-Executive Directors

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organisation at large.

E. Remuneration to Directors

The details of remuneration of Directors for the year ended March 31, 2021 are given below: Amount in ₹ Million

Directors	Salary and Perquisites			Others		
	Fixed Pay & Bonus	Perquisites^	Retirement Benefits	Sitting Fees	Commission	Total
Ms. Kiran Mazumdar-Shaw	40.60	-	-	-	Nil	40.60
Mr. Siddharth Mittal	43.00	-	-	-	Nil	43.00
Mr. John Shaw	-	-	-	0.50	1.62	2.12
Prof. Ravi Mazumdar	-	-	-	0.60	2.43	3.03
Ms. Mary Harney	-	-	-	0.60	2.59	3.19
Mr. Daniel Mark Bradbury	-	-	-	0.60	2.59	3.19
Dr. Vijay Kumar Kuchroo	-	-	-	0.60	2.11	2.71
Mr. Meleveetil Damodaran	-	-	-	0.60	2.59	3.19
Mr. Bobby Kanubhai Parikh	-	-	-	0.60	3.57	4.17

Note:

- ^Perquisites valued as per Income Tax Act, 1961.
- No options under the Company's ESOP plan were granted to Executive/Non-Executive Directors during the financial year, except to Mr. Siddharth Mittal.
- During the year, Mr. Siddharth Mittal was granted 608,828 Restricted Stock Units (RSUs) at a face value of ₹ 5/- under the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24. The RSUs will vest over a period of 4 years and exercisable within a period of 3 years from the date of last vesting. The other details form part of Annexure 3 to the Director's Report.

III. General Body Meetings

A. Annual General Meetings

The date, time location of Annual General Meetings held during the last three years and the special resolutions passed thereat are as follows:

Year	Date and Time	Venue	Special Resolution(s) Passed
2019-20	July 24, 2020 at 3.30 pm	Held through video conferencing ('VC') or other audio-visual means (OAVM)*	1. Re-appointment of Ms. Kiran Mazumdar-Shaw (DIN: 00347229) as an Executive Director (designated as "an Executive Chairperson") of the Company; 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; 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.
2018-19	July 26, 2019 at 3.30 pm	Sathya Sai Samskruta Sadanam, No. 20, Hosur Main Road, CL Layout, Bengaluru 560 029	1. Re-appointment of Mr. Meleveetil Damodaran as an Independent Director for five years; 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.
2017-18	July 27, 2018 at 3:30 pm	Tyler Jack's Auditorium, Biocon Research Centre, Plot No. 2, Biocon Special Economic Zone, Bommasandra-Jigani Link Road, Bengaluru 560099	1. Re-appointment of Dr. Jeremy M Levin as an Independent Director for five years; 2. Re-appointment of Dr. Vijay Kumar Kuchroo as an Independent Director for five years

*The AGM held on July 24, 2020 was 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 Financial Express and Vijayavani (Kannada edition) newspapers and are also displayed on Company's website www.biocon.com.

II. News Releases, Presentations

Official news/press releases are disclosed to the both 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 the both 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 Company being a pioneer in innovation, launched a new website of the Group at the 42nd Annual General Meeting, aimed at making information more accessible to its stakeholders.

The website of the Company i.e. www.biocon.com contains a separate and dedicated "investors" section to serve shareholder, 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 Transfer Agents, details of unclaimed or unpaid dividend and 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 application 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.

VI. General Shareholders Information

A. Company Registration Details

The registered office of the Company is situated at 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

Date and Time	Friday, July 23, 2021 at 3:30 pm. IST
Venue *	43rd Annual General Meeting of the Company will be held through video conferencing (VC) or other audio-visual means (OAVM) and deemed venue will be 20th KM, Hosur Road, Electronic City, Bengaluru, 560 100, Karnataka, India.
Financial Year	April 1, 2020 – March 31, 2021
Record Date (e-voting)	July 16, 2021
Financial Results Calendar for 2021-22 (tentative)	
Q1- FY 22	July 22, 2021
Q2- FY 22	October 21, 2021
Q3- FY 22	January 20, 2022
Q4- FY 22	April 28, 2022
Listed on Stock Exchanges	National Stock Exchange of India Limited ('NSE') Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 BSE Limited ('BSE') PJ Towers, Dalal Street, Mumbai- 400 001
Stock Code/Symbol	NSE - BIOCON BSE - 532523
International Securities Identification Number ("ISIN")	INE 376G01013
Payment of Annual listing fees to Stock Exchanges	Paid

* 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 43rd 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 2020-21

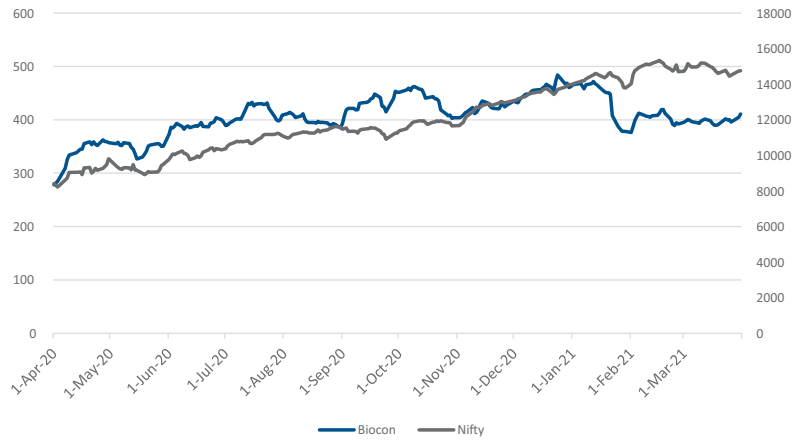
The monthly high/low closing prices and volume of shares of the Company from April 1, 2020 to March 31, 2021 are given below:

Month	BSE			NSE		
	High Price	Low Price	Volume of Equity Shares	High Price	Low Price	Volume of Equity Shares
Apr-20	367.80	274.55	5,891,127	367.80	274.40	154,766,614
May-20	367.00	320.90	4,712,856	366.90	320.70	208,067,512
Jun-20	410.35	357.45	5,474,541	410.45	357.45	143,135,499
Jul-20	455.00	384.55	6,410,303	446.95	384.50	158,079,017
Aug-20	418.80	372.65	3,965,099	418.80	372.25	87,807,471
Sep-20	463.55	379.00	6,740,797	463.90	379.00	149,673,966
Oct-20	477.90	389.80	3,136,718	478.00	389.75	88,388,942
Nov-20	443.65	395.60	3,831,674	444.00	395.60	95,174,300
Dec-20	487.70	427.60	4,308,956	487.75	427.30	87,534,609
Jan-21	480.00	368.45	6,571,374	474.35	368.55	114,804,521
Feb-21	424.75	363.30	8,819,949	424.75	363.25	94,894,402
Mar-21	413.00	383.55	4,936,329	413.40	383.25	69,772,438

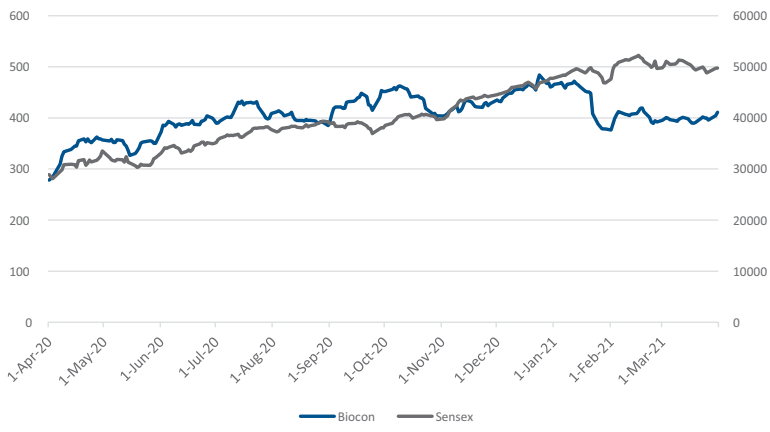
II. Performance in comparison with broad based indices

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 & Nifty share price movement from April 01, 2020 to March 31, 2021



Biocon & BSE Sensex share price movement from April 01, 2020 to March 31, 2021



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 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 a half-yearly 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.

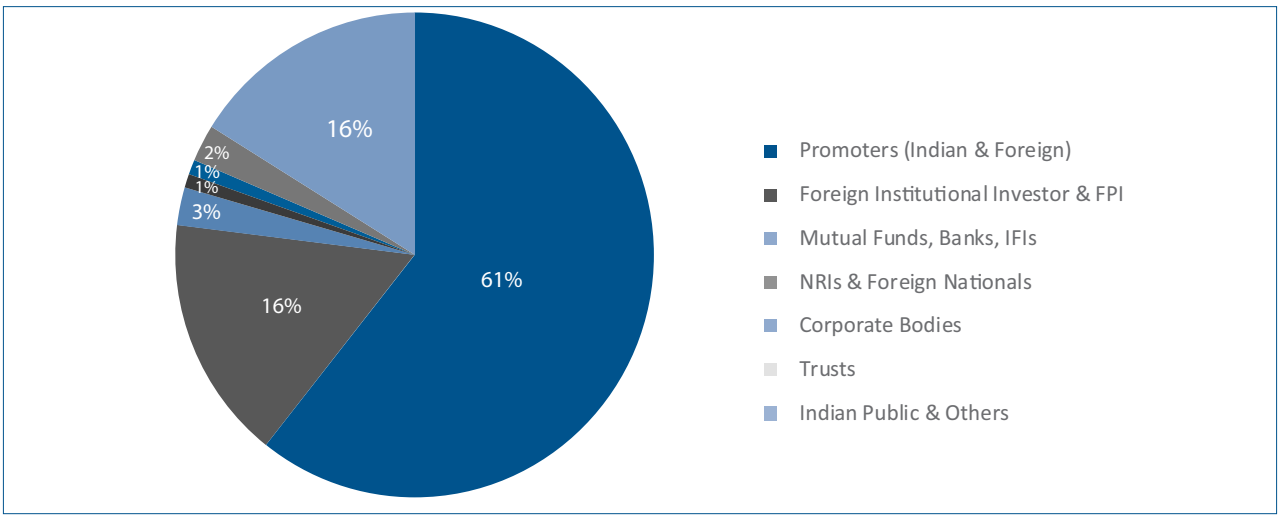
IV. Dematerialization of shares and liquidity

As on March 31, 2021, 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 (NSE) and The BSE Ltd (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, 2021 is as under:

S.No	Category	No. of Shares	% to Equity
1	Promoters (Indian & Foreign)	728,024,176	60.67
2	Foreign Institutional Investor & FPI	195,577,342	16.30
3	Mutual Funds, Banks, IFIs	30,364,994	2.53
4	NRIs & Foreign Nationals	10,945,787	0.91
5	Corporate Bodies	11,907,846	0.99
6	Trusts	29,637,019	2.47
7	Indian Public & Others	193,542,836	16.13
	Total	**1,200,000,000**	**100.00**



VI. Distribution of shareholding as on March 31, 2021

Sl. no	Category (Amount)	No. of Holders	% To Holders	Amount (₹)	% To Equity
1	1 - 5000	3,03,052	94.85	192,709,930	3.21
2	5001 - 10000	8,677	2.72	61,641,050	1.03
3	10001 - 20000	3,955	1.24	55,920,690	0.93
4	20001 - 30000	1,300	0.41	33,247,180	0.55
5	30001 - 40000	480	0.15	16,859,025	0.28
6	40001 - 50000	335	0.10	15,301,935	0.26
7	50001 - 100000	716	0.22	50,485,315	0.84
8	100001 - 99999999	973	0.30	1,764,956,645	29.42
9	100000000 and above	3	0.00	3,808,878,230	63.48
TOTAL		**3,19,491**	**100.00**	**6,000,000,000.00**	**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, 2021, 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

1	2	3	4
20th KM, Hosur Road, Electronics City, Bengaluru, Karnataka - 560 100, India	Biocon Park, Plot No. 2, 3, 4 & 5, Bommasandra- Jigani Link Road, Bengaluru, Karnataka - 560 099, India	Plot 213-215, IDA Phase - II, Pashamylaram, Medak District, 502 307, Andhra Pradesh, India	Plot No. 2, J.N. Pharma City, IDA, Parvada, Vizag, Andhra Pradesh – 531 021, India

XI. Address for correspondence

Corporate Governance & Compliance, Investor Grievances Redressal Mr. Mayank Verma Company Secretary and Compliance Officer Tel: 91 80 2808 2038 Email: mayank.verma101@biocon.com, 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 and Global Head of 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) Mr. Chirag Dalal Investor Relations Tel: 91 80 2808 2040 E-mail id: investor.relations@biocon.com	Registrar and Share Transfer Agents ('RTA') KFin Technologies Private Limited (Unit: Biocon Limited) Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramgud, Hyderabad – 500 032 E-mail id: Suresh.d@Kfintech.com

XIII. Credit Ratings

There are no debt instruments, or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad and therefore no credit ratings was required to be obtained by the Company during the financial year under review.

D. 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 www.biocon.com.

II. Details of Non-compliance

During the last 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.

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 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 and to confirm that no personnel is 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 www.biocon.com.

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 Listing Regulations, is as under:

- Modified opinion(s) in audit report: During the financial year under review, there is no audit qualification in your Company's financial statements. Your 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 www.biocon.com.

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 www.biocon.com.

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 2020-21.

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 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 certificate 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. 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.

XIII. 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 www.biocon.com. 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.

XIV. 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 www.biocon.com.

XV. 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.

XVI. 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 Chief Financial Officer of the Company has furnished to the Board, the requisite compliance certificate for the financial year ended March 31, 2021.

XVII. Certificate for compliance with Corporate Governance

A certificate from the statutory auditors confirming compliance with conditions of Corporate Governance is annexed to this Report.

XVIII. Secretarial Audit

The secretarial audit report of the Company for the year ended March 31, 2021, issued by Mr. Pradeep Kulkarni, Partner of M/s. V. Sreedharan & Associates, Practicing Company Secretaries forms part of the Board's Report as *Annexure - 5*.

As on March 31, 2021, none of the subsidiaries of the Company except Biocon Biologics Limited qualify to be material unlisted subsidiaries.

XIX. 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.

XX. 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 2020-21.

For Biocon Limited

Sd/-
Siddharth Mittal
Managing Director and CEO

Place: Bengaluru
Date: April 28, 2021

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, 2021 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:

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Ms. Kiran Mazumdar Shaw	00347229	01/04/2010
2.	Mr. Siddharth Mittal	03230757	01/12/2019
3.	Mr. John Shaw	00347250	12/01/1998
4.	Mr. Ravi Rasendra Mazumdar	00109213	08/08/2000
5.	Ms. Mary Harney	05321964	26/04/2012
6.	Mr. Daniel Mark Bradbury	06599933	25/04/2013
7.	Mr. Vijay Kumar Kuchroo	07071727	22/01/2015
8.	Mr. Meleveetil Damodaran	02106990	26/04/2016
9.	Mr. Bobby Kanubhai Parikh	00019437	27/07/2018

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

Place: Bengaluru
Date: April 21, 2021

UDIN Number: F007260C000161590

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members of Biocon Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 28 September 2018.

2. We have examined the compliance of conditions of Corporate Governance by Biocon Limited ("the Company"), for the year ended 31 March 2021, 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 2021.

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 (the "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's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
UDIN: 21203491AAAACG8947

Place: Chennai
Date: 28 April 2021

Business Responsibility Report

The Business Responsibility Report ('BRR') for the financial year 2020-21 follows the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of businesses, released by the Ministry of Corporate Affairs ('MCA') and is in accordance with Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). Through the BRR, the Company communicates its performance to all stakeholders and creates shareholder value. The nine guiding principles of the BRR cover all aspects which are of significance to business operations, governance and environment-friendly practices undertaken by the organisation.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24234KA1978PLC003417
2. Name of the Company: Biocon Limited
3. Registered address: 20th KM, Hosur Road, Electronic City, Bengaluru, Karnataka, India – 560100
4. Website: www.biocon.com
5. E-mail id: Co.secretary@biocon.com
6. Financial Year reported: April 1, 2020 to March 31, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Industrial Group	Description
021	Manufacture of pharmaceuticals, medicinal chemical and botanical Products

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

6. List three key products/services that the Company manufactures/provides.
   i. Generics – API
   ii. Generics – Formulations
7. Total number of locations where business activity is undertaken by the Company.
   i. Number of International Locations:
      Seven (United States of America, Switzerland, United Kingdom, United Arab Emirates, Brazil, Malta and Singapore)
   ii. Number of National Locations:
      Three Manufacturing Locations (Bengaluru – 2 plants, Hyderabad, Vizag) + Marketing Offices in India
8. Markets served by the Company – Local/State/National/International.
   In addition to serving Indian markets, the Company has global footprints and serves a market of 120 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 600,00,00,000
2. Total Turnover (INR): 21,786 million
3. Total profit after taxes (INR): 2,805 million

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% of average net profits of the Company made during the three immediately preceding financial years.

5. List of activities in which expenditure in 4 above has been incurred: Please refer Annexure 7 - Corporate Social Responsibility of the Board's Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. The details of subsidiaries are provided in Board's report, which forms part of the annual report.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

   Yes, Biocon Academy (Non-Profit company), subsidiary of the Company, participates in the BR initiatives of the Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].**

   Other entities do not directly participate in the BR Initiatives of the Company. In furtherance to our corporate risk governance process, suppliers and distributors work closely with supply chain on several risk mitigation programs including business continuity plans, geographic risk mitigation, reducing environmental burden by using recycled solvents and training user teams within Biocon to manage product functioning and related hazards (products where specific product handling and usage procedures set by suppliers are required to be followed).

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

i. Name: Mr. Siddharth Mittal

ii. Designation: Managing Director and CEO

iii. DIN Number: 03230757

(b) Details of the BR head:

S. No.	Particulars	Details
1	DIN Number	03230757
2	Name	Mr. Siddharth Mittal
3	Designation	Managing Director and CEO
4	Telephone number	080-2808 2808
5	E-mail ID	siddharth.mittal@biocon.com

2. Principle-wise (as per NVGs) BR Policy/policies:

S. No.	Principle Description	Reference of Biocon Policies
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Code of Ethics and Business Conduct, Integrity and Whistle Blower policy
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Environment, Health & Safety (EHS) policy, Supplier code of conduct and procurement SOP
P3	Businesses should promote the well-being of all employees.	HR Policies including Employment Policy and Prevention of Sexual Harassment to Women
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Corporate Social Responsibility Policy and other stakeholder engagement policies like Biocon Communications Policy and Social Media Policy for internal and external stakeholders.
P5	Businesses should respect and promote human rights.	Code of Ethics and Business Conduct, HR policies
P6	Businesses should respect, protect, and make efforts to restore the environment.	Environment, Health & Safety (EHS) policy
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	-

S. No.	Principle Description	Reference of Biocon Policies
P8	Businesses should support inclusive growth and equitable development.	Corporate Social Responsibility Policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	IT Policies, Quality Policy and Data Integrity Policy

(a) Details of compliance (Reply in Y/N):

No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
1	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	N	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online? #	Y	Y	Y	Y	Y	Y	N	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y	Y

Note:

* 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, Biocon does not have a formal advocacy policy.

All the Company policies are available on intranet for internal stakeholders. However, wherever external stakeholders are involved, relevant policies are also available on the Company's website www.biocon.com.

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Corporate Social Responsibility Committee of the Board assess the BR Performance of the Company on a half yearly basis and reports to the Board. The Board assesses the report on Business Responsibility on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	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 www.biocon.com.

SECTION E: PRINCIPLE – WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No. The Policy extends to Biocon Group/Joint Ventures/ Contractors etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Total complaints received during the FY 2020-21	2
Total number of complaints redressed during the year	1
Total number of pending cases on March 31, 2021	1

Stakeholders can write to integrity@biocon.com for whistle blowing and any other concerns to be voiced. Any complaints received are addressed accordingly by authorized officials.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   i. Generics – API

   ii. Generics – Formulations

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   Sustainable thinking is at the very core of our corporate responsibility. It has helped us move beyond statutory compliances to create responsible business practices that guarantee a safe work environment, a healthy workforce and a sustainable environment across the value chain. Our Company prefers to enter into long term commitments with suppliers who fulfil their responsibility towards the society as well as the environment. Initiatives are taken to improve awareness regarding legal compliances, to enhance eco-friendly efficiencies and packaging/logistics improvements at the suppliers' end. Suppliers and transporters interact on a periodical basis wherein the Company engages and encourages them to undertake sustainable practices across the supply chain. The Company drives its distribution plan using an ERP (Enterprise Resource Planning) system to optimize freight costs. Our approach is to add value in such a manner that not only are our products affordable and accessible, but our practices are also sustainable and equitable.

   A special project has been executed within the sourcing team, to reduce the transactional load in the process. Consolidation of Purchase Orders & Requisitions / long term contracts have resulted in a reduction of the number of transactional loads in the SAP-ERP system.

   In addition to spreading wellness through our products, we also work for the welfare of the neighbourhood economy by sourcing local material and labour wherever possible. Local sourcing is also an environmentally sustainable option as the decrease in the need for transportation significantly reduces the carbon footprint.

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Our sustainability strategy is built around the philosophy of doing more with less. Our holistic approach encompasses conservation of natural resources, reduction of our carbon footprint, switching to renewable energy, improving energy efficiency, minimizing waste generation, sustainable sourcing and contributing to biodiversity.

   As a resource-respecting organization, we make every effort to be environment-friendly and we take steps to be in compliance with the best practices. Biocon has adopted the principles of natural resource conservation; reuse, reduce, recycle, waste minimization and renewable energy. All manufacturing units are certified for ISO 45001:2018 and ISO 14001:2015 standards. Accordingly, Biocon has made large investments in a zero liquid discharge system across all manufacturing units. This system recycles the recovered water for onward use within our utilities. Rain water harvesting system is in place, covering building roof tops and the harvested rain water is used for gardening purpose and utilities.

   The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements. 100% of wastewater is recycled and reused back in the process or in the utilities. Water consumption forms an important part of our agenda. At all our manufacturing units across India, efforts are continuously underway to reduce our fresh water consumption. There are several initiatives in the areas of energy conservation and clean energy. We have shifted to piped natural gas for steam generation, replacing conventional fossil fuels, thus adopting a clean, environment friendly and highly efficient form of energy. Around 53% of total power requirement of Biocon is drawn from renewable sources (wind and solar power). Renewable energy doesn't pollute the environment and doesn't contribute to global warming and greenhouse effects. Our energy conservation efforts are centred on optimizing energy consumption, reducing waste and utilizing clean energy in our business operations. Adoption of innovative measures such as energy efficient centrifugal air compressors, water chillers and motors have enabled us to achieve this objective. Variable Refrigerant Volume systems, LED lighting and condensate recovery measures have significantly enhanced energy savings. Using renewable energy is among the most effective ways to fight the challenge of climate change as well as realising significant cost savings. All new facilities constructed on our campuses have been designed to be energy-efficient and optimise use of natural light. We have recognized the importance of sustainability and the integration of social and environmental sustainability-related issues into core business activities, thus making sustainable practice and responsibility as the highest priority in every aspect of our operation.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company has a protocol with regards to an operating procedure to approve suitable vendors. Materials are procured from approved vendors, both local and international. The quality assurance team of the Company conducts a periodic audit of the vendors, especially those who supply key materials, on various parameters geared towards evaluating business sustainability. Our integrated SCM function, which encompasses multiple products, verticals and manufacturing locations, revolves around meticulous planning, smart sourcing and disciplined monitoring. Some of the initiatives in place for sustainable sourcing are as below-

a. Sourcing and Vendor Consolidation

- We believe that for strategic suppliers, in the interest of business, it is best to have minimum touch-points at multiple levels. This helps in driving a common corporate message across without it having to fly through multiple channels. Towards this, sourcing strategies have been consolidated for all plants at our Bengaluru Headquarters. We strive to achieve a balance between the benefits of centralization and de-centralization.
- Consolidating vendors also helps us in keeping transactions to a minimum, thereby minimizing operational loads. Consolidating requirements further helps in better planning and effective negotiations.

b. Green Supply Chain

- Biocon has made tremendous strides in moving from an animal-origin to a recombinant supply base for some of our key product portfolios which includes vins. We believe this has contributed significantly to our environment friendly initiatives apart from being a social cause in itself;
- The sourcing team at Biocon focuses on the use of non-petrochemicals based 'green solvents' such as Ethanol, for a majority of our business units, thereby reducing the dependency on non-renewable forms of energy;
- Deployment of professional and regulatory compliant logistics providers helps in consolidating solvents deliveries, which further helps in achieving reduction in fuel cost per unit of solvent consumed at Biocon.

c. Periodic Vendor Evaluation

- All Suppliers (small, medium and large) are periodically evaluated on the basis of the supply performance. Matrices used to evaluate include OTIF (On-Time, In-Full Deliveries) & number of quality complaints;
- We conduct monthly reviews for each supply chain function to address issues with suppliers;
- We have also entrusted vendor evaluation to third party international agencies like Dun & Bradstreet.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes, 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 our total supplier base are small and medium enterprises. There is also a strong corporate directive to develop sourcing capabilities locally. This enables us 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.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, a mechanism for recycling products as well as waste is in place in the Company. Since the Company is a zero liquid discharge facility, 100% of wastewater is recycled and reused back in the utilities. We have made substantial capital investments to upgrade our Zero Liquid Discharge facility at our Bangalore unit with the latest advancements in wastewater treatment. STP treated water is used for gardening on the Company premises, thereby reducing the need for fresh water. Used solvents are distilled, recovered and reused internally to reduce usage of fresh solvent. Efforts are made to constantly strengthen the recovery processes in our existing businesses and initiate cross-functional projects to drive further reduction in utilities and solvents through novel technology platforms. This will further our progress

towards the long-term reduction in consumption of fresh solvents. Our food waste is treated onsite through composting, which is used in the greenbelt area. High calorific wastes are co-processed through tie-ups with major cement manufacturers for use as an auxiliary fuel in their operations.

Principle 3: Businesses should promote the wellbeing of all employees

The Company is committed to promote diversity at workplace and provide an equal opportunity for all employees, regardless of race, colour, religion, age, gender, sexual orientation, national origin, disability and other factors. Employees have the right to work in an environment free from any form of discrimination which can be considered harassing, coercive or disruptive, particularly behaviours that tantamount to sexual harassment. The Company has a strict zero-tolerance policy towards any sexual harassment. The intent is to provide a work environment free from all forms of harassment, provide equal opportunity to all, respect privacy and recognize the right to be heard.

The Company ensures a safe, healthy and clean working environment for all its employees. Employees are provided with transport and canteen facilities at subsidised prices. Employee engagement activities are conducted regularly to maintain a healthy work environment. Comprehensive health check-up is mandatory for all employees annually.

The Company ensures timely and fair payment of wages in accordance to all applicable laws and standards. Well-being of all employees is a priority to the Company and all necessary steps are taken to ensure the same.

1	Please indicate the Total number of employees.	3032
2	Please indicate the Total number of employees hired on temporary/contractual/ casual basis.	693
3	Please indicate the Number of permanent women employees	340
4	Please indicate the Number of permanent employees with disabilities	3
5	Do you have an employee association that is recognized by management?	No
6	What percentage our permanent employees is members of this recognized employee association?	NA
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	During FY21, there were no instances of any child labour, forced/involuntary labour or discriminatory employment. The Company has a Prevention of Sexual Harassment policy in accordance with the statutory requirements of Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013. All sexual harassment complaints are diligently reviewed and investigated by an Internal Complaints Committee constituted under the Prevention of Sexual Harassment policy. The summary of such complaints received and resolved during the financial year is given below:

Category	No. of Complaints filed during the financial year	No. of complaints pending as at the end of the financial year
Child Labour	-	-
Forced Labour	-	-
Involuntary Labour	-	-
Sexual Harassment	2	1

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Particulars	Skill Upgradation	Safety
Permanent Employees	94%	97%
Permanent Women Employees	92%	94%
Casual/Temporary/ Contractual Employees	Nil	100%
Employees with Disabilities	Same as employee count	Same as employee count

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, the mapping and management of stakeholders is one of the core principles of our business strategy.

   The mapping of stakeholders is fundamental to our engagement with key stakeholders. The Company, as part of its core strategy, integrates needs and requirements of stakeholders into CSR.

   The Board of the Company has formed a CSR committee and approves the CSR policy. It also ensures the implementation of planned CSR activities. The CSR committee is fulfilling the responsibility to prepare a CSR plan, including the type of projects and programs, roles and responsibilities of various stakeholders, monitoring & evaluation mechanism, as well as budgeting for such project or programs.

   Our engagement enables consistent two-way communication with stakeholders such as government and regulatory authorities, NGOs, academia, employees, customers, suppliers, local community, investors and shareholders. The meaningful engagement has contributed to the success of CSR initiatives.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   As per the policy of the Company, the CSR programs are designed to serve the needs of the disadvantaged, vulnerable and marginalised sections of the society. The beneficiaries are primarily defined on the basis of socioeconomic status, gender, age, information asymmetry, infrastructure constraints, geographical challenges and cultural barriers, primarily in the focus areas of health, education, environmental sustainability, and rural development. The initiatives have been carried out in the locations in and around the facilities of the Company. In addition, the programs have been scaled up to some of the remote rural areas, low-resource settings, as well as aspirational districts.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   The CSR programs, whether in the domains of health, education or rural development, have sought to address the need for access, availability, quality, affordability and equity. The healthcare programs have been designed to strengthen the delivery of primary healthcare, with focus on preventive and promotive strategies which would not only address early diagnosis and treatment or referral but have an impact on health-seeking behaviour. Various screenings camps have been initiated to address different age-groups, including the well-woman, geriatric and well-baby clinics. Incorporation of appropriate technologies have allowed for front-line workers to screen relevant populations at risk. The mHealth innovation to screen and treat for oral cancer allows for high-risk populations to be screened in resource-constrained settings.

   In order to address rural-urban divide and issues of poor infrastructure, our rural development initiatives make the basic amenities and infrastructure available to the underserved populations.

   During the COVID-19 lockdown, in collaboration with civil society institutions, dry ration kits were distributed among migrant workers and slum dwellers so as to protect them from the hardships caused by the pandemic.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

   The Policy extends to the Biocon Group/Joint Ventures/ Contractors etc.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   For details pertaining to shareholders complaints, please refer to our "Shareholders Complaints" section in the Corporate Governance report of the Annual Report. For other grievances, please refer to Principle No. 1 and 3 of this report.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others?**

   The Company is committed to adopting the best global practices in connection to Environment, Occupational Health and Safety (EHS). Our comprehensive governance systems are bolstered by best-in-class infrastructure, specialized EHS management systems, competent teams and comprehensive programs. Biocon has a well-defined Environment, Occupational Health, Safety and Sustainability (EHSS) Policy in place to minimize environmental impacts and prevent injuries and ill health at the workplace. It covers all our internal and external stakeholders and extends to the Group, Joint Ventures, suppliers, contractors and other stakeholders like NGOs who work with us. This policy is communicated to all our stakeholders to ensure that they are in compliance with the policy.

   Adherence to the EHSS policy is communicated to all stakeholders by the top management, as well as through appropriate communications within the Company.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, commitment to global warming, climate change and biodiversity is clearly stressed upon in the Company's EHSS policy. Relevant projects and initiatives are in place to address these issues.

   Hyperlink for the webpage: https://www.biocon.com/responsibility/sustainability/

   Hyperlink for the EHSS Policy: https://www.biocon.com/docs/EHSS-Policy.pdf

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, A Risk Based approach i.e. 'Aspect impact identification' methodology, is in place to assess and identify environmental risks for all activities, processes, new projects and any modifications.

   Link to ISO 14001 & ISO 45001 certifications: http://www.biocon.com/biocon_aboutus_ehspolicy.asp

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   As on date, the Company does not have any project registered with the Clean Development Mechanism (CDM), but we have a variety of projects related to clean technology and we strive to identify the CDM potential in all our projects. Some of the projects in line with CDM methodologies in our organisation are

   - Reduction of carbon footprint by switching over to piped natural gas to fuel boilers, instead of conventional fossil fuels, thereby reducing our GHG emissions;
   - Usage of biogas generated by our effluent treatment unit anaerobic digesters as a co-fuel for in-house requirement;
   - Usage of solar energy for water heating and lighting;
   - 53% of total power requirement is sourced from renewable energy sources.

5. **Has the Company undertaken any other initiative on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. Some energy efficiency, clean technology and renewable energy projects implemented at our sites are

   - 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;
   - Reduction in CO2 emissions by using PNG (Piped natural gas) for steam generation;
   - 53% of total power requirement is sourced from renewable energy sources. The continuous adoption of renewable energy as a preferred source has enabled us to increase its share in our total power consumption to more than half for the first time this fiscal year;
   - Installation of solar powered lighting;
   - Installation of waste steam recovery system;
   - Installation of two stage scrubber system at multiple effect evaporator system to ensure better air quality in and around a facility.

   Hyperlink for the webpage: https://www.biocon.com/responsibility/sustainability/

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, air emissions and waste generated by the Company are well within the permissible limits prescribed by the environmental regulators and reported for the last financial year.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There were no show cause/legal notices received from CPCB/SPCB which are pending for the reporting period.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes, the Company is member of the CII (Confederation of Indian Industry), ABLE (Association of Biotechnology Led Enterprises), IDMA (Indian Drug Manufacturers' Association), KDPMA (Karnataka Drugs & Pharmaceuticals Manufacturers' Association), Federation of Karnataka Chambers of Commerce & Industry, FICCI (Federation of Indian Chambers of Commerce & Industry) etc.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   As a pioneering biotechnology Company, Biocon engages with various stakeholders including various government departments to facilitate progressive and pragmatic policies that can address the daunting healthcare challenges of the country. Biocon's Executive Chairperson, Ms. Kiran Mazumdar-Shaw, is a highly respected, global Biotech pioneer. She is passionate about enabling affordable healthcare and contributes selflessly towards creating an enabling ecosystem that promotes science, encourages start-ups and enables access to affordable universal healthcare. Ms Kiran Mazumdar-Shaw also engages with the government at Centre and State levels to enable creation of an optimal biotech ecosystem.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   In the year under evaluation, the CSR interventions were carried out in the thematic focus areas of-

   - Primary Healthcare
   - Environmental Sustainability
   - Rural Development and
   - COVID-19 Relief

   Healthcare:

   In pursuit of technology enabled innovation in healthcare, Biocon Foundation developed the eLAJ Smart Clinic model, a real-time health information system, which has been integrated into twenty Primary Health Centers (PHCs) of the Government of Karnataka and three health centers of Biocon Foundation across 7 districts in Karnataka. The system enables storage of patient records and provides high-quality diagnostic services.

   Our mHealth innovation supports early detection and management of oral pre-cancerous lesions. The asymptomatic attribute of oral cancer in the early stages results in delayed presentation and late-stage diagnosis and therefore high morbidity and mortality. In a secure network, the mobile application creates a robust electronic health record which includes intra-oral image-based data for active treatment and surveillance. The frontline health workers are trained for oral cancer prevention, early detection and subsequent referral with the help of remote specialists, even in settings where health resources are generally scarce.

   The clinics of Biocon Foundation provide specialist diagnostic, curative and counselling services that include, but are not limited to, women & child health, nutrition, NCDs and comorbidities. The NCD Clinics diagnose and manage type 2 diabetes and hypertension. The clinics provide free of cost lab investigations, doctor consultation and counselling for lifestyle changes and medication adherence. The Geriatric Clinics attend to health issues of the elderly, including chronic health conditions. The Mental Health Clinics deal with conditions such as stress, anxiety, insomnia, dementia and depression. The Well Women 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 have improved local access of treatment for common childhood illnesses with a focus on management of protein energy malnutrition.

   Environmental Sustainability:

   After inaugurating the rejuvenated Hebbagodi Lake in December 2018, Biocon has taken concerted efforts to preserve the waterbody. The preservation involves regular application of a blend of bio-enzymes and specially selected eco-friendly microorganisms that rapidly liquefy organic waste and clean the polluted water. The liquefied organic waste is then degraded into water and gases that are totally harmless to the environment. Trash barrier and bar screens have been installed to arrest floating matter. Energy efficient cascading aerators and submersible mixers have been installed to increase the dissolved oxygen and reduce sludge in the water. Artificial wetlands have been added to reduce the excess nutrients and enhance the micro ecosystem underneath the water surface to clean the pollutants. The multipronged approach has resulted in the preservation of the lake.

   Biocon Foundation signed a memorandum of understanding with Bengaluru Metro Rail Corporation Limited (BMRCL) to finance the construction of a metro station at Hebbagodi in Anekal Taluk, Bengaluru. The Metro connectivity will provide a sustainable and efficient mode of transport to residents from all parts of Bengaluru, reducing traffic congestion and help lower the environmental impact from vehicular pollution.

   A project was undertaken around the Cubbon Park metro station to add greenery to the heart of the city.

   Rural Development:

   The new buildings at the Government Higher Primary School in Huskuru, Bengaluru and the Government Higher Primary School in Sira, Tumkuru, have been inaugurated. The improved infrastructure will provide an enabling environment, which, it is hoped, would positively influence learning outcomes.

   COVID-19 Relief:

   In order to provide immediate relief to daily wagers and the underprivileged, who were disproportionately impacted by the COVID-19 pandemic and lockdown, dry ration kits with basic grocery items were distributed in partnership with the Akshaya Patra Foundation and the Bengaluru Political Action Committee, in Karnataka, Telangana & Andhra Pradesh.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The modes of execution of CSR activities are as below –

   Biocon Foundation: Biocon Foundation is one of the implementing agencies for CSR activities. Biocon Foundation implements the CSR activities in any of the following modes:

   I. Direct execution of projects / programs

   II. Partnership - Building fruitful collaborations with like-minded organisations through memorandum of understandings.

   III. Grants - providing grants to NGOs, trusts and academic institutions under the Grant-in-Aid initiative for innovative and impactful social projects.

   Biocon Academy: Biocon Academy is one of the implementing agencies, which aims to address skill deficit in the biopharma sector, by developing high-end talent through advanced learning.

3. **Have you done any impact assessment of your initiative?**

   The Company has undertaken a data-driven approach towards CSR. There is a strong emphasis on impact assessments in the program designs. The programs have a monitoring and evaluation (M&E) framework to measure their success. The knowledge, attitude, and practice (KAP) surveys are conducted to assess the barriers and effectiveness of health education programs. In order to establish the baseline and measure the change, pre-and post-testing methods are used. Population-based surveys have helped us understand the prevalence of non-communicable diseases and associated risk factors. The rigorous data collection, using eHealth technologies and interactive data visualisation in real-time by dashboards, improve monitoring and evaluation.

   In the case of lake revival, water samples are tested at a third-party NABL accredited lab to ascertain the improvement in quality parameters.

   Though impact assessment is crucial to measure the change brought about by a program, it is also important to consider the time horizons for which actual change can be recorded. Therefore, mid-term and long-term impact studies are planned on broad frequencies. It is also important to consider the significant cost of third-party impact assessment and limited feasibility for low cost projects.

   Healthcare:

   - About 36,000 patients availed health services at eLAJ Smart Clinics, more than 61,000 patient visits recorded.
   - More than 2,200 individuals screened for oral cancer, oral potentially malignant disorders (OPMDs) diagnosed in 27% cases.
   - More than 1,000 people screened and 11% treated for common dental diseases.
   - Above 1,400 consultations provided through 19 NCD camps.
   - 10 Geriatric camps recorded about 650 consultations.

   Environmental Sustainability:

   The analysis of water samples of Hebbagodi Lake in the laboratory have shown significant improvement in core parameters:

   - Increase in Dissolved Oxygen (DO) from 0 to 5 mg/L indicates that aeration and bio-enzyme treatment are effective.
   - Decreasing trends in the chemical oxygen demand (COD) and biological oxygen demand (BOD) in the samples suggest that level of pollution has declined.
   - pH, TDS, Nitrates have fallen in line with the norms after the treatment.

   Rural Development

   - About 500 students will have access to safe and enabling learning environment every year due to the construction of Government Higher Primary School in Huskuru, Anekal and Government Kannada Model Higher Primary School in Sira, Tumkuru.

   COVID-19 Relief Measures

   - 9,000 individuals received dry ration kits during the COVID-19 lockdown, sufficient to sustain them for 21 days.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Please refer Annexure 7 of the Board's Report on Corporate Social Responsibility.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?**

   Improving community relations and participation are central to the CSR. Our programs integrate needs assessment, building stakeholder interlinkages, regular participatory reviews and two-way communication to build community ownership for initiatives. The strong culture of employee volunteerism is inculcated wherein paid time off is granted to employees to have a meaningful engagement in the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   During the financial year, the Company has not received any customer complaints and no compliant was pending as on March 31, 2021.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

   No. Since the Company's products are biopharmaceuticals, only product information that is approved by the regulatory authorities is displayed on the product label.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   None.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   No.

INDEPENDENT AUDITORS' 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"), which comprise the standalone balance sheet as at 31 March 2021, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 2021, and 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 we have obtained 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 year. 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.

Taxation

The key audit matters	How the matter was addressed in our audit
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, - impact of group restructurings - 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; • 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;

Taxation	
The key audit matters	**How the matter was addressed in our audit**
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, 2021.	• We also considered external legal opinions and consultations made by the Company for key uncertain tax positions during current and past periods; and • We used our own tax specialists' expertise to assess key assumptions made by the Company.

Information Other than the Standalone Financial Statements and Auditors' 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 obtained prior to the date of this Auditor's 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 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' Responsibility 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 standalone 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 in the standalone financial statements 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 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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

   (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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 standalone 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 Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. 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 ;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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) which are required to be commented upon by us.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
UDIN: 21203491AAAACF9154

Place: Chennai
Date: 28 April 2021

Annexure A to the Independent Auditor's 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 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(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 included in property, plant and equipment are held in the name of Company except for one immovable property amounting to INR 35 million as at 31 March 2021 for which the Company is in the process of obtaining registration. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) Inventories apart from goods in transit and inventories lying with outside parties have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. Inventories lying with outside parties have been substantially confirmed by them as at the year-end and no material discrepancies were noticed in respect of such confirmations.

(iii) The Company has granted loans to four companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the companies listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted covered in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loans granted to companies covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of any disputes, other than those set out in Appendix I.

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution or bank or government or dues to debentureholders during the year.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. The term loans raised by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
UDIN: 21203491AAAACF9154

Place: Chennai
Date: 28 April 2021

Appendix I referred to in paragraph vii (b) of Annexure A to the Independent Auditor's Report

Name of the statute	Nature of dues	Amount disputed (INR in million)	Amount paid under protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	4	4	FY 1996 – 97	Supreme Court
Income-Tax Act, 1961	Income Tax	1,284	598	FY 2009-10 to FY 2014-15	Income Tax Appellate Tribunal ("ITAT")
Income-Tax Act, 1961	Income Tax	23	21	FY 1997-98, FY 2003-04 to FY 2006-07	High Court of Karnataka
Income-Tax Act, 1961	Income Tax	62	62	FY 2013-14	Commissioner (Appeals)
Finance Act, 1994	Service-Tax	2	-	FY 2009-10 to FY 2012-13	Deputy Commissioner
Finance Act, 1994	Service-Tax	188	-	FY 2006-07 to FY 2011-12 and FY 2013-14	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
Entry Tax (The West Bengal Tax on Entry of goods into Local Areas Act, 2012)	Entry Tax	20	-	FY 2012-13 to FY 2016-17	High Court of West Bengal
Value Added Tax Act, 2005	Value Added Tax	2	1	FY 2005-06	Commissioner (Appeals)
Value Added Tax Act, 2005	Value Added Tax	20	3	FY 2008-09 to FY 2015-16	Joint Commissioner Appeals
Central Sales Tax Act 1956	CST	38	1	FY 2008-09 to FY 2013-14	Joint Commissioner Appeals
The Central Excise Act, 1944	Excise Duty	273	53	FY 2005-06 to FY 2009-10 and FY 2011-12 to FY 2013-14	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
The Central Excise Act, 1944	Excise Duty	60	-	FY 2007-08 to FY 2013-14	Commissioner (Appeals)
The Customs Act, 1962	Customs duty	45	45	FY 1994-95, FY 2004-05 to FY 2008-09	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
The Customs Act, 1962	Customs duty	5	1	FY 2003-04, FY 2005-06, FY 2007-08, FY 2008-09, FY 2010-11, FY 2011-12, FY 2013-14 & 2014-15	Commissioner (Appeals)

Annexure B to the Independent Auditors' report on the standalone financial statements of Biocon Limited for the year ended 31 March 2021

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 1 (A) (f) 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 standalone financial statements of Biocon Limited ("the Company") as of 31 March 2021 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 2021, 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 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 No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
UDIN: 21203491AAAACF9154

Place: Chennai
Date: 28 April 2021

Balance Sheet as at March 31, 2021

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

	Note	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	6,691	6,590
Capital work-in-progress	3	1,646	1,519
Right-of-use-assets	4(b)	391	396
Investment property	4(a)	695	725
Other intangible assets	5	204	221
Intangible assets under development	5	146	-
Financial assets			
(i) Investments	6	50,734	48,140
(ii) Loans	7(a)	-	1,567
(iii) Other financial assets	8(a)	704	193
Income-tax asset (net)		887	712
Deferred tax asset (net)	18	1,464	1,795
Other non-current assets	9(a)	482	413
Total non-current assets		**64,044**	**62,271**
Current assets			
Inventories	10	4,309	5,347
Financial assets			
(i) Investments	11	3,393	1,388
(ii) Trade receivables	12	5,880	5,732
(iii) Cash and cash equivalents	13	2,535	3,750
(iv) Bank balances other than (iii) above	13	3,477	3
(v) Loans	7(b)	-	1,006
(vi) Other financial assets	8(b)	1,397	2,640
Other current assets	9(b)	702	971
Total current assets		**21,693**	**20,837**
TOTAL		**85,737**	**83,108**
Equity and Liabilities			
Equity			
Equity share capital	14(a)	6,000	6,000
Other equity	14(b)	73,071	69,373
Total equity		**79,071**	**75,373**
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	38	12	26
(ii) Borrowings	15	-	7
(iii) Other financial liabilities	16(a)	144	26
Provisions	17(a)	263	214
Other non-current liabilities	19(a)	745	182
Total non-current liabilities		**1,164**	**455**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	38	12	4
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	20	198	75
Total outstanding dues of creditors other than micro and small enterprises		3,522	5,137
(iii) Other financial liabilities	16(b)	455	720
Provisions	17(b)	255	244
Current tax liabilities (net)		872	848
Other current liabilities	19(b)	188	252
Total current liabilities		**5,502**	**7,280**
TOTAL		**85,737**	**83,108**

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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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

Mayank Verma
Company Secretary

Indranil Sen
Chief Financial Officer

Bengaluru
April 28, 2021

Statement of Profit and Loss for the year ended March 31, 2021

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

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Continuing operations:			
Income			
Revenue from operations	21	20,284	19,884
Other income	22	1,502	2,017
Total income		21,786	21,901
Expenses			
Cost of materials consumed	23	7,607	8,582
Purchases of stock-in-trade		9	9
Changes in inventories of stock-in-trade, finished goods and work-in-progress	24	367	(314)
Employee benefits expense	25	3,902	3,448
Finance costs	26	4	12
Depreciation and amortisation expense	27	1,035	980
Other expenses	28	5,287	5,328
		18,211	18,045
Less: Recovery of cost from co-development partners (net)		(13)	(29)
Total expenses		18,198	18,016
Profit before tax and exceptional item		3,588	3,885
Exceptional items, net	43	-	1,597
Profit before tax		3,588	5,482
Tax expense			
Current tax	33	462	857
Deferred tax			
MAT credit utilised/(entitlement)		273	187
Other deferred tax		48	75
Total tax expense		783	1,119
Profit after tax from continuing operations		2,805	4,363
Discontinued operations:			
Profit before tax for the year from discontinued operations		-	117
Tax expense of discontinued operations		-	71
Profit for the year from discontinued operations		-	46
Profit for the year		2,805	4,409
Other comprehensive income/(expense)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		14	(51)
Equity investments through other comprehensive income - net change in fair value		(25)	(19)
Income tax effect		6	40
		(5)	(30)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		45	(73)
Income tax effect		(16)	26
		29	(47)
Other comprehensive income for the year, net of taxes		24	(77)
Total comprehensive income for the year		2,829	4,332
Earning per share	31		
Earnings per share for continuing operations			
Basic (in ₹)		2.36	3.68
Diluted (in ₹)		2.34	3.67
Earnings per share for discontinued operations			
Basic (in ₹)		-	0.04
Diluted (in ₹)		-	0.04
Earnings per share for continuing and discontinued operations			
Basic (in ₹)		2.36	3.72
Diluted (in ₹)		2.34	3.71

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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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

Mayank Verma
Company Secretary

Indranil Sen
Chief Financial Officer

Bengaluru
April 28, 2021

Statement of Changes in Equity for the year ended March 31, 2021

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

(A) Equity share capital

	March 31, 2021	March 31, 2020
Opening balance	6,000	3,000
Issue of bonus shares	-	3,000
Closing balance	**6,000**	**6,000**

(B) Other equity

Particulars	Reserves and surplus							Items of other comprehensive income		Total other equity
	Securities Premium	Revaluation reserve	General reserve	Retained earnings	SEZ reinvestment reserve	Share based payment reserve	Treasury shares	Cash flow hedging reserves	Other items of other comprehensive income	
Balance at April 01, 2019	1,171	9	3,458	63,921	-	594	(1,144)	40	105	68,154
Adjustment pursuant to adoption of Ind AS 116, net of tax	-	-	-	(3)	-	-	-	-	-	(3)
Adjusted balance at April 01, 2019	1,171	9	3,458	63,918	-	594	(1,144)	40	105	68,151
Profit for the year	-	-	-	4,409	-	-	-	-	-	4,409
Other comprehensive income, net of tax	-	-	-	-	-	-	-	(47)	(30)	(77)
Total comprehensive income for the year	-	-	-	4,409	-	-	-	(47)	(30)	4,332
Transactions recorded directly in equity										
Issue of bonus shares	(1,158)	-	(1,842)	-	-	-	-	-	-	(3,000)
Bonus issue expense	(13)	-	-	-	-	-	-	-	-	(13)
Dividend including dividend distribution tax	-	-	-	(601)	-	-	-	-	-	(601)
Share based payment	-	-	-	-	-	479	-	-	-	479
Purchase of Treasury shares	-	-	-	-	-	-	(293)	-	-	(293)
Transfer to SEZ reinvestment reserve	-	-	-	(300)	300	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	-	300	(300)	-	-	-	-	-
Exercise of share options	238	-	-	226	-	(238)	92	-	-	318
Balance at March 31, 2020	238	9	1,616	67,952	-	835	(1,345)	(7)	75	69,373
Profit for the year	-	-	-	2,805	-	-	-	-	-	2,805
Other comprehensive income, net of tax	-	-	-	-	-	-	-	29	(5)	24
Total comprehensive income for the year	-	-	-	2,805	-	-	-	29	(5)	2,829
Transactions recorded directly in equity										
Share based payment	-	-	-	-	-	563	-	-	-	563
Purchase of treasury shares	-	-	-	-	-	-	(93)	-	-	(93)
Transfer to SEZ reinvestment reserve	-	-	-	(539)	539	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	-	539	(539)	-	-	-	-	-
Exercise of share options	381	-	-	304	-	(381)	95	-	-	399
Balance at March 31, 2021	619	9	1,616	71,061	-	1,017	(1,343)	22	70	73,071

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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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

Mayank Verma
Company Secretary

Indranil Sen
Chief Financial Officer

Bengaluru
April 28, 2021

Statement of Cash Flows for the year ended March 31, 2021

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

		March 31, 2021	March 31, 2020
I	**Cash flows from operating activities**		
	Profit for the year from continuing operations	2,805	4,363
	Profit for the year from discontinued operations	-	46
	Adjustments to reconcile profit for the year to net cash flows		
	Depreciation and amortisation expense	106	1,030
	Unrealised foreign exchange (gain)/loss	106	(357)
	Share based compensation expense	388	273
	Provision/(reversal of provision) for doubtful debts, (net)	-	(29)
	Interest expense	4	12
	Interest income	(288)	(262)
	Net (gain)/ loss on financial assets measured at fair value through profit or loss	(32)	2
	Profit on property, plant and equipment sold, (net)	(16)	-
	Dividend income from subsidiaries	-	(596)
	Net gain on sale of investments (including exceptional items)	(19)	(754)
	Tax expense	783	1,190
	Operating profit before changes in operating assets and liabilities	**3,837**	**4,918**
	Movements in operating assets and liabilities		
	Decrease/(increase) in inventories	1,038	(1,449)
	Decrease/(increase) in trade receivables	(256)	1,844
	Decrease/(increase) in other assets	1,707	(1,157)
	Increase/(decrease) in trade payable, other liabilities and provisions	(929)	622
	Cash generated from operations	**5,397**	**4,778**
	Income taxes paid (net of refunds)	(613)	(907)
	Net cash flow generated from operating activities	**4,784**	**3,871**
II	**Cash flows from investing activities**		
	Purchase of Property, plant and equipment	(548)	(1,953)
	Purchase of other intangible assets	(151)	(36)
	Proceeds from sale of Property, plant and equipment	96	66
	Proceeds from sales of other intangible assets	16	-
	Loan given to subsidiaries	(5,750)	(2,606)
	Recovery of loans from subsidiaries	2,390	472
	Purchase of investments	(24,832)	(49,785)
	Proceeds from sale of current investments	24,039	31,999
	Proceeds from sale of investments in subsidiary	5,000	11,070
	Investment in bank deposits and inter corporate deposits	(7,324)	(800)
	Redemption/maturity of bank deposits and inter corporate deposits	800	1,000
	Proceeds from sale of business	-	7,675
	Interest received	81	173
	Dividend received on investments in subsidiaries	-	596
	Net cash flow (used in) investing activities	**(6,183)**	**(2,129)**
III	**Cash flows from financing activities**		
	Purchase of Treasury shares	(93)	(293)
	Exercise of share options	399	318
	Repayment of long-term borrowings	(7)	(668)

Statement of Cash Flows for the year ended March 31, 2021 *(contd.)*

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

		March 31, 2021	March 31, 2020
	Dividend paid on equity shares including tax thereon	-	(601)
	Payment for bonus issue expense	-	(13)
	Repayment of lease liabilities	(21)	(25)
	Interest paid	-	(7)
	Net cash flow generated from/(used in) financing activities	**278**	**(1,289)**
IV	**Net increase/(decrease) in cash and cash equivalents (I + II + III)**	(1,121)	453
V	**Effect of exchange differences on cash and cash equivalents held in foreign currency**	(94)	240
VI	**Cash and cash equivalents at the beginning of the year**	3,750	3,057
VII	**Cash and cash equivalents at the end of the year (IV + V + VI)**	**2,535**	**3,750**
	Reconciliation of cash and cash equivalents as per statement of cash flow		
	Cash and cash equivalents (Note 13)		
	Balances with banks - on current accounts	2,530	3,142
	Balances with Banks - on unpaid dividend accounts*	5	8
	Balances with Banks - deposit with original maturity of less than 3 months	-	600
	Balance as per statement of cash flows	**2,535**	**3,750**

*The Company can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

The standalone cash flow statement for the year ended March 31, 2020 reflects the combined cash flow pertaining to continued and discontinued operations. Refer note 39 for cash flow from discontinued operations.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	Opening balance April 1, 2020	Cash flows	Non-cash movement	Closing balance March 31, 2021
Borrowings (including current maturities)	14	(7)	-	7
Interest accrued but not due	1	-*	-	1
Total liabilities from financing activities	**15**	**(7)**	-	**8**

(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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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

Mayank Verma
Company Secretary

Indranil Sen
Chief Financial Officer

Bengaluru
April 28, 2021

Notes to the standalone financial statements for the year ended March 31, 2021

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, 2021. These standalone financial statements were authorised for issuance by the Company's Board of Directors on April 28, 2021.

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 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, 2021 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

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

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 risks and rewards of ownership and does not retain control of the financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all 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.

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.

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:

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25 years	30 years
Roads	Building	5 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	Plant and Machinery	9-11 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	-
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	-

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.

c. Intangible assets

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.

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.

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;

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. 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 assets 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

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

	Land	Buildings	Leasehold improvements	Plant and equipment [Refer note (a) &(b)]	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Gross carrying amount									
At April 01, 2019	924	4,082	6	17,371	1,344	527	110	24,364	2,545
Additions	-	382	-	1,055	75	36	10	1,558	2,156
Disposals/transfers [refer note (d)]	(368)	(12)	(3)	(6,984)	(367)	(107)	(2)	(7,843)	(3,182)
Transfer to investment property	(14)	(527)	-	-	-	-	-	(541)	-
At March 31, 2020	542	3,925	3	11,442	1,052	456	118	17,538	1,519
Additions	35	84	-	853	-	22	6	1,000	1,200
Disposals/transfers	-	-	-	-	-	-	(34)	(34)	(1,073)
Transfer to investment property	(8)	(4)	-	-	-	-	-	(12)	-
At March 31, 2021	569	4,005	3	12,295	1,052	478	90	18,492	1,646
Accumulated depreciation									
At April 01, 2019	-	1,537	2	10,983	1,062	432	57	14,073	-
Depreciation for the year [refer note (c)]	-	151	3	615	59	21	20	869	-
Disposals/transfers [refer note (d)]	-	(4)	(2)	(3,420)	(303)	(70)	(2)	(3,801)	-
Transfer to investment property	-	(193)	-	-	-	-	-	(193)	-
At March 31, 2020	-	1,491	3	8,178	818	383	75	10,948	-
Depreciation for the year	-	174	-	626	55	21	13	889	-
Disposals/transfers	-	-	-	-	-	-	(34)	(34)	-
Transfer to investment property	-	(2)	-	-	-	-	-	(2)	-
At March 31, 2021	-	1,663	3	8,804	873	404	54	11,801	–
Net carrying amount									
At March 31, 2020	542	2,434	-	3,264	234	73	43	6,590	1,519
At March 31, 2021	569	2,342	-	3,491	179	74	36	6,691	1,646

(a) Plant and equipment include computers and office equipment.

(b) Additions to property, plant and equipment includes additions related to research and development amounting to ₹ 15 (March 31, 2020 - ₹ 143).

(c) Depreciation for the year includes amount pertaining to discontinued operations of ₹ Nil (March 31, 2020 ₹ 47)

(d) During the year ended March 31, 2020, disposals include disposal of assets relating to discontinued operations, refer note 39.

(e) Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4(a). Investment property

Gross carrying amount	
At April 01, 2019	548
Transfer from property, plant and equipment	541
At March 31, 2020	1,089
Transfer from property, plant and equipment	12
At March 31, 2021	1,101
Accumulated depreciation	
At April 01, 2019	129
Depreciation for the year	42
Transfer from property, plant and equipment	193
At March 31, 2020	364
Depreciation for the year	40
Transfer from property, plant and equipment	2
At March 31, 2021	406
Net carrying amount	
At March 31, 2020	725
At March 31, 2021	695

(a) During the year, the Company has recognised rental income of ₹ 283 (March 31, 2020 ₹ 267) in the statement of profit and loss for investment property.

(b) The fair value of investment property is ₹ 2,234 (March 31, 2020 ₹ 2,130), based on market observable data.

4(b). Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At April 01, 2019	–	–	–	–
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 Note ref: 2 (p) and 38	368	–	–	368
Additions	6	9	32	47
Disposals/transfer [refer note (a)]	–	(6)	–	(6)
At March 31, 2020	374	3	32	409
Additions	-	-	15	15
Disposals/transfer [refer note (a)]	-	-	(6)	(6)
At March 31, 2021	374	3	41	418
Accumulated depreciation				
At April 01, 2019	-	-	-	-
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [refer note 2(p)]	-	-	-	-
Disposals/transfer [refer note (a)]	-	(2)	-	(2)
Depreciation for the year	2	3	10	15
At March 31, 2020	2	1	10	13
Disposals/transfer	-	-	(2)	(2)
Depreciation for the year	2	2	12	16
At March 31, 2021	4	3	20	27
Net carrying amount				
At March 31, 2020	372	2	22	396
At March 31, 2021	370	-	21	391

(a) Disposals include disposal of assets relating to discontinued operations, refer note 39.

5. Other intangible assets

	Intellectual property rights	Computer software	Marketing and Manufacturing rights	Customer related intangible	Total	Intangible assets under development
Gross carrying amount						
At April 01, 2019	81	449	294	77	901	-
Additions	-	36	-	-	36	-
Disposals [refer note (b)]	-	(37)	-	-	(37)	-
At March 31, 2020	**81**	**448**	**294**	**77**	**900**	**-**
Additions	-	73	-	-	73	146
Disposals	-	-	-	-	-	-
At March 31, 2021	**81**	**521**	**294**	**77**	**973**	**146**
Accumulated amortisation						
As at April 01, 2019	81	232	237	50	600	-
Disposals [refer note (b)]	-	(25)	-	-	(25)	-
Amortisation for the year [refer note (a)]	-	62	27	15	104	-
At March 31, 2020	**81**	**269**	**264**	**65**	**679**	**-**
Disposals	-	-	-	-	-	-
Amortisation for the year	-	61	17	12	90	-
At March 31, 2021	**81**	**330**	**281**	**77**	**769**	**-**
Net carrying amount						
At March 31, 2020	-	179	30	12	221	-
At March 31, 2021	**-**	**191**	**13**	**-**	**204**	**146**

(a) Amortisation for the year includes amount pertaining to discontinued operations of ₹ Nil (March 31, 2020 ₹ 2).

(b) During the year ended March 31, 2020, disposals include disposal of assets relating to discontinued operations, refer note 39.

(c) Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of other intangibles.

	March 31, 2021	March 31, 2020
6. Non-current investments		
I. Quoted equity instruments		
In subsidiary company at cost:		
Syngene International Limited - 282,276,145 (March 31, 2020 - 282,712,241) equity shares of ₹ 10 each	26,692	26,693
In others at fair value through other comprehensive income:		
Vaccinex Inc.,USA - 299,226 (March 31, 2020 - 299,226) common stock of USD 0.0001 each	65	90
Total quoted non-current investments	**26,757**	**26,783**
II. Unquoted equity instruments		
In subsidiary companies at cost:		
Biocon Pharma Limited - 14,050,000 (March 31, 2020 - 14,050,000) equity shares of ₹ 10 each	141	141
Biocon SA, Switzerland - 100,000 (March 31, 2020 - 100,000) equity shares of CHF 1 each	4	4
Biocon FZ LLC, UAE - 150 (March 31, 2020 - 150) equity shares of AED 1,000 each	3	3
Biocon Academy - 50,000 (March 31, 2020 - 50,000) equity shares of ₹ 10 each	1	1
Biocon Biologics Limited 1,000,526,870 (March 31, 2020 - 200,105,424) equity shares of ₹ 10 each (Formerly known as Biocon Biologics India Limited)	605	449
Bicara Therapeutics Inc. -Nil (March 31, 2020 - 2,500,000) equity shares of USD 0.0001 each	-	_*
Biocon Biosphere Limited -50,000 (March 31, 2020 - 50,000) equity shares of ₹ 10 each	1	1
In joint venture company at cost:		
NeoBiocon FZ LLC, UAE - 147 (March 31, 2020 - 147) equity shares of AED 1,000 each	2	2
In others at fair value through profit or loss:		
Energon KN Wind Power Private Limited - 38,500 (March 31, 2020 - 38,500) equity shares of ₹ 10 each	1	1
Less: Provision for decline, other than temporary, in the value of non current investments	(1)	(1)
Four Ef Renewables Private Limited - 164,271 (March 31, 2020 - Nil) equity share of ₹ 100 each	16	-
Hinduja Renewables Two Private Limited - 2,369,000 equity shares (March 31, 2020 Nil) of ₹ 10 each	24	-

	March 31, 2021	March 31, 2020
Total unquoted investments in equity instruments	797	601
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 1,081,000,000 (March 31, 2020 - 1,081,000,000) fully paid	10,810	10,810
9% Non cumulative redeemable preference shares of ₹ 10 each 205,420,000 (March 31, 2020 - 705,420,000) fully paid	2,054	7,054
Biocon Pharma Limited: 873,000,000 (March 31, 2020 - 276,058,963)		
0.01% Optionally convertible Redeemable non- cumulative preference shares of ₹ 10 each fully paid	8,862	2,892
Biocon Biosphere Limited: 12,082,125 (March 31, 2020 - Nil)		
0.01% Optionally convertible Redeemable non- cumulative preference shares of ₹ 10 each	121	–
Total unquoted investments in preference shares	21,847	20,756
In associate company at cost:		
Bicara Therapeutics Inc. -2,500,000 (March 31, 2020 - 2,500,000) equity shares of USD 0.0001 each	–*	–
IATRICa Inc., USA - 4,285,714 (March 31, 2020 - 4,285,714) Series A preferred stock at US$ 0.70 each, par value US $ 0.00001 each	139	139
Less: Provision for decline, other than temporary, in the value of non-current investments	(139)	(139)
Total unquoted investments in preference shares in associate company	–	–
Others at fair value through profit or Loss:		
Four Ef Renewables Private Limited [refer note (b)]		
0.001% Compulsorily convertible preference Shares of ₹ 100 each 328,541 (March 31, 2020 - Nil) fully paid	33	–
Energon KN Wind Power Private Limited - 14,666 (March 31, 2020 - 14,666) compulsorily convertible preference shares, par value ₹ 100 each	1	1
Less: Provision for decline, other than temporary, in the value of non current investments	(1)	(1)
Total unquoted investments in preference shares in others	33	–
IV. Inter corporate deposits with financial institutions	1,300	–
Total unquoted investments in preference shares	21,880	20,756
Total unquoted investments in others	1,300	–
Total non-current investments	50,734	48,140
Aggregate book value of quoted investments	26,757	26,783
Aggregate market value of quoted investments	153,468	67,983
Aggregate value of unquoted investments	24,118	21,498
Aggregate amount of impairment in value of investments	141	141

(a) The Company has invested in National Savings Certificates (unquoted) which are not disclosed above since amounts are rounded off to Rupees million.

(b) 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.

	March 31, 2021	March 31, 2020
7. Loans		
Unsecured considered good		
(a) Non-current		
Loans to related parties [refer note 32]	-	1,567
	-	1,567
(b) Current		
Loans to related parties [refer note 32]	-	1,006
	-	1,006
Loans to related parties comprise loans to the following:		
(i) Biocon Pharma Limited	-	1,567
Maximum amount outstanding during the year	2,392	1,567
(ii) Bicara Therapeutics Inc.	-	-
Maximum amount outstanding during the year	1,384	-
(iii) Biocon Biologics Limited [refer note 43 (c)]	-	1,006
Maximum amount outstanding during the year	1,006	1,478
(iv) Biocon Biosphere Limited	-	-
Maximum amount outstanding during the year	87	-
8. Other financial assets		
(a) Non-current		
Derivative assets	7	-
Non current cash and bank balances	500	-
Deposits	197	193
	704	193
(b) Current		
Derivative assets	13	3
Interest accrued but not due	107	4
Unbilled revenue	174	109
Other receivables (considered good - Unsecured) from:		
Related parties [refer note 32]	1,099	2,520
Others	4	4
	1,397	2,640
9. Other assets		
(Unsecured considered good, unless otherwise stated)		
(a) Non-current		
Capital advances	136	104
Duty drawback receivables	47	74
Balances with statutory/government authorities	285	233
Prepayments	14	2
	482	413
(b) Current		
Advance to suppliers	115	256
Contract assets	25	50
Balances with statutory/government authorities	375	454
Prepayments	187	211
	702	971
10. Inventories		
Raw materials, including goods-in-bond*	1,594	2,223
Packing materials	320	62
Work-in-progress	1,483	1,311
Finished goods	1,212	1,751
	4,309	5,347

* includes goods in-transit ₹ 74 (March 31, 2020 - ₹ 422)

Write-down of inventories to net realisable value amounted to ₹ 166 (March 31, 2020 - ₹ 73). 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.

	March 31, 2021	March 31, 2020
11. Current investments		
Quoted - Investment in mutual funds at fair value through profit or Loss:		
ICICI Prudential Liquid Fund -Direct Plan Growth : 297,330 Units (March 31 2020: Nil Units)	91	-
UTI Liquid Cash Plan- Direct Paln Growth : 50,745 Units (March 31 2020 : Nil Units)	171	-
Nippon India Liquid Fund -Direct Plan Growth : 12,171 Units (March 31 2020: Nil Units)	61	-
HDFC Liquid Fund -Direct Plan Growth : 11,274 Units (March 31 2020: Nil Units)	46	-
HDFC Ultra Short term Fund -Direct Plan Growth : 19,679,992 Units (March 31 2020: Nil Units)	235	-
Aditya Birla Sun Life Savings Funds- Direct Growth Plan : 238,263 Units (March 31 2020 : Nil Units)	102	-
Kotak Money Market Fund - Direct Growth Plan : 64,399 Units (March 31 2020 : Nil Units)	224	-
ICICI Money Market Fund - Direct Growth Plan : 517,184 Units (March 31 2020 : Nil Units)	153	-
SBI Overnight Fund Direct Growth : 35,870 Units (March 31 2020 : 25,192 Units)	120	82
Aditya Birla Sun Life Overnight Funds Growth Direct Plan : 126,222 Units (March 31, 2020 : 39,243 Units)	140	42
Kotak Overnight-Direct-Growth : Nil Units (March 31 2020 : 39,019 Units)	-	42
Nippon India Overnight Fund Direct Growth Plan : Nil Units (March 31,2020 : 807,256 Units)	-	87
ICICI Prudential Overnight Fund Direct Plan Growth : Nil Units (March 31, 2020 : 869,099 Units)	-	94
UTI Overnight Fund Direct Growth Plan : Nil Units (March 31, 2020: 33,745 Units)	-	92
Axis Overnight Fund Growth Direct : Nil Units (March 31, 2020: 16,392 Units)	-	17
HDFC Overnight Funds Direct Plan Growth Option : Nil Units (March 31, 2020: 16,747 Units)	-	49
Aditya Birla Sun Life Overnight Fund Daily Dividend Direct Plan Reinvestment : Nil Units (March 31, 2020 : 18,673 Units)	-	19
ICICI Prudential Overnight Fund Direct Plan Daily Dividend: Nil Units (March 31, 2020 : 200,695 Units)	-	20
Nippon India Overnight Fund Direct Daily Dividend Plan : Nil Units (March 31, 2020: 266,692 Units)	-	27
UTI Overnight Fund-Direct Periodic Dividend Plan Payout : Nil Units (March 31, 2020 : 11,166 Units)	-	17
Quoted - Investment in mutual funds at fair value through profit or Loss:	**1,343**	**588**
Unquoted		
In others - at amortised cost:		
Inter corporate deposits with financial institutions	**2,050**	**800**
Total current investments	**3,393**	**1,388**
Aggregate book and market value of quoted investments	1,343	588
Aggregate value of unquoted investments	2,050	800
12. Trade receivables		
(a) Trade Receivables considered good - Unsecured*	5,880	5,732
(b) Trade Receivables - credit impaired	34	34
	5,914	**5,766**
Allowance for credit loss	(34)	(34)
	5,880	**5,732**

(a) The Company's exposure to credit and currency risks, and loss allowances are disclosed in refer note 36.

*Includes receivables from related parties [refer note 32]

	March 31, 2021	March 31, 2020
13. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	2,530	3,142
On unpaid dividend account	5	8
Deposits with original maturity of less than 3 months	-	600
Total cash and cash equivalents	**2,535**	**3,750**
Other bank balances		
Deposits with maturity of less than 12 months	3,474	-
Margin money deposit [refer note (a) below]	3	3
Total other bank balances	**3,477**	**3**
Total cash and bank balances	**6,012**	**3,753**

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2020 - ₹ 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.

	March 31, 2021	March 31, 2020
14(a). Equity share capital		
Authorised		
1,250,000,000 (March 31, 2020 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2020 - ₹ 5 each)	6,250	6,000
Issued, subscribed and fully paid-up		
1,200,000,000 (March 31, 2020 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2020 - ₹ 5 each)	6,000	6,000

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

Equity shares	March 31, 2021		March 31, 2020	
	No.	**₹**	**No.**	**₹**
At the beginning of the year	1,200,000,000	6,000	600,000,000	3,000
Issue of bonus shares	-	-	600,000,000	3,000
Outstanding at the end of the year	**1,200,000,000**	**6,000**	**1,200,000,000**	**6,000**

(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

	March 31, 2021		March 31, 2020	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid				
Kiran Mazumdar-Shaw	475,725,384	39.64%	475,725,384	39.64%
Glentec International Limited	237,211,164	19.77%	237,211,164	19.77%

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:

Particulars	Year ended March 31				
	2021	2020	2019	2018	2017
Equity shares of ₹ 5 each	-	600,000,000	-	400,000,000	-

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.

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 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. 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 reserve
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.

	March 31, 2021	March 31, 2020
15. Long-term borrowings		
Other loans and advances (unsecured)		
Financial assistance from DST [Refer Note (a) below]	7	14
	7	14
Less: Amount disclosed under the head "other current financial liabilities" [refer note 16(b)]	(7)	(7)
	-	7
The above amount includes		
Unsecured borrowings	7	14
Amount disclosed under the head "other current financial liabilities" [refer note 16(b)]	(7)	(7)
Net amount	-	7

(a) 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 is required to utilise the funds for the specified projects and is required to obtain prior approvals from the said authorities for disposal of assets/Intellectual property rights acquired/developed under the above programmes.

(b) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 36.

	March 31, 2021	March 31, 2020
16. Other financial liabilities		
(a) Non-current		
Derivative liabilities	144	26
	144	**26**
(b) Current		
Current maturities of long-term borrowings [refer note 15]	7	7
Derivative liabilities	2	9
Unpaid dividends	5	8
Payables for capital goods	390	544
Interest accrued but not due	1	1
Book overdraft	50	151
	455	**720**
17. Provisions		
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 35]	263	214
	263	**214**
(b) Current		
Provision for employee benefits		
Gratuity [refer note 35]	85	83
Compensated absences	170	161
	255	**244**

	Gratuity	Compensated absences
(i) Movement in provisions		
Opening balance	297	161
Provision recognised/(utilised) during the year	51	9
Closing balance	348	170

	March 31, 2021	March 31, 2020
18. Deferred tax liability/(assets) (net)		
Deferred tax liability		
Property, plant and equipment, investment property and intangible assets	485	468
Derivative liability	5	-
Gross deferred tax liability	**490**	**468**
Deferred tax assets		
Employee benefit obligations	248	235
Derivative asset	-	11
Allowance for doubtful debts	12	12
Other disallowable expenses	89	127
Deferred revenue	32	42
MAT credit entitlement	1,356	1,629
Others	217	207
Gross deferred tax assets	**1,954**	**2,263**
Net deferred tax liability/(assets)	**(1,464)**	**(1,795)**

	March 31, 2021	March 31, 2020
19. Other liabilities		
(a) Non-current		
Deferred revenues	745	182
	745	**182**
(b) Current		
Deferred revenues	59	74
Advances from customers	44	95
Statutory taxes and dues payable	85	83
	188	**252**
20. Trade payables		
Trade payables [refer note (a) below]		
Total outstanding dues of micro and small enterprises	198	75
Total outstanding dues of creditors other than micro and small enterprises*	3,522	5,137
	3,720	**5,212**
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year.		
Principal amount due to micro and small enterprises	198	75
Interest due on the above	1	-
(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.	954	488
(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.	6	5
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	64	57

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.

(b) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

*Includes dues to related parties [refer note 32]

	Year ended March 31, 2021	Year ended March 31, 2020
21. Revenue from operations		
Sale of products		
Finished goods	18,166	18,095
Traded goods	22	22
Sale of services		
Licensing and development fees	40	34
Other operating revenue		
Sale of process waste	130	158
Others [refer note (a) below]	1,926	1,575
Revenue from operations	20,284	19,884

(a) Others include, rentals and cross charge of research and development, power and other facilities by the SEZ Developer/SEZ unit of the Company.

	Year ended March 31, 2021	Year ended March 31, 2020
21.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenues by Geography		
India	7,098	9,130
Brazil	2,037	2,081
United States of America	2,850	2,989
Mexico	305	406
Rest of the world	5,938	5,281
Total revenues by Geography	18,228	19,887
Less: Revenues by Geography pertains to discontinued operation:		
India	-	1,602
Rest of the world	-	134
Revenues by Geography for discontinued operations	-	1,736
Revenues by Geography for continuing operations	18,228	18,151
Revenue from other sources		
Other operating revenue	2,056	1,834
Less: Amount pertains to discontinued operations	-	101
	2,056	1,733
Total revenue from continuing operations	20,284	19,884
Total revenue from discontinued operations	-	1,837
Total revenue from operations	20,284	21,721
Geographical revenue is allocated based on the location of the customers.		

	March 31, 2021	March 31, 2020
21.2 Changes in contract liabilities		
Balance at the beginning of the year	351	1,282
Add:- Increase due to invoicing during the year	718	219
Less:- Amount recognised as revenue/other adjustments during the year	(221)	(252)
Less:- Transferred to discontinued operations	-	(898)
Balance at the end of the year	**848**	**351**
Expected revenue recognition from remaining performance obligations		
- within one year	103	169
- More than one year	745	182
	848	**351**
21.3 Contract balances		
Trade receivables	5,880	5,732
Unbilled revenue	174	109
Contract assets	25	50
Contract liabilities	848	351
Trade receivables are non-interest bearing.		
Contract liabilities include deferred revenue.		
21.4 Performance obligation		
In relation to information about Company's performance obligations in contracts with customers [refer note 2(k)].		

	Year ended March 31, 2021	Year ended March 31, 2020
22. Other income		
Interest income on:		
Deposits with banks and financial institutions	125	21
Others	163	241
Dividend income from subsidiary	-	140
Net gain on sale of current investments	19	42
Net gain on financial assets measured at fair value through profit or loss	16	-
Net gain on derivative liability measured at fair value through profit or loss	16	-
Profit on property, plant and equipment sold, (net)	16	-
Foreign exchange gain, net	-	317
Other non-operating income [refer note (a)]	1,147	1,256
	1,502	**2,017**
(a) Others non operating income includes, rentals, cross charge of power and other facilities.		
23. Cost of materials consumed		
Inventory at the beginning of the year from continuing operation	2,285	1,387
Add: Purchases	6,936	9,480
Less: Inventory at the end of the year from continuing operation	(1,614)	(2,285)
Cost of materials consumed	**7,607**	**8,582**

	Year ended March 31, 2021	Year ended March 31, 2020
24. Changes in inventories of stock-in-trade, finished goods and work-in-progress		
Inventory at the beginning of the year		
Stock-in-trade	-	209
Finished goods	1,751	1,941
Work-in-progress	1,311	3,361
	3,062	**5,511**
Inventory at the beginning of the year pertaining to discontinued operation		
Stock-in-trade	-	209
Finished goods	-	1,005
Work-in-progress	-	1,549
	-	**2,763**
Inventory at the end of the year		
Stock-in-trade	-	-
Finished goods	1,212	1,751
Work-in-progress	1,483	1,311
	2,695	**3,062**
	367	**(314)**
25. Employee benefits expense		
Salaries, wages and bonus	2,999	2,661
Contribution to provident and other funds	132	177
Gratuity [refer note 35]	52	44
Share based compensation expense [refer note 30]	388	263
Staff welfare expenses	331	303
	3,902	**3,448**
26. Finance costs		
Interest expense on financial liability measured at amortised cost	-	7
Interest on finance lease [refer note 38]	4	5
	4	**12**
27. Depreciation and amortisation expense		
Depreciation of Property, plant and equipment [refer note 3]	889	822
Depreciation of Investment property [refer note 4 (a)]	40	42
Amortisation of intangible assets [refer note 5]	90	102
Depreciation of Right-of-use-assets [refer note 4(b)]	16	14
	1,035	**980**

		Year ended March 31, 2021	Year ended March 31, 2020
28. Other expenses			
Royalty and technical fees		-	2
Rent		3	7
Communication expenses		27	23
Travelling and conveyance		16	139
Professional charges		294	219
Payments to auditors [refer note (a) below]		8	7
Directors' fees including commission		22	26
Power and fuel		1,860	1,933
Insurance		104	149
Rates, taxes and fees		27	116
Lab consumables		314	154
Repairs and maintenance			
Plant and machinery		661	558
Buildings		114	111
Others		381	360
Selling expenses			
Freight outwards and clearing charges		131	165
Sales promotion expenses		3	35
Commission and brokerage (other than sole selling agents)		65	99
Provision/(reversal) for doubtful debts, net		-	(12)
Foreign exchange fluctuation, net		103	-
Net loss on financial assets measured at fair value through profit or loss		-	2
Printing and stationery		31	33
Research and development expenses [refer note 29]		553	1,064
CSR expenditure [refer note 42]		66	79
Miscellaneous expenses [refer note 32]		504	59
		5,287	5,328
(a) Payments to auditors:			
As auditor:			
Statutory audit fee		3	3
Tax audit fee		1	1
Limited review		1	1
In other capacity:			
Other services (certification fees)		2	1
Reimbursement of out-of-pocket expenses		1	1
		8	7
29. Research and development expenses			
Research and development expenses	(a)	553	1,088
Other Research and development expenses included in other heads of account:			
Salaries, wages and bonus		339	341
Contribution to provident and other funds		13	14
Staff welfare expenses		3	3
Lab consumables		314	156
Travelling and conveyance		-	2
Printing and stationery		1	-
	(b)	**670**	**516**
	(a+b)	**1,223**	**1,604**
Less: Recovery of product development costs from co-development partners, net		(13)	(29)
		1,210	1,575

Note: Research and development expenses includes ₹ Nil (March 31, 2020 ₹ 26) pertaining to discontinued operations.

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	87,000	75	601,750	67
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	(90,000)	53
Exercised during the year	(87,000)	75	(424,750)	68
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	**87,000**	75
Exercisable at the end of the year	-	-	87,000	75
Weighted average remaining contractual life (in years)	-	-	0.1	-
Range of exercise prices for outstanding options at the end of year	-	-	73-77	-

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	33,000	78	1,334,100	79
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	(33,000)	78	(1,301,100)	78

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	33,000	78
Exercisable at the end of the year	-	-	33,000	78
Weighted average remaining contractual life (in years)	-	-	0.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	-	-	78	-

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	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,392,275	81	4,628,400	80
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(120,000)	75	(435,750)	76
Exercised during the year	(1,263,525)	81	(800,375)	77
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,008,750	82	3,392,275	81
Exercisable at the end of the year	357,250	79	600,025	80
Weighted average remaining contractual life (in years)	1.6	-	2.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	69-124	-	69-124	-

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	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	711,500	80	1,041,000	81
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(136,500)	38	(40,500)	124
Exercised during the year	(428,000)	73	(289,000)	74
Expired during the year	-	-	-	-
Outstanding at the end of the year	**147,000**	75	**711,500**	80
Exercisable at the end of the year	99,000	76	368,000	77
Weighted average remaining contractual life (in years)	1	-	1.4	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	71-76	-	71-124	-

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,351,312	127	7,807,500	122
Granted during the year	-	-	1,755,000	129
Lapses/forfeited during the year	(1,780,875)	136	(2,182,500)	109
Exercised during the year	(262,863)	98	(28,688)	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**5,307,574**	124	**7,351,312**	127
Exercisable at the end of the year	105,762	81	78,562	131
Weighted average remaining contractual life (in years)	4.1	-	5.2	-
Weighted average fair value of options granted (₹)	-	-	165	-
Range of exercise prices for outstanding options at the end of year	69-173	-	69-173	-

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,010,758	137	4,932,870	117
Granted during the year	-	-	3,341,250	157
Lapses/forfeited during the year	(340,498)	152	(436,499)	131
Exercised during the year	(1,813,184)	120	(826,863)	100
Expired during the year	-	-	-	-
Outstanding at the end of the year	4,857,076	142	7,010,758	137
Exercisable at the end of the year	777,449	125	597,132	124
Weighted average remaining contractual life (in years)	2.2	-	3.0	-
Weighted average fair value of options granted (₹)	-	-	192	-
Range of exercise prices for outstanding options at the end of year	62-167	-	62-167	-

The average market price of the Company's share during the year ended March 31, 2021 is ₹ 407 (March 31, 2020 - ₹ 267) per share after adjusting for the impact of bonus shares granted during the year ended March 31, 2020.

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:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	-	78-167
Expected volatility	-	32.2% to 36.5%
Historical volatility	-	34.9%
Life of the options granted (vesting and exercise period) in years	-	3.0-6.5
Average risk-free interest rate	-	6.3%
Expected dividend rate	-	0.8%

Expected volatility is based on historical volatility of the market price of the Company's publicly traded equity shares during the expected term of the option grant.

(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	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	750,819	-	1,564,262	-
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(28,749)	-	(174,399)	-
Exercised during the year	(436,096)	-	(639,044)	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**285,974**	-	**750,819**	-
Exercisable at the end of the year	49,873	-	295,780	-
Weighted average remaining contractual life (in years)	2.8	-	3.1	-
Weighted average fair value of options granted (₹)	-		-	

(b) 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 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 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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options*	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	9,960,570	2	1,682,750	10
Granted during the year	1,125,470	2	587,877	10
Lapses/forfeited during the year	(2,571,425)	2	(278,513)	10
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**8,514,615**	2	**1,992,114**	10
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	7.0	-	5.3	-
Weighted average fair value of options granted (₹)	244		15.2	

* adjusted for the effect of bonus shares

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:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	2	2
Expected volatility	33.7% to 36.9%	32.2% to 36.5%
Life of the options granted (vesting and exercise period) in years	7	7
Average risk-free interest rate	5.4%	6.30%
Expected dividend rate	0%	0%

(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 though 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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,930,000	5	-	-
Lapses/forfeited during the year	(300,000)	5	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**2,630,000**	**5**	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	4.2	-	-	-
Weighted average fair value of options granted (₹)	337		-	

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:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	5	-
Expected volatility	34.0% to 36.4%	-
Life of the options granted (vesting and exercise period) in years	5	-
Average risk-free interest rate	5.3%	-
Expected dividend rate	0.8%	-

Particulars	March 31, 2021	March 31, 2020
Summary of movement in respect of shares held by ESOP Trust is as follows:		
Opening balance	14,811,872	17,170,448
Add: Shares purchased by the ESOP trust	244,474	1,312,200
Less: Shares exercised by employees	(3,887,572)	(3,670,776)
Closing balance	**11,168,774**	**14,811,872**
Options granted and eligible for exercise at end of the year	1,339,461	1,763,719
Options granted but not eligible for exercise at end of the year	10,980,939	16,822,126
Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:		
Opening balance	1,737,469	3,188,762
Less: Shares exercised by employees	(436,096)	(639,044)
Less: Shares sold by the RSU Trust	-	(812,249)
Closing balance	**1,301,373**	**1,737,469**

Particulars	March 31, 2021	March 31, 2020
Options granted and eligible for exercise at end of the year	49,873	295,780
Options granted but not eligible for exercise at end of the year	236,101	455,039
Summary of movement in respect of equity shares of Biocon Biologics Limited held by the RSU Trust is as follows:		
Opening balance*	10,809,520	-
Add: Shares purchased by the RSU Trust from Biocon Limited	-	2,161,904
Closing balance	**10,809,520**	**2,161,904**
Options granted but not eligible for exercise at end of the year	8,514,615	9,960,570

*adjusted for the effect of bonus shares

Particulars	March 31, 2021	March 31, 2020
31. Earnings per share (EPS)		
Earnings		
Profit for the year		
- From Continuing operations	2,805	4,363
- From Discontinued operations	-	46
Shares		
Basic outstanding shares	1,200,000,000	1,200,000,000
Less: Weighted average shares held with the ESOP Trust	(12,869,238)	(15,869,486)
Weighted average shares used for computing basic EPS	**1,187,130,762**	**1,184,130,514**
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	9,630,143	3,163,963
Weighted average shares used for computing diluted EPS	**1,196,760,905**	**1,187,294,477**
Earnings per share for continuing operations:		
Basic (in ₹)	2.36	3.68
Diluted (in ₹)	2.34	3.67
Earnings per share for discontinued operations:		
Basic (in ₹)	-	0.04
Diluted (in ₹)	-	0.04
Earnings per share for continuing and discontinued operations:		
Basic (in ₹)	2.36	3.72
Diluted (in ₹)	2.34	3.71

32. Related party transactions

List of related parties:

Particulars	Nature of relationship
Key management personnel	
Kiran Mazumdar-Shaw	Executive Chairperson (w.e.f April 01, 2020)
	Chairperson & Managing Director (Upto March 31, 2020)
Arun Chandavarkar	Joint Managing Director & CEO (w.e.f April 24, 2014 , upto November 30, 2019)
Siddharth Mittal	Managing Director & CEO (effective from December 1, 2019)
	President - Finance & Chief Financial Officer (upto November 30, 2019)
Indranil Sen	Interim Chief Financial Officer (w.e.f May 15, 2020 , upto September 22, 2020)
	Chief Financial Officer (w.e.f April 28, 2021)#
Anupam Jindal	Chief Financial Officer (w.e.f September 22, 2020 upto April 28,2021)#
Mayank Verma	Company Secretary (w.e.f July 25, 2019)
Russell Walls	Independent director (upto July 26, 2019)
Daniel M Bradbury	Independent director
Jeremy M Levin	Independent director (upto January 23, 2020)
Mary Harney	Independent director
Vijay K Kuchroo	Independent director
M Damodaran	Independent director
Bobby K Parikh	Independent director
John Shaw	Non-executive director
Ravi Mazumdar	Non-executive director
Subsidiaries	
Syngene International Limited	Subsidiary
Syngene USA Inc.	Wholly-owned subsidiary of Syngene International Limited
Biocon Pharma Limited	Wholly-owned subsidiary
Biocon Biologics Limited	Subsidiary
(Formerly known as Biocon Biologics India Limited)	
Biocon Academy	Wholly-owned subsidiary
Biocon SA	Wholly-owned subsidiary
Biocon Biologics UK Limited	Wholly-owned subsidiary of Biocon Biologics Limited (w.e.f May 29, 2019)
(Formerly known as Biocon Biologics Limited)	
Biocon FZ LLC	Wholly-owned subsidiary
Biocon Biologics Healthcare Sdn Bhd	Wholly-owned subsidiary of Biocon Biologics UK Limited (w.e.f March 02, 2020)
(Formerly known as Biocon Healthcare Sdn Bhd)	
Biocon Biosphere Limited	Wholly-owned subsidiary
Bicara Therapeutics Inc.	Subsidiary (upto January 09, 2021)
Biocon Pharma Inc	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Sdn.Bhd.	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Ireland Limited	Wholly-owned subsidiary of Biocon Pharma Limited
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

Particulars	Nature of relationship
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	
Bicara Therapeutics Inc.	Associate (w.e.f. January 09, 2021)
Joint Ventures	
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	March 31,2021	March 31,2020
Key management personnel	Salary and perquisites [refer note (d) & (e) below]	101	127
	Sitting fees and commission	21	26
	Outstanding as at the year end:		
	- Trade and other payables	4	1
Subsidiaries	Sale of goods/other products	1,907	1,195
	Sales on behalf of a subsidiary	164	1,248
	Purchase on behalf of a subsidiary	424	1,250
	Rent income [refer note (b) below]	283	267
	Licensing and development fees	-	557
	Dividend income	-	596
	Cross charges towards facility and other expenses [refer note (a) &(b)]	1,851	2,622
	Interest income	161	232
	Expenses incurred on behalf of the related party	354	412
	Guarantee income	42	26
	Research services received	164	415
	Purchase of goods	188	630
	Royalty expense	-	2
	Professional charges	27	21
	Capacity reservation fees	450	-
	Sale of Business	-	7,675
	CSR expenditure	42	52
	Expenses incurred by related party on behalf of the Company	30	-
	Funding received towards Property, plant and equipment	610	56
	Transfer of Capital work in progress	96	35
	Transfer of Other intangible assets	16	-
	Investment in equity shares	-	8
	Investment in preference shares	6,091	18,732
	Sale of Equity shares	-	10,810
	Redemption of preference shares	5,000	-

Particulars	Transaction / Balances	March 31,2021	March 31,2020
	Loans given/(repaid), net [refer note (g) below]	(2,573)	1,358
	Outstanding as at the year end:		
	- Trade and other receivables	2,897	3,983
	- Trade and other payables	99	936
	- Loans receivable [refer note (g) below]	-	2,573
	Guarantee given on behalf of related party to Customs & Excise Department ('CED')	14,087	18,678
Associate	Cross charges towards facility and other expenses [refer note (a) &(b)]	102	-
	Interest income	2	-
	Outstanding as at the year end:		
	- Trade and other receivables	328	-
Joint venture	Expenses incurred on behalf of the related party	1	5
	Outstanding as at the year end:		
	- Trade and other receivables	-*	5
Other related parties	Sale of goods	-	30
	CSR expenditure	24	27
	Expenses incurred on behalf of the related party	-	1
	Other expenses	19	24
	Expenses towards Scientific and Research services	1	1
	Outstanding as at the year end:		
	- Trade and other receivables	1	6
	- Trade and other payables	-	1

* Amounts are not presented since the amounts are rounded off to Rupees million.

Indranil Sen was appointed as the Chief Financial Officer of Biocon Limited effective from April 28, 2021 and Anupam Jindal resigned as Chief Financial Officer w.e.f April 28, 2021.

(a) Expenses incurred on behalf of the related party include ESOP cost and amount paid on behalf 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 ₹ 71 (March 31, 2020 - ₹ 15), 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.

(h) The above disclosures includes related party transactions pertaining to discontinued operations.

	March 31, 2020	March 31, 2019
33. Tax expense		
(a) Amount recognised in Statement of profit and loss		
Current tax:	462	857
- From continuing operations	-	42
- From discontinued operations		
Deferred tax expense/(income) related to:	273	187
MAT credit utilisation/ (entitlement)		
Origination and reversal of temporary differences:		
- From continuing operations	48	75
- From discontinued operations	-	29
Tax expense for the year #	783	1,190
# 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 and exceptional items		
- From continuing operations	3,588	3,885
- From discontinued operations	-	117
Add: Exceptional items, net	-	1,597
Profit before tax	3,588	5,599
Tax at statutory income tax rate 34.94% (March 31, 2020 - 34.94%)	1,254	1,956
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	(322)
Exempt income and other deductions	(200)	(428)
Non-deductible expense	23	123
Income from sale of investments, exempt from tax	-	(90)
Basis difference that will reverse during the tax holiday period	(13)	(3)
Reversal of provision for tax for earlier years	(278)	-
Others	(3)	(46)
Income tax expense	783	1,190

(c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet

For the year ended March 31, 2021	Opening balance	Recognised in retained earning	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets	468	-	17	-	485
Derivative liability	-	-	-	5	5
Gross deferred tax liability	**468**	**-**	**17**	**5**	**490**
Deferred tax assets					
Defined benefit obligations	235	-	18	(5)	248
Derivative assets	11	-	-	(11)	-
Allowance for doubtful debts	12	-	-	-	12
Other disallowable expenses	127	-	(38)	-	89
MAT credit entitlement	1,629	-	(273)	-	1,356
Deferred revenue	42		(10)	-	32
Others	207	-	(1)	11	217
Gross deferred tax assets	**2,263**	**-**	**(304)**	**(5)**	**1,954**
Net deferred tax assets	**1,795**	**-**	**(321)**	**(10)**	**1,464**

For the year ended March 31, 2020	Opening balance	Recognised in retained earning	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets	546	-	(78)	-	468
Derivative liability	15	-	-	(15)	-
Gross deferred tax liability	**561**	**-**	**(78)**	**(15)**	**468**
Deferred tax assets					
Defined benefit obligations	229	-	(27)	33	235
Derivative assets	-	-	-	11	11
Allowance for doubtful debts	31	-	(19)	-	12
Other disallowable expenses	187	-	(60)	-	127
MAT credit entitlement	1,816	-	(187)	-	1,629
Deferred revenue	92	-	(50)	-	42
Others	225	1	(26)	7	207
Gross deferred tax assets	**2,580**	**1**	**(369)**	**51**	**2,263**
Net deferred tax assets	**2,019**	**1**	**(291)**	**66**	**1,795**

	March 31, 2021	March 31, 2020
34. Contingent liabilities and commitments		
(to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debt	1,662	1,790
The above includes:		
(i) Direct taxation	685	684
(ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT and CST)	629	701
(iii) Other matters	348	405

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.

	March 31, 2021	March 31, 2020
(b) Guarantees:		
(i) Corporate guarantees given in favour of the Central Excise Department in respect of certain performance obligations of the subsidiary:	148	148
(ii) Corporate guarantees given in favour of banks towards loans obtained by subsidiaries/step - down subsidiaries:	13,939	18,530
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances:	1,747	1,569

(b) During the previous year, the Company and Biocon Biologics Limited has 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 current year, the Company and Biocon Biologics Limited has 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 current 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 plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 5.6 % p.a. (31 March 2020: 5.8% p.a.). The Company 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.

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:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on April 01, 2020	**338**	**(41)**	**297**
Current service cost	34	-	34
Interest expense/(income)	20	(2)	18
Amount recognised in Statement of profit and loss	**54**	**(2)**	**52**
Liability transferred in/ Acquisitions	-	-	-
Liability transferred out/ Divestments	-	-	-
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	–	-	-
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	3	-	3
Experience adjustment	(17)	-	(17)
Amount recognised in other comprehensive income	**(14)**	**-**	**(14)**
Employers contribution	-	36	36
Benefits paid	(23)	-	(23)
Balance as at March 31, 2021	**355**	**(7)**	**348**

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on April 01, 2019	**432**	**(49)**	**383**
Current service cost	32	-	32

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Interest expense/(income)	19	(3)	16
Amount recognised in Statement of profit and loss *	**51**	**(3)**	**48**
Liability transferred in/ Acquisitions	5	-	5
Liability transferred out/ Divestments	(158)	-	(158)
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1)	(1)
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	19	-	19
Experience adjustment	33	-	33
Amount recognised in other comprehensive income	**52**	**(1)**	**51**
Employers contribution	-	12	12
Benefits paid	(43)	-	(43)
Balance as at March 31, 2020	**338**	**(41)**	**297**

	March 31, 2021	March 31, 2020
Non-current	263	214
Current	85	83
	348	**297**

* including amount pertaining to discontinued operations.

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

	March 31, 2021	March 31, 2020
Interest rate	5.6%	5.8%
Discount rate	5.6%	5.8%
Expected return on plan assets	5.6%	5.8%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables as per IALM (2012-14)

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2020 - 6 years).

The defined benefit plan exposes the Company 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:

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Change)	(16)	19	(16)	18
Salary increase (1% Change)	18	(17)	18	(16)
Attrition rate (1% Change)	(4)	4	(4)	4

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, 2021 and March 31, 2020, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2022, is approximately ₹ 74 (March 31, 2021 - ₹ 66).

Maturity profile of defined benefit obligation amount

Particulars	March 31, 2021	March 31, 2020
1st Following year	74	66
2nd Following year	38	35
3rd Following year	35	33
4th Following year	33	34
5th Following year	33	32
Years 6 to 10	129	132
Years 11 and above	156	152

(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

Particulars	March 31, 2021	March 31, 2020
Compensated absences	170	161

36.Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

	Carrying amount				Fair value			
March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	21,920	65	28,749*	50,734	65	-	21,920#	21,985
Current investments	1,343	-	2,050	3,393	1,343	-	-	1,343
Trade receivables	-	-	5,880	5,880	-	-	-	-
Cash and bank balances	-	-	6,012	6,012	-	-	-	-
Other financial asset	-	20	2,081	2,101	-	20	-	20
	23,263	**85**	**44,772**	**68,120**	**1,408**	**20**	**21,920**	**23,348**
Financial liabilities								
Lease liabilities	-	-	24	24	-	-	-	-
Borrowings	-	-	7	7	-	-	-	-
Trade payables	-	-	3,720	3,720	-	-	-	-
Other financial liabilities	140	6	446	592	-	6	140	146
	140	**6**	**4,197**	**4,343**	**-**	**6**	**140**	**146**
March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	17,864	90	30,186*	48,140	90	-	17,864#	17,954
Loans	-	-	2,573	2,573	-	-	-	-
Current investments	588	-	800	1,388	588	-	-	588
Trade receivables	-	-	5,732	5,732	-	-	-	-
Cash and bank balances	-	-	3,753	3,753	-	-	-	-
Other financial asset	-	3	2,830	2,833	-	3	-	3
	18,452	**93**	**45,874**	**64,419**	**678**	**3**	**17,864**	**18,545**
Financial liabilities								
Lease liabilities	-	-	30	30	-	-	-	-
Borrowings	-	-	14	14	-	-	-	-
Trade payables	-	-	5,212	5,212	-	-	-	-
Other financial liabilities	-	35	704	739	-	35	-	35
	-	**35**	**5,960**	**5,995**	**-**	**35**	**-**	**35**

(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 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 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 preference shares in subsidiaries 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).

Significant observable inputs	March 31, 2021 Impact on other equity		March 31, 2020 Impact on other equity	
	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(8)	8	(27)	27

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 ₹ 5,880 (March 31, 2020: ₹ 5,732). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	March 31, 2021	March 31, 2020
Opening balance	34	88
Impairment loss recognised	8	2
Impairment loss reversed/transferred	(8)	(56)
Closing balance	34	34

Note: During the year ended March 31, 2020 impairment loss reversed/transferred includes ₹ 42 pertaining to discontinued operations.

Details of financial assets – not due, past due and impaired

The ageing of trade receivables is given below

Particular	March 31, 2021	March 31, 2020
Neither past due nor impaired	4,363	3,471
Past due but not impaired		
Less than 365 days	1,275	2,116
More than 365 days	276	179
	-	-
Less: Allowance for credit losses	(34)	(34)
Total	5,880	5,732

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

Receivables from two customers of the Company's trade receivables is ₹ 2,321 (March 31, 2020 two customers - ₹ 1,893) which is more than 10 percent of the Company's total trade receivables. Other than trade receivables, the Company 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 Company 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 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, 2021

Particulars	Less than 1 year	1 - 2 years	2-5 years	Total
Long-term borrowings	7	-	-	7
Trade payables	3,720	-	-	3,720
Other financial liabilities	465	14	142	621
Total	4,192	14	142	4,348

March 31, 2020

Particulars	Less than 1 year	1 - 2 years	2-5 years	Total
Long-term borrowings	7	7	-	14
Trade payables	5,212	-	-	5,212
Other financial liabilities	730	39	6	775
Total	5,949	46	6	6,001

(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, 2021 and March 31, 2020 are as below:

March 31, 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,151	230	12	2,393
Cash and cash equivalents	1,924	345	1	2,270
Other financial assets	192	_*	_*	192
Financial liabilities				
Trade payables	(620)	(83)	(30)	(733)
Other current financial liabilities	(78)	(6)	-	(84)
Net assets/(liabilities)	**3,569**	**486**	**(17)**	**4,038**

March 31, 2020	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,512	131	4	2,647
Cash and cash equivalents	2,604	283	11	2,898
Other current financial assets	42	_*	2	44
Financial liabilities				
Trade payables	(1,668)	(18)	(14)	(1,700)
Other current financial liabilities	(57)	(4)	-	(61)
Net assets/(liabilities)	**3,433**	**392**	**3**	**3,828**

Sensitivity analysis

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

Particulars	Impact on profit or loss		Impact on other components of equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD Sensitivity				
INR/USD - Increase by 1%	36	34	28	8
INR/USD - Decrease by 1%	(36)	(34)	(28)	(8)
EUR Sensitivity				
INR/EUR - Increase by 1%	5	4	5	3
INR/EUR - Decrease by 1%	(5)	(4)	(5)	(3)

* 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 matchs 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 and option contracts:

(in Million)

Particulars	March 31, 2021	March 31, 2020
Foreign exchange forward contracts to sell USD maturity between 0-1 Years	USD 8	-
European style range forward contracts with periodical maturity between 1-2 Years	USD 57	USD 50
European style range forward contracts with periodical maturity between 1-2 Years	-	EUR 1

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, 2020 the Company's borrowings at variable rate were mainly denominated in USD which has been repaid in the previous year.

(a) Interest rate risk exposure

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

Particulars	March 31, 2021	March 31, 2020
Fixed rate borrowings	7	14
Total borrowings	**7**	**14**

(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, 2021 and March 31, 2020 was as follows:

Particulars	March 31, 2021	March 31, 2020
Total equity attributable to the equity shareholders of the Company	79,071	75,373
As a percentage of total capital	100%	100%
Long-term borrowings	7	714
Total borrowings	**7**	**14**
As a percentage of total capital	0%	0%
Total capital (Equity and Borrowings)	79,078	75,387

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 ₹ 21.

The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	March 31, 2021			
	Land	Buildings	Vehicles	Total
Balance as the beginning	5	2	23	30
Addition during the year	-	-	15	15
Finance cost accrued during the year	-	-	4	4
Disposals	-	-	(4)	(4)
Payment of lease liabilities	(3)	(2)	(16)	(21)
Balance as at March 31, 2021	**2**	**-**	**22**	**24**

Particulars	March 31, 2020			
	Land	Buildings	Vehicles	Total
Balance as at April 01, 2019 on account of adoption of Ind AS 116	-	-	-	-
Balance as the beginning	-	-	-	-
Addition during the year	6	13	32	51
Finance cost accrued during the year	1	1	3	5
Disposals/transfer*	-	(1)	-	(1)
Payment of lease liabilities	(2)	(11)	(12)	(25)
Balance as at March 31, 2020	**5**	**2**	**23**	**30**

*Disposals include disposal of assets relating to discontinued operations, refer note 39.

	March 31, 2021	March 31, 2020
(ii) The following is the breakup of current and non current lease liability		
Current lease liabilities	12	4
Non current lease liabilities	12	26
	24	**30**
(iii) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:		
Less than one year	17	4
More than one less than five year	12	32
	29	**36**
(iv) The following are the amounts recognised in the statement of Profit or Loss :		
Depreciation expenses on right of use-assets [refer note (a)]	16	15
Interest expenses on lease liabilities	4	5
Total amount recognised in Profit or loss	**20**	**20**

(a) During the year ended March 31,2020 Depreciation includes ₹ 1 amount pertaining to discontinued operations.

39. Discontinued operations

(I) Sale of Biologics business

Consequent to the approvals received from the Board of Directors on October 26, 2017 and from the shareholders on December 07, 2017, the Company had transferred the business undertaking related to manufacturing and commercialisation of Biosimilar, Insulins and drug substance manufactured in the GPP facility under the Biologics segment of the Group on a going concern basis by way of slump sale to Biocon Biologics Limited ('BBL') effective May 01, 2019 for a consideration of ₹ 7,054.

(II) Sale of Branded Formulations India (BFI) business

Consequent to the approval received from the Company's Board of Directors on June 17, 2019, the Company transferred Branded Formulations ('BFI') business on a going concern basis by way of a slump sale to BBL effective August 01, 2019 for a consideration of ₹ 621. Gain on disposal of assets / liabilities amounting to ₹ 121 which is exceptional in nature has been disclosed under the discontinued operations.

The combined results of the discontinued operations of the businesses disposed-off, are set out below.

(a) Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

Particulars	March 31, 2020 BFI	March 31, 2020 Biologics
(i) Consideration received		
Consideration received in cash and cash equivalents	621	7,054
Total consideration	**621**	**7,054**
(ii) Carrying value of assets and liabilities as on the date of disposal		
Non-current assets	26	5,263
Current assets	1422	4,698
Total assets	**1,448**	**9,961**
Non-current liabilities	52	995
Current liabilities	896	1,912
Total liabilities	**948**	**2,907**
Net assets disposed off	**500**	**7,054**
(iii) Gain on disposal		
Consideration received	621	7,054
Net Assets disposed off	500	7,054
Gain on disposal	**121**	–

(b) Financial performance and cash flow information

The financial performance and cash flow information presented below:-

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue including other income	-	1,958
Expenses	-	1,841
Profit before tax	-	**117**
Tax expense	-	(71)
Profit for the year from discontinuing operation	-	**46**

(c) Net Cash flows from:

	March 31, 2021	March 31, 2020
Operating activities	-	(213)
Investing activities	-	7,635
Net Cash inflows/ (outflows)	-	**7,422**

40. 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.

41. Other notes

a) The Company had entered into transactions of sale of products to a private company during the year ended March 31, 2013 and 2012 amounting to ₹ 28 and ₹ 17 respectively that required prior approval from Central Government under Section 297 of the Companies Act, 1956. These transactions, entered into at prevailing market prices were approved by the Board of Directors of the Company. During the year ended March 31, 2014, the Company had filed application with the Central Government for approval of such transactions and for compounding of such non-compliance and same is pending with Central Government as at March 31, 2021.

42. 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.

Sl. No.	Particulars	March 31, 2021	March 31, 2020
(a)	Amount required to be spent by the Company during the year:	66	79
(b)	Amount spent during the year on:		
(i)	Construction/acquisition of any asset	3	-
(ii)	On purposes other than (i) above	63	79

43. Exceptional Item

(a) During year ended March 31, 2020, pursuant to group entities restructuring the Company sold its investment in the equity shares of Biocon Biologics UK Limited (BUK), a wholly owned subsidiary to Biocon Biologics Limited ('BBL') for a consideration of ₹ 10,810 and received dividend of ₹ 456 from BUK. Gain arising from such sale of equity shares, including dividend income, amounting to ₹ 820 is recorded as an exceptional item. Consequential tax of ₹ 166 is included within tax expense from continuing operations in standalone financial statements.

(b) During year ended March 31, 2020, the Company has entered into a License Agreement with Bicara, a wholly owned subsidiary, pursuant to which the Company has granted a license to develop, manufacture and commercialize fusion proteins. Gain on such licensing of ₹ 550 has been recorded as an exceptional income. Consequential tax impact of ₹ 192 has been recorded in the standalone financial statements which is included within tax expense.

(c) Biocon Research Limited ('BRL') was the wholly owned subsidiary of Biocon Limited and engaged primarily in providing research and development and scientific support services in Biosimilar to other group companies of Biocon Limited.
On April 01, 2019, the Board of Directors of the Company approved a Scheme of arrangement ("Scheme") for merger of BRL ("the Transferor") with Biocon Biologics Limited ('BBL') ("the Transferee") under Section 230 to 232 of Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The National Company Law Tribunal vide its order dated February 04, 2020 approved the Scheme with appointed date of April 01, 2019. In consideration Biocon limited has received 155,300,000 shares of BBL. The merger did not have any material impact on the standalone financial statement.

(d) During the year ended March 31, 2020, the Company has sold Investment in equity shares of Biocon Biologics Healthcare SDN to its step down subsidiary Biocon Biologics UK Limited, for a consideration of ₹ MYR 100. Loss on such sale of equity amounting to ₹ 32 is recorded as an exceptional item.

(e) During year ended March 31, 2020, Biocon Employee Welfare Trust sold 812,249 equity shares of ₹ 10 each of Syngene International Limited ('Syngene') in the open market. Gain arising from such sale of equity shares, net of related expense and cost of equity shares amounting to ₹ 259 has been recorded as exceptional item in the standalone financial statements.

(f) Consequent to the approvals received from the Board of Directors on October 26, 2017 and from the shareholders on December 07, 2017, the Company has transferred the business undertaking related to manufacturing and commercialisation of Biosimilars, Insulins and drug substance manufactured in the GPP facility under the Biologics segment of the Group on a going concern basis by way of slump sale to BBL effective May 01, 2019 for a consideration of ₹ 7,054.

Also, consequent to the approval received from the Board of Directors on June 17, 2019, the Company transferred Branded Formulations (BFI) business on a going concern basis by way of a slump sale to BBL effective August 01, 2019 for a consideration of ₹ 621. Gain on disposal of assets/ liabilities amounting to ₹ 121 which is exceptional in nature has been disclosed under the discontinued operations in the previous year.

44. 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.

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 upto 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. The previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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

Mayank Verma
Company Secretary

Indranil Sen
Chief Financial Officer

Bengaluru
April 28, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Biocon Limited

Report on the Audit of 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 2021, 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 of a 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 2021, 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 sub paragraph (a) of the "Other Matters" paragraph 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 year. 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.

Impairment of intangible assets under development and property, plant and equipment	
The key audit matter	How the matter was addressed in our audit
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 2021. 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. Accordingly, we have focused our audit work in this area.	Our audit procedures in relation to impairment testing includes the following: • Tested the design and operating effectiveness of the Group's controls around the impairment testing; • Evaluating assumptions used by the Company in assessing the recoverability of assets - in particular, revenue and cash flow projections; • Involving our valuation specialists to assist us in evaluating the valuation methodologies and assumptions used by the Company; • 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;

Impairment of intangible assets under development and property, plant and equipment	
The key audit matter	How the matter was addressed in our audit
For further information on the carrying value of intangible assets and property, plant and equipment refer to: - Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(i), and - financial disclosures as disclosed in Intangible assets - Note 4(a) of the Consolidated Financial Statements for the year ended March 31, 2021.	• 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; • Evaluating the sensitivity analysis carried out by the Company in respect of certain key estimates to assess the level of sensitivity to key assumptions.

Fund raise in a subsidiary	
The key audit matter	How the matter was addressed in our audit
During the current year, the Group has entered into certain agreement with investors whereby the Group has raised INR 7,800 million through issue of equity shares and INR 11,250 million through issue of debentures of a subsidiary. As per the agreement, the Group is required to provide various options to enable the investors to exit within a defined time period. In the absence of such an exit, the parent company has an obligation to buy out the equity shares held by investors at certain prices. This required the Group to record a financial liability towards gross obligation in its consolidated financial statements in accordance with the applicable accounting standards. The fund raise through optionally convertible debentures required the Company to account for these as compound financial instruments requiring the initial amounts invested being bifurcated into equity and debt components based on applicable guidance. Accounting for these arrangements involves significant complexity including: - the determination of the classification of such amounts received from the Investors as equity, financial liability or as compound instruments; - assessing impact on consolidation based on rights provided to investors; and - selection of the method of accounting for the put option over non controlling interest (NCI). Given the significance of amounts and accounting complexities involved we determined this to be an area of focus for our audit in the current year. For further information on the accounting aforesaid instruments, refer to: - Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(c), - financial disclosures set out in Note 14 and 16 of the Consolidated Financial Statements for the year ended March 31, 2021.	Our audit procedures include the following: • Tested the design and operating effectiveness of the Group's controls around the accounting of the put options; • We read the Share Purchase Agreement (SPA) and Shareholder's Agreement (SHA) entered into by the Group with the Investors to gain an understanding of the rights and obligations of parties and evaluate the accounting consequences; • We assessed the accounting treatment adopted by the Group for compliance with the requirements of applicable Ind AS. In particular, we evaluated the accounting treatment relating to debt versus equity classification of the instrument, impact on consolidation and selection of the method of accounting in respect of the put option over NCI; • In respect of the optionally convertible debentures, we assessed the requirements of compound financial instrument and tested the bifurcation of the amounts received between debt and equity components; • We audited the disclosures made by the Group in its consolidated financial statements to examine compliance with applicable Ind AS.

Taxation	
The key audit matter	How the matter was addressed in our audit
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: - deductibility of transactions - availability of tax incentives / exemptions, - impact of group restructuring - 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. 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 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 is 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, 2021.	Our audit procedures in relation to Taxation include the following: • Tested the design and operating effectiveness of the Group's 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 computations for the current year; • We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions; • 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; • 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 Group'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	How the matter was addressed in our audit
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.	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.

Financial instrument- hedge accounting	
The key audit matter	How the matter was addressed in our audit
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 had an impact on its 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	• 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.

Information Other than the Consolidated Financial Statements and Auditors' 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's Report, 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 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 is 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 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 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 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' 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 of Rs. 31,976 million as at 31 March 2021, total revenues of Rs. 5,309 million and net cash inflows amounting to Rs. 172 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 Rs. 99 million for the year ended 31 March 2021, in respect of a joint venture, whose financial statements/financial information have not been audited by us.

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 Company's Management has converted the financial statements 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, if any made by the 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 report of other auditors and the conversion adjustments prepared by the Management of the 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.

Report on Other Legal and Regulatory Requirements

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/financial information of a 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 accounts 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 2021 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 2021 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 A".

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:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 34 to the consolidated financial statements.

   ii. 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.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company its subsidiary companies incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

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) which are required to be commented upon by us

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
UDIN: 21203491AAAACL7693

Place: Chennai
Date: 28 April 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Biocon Limited for the year ended 31 March 2021

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 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 2021, 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 2021, 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.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
UDIN: 21203491AAAACL7693

Place: Chennai
Date: 28 April 2021

Consolidated Balance Sheet as at March 31, 2021

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

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	55,573	53,932
Capital work-in-progress	3	22,535	15,765
Right-of-use assets	4 (b)	1,533	1,283
Goodwill	4 (a)	264	264
Other intangible assets	4 (a)	6,269	4,232
Intangible assets under development	4 (a)	5,467	6,195
Investment in associates and a joint venture	39 (d)	1,795	142
Financial assets			
(i) Investments	5	5,637	943
(ii) Derivative asssets		656	257
(iii) Other financial assets	6(a)	2,009	564
Income-tax assets (net)		2,648	2,417
Deferred tax assets (net)	7	3,077	3,680
Other non-current assets	8(a)	1,756	1,514
Total non-current assets		**109,219**	91,188
Current assets			
Inventories	9	18,666	14,359
Financial assets			
(i) Investments	10	12,087	8,576
(ii) Trade receivables	11	12,176	12,237
(iii) Cash and cash equivalents	12	9,531	9,101
(iv) Bank balances other than (iii) above	12	10,623	885
(v) Derivative assets		833	194
(vi) Other financial assets	6(b)	7,928	4,503
Other current assets	8(b)	3,638	3,395
Assets held for sale	42	522	-
Total current assets		**76,004**	53,250
TOTAL		**185,223**	144,438
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13(a)	6,000	6,000
Other equity	13(b)	70,269	61,058
Equity attributable to owners of the Company		**76,269**	67,058
Non-controlling interests		8,807	6,773
Total equity		**85,076**	73,831
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	29,616	12,222
(ii) Lease liabilities	15	1,141	831
(iii) Derivative liabilities		618	1,461
(iv) Other financial liabilities	16(a)	15,033	5,363
Provisions	17(a)	1,062	858
Deferred tax liability (net)	7	323	298
Other non-current liabilities	18(a)	10,253	9,494
Total non-current liabilities		**58,046**	30,527
Current liabilities			
Financial liabilities			
(i) Borrowings	19	5,942	6,676
(ii) Lease liabilities	15	84	68
(iii) Trade payables	20		
- total outstanding dues of micro and small enterprises		770	381
- total outstanding dues of creditors other than micro and small enterprises		14,369	12,870
(iv) Derivative liabilities		260	721
(v) Other financial liabilities	16(b)	11,844	12,079
Provisions	17(b)	1,094	1,030
Current tax liabilities, net		1,524	1,279
Other current liabilities	18(b)	5,810	4,976
Liabilities directly associated with assets held for sale	42	404	-
Total current liabilities		**42,101**	40,080
TOTAL		**185,223**	144,438

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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

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

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Continuing operations:			
Income			
Revenue from operations	21	71,058	63,005
Other income	22	2,545	1,614
Total income (I)		**73,603**	**64,619**
Expenses			
Cost of materials consumed	23	24,302	21,049
Purchases of stock-in-trade		684	854
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(2,901)	(2,008)
Employee benefits expense	25	17,410	14,588
Finance costs	26	577	649
Depreciation and amortisation expense	27	7,151	5,522
Other expenses	28	18,544	15,949
		65,767	56,603
Less: Recovery of cost from co-development partners (net)	29	(3,507)	(3,458)
Total expenses (II)		**62,260**	53,145
Profit before tax, share of profit/(loss) of joint venture and associate, exceptional items and tax (I-II)		11,343	11,474
Share of profit/ (loss) of joint venture and associates, net		(695)	-
Profit before tax and exceptional items		**10,648**	**11,474**
Exceptional items, net	32	126	675
Profit before tax from continuing operations		**10,774**	**12,149**
Tax expense			
Current tax	38	1,966	2,713
Deferred tax			
MAT credit utilised/(entitlement), net		(259)	(374)
Other deferred tax		508	812
Total tax expense		**2,215**	**3,151**
Profit for the year from continuing operations		**8,559**	**8,998**
Discontinuing operations:			
Share of loss of joint venture and profit/ (loss) from discontinuing operation, net		(97)	(289)
Loss for the year from discontinuing operations		**(97)**	**(289)**
Profit for the year		**8,462**	**8,709**
Other comprehensive income (OCI)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(20)	(68)
Equity instruments through OCI		731	(924)
Income tax effect		(48)	130
		663	**(862)**
(ii) Items that may be reclassified subsequently to profit or loss			
Effective portion of gains/ (losses) on hedging instrument in cash flow hedges		2,013	(2,626)
Exchange difference on translation of foreign operations		(171)	1,107
Income tax effect		(360)	497
		1,482	**(1,022)**
Other comprehensive income for the year, net of taxes		**2,145**	**(1,884)**
Total comprehensive income for the year		**10,607**	**6,825**
Profit attributable to:			
Shareholders of the Company from continuing operations		7,502	7,771
Shareholders of the Company from discontinuing operation		(97)	(289)
Non-controlling interest		1,057	1,227
Profit for the year		**8,462**	**8,709**
Other comprehensive income attributable to:			
Shareholders of the Company		1,582	(1,314)
Non-controlling interest		563	(570)
Other comprehensive income for the year		**2,145**	**(1,884)**
Total comprehensive income attributable to:			
Shareholders of the Company		8,987	6,168
Non-controlling interest		1,620	657
Total comprehensive income for the year		**10,607**	**6,825**
Earnings per share	31		
From continuing operations			
Basic (in ₹)		6.32	6.56
Diluted (in ₹)		6.27	6.54
From discontinuing operations			
Basic (in ₹)		(0.08)	(0.24)
Diluted (in ₹)		(0.08)	(0.24)
From total operations			
Basic (in ₹)		6.24	6.32
Diluted (in ₹)		6.19	6.30

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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

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

(A) Equity share capital

	March 31, 2021	March 31, 2020
Opening balance	6,000	3,000
Issue of bonus shares	-	3,000
Closing balance	6,000	6,000

(B) Other equity

Particulars	Attributable to owners of the Company																
	Reserves and surplus											Items of other comprehensive income					
	Securities premium	Equity portion of optionally convertible debentures [refer note 14 (i)]	Revaluation reserve	Debenture redemption reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	SEZ Re-investment reserve	Share based payment reserve	Treasury shares	Foreign currency translation reserve	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity	Non-controlling interests	Total
Balance at April 01, 2019	1,171	-	9	-	-	801	3,459	52,089	-	772	(1,144)	1,079	264	(520)	57,980	6,089	64,069
Adjustment pursuant to adoption of Ind AS 116, net of tax impact	-	-	-	-	-	-	-	(4)	-	-	-	-	-	-	(4)	(19)	(23)
Adjusted balance at April 01, 2019	1,171	-	9	-	-	801	3,459	52,085	-	772	(1,144)	1,079	264	(520)	57,976	6,070	64,046
Profit for the year	-	-	-	-	-	-	-	7,482	-	-	-	-	-	-	7,482	1,227	8,709
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	1,107	(1,554)	(867)	(1,314)	(570)	(1,884)
Total comprehensive income for the year	-	-	-	-	-	-	-	7,482	-	-	-	1,107	(1,554)	(867)	6,168	657	6,825
Transfer to Special Economic Zone ('SEZ') re-investment reserve	-	-	-	-	-	-	-	(2,735)	2,735	-	-	-	-	-	-	-	-
Transfer from SEZ re-investment reserve on utilisation	-	-	-	-	-	-	-	2,735	(2,735)	-	-	-	-	-	-	-	-
Transactions with Owners directly recorded in equity:																	
Dividend including dividend distribution tax	-	-	-	-	-	-	-	(630)	-	-	-	-	-	-	(630)	(71)	(701)
Share based payment	-	-	-	-	-	-	-	-	-	660	-	-	-	-	660	-	660
Gain on sale of shares of subsidiary, net of related expense and tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22	22
Issue of bonus shares	(1,158)	-	-	-	-	-	(1,842)	-	-	-	-	-	-	-	(3,000)	-	(3,000)
Bonus issue expenses	(13)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(293)	-	-	-	(293)	-	(293)
Exercise of share options	238	-	-	-	-	-	-	204	-	(344)	92	-	-	-	190	95	285
Balance at March 31, 2020	238	-	9	-	-	801	1,617	59,141	-	1,088	(1,345)	2,186	(1,290)	(1,387)	61,058	6,773	67,831
Profit for the year	-	-	-	-		-	-	7,405	-	-	-	-	-	-	7,405	1,057	8,462
Other comprehensive income, net of tax	-	-	-	-		-	-	-	-	-	-	(171)	1,083	670	1,582	563	2,145
Total comprehensive income for the year	-	-	-	-	-	-	-	7,405	-	-	-	(171)	1,083	670	8,987	1,620	10,607
Transfer to Special Economic Zone ('SEZ') re-investment reserve	-	-	-	-	-	-	-	(2,362)	2,362	-	-	-	-	-	-	-	-
Transfer from SEZ re-investment reserve on utilisation	-	-	-	-	-	-	-	2,362	(2,362)	-	-	-	-	-	-	-	-
Transactions with Owners directly recorded in equity:																	
Share based payment	-	-	-	-	-	-	-	-	-	1,062	-	-	-	-	1,062	-	1,062
Loss of control in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188	188
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(93)	-	-	-	(93)	-	(93)
Change in fair value of gross liability on written put options	-	-	-	-	-	-	-	(1,871)	-	-	-	-	-	-	(1,871)	-	(1,871)
Equity component of optionally convertible debentures	-	959	-	-	-	-	-	-	-	-	-	-	-	-	959	-	959
Transfer to capital redemption reserve	-	-	-	-	1,292	-	-	(1,292)	-	-	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	1,325	-	-	-	(1,325)	-	-	-	-	-	-	-	-	-
Exercise of share options	381	-	-	-	-	-	-	300	-	(609)	95	-	-	-	167	226	394
Balance at March 31, 2021	619	959	9	1,325	1,292	801	1,617	62,358	-	1,541	(1,343)	2,015	(207)	(717)	70,269	8,807	79,076

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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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, 2021

Statement of Consolidated Cash Flows for the year ended March 31, 2021

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

		March 31, 2021	March 31, 2020
I	**Cash flows from operating activities**		
	Profit for the year from continuing operations	**8,559**	8,998
	Profit/ (loss) for the year from discontinuing operations	**(97)**	(289)
	Adjustments to reconcile profit for the year to net cash flows		
	Depreciation and amortisation expense	7,151	5,522
	Tax expense	2,215	3,151
	Unrealised foreign exchange (gain)/loss	9	(445)
	Share-based compensation expense	1,060	653
	Provision/(reversal) of doubtful debts, net	-	(3)
	Bad debts written off	17	1
	Interest expense	577	649
	Interest income	(770)	(824)
	Net (gain)/loss on financial assets measured at fair value through profit or loss	(29)	2
	Net gain on sale of current investments	(84)	(87)
	Loss/(profit) on sale of property, plant and equipment (net)	73	11
	Gain on dilution of interest in a subsidiary	(1,597)	-
	Share of loss of joint venture/ associates	794	289
	Proceeds from insurance company	245	970
	Exceptional items, net	(350)	(675)
	Operating profit before changes in operating assets and liabilities	**17,773**	**17,923**
	Movement in operating assets and liabilities		
	Decrease/(increase) in inventories	(4,454)	(3,806)
	Decrease/(increase) in trade receivables	(724)	1,644
	Decrease/(increase) in other assets	(2,162)	(3,556)
	Increase/(decrease) in trade payable, other liabilities and provisions	3,102	4,067
	Cash generated from operations	**13,535**	**16,272**
	Direct taxes paid (net of refunds)	(1,938)	(3,441)
	Net cash flow generated from operating activities	**11,597**	**12,831**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(15,169)	(16,042)
	Payment of intangible assets	(2,294)	(2,323)
	Proceeds from sale of property, plant and equipment	96	71
	Purchase of investments	(68,433)	(57,078)
	Investment in unsecured compulsorily convertible debentures	-	(100)
	Proceeds from sale of current investments	62,763	57,783
	Investment in bank deposits and inter corporate deposits	(28,559)	(13,692)
	Redemption/ maturity of bank deposits and inter corporate deposits	15,717	14,831
	Decrease in cash arising from loss of control	(1,020)	-
	Interest received	652	961
	Net cash flow used in investing activities	**(36,247)**	**(15,589)**

Statement of Consolidated Cash Flows for the year ended March 31, 2021 (contd.)

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

		March 31, 2021	March 31, 2020
III	**Cash flows from financing activities**		
	Purchase of treasury shares	(93)	(293)
	Proceeds from exercise of share options	407	318
	Proceeds from issuance of shares by subsidiary, net of expense	7,663	5,363
	Proceeds from issuance of non convertible debentures by subsidiary	2,000	-
	Proceeds from issuance of optionally convertible debentures by subsidiary	11,016	-
	Proceeds from long-term borrowings	13,553	2,667
	Repayment of long-term borrowings	(7,336)	(6,196)
	Proceeds/ (Repayment) of short-term borrowings (net)	(345)	3,715
	Dividend paid on equity shares including tax thereon	-	(701)
	Payment for bonus issue expense	-	(25)
	Repayment of lease liabilities, net	(65)	(60)
	Interest paid	(1,160)	(912)
	Net cash flow generated from financing activities	**25,640**	**3,876**
IV	**Net increase/ (decrease) in cash and cash equivalents (I + II + III)**	**990**	**1,118**
V	**Effect of exchange differences on cash and cash equivalents held in foreign currency**	71	536
VI	**Cash and cash equivalents at the beginning of the year**	8,247	6,593
VII	**Cash and cash equivalents classified as held for sale**	(338)	-
VIII	**Cash and cash equivalents at the end of the year (IV + V + VI+VII)**	**8,970**	**8,247**
	Reconciliation of cash and cash equivalents as per statement of cash flows		
	Cash and cash equivalents [note 12]		
	Balances with banks - on current accounts	9,372	8,440
	on unpaid dividend accounts*	5	8
	Deposits with original maturity of less than 3 months	154	653
		9,531	**9,101**
	Cash credits [note 19]	(561)	(854)
	Balance as per statement of cash flows	**8,970**	**8,247**

*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

	Opening balance April 1, 2020	Cash flows	Non - cash movement*	Closing balance March 31, 2021
Long - term Borrowings (including current maturities)	19,578	19,233	(1,167)	37,644
Short - term Borrowings	6,676	(345)	(389)	5,942
Interest accrued but not due	14	111	-	125
Total liabilities from financing activities	26,268	18,999	(1,556)	43,711

* 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

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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, 2021

Notes to the consolidated financial statements for the year ended March 31, 2021

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

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.

1.2 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, 2021. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on April 28, 2021.

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(r) and 15 — Lease, whether an agreement contains a lease;

- Note 2(j) and 35 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 30 — Share based payments;
- Note 2(n), 7 and 38 — Provision for income taxes and related tax contingencies and evaluation of
- Note 2(n), 8 and 41 — 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;

e. *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, 2021 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.

f. *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 investments at FVOCI	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.

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:

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25-30 years	30 years
Roads	Building	5-12 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	Plant and Machinery	9-15 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	3- 5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	

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 in 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.

l. 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. 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 assets 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.

s. 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.

t. 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.

u. Recent accounting developments

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021. The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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

	Land [Refer note (a)]	Buildings	Leasehold improvements	Plant and equipment [Refer note (c)]	Research & development equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress [Refer note (e)]
Gross carrying amount									
At April 01, 2019	2,733	14,335	187	47,040	2,525	1,045	154	68,019	12,869
Additions	220	3,510	14	10,922	439	175	30	15,310	18,169
Disposals/transfers	-	-	-	(344)	(12)	-	(11)	(367)	(15,310)
Reclassification to right of use assets	(368)	-	(172)	-	-	-	-	(540)	-
Other adjustments									
- Foreign currency translation adjustment	102	550	-	1,185	-	5	1	1,843	37
At March 31, 2020	2,687	18,395	29	58,803	2,952	1,225	174	84,265	15,765
Additions	46	739	52	6,507	571	260	28	8,203	14,997
Disposals/transfers	-	(59)	-	(179)	-	(4)	(45)	(287)	(8,203)
Other adjustments									
- Foreign currency translation adjustment	(38)	(195)	-	(425)	-	(2)	-	(660)	(24)
At March 31, 2021	2,695	18,880	81	64,706	3,523	1,479	157	91,521	22,535
Accumulated depreciation									
At April 01, 2019	-	2,992	32	19,941	1,772	680	75	25,492	-
Depreciation for the year	-	594	4	3,977	171	99	33	4,878	-
Disposals	-	-	-	(261)	(12)	-	(5)	(278)	-
Reclassification to right of use assets	-	-	(27)	-	-	-	-	(27)	
Other adjustments									
- Foreign currency translation adjustment	-	61	-	204	-	2	1	268	-
At March 31, 2020	-	3,647	9	23,861	1,931	781	104	30,333	-
Depreciation for the year	-	740	4	4,823	183	125	21	5,896	-
Disposals	-	(2)	-	(114)	-	(3)	(44)	(163)	-
Other adjustments									
- Foreign currency translation adjustment	-	(27)	-	(90)	-	(1)	-	(118)	-
At March 31, 2021	-	4,358	13	28,480	2,114	902	81	35,948	-
Net carrying amount									
At March 31, 2020	2,687	14,748	20	34,942	1,021	444	70	53,932	15,765
At March 31, 2021	2,695	14,522	68	36,226	1,409	577	76	55,573	22,535

(a) Land includes land held on lease under perpetual basis: Gross carrying amount ₹ 661 (March 31, 2020 - ₹ 661); Net carrying amount ₹ 661 (March 31, 2020 - ₹ 661).

(b) Borrowing costs capitalised during the year amounted to ₹ 857 (March 31, 2020 - ₹ 545).

(c) Plant and equipment include computers and office equipment.

(d) Foreign exchange loss, net of ₹ 685 (March 31, 2020 - ₹ 771) 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, 2021 mainly comprises new biopharmaceutical and research manufacturing units being constructed in India.

(f) For details of security on certain property, plant and equipment, refer note 14 (a), (b), (c), (d), (e), (g) and (h).

4 (a). Intangible assets

	Goodwill	Intangible assets						Intangible assets under development		
		Developed technology rights	Marketing and Manufacturing rights	Other intangible assets *	Customer related intangible	IP under commercialisation	Total	Product under development (internally generated)	Marketing rights	Total
Gross carrying amount										
At April 01, 2019	264	749	938	822	77	81	2,667	6,160	-	6,160
Additions	-	2,377	-	243	-	-	2,620	1,809	283	2,092
Other adjustments	-	-	-	-	-	-	-	(2,377)	-	(2,377)
- Foreign currency translation adjustment	-	203	67	1	-	-	271	381	-	381
At March 31, 2020	264	3,329	1,005	1,066	77	81	5,558	5,973	283	6,256
Additions	-	2,584	503	170	-	-	3,257	1,800	220	2,020
Disposals/transfers	-	-	-	-	-	-	-	(2,584)	-	(2,584)
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation adjustment	-	(123)	(29)	-	-	-	(152)	(119)	(1)	(120)
At March 31, 2021	264	5,790	1,479	1,236	77	81	8,663	5,070	502	5,572
Accumulated amortisation										
At April 01, 2019	-	31	151	435	50	81	748	40	-	40
Amortisation for the year	-	240	144	147	15	-	546	21	-	21
- Foreign currency translation adjustment	-	17	15	-	-	-	32	-	-	-
At March 31, 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
Net carrying amount										
At March 31, 2020	264	3,041	695	484	12	-	4,232	5,912	283	6,195
At March 31, 2021	264	4,784	998	487	-	-	6,269	4,965	502	5,467

* Other intangible assets includes computer software and intellectual property rights.

4 (b). Right-of-use assets

	Right-of-use assets			
	Land	Buildings	Vehicles	Total
Gross carrying amount				
At April 01, 2019	–	–	–	–
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [Refer note 2(r)]	368	172	–	540
Additions	6	770	71	847
At March 31, 2020	374	942	71	1,387
Additions	-	361	32	393
Disposals	-	(13)	(6)	(19)
At March 31, 2021	374	1,290	97	1,761
Accumulated depreciation				
At April 01, 2019	-	-	-	-
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [Refer note 2(r)]	-	27	-	27
Amortisation for the year	2	62	13	77
At March 31, 2020	2	89	13	104
Amortisation for the year	2	102	20	124
Disposals/transfer	-	-	-	-
At March 31, 2021	4	191	33	228
Net carrying amount				
At March 31, 2020	372	853	58	1,283
At March 31, 2021	370	1,099	64	1,533

	March 31, 2021	March 31, 2020
5. Non-current investments		
I. Quoted equity instruments at fair value through other comprehensive income		
Vaccinex Inc., USA - 299,226 (March 31, 2020 - 299,226) Common Stock, par value USD 0.0001 each	65	90
Equillium Inc., USA - 2,316,134 (March 31, 2020 - 2,316,134) Common Stock, par value USD 0.001 each	1,212	473
Total quoted investments in equity instruments	1,277	563
II. Unquoted equity instruments at fair value through other comprehensive income		
Immuneel Therapeutics Private Limited - 2,020 (March 2020: Nil) equity shares of ₹ 10 each	100	-
Total unquoted investments in equity instruments	–	–
III. Unquoted equity instruments at fair value through profit or loss		
In others:		
Energon KN Wind Power Private Limited - 38,500 (March 31, 2020 - 38,500) equity shares of ₹ 10 each	1	1
Less: Provision for decline, other than temporary, in the value of non-current investments	(1)	(1)
Four Ef Renewables Private Limited - 287,474 (March 31, 2020 - Nil) equity share of ₹ 100 each	29	-
Hinduja Renewables Two Private Limited - 2,369,000 equity shares (March 31, 2020 - Nil) equity share of ₹ 10 each	24	-
Total unquoted investments in equity instruments	53	-
IV. Unquoted preference shares at fair value through profit or loss		
In others:		
Energon KN Wind Power Private Limited - 14,666 (March 31, 2020 - 14,666) Compulsorily Convertible Preference Shares, par value ₹ 100 each	1	1
Less: Provision for decline, other than temporary, in the value of non-current investments	(1)	(1)
Four Ef Renewables Private Limited - 574,947 (March 31, 2020 - Nil) 0.001% Compulsorily convertible preference Shares of ₹ 100 each [refer note (i) below]	57	-
Total unquoted investments in preference shares	57	-
V. Investments in Certificates of deposits carried at amortized cost		
Others:		
Inter corporate deposits with financial institutions *	4,150	280
Total unquoted investments in deposits	4,150	280
VI. Investments in Debentures at fair value through profit or loss		
Immuneel Therapeutics Private Limited - Nil (March 31, 2020: 10,000,000) 0.01% unsecured compulsorily convertible debentures, par value ₹10 each fully paid up[refer note (ii) below]	-	100
Total non-current investments	5,637	943
Aggregate value of quoted investments	1,277	563
Aggregate value of unquoted investments	4,362	382
Aggregate amount of impairment in value of investments	2	2

(i) 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.

(ii) Terms of conversion: 4,950 unsecured compulsorily convertible debentures of face value ₹ 10/- each will convert to 1 equity share of ₹ 49,500/- (Face value of ₹ 10/- and premium of ₹ 49,490) at end of the tenure of 12 months from allotment. During the year ended March 31, 2021, the said compulsorily convertible debentures were converted in equity shares.

* Inter corporate deposits with financial institutions yield fixed interest rate.

The Group has invested in National Savings Certificates (unquoted) which are not disclosed above since amounts are rounded off to Rupees million.

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.

	March 31, 2021	March 31, 2020
6. Other financial assets		
(a) Non-current		
Deposits	449	393
Bank deposits with maturity of more than 12 months	1,389	-
Other receivables	171	171
	2,009	**564**
(b) Current		
Interest accrued but not due	270	129
Unbilled revenue	2,857	793
Other receivables	4,801	3,581
	7,928	**4,503**
7. Deferred tax balances		
Deferred tax assets (net)	3,077	3,680
Deferred tax liability (net)	(323)	(298)
Total	**2,754**	**3,382**
Deferred tax liability		
Property, plant and equipment and intangible assets	2,033	1,760
Derivatives	67	-
Others	114	45
Gross deferred tax liability	**2,214**	**1,805**
Deferred tax assets		
Defined benefit obligations	423	434
Derivatives	156	449
Allowance for doubtful debts	20	11
Other deductible expenses	89	127
MAT credit entitlement	3,949	3,690
Deferred revenue	114	218
Others	217	258
Gross deferred tax assets	**4,968**	**5,187**
Net deferred tax assets [refer note 38 (d)]	**2,754**	**3,382**
8. Other assets		
(Unsecured considered good, unless otherwise stated)		
(a) Non-current		
Capital advances	570	799
Duty drawback receivable	60	113
Balances with statutory / government authorities	697	411
Prepayments	429	191
	1,756	**1,514**
(b) Current		
Balances with statutory / government authorities	2,202	1,832
Advance to suppliers	667	824
Prepayments	705	689
Contract assets	64	50
	3,638	**3,395**

	March 31, 2021	March 31, 2020
9. Inventories		
Raw materials, including goods-in-bond	4,778	3,783
Packing materials	2,029	1,618
Traded goods	221	680
Finished goods	4,289	5,071
Work-in-progress	7,349	3,207
	18,666	14,359

Inventories includes goods in-transit ₹ 283 (March 31, 2020 - ₹ 672)

Write-down of inventories to net realisable value and provision for stock obsolescence amounted to ₹ 474 (March 31, 2020 - ₹ 330). 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.

	March 31, 2021	March 31, 2020
10. Current investments		
Investments carried at fair value through profit or loss		
(a) Investment in mutual funds (quoted)		
SBI Overnight Fund Direct Growth : 219,884 Units (March 31 2020 : 25,192 Units)	737	82
UTI Overnight Fund Direct Growth Plan : 218,893 Units (March 31, 2020: 15,037 Units)	617	41
Axis Overnight Fund Growth Direct : 567,009 Units (March 31, 2020: 16,392 Units)	617	17
ICICI Overnight Fund DP - Growth 5,286,783 units (March 31, 2020: Nil units)	587	-
SBI Liquid Fund Direct - Growth 170,187 units (March 31, 2020: Nil units)	547	-
ICICI Prudential Liquid Fund -Direct Plan Growth : 1,639,341 Units (March 31 2020: Nil Units)	500	-
UTI Liquid Cash Plan- Direct Paln Growth : 145,102 Units (March 31 2020 : Nil Units)	488	-
HDFC Liquid Fund -Direct Plan Growth : 67,158 Units (March 31 2020: Nil Units)	272	-
Kotak Mahindra Mutual Fund - Direct Plan Growth : 60,353 Units (March 31, 2020: Nil units)	251	-
Kotak Money Market Fund - Direct Growth Plan : 64,399 Units (March 31 2020 : Nil Units)	224	-
HDFC Ultra Short term Fund -Direct Plan Growth : 19,679,992 Units (March 31 2020: Nil Units)	235	-
Tata Liquid Fund Direct Plan - Growth 64,755 units (March 31, 2020: Nil units)	210	-
Nippon India Liquid Fund -Direct Plan Growth : 39,085 Units (March 31 2020: Nil Units)	196	-
DSP Liquidity Fund-Plan-Growth Plan : 51,003 Units (March 31, 2020: Nil units)	150	-
ICICI Money Market Fund - Direct Growth Plan : 517,184 Units (March 31 2020 : Nil Units)	153	-
Aditya Birla Sun Life Overnight Funds Growth Direct Plan : 126,222 Units (March 31, 2020 : 39,243 Units)	140	-
IDFC Cash Fund Growth - Direct Plan Growth : 52,561 Units (March 31, 2020: Nil units)	131	-
Aditya Birla Sun Life Savings Funds- Direct Growth Plan : 238,263 Units (March 31 2020 : Nil Units)	102	-
HDFC Overnight Funds Direct Plan Growth Option : 26,198 Units (March 31, 2020: 16,747 Units)	80	-
Nippon India Overnight Fund Direct Growth Plan : Nil Units (March 31,2020 : 1,792,541 Units)	-	192
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan Nil Units (March 31, 2020: 156,619 Units)	-	50
ICICI Prudential Overnight Fund Direct Plan Growth : Nil Units (March 31, 2020 : 391,110 Units)	-	42
Kotak Overnight-Direct-Growth : Nil Units (March 31 2020 : 39,019 Units)	-	42
Nippon India Overnight Fund Direct Daily Dividend Plan : Nil Units (March 31, 2020: 266,692 Units)	-	27
ICICI Prudential Overnight Fund Direct Plan Daily Dividend: Nil Units (March 31, 2020 : 200,695 Units)	-	20
Aditya Birla Sun Life Overnight Fund Daily Dividend Direct Plan Reinvestment : Nil Units (March 31, 2020 : 18,673 Units)	-	19
UTI Overnight Fund-Direct Periodic Dividend Plan Payout : Nil Units (March 31, 2020 : 11,166 Units)	-	16
Nippon India Overnight Fund - Regular Growth : Nil Units (March 31, 2020: 140,763 Units)	-	15
	6,237	563
Investment carried at amortised cost		
(b) In others (unquoted):		
Inter corporate deposits with financial institutions *	5,850	8,013
	5,850	8,013
Total current investments	12,087	8,576
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate market/ fair value of quoted investments	6,237	563
Aggregate value of unquoted investments	5,850	8,013

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.

	March 31, 2021	March 31, 2020
11. Trade receivables		
(a) Trade Receivables considered good - Unsecured	12,176	12,237
(b) Trade Receivables - credit impaired	123	123
	12,299	12,360
Allowance for credit loss	(123)	(123)
	12,176	12,237
The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.		
12. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	9,372	8,440
On unpaid dividend account	5	8
Deposits with original maturity of less than 3 months	154	653
Total cash and cash equivalents	9,531	9,101
Other bank balances		
Deposits with maturity of less than 12 months	10,620	882
Margin money deposit [Refer note (a) below]	3	3
Total other bank balances	10,623	885
Total cash and bank balances	20,154	9,986

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2020 - ₹ 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.

	March 31, 2021	March 31, 2020
13(a). Equity share capital		
Authorised		
1,250,000,000 (March 31, 2020 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2020 - ₹ 5 each)	6,250	6,000
Issued, subscribed and fully paid-up		
1,200,000,000 (March 31, 2020 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2020 - ₹ 5 each)	6,000	6,000

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

Equity shares	March 31, 2021		March 31, 2020	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	1,200,000,000	6,000	600,000,000	3,000
Issue of bonus shares [refer note (v) below]	-	-	600,000,000	3,000
Outstanding at the end of the year	1,200,000,000	6,000	1,200,000,000	6,000

(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

	March 31, 2021		March 31, 2020	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid				
Kiran Mazumdar-Shaw	475,725,384	39.64%	475,725,384	39.64%
Glentec International Limited	237,211,164	19.77%	237,211,164	19.77%

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

(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:

Particulars	Year ended March 31				
	2021	2020	2019	2018	2017
Equity shares of ₹ 5 each	-	600,000,000	-	400,000,000	-

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.

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-Convetible Debentures ("NCD") and Redeemable Optionally Convertible Debentures ("OCD") during the the 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 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.

	March 31, 2021	March 31, 2020
14. Long-term borrowings		
Loans from banks (secured)		
Term loan [refer note (a), (b), (c), (d), (e) and (g) below]	20,952	19,564
Redeemable Non-Convertible Debentures ("NCD") [refer note (h) below]	2,000	-
Loans from banks (unsecured)		
Term loan [refer note (f) below]	4,392	-
Other loans and advances (unsecured)		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (i) below]	10,293	-
Financial assistance from DST [refer note (j) below]	7	14
	37,644	**19,578**
Less: Amount disclosed under the head "other current financial liabilities" [refer note 16(b)]	(8,028)	(7,356)
	29,616	**12,222**
The above amount includes		
Secured borrowings	22,952	19,564
Unsecured borrowings	14,692	14
Amount disclosed under the head "other current financial liabilities" [refer note 16(b)]	(8,028)	(7,356)
Net amount	**29,616**	**12,222**

(a) 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.

(b) 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, 2021 amounts to ₹ 460 (March 31, 2020: Nil).

(c) 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.

The term loan is secured by a fixed and floating charge over all present and future assets and a charge over the freehold property of Biocon Malaysia.

(d) 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, 2021 amounts to ₹ 5,490 (March 31, 2020: ₹ 5,650).

(e) During the year ended March 31, 2021, BBL had obtained an Term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to ₹ 3,500 (March 31, 2020: Nil) 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 BBL.

(f) During the year ended March 31, 2021, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologicis Limited") has obtained a term loan facility of USD 60 million from HDFC Bank Limited (Hong Kong) for a tenure of 13 months, repayable in January 2022. The term loan is repayable at the end of the term in one instalment and carries an interest rate of 1 month LIBOR + 0.95% p.a. Carring value of loan the term loan as at March 31, 2021 is ₹ 4,392 (March 31, 2020: Nil).

(g) (i) Syngene International Limited ('Syngene') has entered into external commercial borrowing agreement dated September 21, 2020 to borrow USD 50 million (₹ 3,660) 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 50 million (₹ 3,660) comprising (a) USD 20 million (₹ 1,464) term loan facility ('Facility A') drawn on March 31, 2021; and (b) USD 30 million (₹ 2,196) term loan facility ('Facility B') to be drawn by June 30, 2021. The facilities are borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of Syngene. 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.

(iii) Syngene had entered into external commercial borrowing agreement dated March 30, 2016 to borrow USD 100 million comprising (a) USD 50 million term loan facility ('Facility A'); and (b) USD 50 million term loan facility ('Facility B'). The facilities were borrowed to incur capital expenditure at Bengaluru and Mangaluru premises of Syngene. Facility A of USD 50 million carried an interest rate of Libor + 1.04% and was repaid in two instalments of USD 12.5 million in March 2019 and USD 37.5 million in March 2020 in line with the agreement ; and 'Facility B' of USD 50 million carried an interest rate of Libor + 1.30% and was repaid in March 2021 and the facilities provided were secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene.

(h) During the year ended March 31, 2021, BBL had issued NCD of face value ₹ 1,000,000 each to HDFC Bank Limited amounting to ₹ 2,000 (March 31, 2020: Nil) 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 BBL.

(i) 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 cummulative basis only on redemption.

The debentures have been 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.

(j) 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 is required to utilise the funds for the specified projects and is required to obtain prior approvals from the said authorities for disposal of assets/Intellectual property rights acquired/developed under the above programmes.

(k) The Group has met all the covenants under these arrangements as at March 31, 2021 and March 31, 2020.

(l) 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 ₹ 166 (March 31, 2020: ₹ 117).

The following is the movement in lease liabilities:

Particulars	Land	Buildings	Vehicles	Total
Balance at April 01, 2019	-	160	-	160
Additions on account of adoption of Ind AS 116	6	264	64	334
Additions during the year	-	456	9	465
Finance cost accrued during the year	1	50	6	57
Deletions	-	-	-	-
Payment of lease liabilities	(2)	(93)	(22)	(117)
Balance at March 31, 2020	**5**	**837**	**57**	**899**
Additions during the year	-	361	32	393
Finance cost accrued during the year	-	94	7	101
Deletions	-	-	(2)	(2)
Payment of lease liabilities	(3)	(125)	(38)	(166)
Balance at March 31, 2021	**2**	**1,167**	**56**	**1,225**

The following is the break-up of current and non-current lease liabilities:

	March 31, 2021	March 31, 2020
Non current lease liabilities	1,141	831
Current lease liabilities	84	68
	1,225	899

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

	March 31, 2021	March 31, 2020
Less than one year	184	144
One to five years	593	513
More than five years	1,547	968
Total	**2,324**	**1,625**
The following are the amounts recognised in Profit or loss:		
Amortisation of right to use assets	124	77
Interest expenses on lease liabilities	101	57
Short-term lease payment [refer note (i) below]	58	5
Total	283	139

(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).

	March 31, 2021	March 31, 2020
16. Other financial liabilities		
(a) Non-current		
Gross liability on written put options [refer note (i) below]	15,033	5,363
	15,033	**5,363**

(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 current year, 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 current year, 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.

	March 31, 2021	March 31, 2020
(b) Current		
Current maturities of long-term borrowings [refer note 14]	8,028	7,356
Book overdraft	95	177
Unpaid dividends	5	8
Derivative premium payable	94	-
Interest accrued but not due	125	14
Payables for capital goods	3,497	4,524
	11,844	**12,079**

17. Provisions		
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 35]	1,062	858
	1,062	858
(b) Current		
Provision for employee benefits		
Gratuity [refer note 35]	160	154
Compensated absences	798	740
Provision for sales return	136	136
	1,094	1,030

	Gratuity	Compensated absences	Sales return
(i) Movement in provisions			
Opening balance	1,012	740	136
Provision recognised / (reversed) during the year	210	58	-
Closing balance	**1,222**	**798**	**136**

	March 31, 2021	March 31, 2020
18. Other liabilities		
(a) Non-current		
Deferred revenues [refer note 21]	10,253	9,494
	10,253	**9,494**
(b) Current		
Deferred revenues [refer note 21]	1,030	901
Advances from customers [refer note 21]	4,006	3,217
Statutory taxes and dues payable	481	387
Other dues	293	471
	5,810	**4,976**
19. Short-term borrowings		
From banks/ financial institutions		
Packing credit foreign currency loan (unsecured) [refer note (i) and (ii) below]	5,381	5,822
Cash credit (unsecured) [refer note (iii) below]	561	-
Cash credit (secured) [refer note (iii) and (iv) below]	-	854
	5,942	**6,676**
The above amount includes		
Secured borrowings	-	854
Unsecured borrowings	5,942	5,822

(i) Syngene has obtained foreign currency denominated short term unsecured pre-shipment credit loans of ₹ 2,599 (USD 35.5 million) [March 31, 2020 : ₹ 3,089 (USD 41 million)] that carries interest rate of LIBOR + 0.20% to + 0.30% (March 31, 2020 : Libor + 0.35% to + 0.60%). The loans are repayable after the end of 6 months from the date of its origination.

(ii) BBL had obtained foreign currency denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from LIBOR+0.33% to LIBOR+0.66%. Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.

(iii) (a) Biocon Malaysia had availed working capital facilities upto USD 15 million carrying an interest rate of LIBOR + 0.5%.

(b) Biocon Malaysia had availed working capital facilities upto USD 20 million from various banks carrying an interest rate of BLR+3.25%. The facilities are secured by a charge on inventories and accounts receivables of Biocon Malaysia.

(iv) Biocon Pharma Inc. (BPI) has availed working capital facilities upto USD 5 million from Citi Bank carrying an interest rate of 0.9% - 2.1%. The working capital facilities are secured by a charge on inventories and accounts receivables of BPI. The said facility is repaid as at March 31, 2021.

	March 31, 2021	March 31, 2020
20. Trade payables		
Trade payables		
- total outstanding dues of micro and small enterprises	770	381
- total outstanding dues of creditors other than micro and small enterprises	14,369	12,870
	15,139	**13,251**

All trade payable are 'current'. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36.

	Year ended March 31, 2021	Year ended March 31, 2020
21. Revenue from contracts with customers		
Sale of products		
Finished goods*	47,300	41,121
Traded goods	1,480	1,691
Sale of services		
Contract research and manufacturing services income	20,526	18,326
Licensing and development fees	395	310
Other operating revenue		
Sale of process waste	184	195
Export incentives	96	681
Others	1,077	681
Revenue from operations	**71,058**	63,005

* includes profit share

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended March 31, 2021				
	Generics	Biosimilars	Novels	Research	Total
Revenue from contracts with customers					
Sale of products	21,982	26,798	-	-	48,780
Sale of services	141	355	-	20,425	20,921
	22,123	**27,153**	-	**20,425**	**69,701**
Revenue from other sources					
Other operating revenue	141	628	-	588	1,357
	141	**628**	-	**588**	**1,357**
Total Revenue from operations	**22,264**	**27,781**	-	**21,013**	**71,058**

	Year ended March 31, 2020				
	Generics	Biosimilars	Novels	Research	Total
Revenue from contracts with customers					
Sale of products	20,745	22,067	-	-	42,812
Sale of services	26	284	-	18,326	18,636
	20,771	**22,351**	-	**18,326**	**61,448**
Revenue from other sources					
Other operating revenue	166	347	-	1,044	1,557
	166	**347**	-	**1,044**	**1,557**
Total Revenue from operations	**20,937**	**22,698**	-	**19,370**	**63,005**

	March 31, 2021	March 31, 2020
21.2 Changes in contract liabilities - advances from customers and deferred revenues		
Balance at the beginning of the year	13,612	11,177
Add:- Increase due to invoicing during the year	6,436	6,467
Add:- foreign currency translation	(181)	381
Less:- Amounts recognised as revenue during the year	(4,578)	(4,413)
Balance at the end of the year	**15,289**	**13,612**
Expected revenue recognition from remaining performance obligations:		
- Within one year	5,036	4,118
- More than one year	10,253	9,494
	15,289	**13,612**
21.3 Contract balances		
Trade receivables	12,176	12,237
Unbilled revenue	2,857	793
Contract assets	64	50
Contract liabilities	15,289	13,612

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).

	Year ended March 31, 2021	Year ended March 31, 2020
22. Other income		
Interest income on:		
Deposits with banks and financial institutions	760	807
Others	10	17
Net gain on sale of current investments	84	87
Net gain on financial assets measured at fair value through profit or loss	29	-
Gain on dilution of interest in a subsidiary [refer note 43(a)]	1,597	-
Foreign exchange gain, net	-	653
Other non-operating income	65	50
	2,545	**1,614**
23. Cost of materials consumed		
Inventory at the beginning of the year	5,401	3,366
Add: Purchases	25,708	23,084
Less: Inventory at the end of the year	(6,807)	(5,401)
Cost of materials consumed	24,302	21,049

	Year ended March 31, 2021	Year ended March 31, 2020
24. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventory at the beginning of the year		
Stock-in-trade	680	210
Finished goods	5,071	3,283
Work-in-progress	3,207	3,457
	8,958	**6,950**
Inventory at the end of the year		
Stock-in-trade	221	680
Finished goods	4,289	5,071
Work-in-progress	7,349	3,207
	11,859	**8,958**
	(2,901)	**(2,008)**
25. Employee benefits expense		
Salaries, wages and bonus	14,502	12,447
Contribution to provident and other funds	728	665
Gratuity [refer note 35]	205	177
Share-based compensation expense [refer note 30]	1,060	653
Staff welfare expenses	915	646
	17,410	**14,588**
26. Finance costs		
Interest expense on financial liabilities measured at amortised cost	476	592
Interest on finance lease obligation	101	57
	577	**649**
27. Depreciation and amortisation expense		
Depreciation of property, plant and equipment [refer note 3]	5,896	4,878
Amortisation of intangible assets [refer note 4 (a)]	1,131	567
Amortisation of right of use assets [refer note 4 (b)]	124	77
	7,151	**5,522**

	Year ended March 31, 2021	Year ended March 31, 2020
28. Other expenses		
Royalty and technical fees	17	21
Rent	58	5
Communication expenses	70	56
Travelling and conveyance	453	871
Professional charges	2,029	1,096
Payment to auditors [refer note (a) below]	24	19
Directors' fees including commission	81	60
Power and fuel	2,703	2,461
Insurance	406	342
Rates, taxes and fees	222	289
Lab consumables	1,361	1,247
Repairs and maintenance		
Plant and machinery	2,593	1,977
Buildings	293	376
Others	1,239	922
Selling expenses		
Freight outwards and clearing charges	635	528
Sales promotion expenses	1,558	1,951
Commission and brokerage (other than sole selling agents)	147	184
Bad debts written off	17	1
Provisionrsal) for doubtful debts, net	-	(3)
Net loss on financial assets measured at fair value through profit or loss	-	2
Printing and stationery	101	109
Loss on sale of assets, net	73	11
Foreign exchange loss, net	89	-
Research and development expenses [refer note 29]	4,597	3,996
Clinical trial & development expenses	92	107
CSR expenditure [refer note 44]	184	153
Miscellaneous expenses	241	194
	19,283	**16,975**
Less: Expenses capitalized to intangible assets	(739)	(1,026)
	18,544	**15,949**
(a) Payments to auditors:		
As auditor:		
Statutory audit fee	14	13
Tax audit fee	2	1
Limited review	3	3
In other capacity:		
Other services (certification fees)	3	1
Reimbursement of out-of-pocket expenses	2	1
	24	**19**

	Year ended March 31, 2021	Year ended March 31, 2020
29. Research and development expenses		
Research & development expenses	4,597	3,996
Other Research & development expenses included in other heads	3,978	3,670
	8,575	**7,666**
Less: Recovery of product development costs from co-development partners (net)	(2,305)	(2,248)
Product development costs capitalised	(739)	(1,026)
	5,531	**4,392**

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	87,000	75	601,750	67
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	(90,000)	53
Exercised during the year	(87,000)	75	(424,750)	68
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	**87,000**	**75**
Exercisable at the end of the year	-	-	87,000	75
Weighted average remaining contractual life (in years)	-	-	0.1	-
Range of exercise prices for outstanding options at the end of the year	-	-	73-77	-

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	33,000	78	1,334,100	79
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	(33,000)	78	(1,301,100)	78
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	**33,000**	78
Exercisable at the end of the year	-	-	33,000	78
Weighted average remaining contractual life (in years)	-	-	0.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	-	-	78	-

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	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,392,275	81	4,628,400	80
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(120,000)	75	(435,750)	76
Exercised during the year	(1,263,525)	81	(800,375)	77
Expired during the year	-	-	-	-
Outstanding at the end of the year	**2,008,750**	82	**3,392,275**	81
Exercisable at the end of the year	357,250	79	600,025	80
Weighted average remaining contractual life (in years)	1.6	-	2.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	69-124	-	69-124	-

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	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	711,500	80	1,041,000	81
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(136,500)	38	(40,500)	124
Exercised during the year	(428,000)	73	(289,000)	74
Expired during the year	-		-	
Outstanding at the end of the year	**147,000**	**75**	**711,500**	80
Exercisable at the end of the year	99,000	76	368,000	77
Weighted average remaining contractual life (in years)	1	-	1.4	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	71-76	-	71-124	-

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,351,312	127	7,807,500	122
Granted during the year			1,755,000	129
Lapses/forfeited during the year	(1,780,875)	136	(2,182,500)	109
Exercised during the year	(262,863)	98	(28,688)	
Expired during the year				
Outstanding at the end of the year	**5,307,574**	124	**7,351,312**	127
Exercisable at the end of the year	105,762	81	78,562	131
Weighted average remaining contractual life (in years)	4.1	-	5.2	-
Weighted average fair value of options granted (₹)	-	-	165	-
Range of exercise prices for outstanding options at the end of the year	69-173	-	69-173	-

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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,010,758	137	4,932,870	117
Granted during the year			3,341,250	157
Lapses/forfeited during the year	(340,498)	152	(436,499)	131
Exercised during the year	(1,813,184)	120	(826,863)	100
Expired during the year				
Outstanding at the end of the year	**4,857,076**	142	**7,010,758**	137
Exercisable at the end of the year	777,449	125	597,132	124
Weighted average remaining contractual life (in years)	2.2	-	3.0	-
Weighted average fair value of options granted (₹)	-	-	192	-
Range of exercise prices for outstanding options at the end of the year	62-167	-	62-167	-

The average market price of the Company's share during the year ended March 31, 2021 is ₹ 407 (March 31, 2020 - ₹ 267) per share after adjusting for the impact of bonus shares granted during the year ended March 31, 2020.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	-	78-167
Expected volatility	-	32.2% to 36.5%
Historical volatility	-	34.9%
Life of the options granted (vesting and exercise period) in years	-	3.0-6.5
Average risk-free interest rate	-	6.3%
Expected dividend rate	-	0.8%

Expected volatility is based on historical volatility of the market price of the Company's publicly traded equity shares during the expected term of the option grant.

(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	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	750,819	-	1,564,262	-
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(28,749)	-	(174,399)	-
Exercised during the year	(436,096)	-	(639,044)	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**285,974**	-	**750,819**	-
Exercisable at the end of the year	49,873	-	295,780	-
Weighted average remaining contractual life (in years)	2.8	-	3.1	-
Weighted average fair value of options granted (₹)	-		-	

(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 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 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.

Particulars	**March 31, 2021**		**March 31, 2020**	
	No of Options*	**Weighted Average Exercise Price (₹)**	**No of Options**	**Weighted Average Exercise Price (₹)**
Outstanding at the beginning of the year	9,960,570	2	1,682,750	10
Granted during the year	1,125,470	2	587,877	10
Lapses/forfeited during the year	(2,571,425)	2	(278,513)	10
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**8,514,615**	2	**1,992,114**	10
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	7.0	-	5.3	-
Weighted average fair value of options granted (₹)	244	-	152	-

* adjusted for the effect of bonus shares

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	2	2
Expected volatility	33.7% to 36.9%	32.2% to 36.5%
Life of the options granted (vesting and exercise period) in years	7	7
Average risk-free interest rate	5.4%	6.3%
Expected dividend rate	0%	0%

(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 though 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.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,930,000	5	-	-
Lapses/forfeited during the year	(300,000)	5	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,630,000	5	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	4.2	-	-	-
Weighted average fair value of options granted (₹)	337		-	

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:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	5	-
Expected volatility	34.0% to 36.4%	-
Life of the options granted (vesting and exercise period) in years	5	-
Average risk-free interest rate	5.3%	-
Expected dividend rate	0.8%	-

(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 Syngene 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 per share [March 31, 2020: 11.25 per share] (Face Value of ₹ 10 per share). The cost for the year has been accounted in the statement of profit and loss is ₹ 124 (March 31, 2020 : ₹ 181).

Details of Grant

Particulars	March 31, 2021 No of Options	March 31, 2020 No of Options
Outstanding at the beginning of the year	2,689,574	2,693,576
Granted during the year	-	711,613
Lapses/forfeited during the year	(123,234)	(103,038)
Exercised during the year	(620,225)	(612,577)
Outstanding at the end of the year	**1,946,115**	**2,689,574**
Exercisable at the end of the year	568,276	695,090
Weighted average exercise price	11.25	11.25
Weighted average fair value of shares granted during the year under Black Scholes Model (In ₹)	-	312.6
Weighted average share price at the date of exercise (In ₹)	503.6	295.8

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2021 is 1.40 years [March 31, 2020 - 1.63 years].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2021	March 31, 2020
Dividend yield (%)	-	**0.2%**
Exercise Price (In ₹)	-	**11.25**
Expected volatility	-	**27.3%**
Life of the options granted (vesting and exercise period) in years	-	**6.15**
Average risk-free interest rate	-	**7.0%**

(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

Particulars	March 31, 2021 No of Options	March 31, 2020 No of Options
Outstanding at the beginning of the year	-	-
Granted during the year	3,178,549	-
Lapses/forfeited during the year	(80,824)	-
Exercised during the year	-	-
Outstanding at the end of the year	**3,097,725**	-
Exercisable at the end of the year	-	-
Weighted average exercise price	-	-
Weighted average fair value of shares granted during the year under Black Scholes Model (In ₹)	326.31	-
Weighted average share price at the date of exercise (In ₹)	-	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2021 is 3.5 years [March 31, 2020 - Nil].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2021	March 31, 2020
Dividend yield (%)	0.0%	-
Exercise Price (In ₹)	10	-
Expected volatility	26.9%	-
Life of the options granted (vesting and exercise period) in years	7.5	-
Average risk-free interest rate	6.3%	-

Particulars	March 31, 2021	March 31, 2020*
Summary of movement in respect of shares held by ESOP Trust is as follows:		
Opening balance	14,811,872	17,170,448
Add: Shares purchased by the ESOP trust	244,474	1,312,200
Less: Shares exercised by employees	(3,887,572)	(3,670,776)
Closing balance	**11,168,774**	**14,811,872**
Options granted and eligible for exercise at end of the year	1,339,461	1,763,719
Options granted but not eligible for exercise at end of the year	10,980,939	16,822,126
* adjusted for the effect of bonus shares		
Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:		
Opening balance	1,737,469	3,188,762
Less: Shares exercised by employees	(436,096)	(639,044)
Less: Shares sold by the RSU Trust	-	(812,249)
Closing balance	**1,301,373**	**1,737,469**
Options granted and eligible for exercise at end of the year	49,873	295,780
Options granted but not eligible for exercise at end of the year	236,101	455,039
Summary of movement in respect of equity shares of Biocon Biologics Limited held by the RSU Trust is as follows:		
Opening balance*	10,809,520	-
Add: Shares purchased by the RSU Trust from Biocon Limited	-	2,161,904
Closing balance	**10,809,520**	**2,161,904**
Options granted but not eligible for exercise at end of the year	8,514,615	1,992,114

*adjusted for the effect of bonus shares

Particulars	March 31, 2021	March 31, 2020
31. Earnings per share ('EPS')		
Earnings		
Profit for the year attributable to the shareholders of the Company		
- From Continuing operations	1,200,000,000	1,200,000,000
- From Discontinuing operations	(12,869,238)	(15,869,486)
Profit for the year	1,187,130,762	1,184,130,514
Shares		
Basic outstanding shares	1,200,000,000	1,200,000,000
Less: Weighted average shares held with the ESOP Trust	(12,869,238)	(15,869,486)
Weighted average shares used for computing basic EPS	**1,187,130,762**	**1,184,130,514**
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	9,630,143	3,163,963
Weighted average shares used for computing diluted EPS	**1,196,760,905**	**1,187,294,477**
Earnings per share for continuing operations:		
Basic (in ₹)	6.32	6.56
Diluted (in ₹)	6.27	6.54
Earnings per share for discontinuing operations:		
Basic (in ₹)	(0.08)	(0.24)
Diluted (in ₹)	(0.08)	(0.24)
Earnings per share for total operations:		
Basic (in ₹)	6.24	6.32
Diluted (in ₹)	6.19	6.30

32. Exceptional items (net)

(a) During previous year, consequent to the approvals received from the Board of Directors on October 26, 2017 and from the shareholders on December 07, 2017, the Company had transferred the business undertaking related to manufacturing and commercialisation of Biosimilars, Insulins and drug substance manufactured in the GPP facility under the Biologics segment of the Group on a going concern basis by way of slump sale to BBL effective May 01, 2019 for a consideration of ₹ 7,054.

Also, consequent to the approval received from the Company's Board of Directors on June 17, 2019, the Company transferred Branded Formulations (BFI) business on a going concern basis by way of a slump sale to BBL effective August 01, 2019 for a consideration of ₹ 621. Gain on disposal of assets / liabilities amounting to ₹ 121 which is exceptional in nature has been disclosed under the discontinued operations in standalone financial statement. Consequential tax impact of ₹ 44 was recorded in the standalone and consolidated financial statement which is included within tax expense.

(b) During previous year, pursuant to group entities restructuring the Company sold its investment in the equity shares of Biocon Biologics UK Limited (BBUK), a wholly owned subsidiary, to BBL for a consideration of ₹ 10,810 and received dividend of ₹ 456 from BUK. Gain arising from such sale of equity shares, including dividend income, amounting to ₹ 820 is recorded as an exceptional item in the standalone financial statements. Consequential tax of ₹ 166 is included within tax expense from continuing operations in standalone and consolidated financial statements.

(c) During previous year, the Company had entered into a License Agreement with Bicara, a wholly owned subsidiary, pursuant to which the Company had granted a license to develop, manufacture and commercialize fusion proteins. Gain on such licensing of ₹ 550 has been recorded as an exceptional income in the standalone financial statements of the Company. Consequential tax impact of ₹ 192 had been recorded in the standalone and consolidated financial statements which is included within tax expense.

(d) (d) Pursuant to a fire incident on December 12, 2016 at Syngene, certain fixed assets, inventory and other contents in one of the buildings were damaged. Syngene lodged an estimate of loss with the insurance company and the survey is currently ongoing. Syngene had recorded a loss of ₹ 1,057 arising from such incident and also recognized a minimum insurance claim receivable for equivalent amounts in respective periods till March 31, 2020. Syngene has received the disbursement approval of ₹ 2,120 from the insurance company against the loss till March 31, 2021. The aforementioned receivable and the disbursement approval from the insurance claim has been presented on a net basis as ₹ 350 and ₹ 713 for the year ended March 31, 2021 and March 31, 2020 respectively under Exceptional items in these financial statements. Consequential tax of ₹ 122 and ₹ 254 is included within tax expense in financial statements for the year ended March 31, 2021 and March 31, 2020 respectively. Further non-controlling interest of ₹ 68 and ₹ 137 is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2021 and March 31, 2020 respectively.

As at March 31, 2021, Syngene has receivable of ₹ 105 (March 31, 2020: ₹ Nil) from the insurance company against the approved disbursements and the same has been recorded as amount recoverable from the insurance company.

In addition, Syngene is in the process of determining its final claim for loss of fixed assets and Business Interruption and has accordingly not recorded any further claim arising therefrom at this stage.

(e) During the year ended March 31, 2021, Biosimilars business has 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.

(f) During previous year, BBL has paid registration fees for increasing authorise share capital and stamp duty fees on issue of such shares, amounting to ₹ 38 is recorded as exceptional item as this was part of its group restructuring.

33. Related party transactions

List of related parties with whom the Group had transactions during the year:

Name of related parties	Nature of relationship
Key management personnel	
Kiran Mazumdar-Shaw	Executive Chairperson (w.e.f April 01, 2020)
	Chairperson & Managing Director (Upto March 31, 2020)
Arun Chandavarkar	Joint Managing Director & CEO (w.e.f April 24, 2014 , upto November 30, 2019)
Siddharth Mittal	Managing Director & CEO (effective from December 1, 2019)
Siddharth Mittal	President - Finance & Chief Financial Officer (upto November 30, 2019)
Indranil Sen	Interim Chief Financial Officer (w.e.f May 15, 2020 , upto September 22, 2020)
	Chief Financial Officer (w.e.f April 28, 2021)#
Anupam Jindal	Chief Financial Officer (w.e.f September 22, 2020 upto April 28,2021)#
Mayank Verma	Company Secretary (w.e.f July 25, 2019)
Russell Walls	Independent director (upto July 26, 2019)
Daniel M Bradbury	Independent director
Jeremy M Levin	Independent director (upto January 23, 2020)
Mary Harney	Independent director
Vijay K Kuchroo	Independent director
M Damodaran	Independent director
Bobby K Parikh	Independent director
John Shaw	Non-executive director
Ravi Mazumdar	Non-executive director
Associate	
Bicara Therapeutics Inc	Associate (w.e.f. January 09, 2021)
Joint Ventures	
NeoBiocon FZ LLC	Joint-venture
Other related parties	
Biocon Foundation	Trust in which key management personnel are the Board of Trustees
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
Mazumdar Shaw Medical Foundation	Trust in which key management personnel are the Board of Trustees
Glentec International Limited	Enterprise owned by key management personnel
Catherine Rosenberg	Relative of a director
Claire Mazumdar	Relative of a director
Jeeves	Enterprise in which relative to a director of the Company is proprietor
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors

The Group has the following related party transactions

Particulars	Transaction / Balances	March 31, 2021	March 31, 2020
Key management personnel	Salary and perquisites [refer note (a) & (b) below]	101	128
	Sitting fees and commission	44	36
	Outstanding as at the year end:		
	- Trade and other payables	4	2
Associate	Cross charges towards facility and other expenses	381	-
	Interest income	2	-
	Outstanding as at the year end:		
	- Trade and other receivables	660	-
Joint Venture	Purchase of goods	345	610
	Sales promotion expenses	21	134
	Rent expenses	1	-
	Professional charges	22	-
	Expenses incurred on behalf of the related party	1	5
	Outstanding as at the year end:		
	- Trade and other receivables	-*	5
	- Trade and other payables	363	428
Other related parties	Sale of goods	55	70
	Sale of services	3	1
	Salary and perquisites (includes sitting fees)	82	14
	Health services availed	4	4
	Allotment of equity shares	100	-
	Investment in compulsorily converterable debentures	-	100
	Expenses towards Scientific and Research services	-	1
	Expenses incurred on behalf of the related party	-	2
	CSR Expenditure	65	101
	Other expenses	43	43
	Outstanding as at the year end:		
	- Trade and other receivables	20	19
	- Trade and other payables	5	3

* Amounts are not represented since the amounts are rounded off to Rupees million.

Indranil Sen was appointed as the Chief Financial Officer of Biocon Limited effective from April 28, 2021 and Anupam Jindal resigned as Chief Financial Officer w.e.f April 28, 2021.

(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 ₹ 71 (March 31, 2020 - ₹ 15) which is not included in the remuneration disclosed above. Share-based compensation expense allocable to key management personnel issued by foreign associate is ₹ 7 (March 31, 2020 - ₹ Nil) 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.

Particulars	March 31, 2021	March 31, 2020
34. Contingent liabilities and commitments		
(to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debt	7,000	7,020
The above includes:		
(i) Direct taxation	5,944	5,890
(ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty and service tax)	708	725
(iii) Other matters	348	405

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.

Particulars	March 31, 2021	March 31, 2020
(b) Guarantees		
(i) Corporate guarantees given to Central Excise Department	148	148
(ii) Guarantees given by banks on behalf of the Group for contractual obligations of the Group.	2	2
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	8,736	7,729

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 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 5.6% - 6.2% p.a. (March 31, 2020: 5.8% - 6.4% p.a.). The Group actively monitors how the duration and expected yeild 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:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2020	**1,054**	**(42)**	**1,012**
Current service cost	142	-	142
Interest expense / (income)	65	(2)	63
Amount recognised in Statement of profit and loss	**207**	**(2)**	**205**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	–	(1)	(1)
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**

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2019	**890**	**(50)**	**840**
Current service cost	121	-	121
Interest expense / (income)	59	(3)	56
Amount recognised in Statement of profit and loss	**180**	**(3)**	**177**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(1)	(1)
Actuarial (gain) / loss arising from:			
Demographic assumptions	(8)	-	(8)
Financial assumptions	31	-	31
Experience adjustment	46	-	46
Amount recognised in other comprehensive income	**69**	**(1)**	**68**
Employers contribution	(5)	12	7
Benefits paid	(80)	-	(80)
Balance as at March 31, 2020	**1,054**	**(42)**	**1,012**

Particulars	March 31, 2021	March 31, 2020
Non-current	1,062	858
Current	160	154
	1,222	**1,012**

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

	March 31, 2021	March 31, 2020
Interest rate	5.6% - 6.2%	5.8% - 6.4%
Discount rate	5.6% - 6.2%	5.8% - 6.4%
Expected return on plan assets	5.6% - 6.2%	5.8% - 6.4%
Salary increase	9% - 10%	9.0%
Attrition rate	5% - 30%	6% - 30%
Retirement age - Years	58	58

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, 2020 - 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:

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(77)	87	(61)	69
Salary increase (1% change)	83	(75)	66	(63)
Attrition rate (1% change)	(21)	23	(15)	16

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, 2021 and March 31, 2020, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2022, is approximately ₹ 119 (March 31, 2021 - ₹ 108).

Maturity profile of defined benefit obligation

Particulars	March 31, 2021	March 31, 2020
1st Following year	151	136
2nd Following year	110	110
3rd Following year	117	109
4th Following year	116	119
5th Following year	106	119
Years 6 to 10	647	537
Years 11 and above	734	558

(iv) Risk Exposure

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 :

Particulars	March 31, 2021	March 31, 2020
Compensated absences	798	740

36. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

	Carrying amount					Fair value			
March 31, 2021	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Non-current investments	110	1,377	4,150	-	5,637	1,277	-	210	1,487
Derivative assets	-	1,489	-	-	1,489	-	1,489	-	1,489
Current investments	6,237	-	5,850	-	12,087	6,237	-	-	6,237
Trade receivables	-	-	12,176	-	12,176	-	-	-	-
Cash and cash equivalents	-	-	9,531	-	9,531	-	-	-	-
Other bank balances	-	-	10,623	-	10,623	-	-	-	-
Other financial assets	-	-	9,937	-	9,937	-	-	-	-
	6,347	**2,866**	**52,267**	**-**	**61,480**	**7,514**	**1,489**	**210**	**9,213**
Financial liabilities									
Borrowings	-	-	43,586	-	43,586	-	-	-	-
Trade payables	-	-	15,139	-	15,139	-	-	-	-
Derivative liability	-	878	-	-	878	-	878	-	878
Other financial liabilities	-	-	3,816	15,033	18,849	-	-	15,033	15,033
Lease liabilities	-	-	1,225	-	1,225	-	-	-	-
	-	**878**	**63,766**	**15,033**	**79,677**	**-**	**878**	**15,033**	**15,911**

*Refer note 16 for measurement of non current financial liabilities carried at fair value through other equity (FVTOE).

	Carrying amount					Fair value			
March 31, 2020	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Non-current investments	100	563	280	-	943	563	-	100	663
Derivative assets	-	451	-	-	451	-	451	-	451
Current investments	563	-	8,013	-	8,576	563	-	-	563
Trade receivables	-	-	12,237	-	12,237	-	-	-	-
Cash and cash equivalents	-	-	9,101	-	9,101	-	-	-	-
Other bank balances	-	-	885	-	885	-	-	-	-
Other financial assets	-	-	5,067	-	5,067	-	-	-	-
	664	**1,014**	**35,583**	**-**	**37,260**	**1,126**	**451**	**100**	**1,677**
Financial liabilities									
Borrowings	-	-	26,254	-	26,254	-	-	-	-
Trade payables	-	-	13,251	-	13,251	-	-	-	-
Derivative liability	-	2,182	-	-	2,182	-	2,182	-	2,182
Other financial liabilities	-	-	4,723	5,363	10,086	-	-	5,363	5,363
Lease liabilities	-	-	899	-	899	-	-	-	-
	-	**2,182**	**45,127**	**5,363**	**52,672**	**-**	**2,182**	**5,363**	**7,545**

*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).

Significant observable inputs	March 31, 2021 Profit or (loss)		March 31, 2020 Profit or (loss)	
	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(533)	544	(415)	451
Interest rates (100 bps movement)	171	(171)	(105)	105

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 losses in respect of trade and other receivables. The maximum exposure to credit risk at reporting date is primarily from trade receivables and unbilled revenues amounting to ₹ 12,176 and ₹ 2,921 respectively (March 31, 2020: ₹ 12,237 and ₹ 843 respectively). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	March 31, 2021	March 31, 2020
Opening balance	123	140
Allowance for credit loss recognised / (reversed)	-	(17)
Closing balance	123	123

Details of financial assets – not due, past due and impaired

The ageing of trade receivables is given below:

Allowance for credit loss	March 31, 2021	March 31, 2020
Neither past due nor impaired	10,363	10,029
Past due but not impaired		
Less than 365 days	1,880	2,270
More than 365 days	56	61
	-	-
Less: Allowance for credit losses	(123)	(123)
Total	12,176	12,237

Receivables from one customers of the Group's trade receivables (including unbilled revenue) is ₹ 2,846 (March 31, 2020 - ₹ Nil) which is more than 10 percent of the Company's total trade receivables. Other than trade receivables, the Company 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 Company can be required to pay:

March 31, 2021

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Long-term borrowings	8,028	2,750	14,378	12,488	37,644
Short-term borrowings	5,942	-	-	-	5,942
Trade payables	15,139	-	-	-	15,139
Lease liabilities	184	170	423	1,547	2,324
Other financial liabilities	4,076	389	15,258	4	19,727
Total	33,369	3,309	30,059	14,039	80,776

March 31, 2020

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Long-term borrowings	7,356	3,743	4,243	4,236	19,578
Short-term borrowings	6,676	-	-	-	6,676
Trade payables	13,251	-	-	-	13,251
Lease liabilities	144	163	350	968	1,625
Other financial liabilities	5,444	587	6,237	-	12,268
Total	32,871	4,493	10,830	5,204	53,398

(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, 2021 and March 31, 2020 are as below:

March 31, 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	8,401	489	354	9,244
Cash and cash equivalents	7,563	462	104	8,129
Other financial assets	7,327	43	69	7,439
Financial liabilities				
Long term borrowings (including current maturities)	(21,845)	-	-	(21,845)
Current borrowings	(5,614)	-	(328)	(5,942)
Trade payables	(5,551)	(757)	(642)	(6,950)
Other financial liabilities	(1,747)	(181)	(230)	(2,158)
Net financial assets / (liabilities)	**(11,466)**	**56**	**(673)**	**(12,083)**

March 31, 2020	USD	EUR	Others	Total
Financial assets				
Trade receivables	7,578	268	1,273	9,119
Cash and cash equivalents	5,792	474	101	6,367
Other financial assets	3,247	28	4	3,279
Financial liabilities				
Long term borrowings (including current maturities)	(19,571)	-	-	(19,571)
Current borrowings	(6,423)	-	(253)	(6,676)
Trade payables	(4,397)	(624)	(837)	(5,858)
Other financial liabilities	(1,290)	(207)	(343)	(1,840)
Net financial assets / (liabilities)	**(11,700)**	**(300)**	**(731)**	**(12,731)**

Sensitivity analysis

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

Particulars	Impact on profit or loss		Impact on other components of equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD Sensitivity				
INR/USD - Increase by 1%	(31)	(38)	(648)	(532)
INR/USD - Decrease by 1%	31	38	659	568
EUR Sensitivity				
INR/EUR - Increase by 1%	1	(3)	1	(3)
INR/EUR - Decrease by 1%	(1)	3	(1)	3

Derivative financial instruments

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

(in Million)

Particulars	March 31, 2021	March 31, 2020
Foreign exchange forward contracts to buy USD with maturity between 0-1 years	USD 131	USD 24
Foreign exchange forward contracts to sell USD with maturity between 0-5 years	USD 427	USD 402
European style option contracts with periodical maturity between 0-5 years	USD 244	USD 155
European style range forward contracts with periodical maturity between 1-2 years	USD 127	USD 50
European style range forward contracts with periodical maturity 0-1 years	-	EUR 1
Interest rate swaps used for hedging LIBOR component in external commercial borrowings with maturity between 0-6 years	USD 165	USD 126

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, 2021 and March 31, 2020 the Company's borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure

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

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings	24,014	20,476
Fixed rate borrowings	19,572	5,778
Total borrowings	43,586	26,254

(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, 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, 2021 and 2020 was as follows:

Particulars	March 31, 2021	March 31, 2020
Total equity attributable to owners of the Company	76,269	67,058
As a percentage of total capital	64%	72%
Long-term borrowings	37,644	19,578
Short-term borrowings	5,942	6,676
Total borrowings	43,586	26,254
As a percentage of total capital	36%	28%
Total capital (Equity and Borrowings)	119,855	93,312

Particulars	March 31, 2021	March 31, 2020
38. Tax expenses		
(a) Amount recognised in Statement of profit and loss		
Current tax	1,966	2,713
Deferred tax expense / (income) related to:		
MAT credit entitlement	(259)	(374)
Origination and reversal of temporary differences	508	812
Tax expense for the year	2,215	3,151
(b) Reconciliation of effective tax rate		
Profit/ (loss) before tax		
- From continuing operations	10,774	12,149
- From discontinuing operations	(97)	(289)
Profit before tax	10,677	11,860
Tax at statutory income tax rate 34.94% (March 31, 2020 - 34.94%)	3,731	4,144
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Difference in overseas/domestic tax rates	(14)	(289)
Weighted deduction on research and development expenditure	-	(322)
Exempt income and other deductions	(1,595)	(2,042)
Non-deductible expense	70	262
Tax losses on which no deferred tax has been recognised	950	947
Reversal of provision for tax for earlier years	(418)	-
Gain on dilution of interest in a subsidiary	(558)	-
Share in loss/ (profit) of joint venture and associate	277	101
Others	(228)	350
Income tax expense	2,215	3,151
(c) Tax losses		
Unused temporary differences for which no deferred tax asset has been recognised	3,619	3,041
Potential tax impact	996	793
Expiry date [Financial year]	2025-26 to 2028-29	2022-23 to 2039-40

(d) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the consolidated balance sheet

For the year ended March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Exchange difference	Recognised in equity	Closing balance
Deferred tax liability						
Property, plant and equipment and intangible assets	1,760	305	-	(32)	-	2,033
Derivatives	-	-	67		-	67
Others	45	-	69	-	-	114
Gross deferred tax liability	1,805	305	136	(32)	-	2,214
Deferred tax assets						
Defined benefit obligations	434	(18)	7	-	-	423
Derivatives	449	-	(293)	-	-	156
Allowance for doubtful debts	11	9	-	-	-	20
Other deductible expenses	127	(38)	-	-	-	89
MAT credit entitlement	3,690	259	-	-	-	3,949
Deferred revenue	218	(101)	-	(3)	-	114
Others	258	(55)	14	-	-	217
Gross deferred tax assets	5,187	56	(272)	(3)	-	4,968
	3,382	(249)	(408)	29	-	2,754

For the year ended March 31, 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Exchange difference	Recognised in equity	Closing balance
Deferred tax liability						
Property, plant and equipment and intangible assets	990	711	-	59	-	1,760
Derivative assets	48	-	(48)		-	-
Others	129	-	(85)	1	-	45
Gross deferred tax liability	**1,167**	**711**	**(133)**	**60**	**-**	**1,805**
Deferred tax assets						
Defined benefit obligations	348	48	38	-	-	434
Derivatives	-	-	449	-	-	449
Allowance for doubtful debts	31	(20)	-	-	-	11
Other deductible expenses	187	(60)	-	-	-	127
MAT credit entitlement	3,316	374	-	-	-	3,690
Deferred revenue	288	(72)	-	2	-	218
Others	244	3	7	-	4	258
Gross deferred tax assets	**4,414**	**273**	**494**	**2**	**4**	**5,187**
	3,247	**(438)**	**627**	**(58)**	**4**	**3,382**

Particulars	March 31, 2021	March 31, 2020
Deferred tax balances	**3,077**	**3,680**
Deferred tax assets (net)	**(323)**	**(298)**
Deferred tax liability (net)	**2,754**	**3,382**

39. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries as at March 31, 2021 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.

Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
		March 31, 2021 %	March 31, 2020 %	March 31, 2021 %	March 31, 2020 %	
Syngene International Limited	India	70.2	70.2	29.8	29.8	Research services
Biocon Pharma Limited	India	100.0	100.0	-	-	Biopharmaceutical manufacturing
Biocon Biologics Limited*	India	93.5	96.1	6.5	3.9	Biopharmaceutical manufacturing
Biocon Biosphere Limited	India	100.0	100.0	-	-	Biopharmaceutical manufacturing
Biofusion Therapeutics Limited	India	100.0	-	-	-	Biopharmaceutical manufacturing
Biocon Academy	India	100.0	100.0	-	-	Not for profit organisation
Biocon SA	Switzerland	100.0	100.0	-	-	Research and development
Biocon Sdn Bhd	Malaysia	93.5	96.1	6.5	3.9	Biopharmaceutical manufacturing
Biocon Biologics Healthcare Malaysia SDN. BHD	Malaysia	93.5	96.1	6.5	3.9	Trading of biopharmaceutical products
Biocon Biologics UK Limited	United Kingdom	93.5	96.1	6.5	3.9	Sale of biosimilar products
Biocon Pharma UK Limited	United Kingdom	100.0	100.0	-	-	Sale of pharmaceutical products
Biocon Biologics Inc.	United States	93.5	96.1	6.5	3.9	Business support and marketing for Biosimilar products
Bicara Therapeutics Inc (Upto January 09, 2021)#	United States	-	100.0	-	-	Research and development
Biocon Pharma Inc.	United States	100.0	100.0	-	-	Sale of pharmaceutical products
Syngene USA Inc.	United States	70.2	70.2	29.8	29.8	Business support and marketing for research services
Biocon Biologics do Brasil Ltda.	Brazil	93.5	-	6.5	-	Sale of biopharmaceutical products
Biocon Biologics FZ–LLC	Dubai	93.5	-	6.5	-	Sale of biopharmaceutical products
Biocon FZ LLC.	Dubai	100.0	100.0	-	-	Trading of biopharmaceutical products
Biocon Pharma Ireland Limited	Ireland	100.0	100.0	-	-	Sale of pharmaceutical products
Biocon Pharma Malta Limited	Malta	100.0	-	-	-	Sale of pharmaceutical products
Biocon Pharma Malta I Limited	Malta	100.0	-	-	-	Sale of pharmaceutical products

* Also refer note 16

Pursuant to loss of control in current year, the entity is now designated as associate, refer note 43 (a)

(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, 2021. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	March 31, 2021	March 31, 2020
Non-current assets	30,765	25,503
Current assets	18,067	16,126
Total assets	**48,832**	**41,629**
Non-current liabilities	9,288	4,479
Current liabilities	11,330	15,392
Total liabilities	**20,618**	**19,871**
Net assets	**28,214**	**21,758**
Accumulated non-controlling interest	**8,749**	**6,751**

Summarised statement of profit and loss

Particulars	March 31, 2021	March 31, 2020
Revenue from operations	21,843	20,119
Profit for the year	4,049	4,121
Other comprehensive income	1,906	(1,916)
Total comprehensive income	**5,955**	**2,205**
Total comprehensive income allocated to non-controlling interests	1,771	657
Dividends (including dividend distribution tax) paid to non-controlling interests	-	71

Summarised statement of cash flows

Particulars	March 31, 2021	March 31, 2020
Cash flows from operating activities	7,012	6,771
Cash flows used in investing activities	(6,281)	(4,284)
Cash flows used in financing activities	580	(2,255)
Net increase / (decrease) in cash and cash equivalents	**1,311**	**232**

(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, 2021 holding 49% (March 31, 2020: 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:

Particulars	March 31, 2021	March 31, 2020
Non-current assets	5	20
Current assets	596	1,209
Total assets	**601**	**1,229**
Non-current liabilities	37	78
Current liabilities	221	588
Total liabilities	**258**	**666**
Net assets	**343**	**563**
Percentage ownership interest	**49%**	**49%**
Accumulated Group's share of net assets	**43**	**142**

Summarised statement of profit and loss of NeoBiocon

Particulars	**March 31, 2021**	**March 31, 2020**
Revenue from operations	335	626
Loss for the year	(198)	(590)
Total comprehensive income	(198)	(590)
Share of loss from joint venture	**(99)**	**(289)**

(d) Interest in associates

Particulars	March 31, 2021	March 31, 2020
IATRICa Inc. - 4,285,714 (March 31, 2020 - 4,285,714) Series A Preferred Stock at US$ 0.70 each, par value US $ 0.00001 each	131	131
Less: Provision for decline, other than temporary, in the value of non-current investments	(131)	(131)
Bicara Therapeutics Inc.: 2,500,000 (March 31, 2020 - 2,500,000) equity shares of USD 0.0001 each 40,000,000 (March 31, 2020 - Nil) preference shares of USD 1 each Refer note 43(a)]	1,795	-
	1,795	-
Total investment in associate and joint venture	1,838	142

* Includes ₹ 43 (March 31, 2020: Nil) 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.

Effective April 01, 2020, the Group pursuant to its internal restructuring process, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of these changes, the Group now has four operating segments, representing the individual businesses that are managed separately under the new structure. The Groups's new reportable segment are as follows; Generics, Biosimilars, Novel Biologics ("Novels") and Research services ("Research"). The Group has restated segment information for the historical periods presented herein to conform to the current presentation. This change in segments had no impact on the Group's historical consolidated statements of profit and loss, balance sheets or statements of cash flows.

April 1, 2020 to March 31, 2021

Particulars	Generics	Biosimilars	Novels	Research	Unallocated/ Eliminations	Total
Revenues						
External revenue	22,264	27,781	-	21,013	-	71,058
Inter-segment revenue	1,095	221	-	830	(2,146)	-
Total revenues	**23,359**	**28,002**	**-**	**21,843**	**(2,146)**	**71,058**
Costs						
Segment costs	(19,952)	(18,782)	(957)	(14,841)	-	(54,532)
Inter-segment costs	(446)	(1,875)	(58)	(282)	2,661	-
Results						
Other income including interest	1,386	119	1,597	644	(1,201)	2,545
Operating profit						**19,071**
Depreciation / Amortisation	(1,294)	(3,425)	(43)	(2,745)	356	(7,151)
Finance costs	(41)	(387)	(48)	(277)	176	(577)
Share of profit/(loss) of joint venture and associate	-	-	(695)	-	-	(695)
Segment results	3,012	3,652	(204)	4,342	(154)	10,648
Exceptional items, net	-	-	-	-	126	126
Income taxes - Current and deferred	-	-	-	-	(2,215)	(2,215)
Share of loss of joint venture and profit/ (loss) from discontinuing operation, net					(97)	(97)
Non-controlling interests	-	-	-	-	(1,057)	(1,057)
Profit after taxes attributable to shareholders						**7,405**
Other Information						
Segment assets	**46,244**	**90,180**	**1,795**	**48,832**	**(1,828)**	**185,223**
Total assets						**185,223**
Segment liabilities	8,973	74,232	-	20,618	(3,676)	100,147
Total liabilities						**100,147**

April 1, 2019 to March 31, 2020

Particulars	Generics	Biosimilars	Novels	Research	"Unallocated/ Eliminations"	Total
Revenues						
External revenue	20,937	22,698	-	19,370	-	63,005
Inter-segment revenue	1,133	453	-	749	(2,335)	-
Total revenues	**22,070**	**23,151**	-	**20,119**	**(2,335)**	**63,005**
Costs						
Segment costs	(18,862)	(13,916)	(711)	(13,485)	-	(46,974)
Inter-segment costs	(541)	(1,863)	(338)	(598)	3,340	-
Results						
Other income including interest	1,702	303	31	959	(1,381)	1,614
Operating profit						**17,645**
Depreciation / Amortisation	(967)	(2,630)	(23)	(2,193)	291	(5,522)
Finance costs	(18)	(767)	-	(346)	482	(649)
Segment results	3,384	4,278	(1,041)	4,456	397	11,474
Exceptional items, net	-	-	-	-	**675**	**675**
Income taxes - Current and deferred	-	-	-	-	(3,151)	(3,151)
Share of loss of joint venture and profit/ (loss) from discontinuing operation, net	-	-	-	-	(289)	(289)
Non-controlling interests	-	-	-	-	(1,227)	(1,227)
Profit after taxes attributable to shareholders						**7,482**
Other Information						
Segment assets	38,697	69,942	743	41,612	(6,556)	144,438
Total assets						**144,438**
Segment liabilities	10,341	46,000	1,477	19,875	(7,086)	70,607
Total liabilities						**70,607**

Geographical segments

Revenue from operations	Year ended March 31, 2020	Year ended March 31, 2020
India	13,596	14,112
United States of America	23,589	21,299
Ireland	13,327	9,857
Rest of the world	20,546	17,737
Total	**71,058**	**63,005**

Non-current assets	March 31, 2021	March 31, 2020
India	60,248	52,465
Malaysia	24,652	24,361
Rest of the world	10,292	6,501
Total	**95,192**	**83,327**

Note: Non-current assets excludes financial instruments, income tax and deferred tax assets.

Significant clients

One customer individually accounted for ₹ 13,670 (March 31, 2020: ₹ 9,846) which is more than 10% of the total revenue of the Group for the year ended March 31, 2021.

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

Name of Entity	Net assets as at March 31, 2021		Share in profit or loss for the year ended March 31, 2021		Share in other comprehensive income for the year ended March 31, 2021		Share in total comprehensive income for the year ended March 31, 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding Company								
Biocon Limited	45%	79,071	55%	2,805	1%	24	42%	2,829
Subsidiaries								
Indian								
Syngene International Limited	11%	19,435	56%	2,831	82%	1,339	62%	4,170
Biocon Pharma Limited	-1%	(2,133)	-25%	(1,259)	0%	5	-19%	(1,254)
Biocon Biologics Limited	12%	20,435	41%	2,057	-23%	(380)	25%	1,677
Biocon Biosphere Limited	-	(4)	-	-	-	-	-	-
Biofusion Therapeutics Limited	-	-	-	-	-	-	-	-
Biocon Academy	-	-	-	-	-	-	-	-
Foreign								
Biocon SA	2%	3,929	-	(58)	-	-	-1%	(58)
Biocon Sdn Bhd	11%	18,719	-49%	(2,481)	5%	76	-36%	(2,405)
Biocon Biologics UK Limited	14%	24,281	32%	1,639	-	-	24%	1,639
Biocon Pharma Inc.	1%	1,521	5%	249	-	-	4%	249
Biocon FZ LLC.	-	75	-	15	-	-	-	15
Biocon Biologics Healthcare Malaysia SDN. BHD	-	(1)	-	-	-	-	-	-
Syngene USA Inc.	-	32	-	13	-	-	-	13
Biocon Pharma UK Limited	-	(1)	-1%	(51)	-	-	-1%	(51)
Biocon Pharma Ireland Limited	-	27	-	(23)	-	-	-	(23)
Bicara Therapeutics Inc (Upto January 09, 2021)	-	-	-16%	(825)	-	-	-12%	(825)
Biocon Biologics Inc.	-	(42)	-2%	(82)	-	-	-1%	(82)
Biocon Biologics do Brasil Ltda.	-	1	-	(19)	-	-	-	(19)
Biocon Biologics FZ–LLC	-	-	-	-	-	-	-	-
Biocon Pharma Malta Limited	-	-	-	-	-	-	-	-
Biocon Pharma Malta I Limited	-	-	-	-	-	-	-	-
Joint venture								
Foreign								
NeoBiocon FZ LLC.	-	43	-	(99)	-	-	-	(99)
Associates								
Foreign								
IATRICa Inc., USA	-	-	-	-	-	-	-	-
Bicara Therapeutics Inc (w.e.f January 09, 2021) [Refer note 43(a)]	-	1,795		(695)				(695)
Non-controlling interest	5%	8,807	21%	1,057	35%	563	24%	1,620
Gross Total	**100%**	**1,75,990**	**100%**	**5,076**	**100%**	**1,627**	**100%**	**6,702**
Adjustment arising on consolidation		(90,914)		3,386		518		3,904
Total		**85,076**		**8,462**		**2,145**		**10,607**

Name of Entity	Net assets as at March 31, 2020		Share in profit or loss for the year ended March 31, 20120		Share in other comprehensive income for the year ended March 31, 2020		Share in total comprehensive income for the year ended March 31, 2020	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding Company								
Biocon Limited	56%	75,373	44%	4,409	4%	(77)	54%	4,332
Subsidiaries								
Indian								
Syngene International Limited	11%	14,987	29%	2,888	64%	(1,346)	19%	1,542
Biocon Pharma Limited	-	316	-4%	(444)	1%	(26)	-6%	(470)
Biocon Biologics Limited	7%	10,131	29%	2,883	3%	(67)	35%	2,816
Biocon Biosphere Limited	-	(4)	-	(4)	-	-	-	(4)
Biocon Academy	-	-	-	-	-	-	-	-
Foreign								
Biocon SA	3%	4,021	-	(32)	-	-	-	(32)
Biocon Sdn Bhd	6%	8,285	-28%	(2,794)	-	(8)	-35%	(2,802)
Biocon Biologics UK Limited	11%	15,213	26%	2,631	-	-	33%	2,631
Biocon Pharma Inc.	1%	947	3%	277	-	-	3%	277
Biocon FZ LLC.	-	62	1%	65	-	-	1%	65
Biocon Healthcare Sdn Bhd	-	(1)	-	(8)	-	-	-	(8)
Syngene USA Inc.	-	20	-	6	-	-	-	6
Biocon Pharma UK Limited	-	(14)	-	(45)	-	-	-1%	(45)
Biocon Pharma Ireland Limited	-	(17)	-	(16)	-	-	-	(16)
Bicara Therapeutics Inc	-1%	(688)	-6%	(649)	-	-	-8%	(649)
Biocon Biologics Inc.	-	-	-	-	-	-	-	-
Joint venture								
Foreign								
NeoBiocon FZ LLC.	-	142	-	(289)	-	-	-	(289)
Associates								
Foreign								
IATRICa Inc., USA	-	-	-	-	-	-	-	-
Non-controlling interest	5%	6,773	12%	1,227	27%	(570)	8%	657
Gross Total	**100%**	**1,35,546**	**100%**	**10,105**	**99%**	**(2,094)**	**100%**	**8,011**
Adjustment arising on consolidation		(61,715)		(1,396)		210		(1,186)
Total		**73,831**		**8,709**		**(1,884)**		**6,825**

42. Discontinuing operation

Pursuant to the approval of the Board of Directors on May 14, 2020, the Group is in process of disposing off its interest in the JV entity and related UAE operations. Accordingly, share of profit / (loss) from the JV and results of its related business have been disclosed as discontinuing operations in the consolidated financial statements.

(a) Details of assets and liabilities held for sale:

	March 31, 2021
Carrying value of assets and liabilities held for sale	
Trade receivable	139
Cash & cash equivalents	338
Investment in Joint venture	43
Others	2
Assets held for sale	522
Trade Payable and provisions	404
Liabilities directly associated with assets held for sale	404

(b) Financial performance and cash flow information

The financial performance and cash flow information presented below:-

	March 31, 2021	March 31, 2020
Revenue including other income	373	667
Expenses	371	667
Profit before tax and share of loss of joint venture	2	-
Share of profit/ (loss) of joint venture	(99)	(289)
Loss for the year from discontinuing operation	(97)	(289)
Net Cash flows from:		
Operating activities	306	(20)
Investing activities	-	-
Financing activities	-	-
Net Cash inflows/ (outflows)	306	(20)

43. Other notes

(a) 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.

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.

(b) The Company had entered into transactions of sale of products to a private company during the year ended March 31, 2013 and 2012 amounting to ₹ 28 and ₹ 17 respectively that required prior approval from Central Government under Section 297 of the Companies Act, 1956. These transactions, entered into at prevailing market prices were approved by the Board of Directors of the Company. During the year ended March 31, 2014, the Company had filed application with the Central Government for approval of such transactions and for compounding of such non-compliance and same is pending with Central Government as at March 31, 2021.

44. 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.

	March 31, 2021	March 31, 2020
(a) Gross amount required to be spent by the Group during the year	184	153

(b) Amount spent during the year ended March 31, 2021:

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	27	-	27
(ii)	On purposes other than (i) above	136	21	157

(b) Amount spent during the year ended March 31, 2020:

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	153	-	153

45. 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 upto 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.

46. The previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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, 2021

Concept

Unwavering Purpose

Our spirit of resilience and unwavering purpose of serving patients helped us navigate the most challenging global health crisis of the century. As a part of the global healthcare industry, Biocon continues to contend with pandemic-related obstacles as it goes about realizing its vision of enhancing global healthcare through innovative and affordable, life-saving biopharmaceuticals. We used our scientific expertise to repurpose one of our novel biologic products to treat COVID-related complications even as we marked new milestones in FY21. The undeterred passion of our people helped us succeed despite the odds. Annual Report 2021 captures the extraordinary efforts we made to save patient lives by ensuring business continuity. We would like to thank our diverse stakeholders, including health care professionals, partners, and suppliers, who collaborated with our people as they worked non-stop to fulfil our promise to patients across the world. Wishing all of you a safe and healthy life.

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Creative Concept and Design:
Pink Lemonade Communications Pvt. Ltd.
www.pinklemonade.in

We are presenting our first ESG Summary Report along with the Annual Report. A more detailed GRI aligned ESG Report will be published later this year which will provide insights into the Environmental, Social and Governance performance during FY21. Scan the QR code to download the ESG Summary Report.

For Shareholders: co.secretary@biocon.com
For Investors & Analysts: investor.relations@biocon.com
For Media: seema.ahuja@biocon.com

Forward Looking Statement

Biocon FY21 Annual Report

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral- that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plan 'believes' and words of similar substance in connection with any discussion of future performance. We have also outlined our patient reach in some of the sections of the report. These estimated numbers have been calculated indirectly based on volume supplied and certain assumptions related to dosage per patient, duration of treatment, units sold, internal data and market research reports. The market data & rankings used in the various chapters are based on several published reports and internal company assessment. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

In an effort to realize our vision of a cleaner, greener future, we have printed a very small number of this report. We encourage people to access and share digital versions of the Biocon's 2021 Annual Report, which is available on our website and can be downloaded from www.biocon.com or by scanning the QR code given on the back cover and page 9 of the Annual Report.

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