Biocon Biologics Limited

ANNUAL REPORT 2021-22

Contents

Board's Report

Board's Report

Dear Shareholders,

The Board of Directors hereby present the 6th Annual Report on the business and operations of Biocon Biologics Limited, *formerly known as Biocon Biologics India Limited* ("the Company") together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2022.

1. Company Specific Information

Financial highlights:

				(In ₹ million except EPS)
Particulars	**Standalone**		**Consolidated**	
	FY 2021-22	**FY 2020-21**	**FY 2021-22**	**FY 2020-21**
Revenue from operations	23,625	19,408	34,643	27,972
Other income	103	63	104	64
Total income	23,728	19,471	34,747	28,036
Total expenses	22,001	16,909	29,315	24,390
Profit before tax and exceptional item	1,727	2,562	5,432	3,646
Exceptional item	(804)	(121)	(804)	(226)
Profit before tax	923	2,441	4,628	3,420
Provision for tax	63	344	803	745
Profit after tax	860	2,097	3,825	2,675
Earnings per share (EPS) before exceptional item	1.35	2.12	4.15	2.77
Earnings per share (EPS) after exceptional item	0.81	2.02	3.61	2.58

State of Affairs

The highlights of the Company's standalone financial performance is as under:

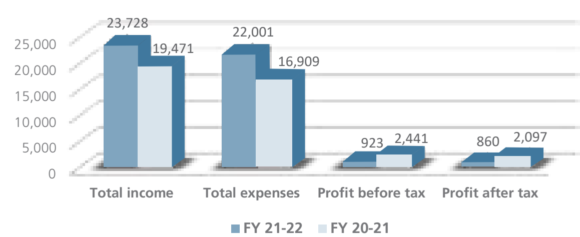
Revenue for FY 22 was at ₹ 23,625 Million representing growth of ~22% over FY 21. EBIDTA margins excluding exceptional items was 16% compared to 21% in the previous financial year. Profit after tax at ₹ 860 Million, lower compared to ₹ 2,097 Million in FY 21. EBITDA & Profit was lower in FY 22 due to higher investment in research and development.

The highlights of the Company's consolidated financial performance is as under:

Revenue for FY 22 at ₹ 34,643 Million representing growth of ~24% over FY 21. EBIDTA margins excluding exceptional items was 29% in FY 22 compared to 27% in FY 21. Profit after tax at ₹ 3,825 Million in FY 22, higher compared to ₹ 2,675 Million in FY 21. Higher EBITDA margins and profits are primarily driven by higher revenues.

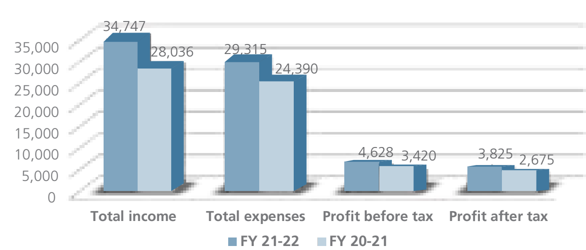
Standalone Financial Performance

(Amount in ₹ Million)



Consolidated Financial Performance

(Amount in ₹ Million)



For further details on the Company's performance, please refer to the Management Discussion and Analysis Report as enclosed in this Annual Report.

2. Major Events Occurred during the Year

A. Merger by absorption of Covidshield Technologies Private Limited

During the year under review, the Board of Directors approved merger by way of absorption of Covidshield Technologies Private Limited ('CTPL') with and into the Company pursuant to the Merger Co-operation Agreement ('MCA') entered into by the Company on September 16, 2021 with Serum Institute Life Sciences Private Limited ('SILS') and CTPL.

The right of the SILS alliance reside with CTPL which is engaged in commercialization of vaccines.

SILS is the holding company of CTPL and was established as a company to concentrate on further development of vaccines and therapies against COVID-19 disease. It also has plans to further develop the vaccines against other infectious diseases. It is setting up its state-of-the-art manufacturing facility in Pune which would cater to Global markets including USA and Europe.

Under the terms of the MCA, the Company would offer approximately 15% stake to SILS, at a post-money valuation of USD 4.9 Bn, for which it would get committed access to 100 million doses of vaccines per annum for ~15 years, primarily from SILS's upcoming vaccine facility in Pune with commercialization rights of the SILS vaccine portfolio (including COVID-19 vaccines) for global markets.

In addition to vaccines, the strategic alliance will also develop antibodies targeting several infectious diseases like dengue, HIV, etc. The two companies will enter Service Level Agreements (SLAs) for manufacturing and distribution of the vaccines and antibodies.

During the year, the Company filed the scheme of merger by absorption with the National Company Law Tribunal ('NCLT'), for the said merger.

B. Acquisition of Viatris biosimilars assets/business

During the year under review, the Board of Directors approved acquisition of biosimilars assets of Viatris Inc. ('Viatris'), subject to necessary regulatory and other approvals, at its meeting held on February 27, 2022.

Viatris which is an existing business partner of the Company is a global healthcare company formed in November 2020, through the combination of Mylan and Upjohn (previously a division under Pfizer).

By virtue of the said acquisition, the Company would acquire Viatris' biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris would receive consideration of up to USD 3.335 Bn, including cash up to USD 2.335 Bn and Compulsorily Convertible Preference Shares in the Company, valued at USD 1 Bn.

Post closure of the acquisition, the Company would realize full revenue and associated profits from its partnered products; a step-up from its existing arrangement with Viatris.

This acquisition also accelerates the Company's direct commercialization strategy for its current and future biosimilars portfolio.

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

There were no material changes and commitments affecting the financial position of the Company between March 31, 2022 and the date of this report.

3. Transfer to Reserve

During the financial year under review, no amount was transferred to the general reserves of the Company.

4. Dividend

As on the date of this Report, the Board of Directors has not recommended any dividend for the year under review.

5. Details of Subsidiary, Joint Venture or Associate companies

a) Biocon Biologics UK Limited, United Kingdom

Biocon Biologics UK Limited (formerly known as Biocon Biologics Limited) ('BBUK') is a wholly-owned subsidiary of the Company. For FY 22, BBUK earned revenues of ₹16,034 Million as against ₹ 13,869 Million in FY 21. Profit after tax earned for FY 22 was ₹ 2,524 Million as against ₹ 2,454 Million in FY 21.

b) Biocon SDN BHD, Malaysia

Biocon SDN BHD ('Biocon Malaysia') is a wholly owned subsidiary of Biocon Biologics UK Limited, registered in Malaysia. For FY 22, Biocon Malaysia earned revenues from operations of ₹ 7,869 Million as against ₹ 5,314 Million in FY 21.

The net loss for FY 22 was ₹ 1,080 Million as against ₹ 2,465 Million in FY 21.

c) **Biocon Biologics Inc, USA**

Biocon Biologics Inc is a wholly owned subsidiary of Biocon Biologics UK Limited, registered in the State of Delaware, United States of America. This subsidiary was incorporated during FY 19-20.

The net loss for FY 22 was ₹ 110 Million as against ₹ 87 Million in FY 21.

d) **Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia**

Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia (formerly known as 'Biocon Healthcare SDN BHD') is a wholly owned subsidiary of Biocon Biologics UK Limited registered in Malaysia.

The net loss for FY 22 was RM 3,980 as against RM 10,190 in FY21.

e) **Biocon Biologics Do Brasil Ltda, Brazil**

Biocon Biologics Do Brasil Ltda, Brazil is a wholly owned subsidiary of Biocon Biologics UK Limited, registered in Brazil which was incorporated during FY 2020-21.

The net loss for FY 22 was ₹ 49 Million as against ₹ 19 Million in FY 21.

f) **Biocon Biologics FZ LLC, UAE**

Biocon Biologics FZ LLC, UAE ("BB-FZLLC") is a wholly owned subsidiary of Biocon Biologics UK Limited, registered in Dubai, UAE. BBFZ-LLC has incurred only operating expenses in FY 22. BBFZ-LLC is breakeven in FY 22 due to transfer pricing cross charge to group companies amounting ₹129 Million.

g) **Merger of Biocon Research Limited**

Pursuant to consolidating biosimilars business under the Company in India, Biocon Research Limited merged with the Company vide the order of the Hon'ble National Company Law Tribunal, Bengaluru ('NCLT') on February 4, 2020. Pursuant to the conditions of the Scheme of Amalgamation, the merger was effective from February 7, 2020.

During the year, the Company applied for assessment of stamp duty payable on such merger order under the provisions of the Karnataka Stamp Act, 1957 with the District Registrar. Upon completion of such assessment and payment of stamp duty, the Company will apply for the final decree for merger of BRL into the Company with the NCLT.

A statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures, as may be applicable, is provided in Form AOC-1 in Annexure - I to this report. The statement also provides the details of performance and the financial positions of each of the subsidiaries.

6. Impact of COVID-19 pandemic

The impact of COVID-19/ corona virus pandemic in 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.

7. Capital and Debt Structure

I. **Authorised Share Capital**

The authorized share capital of the Company is ₹ 35,000 Million (Rupees Thirty-five Thousand million only) divided into 1,500,000,000 equity shares of ₹ 10 (Rupees ten only) each and 2,000,000,000 preference shares of ₹ 10 (Rupees ten only) each.

II. **Paid-up Share Capital**

A. **Equity Share Capital**

The Equity paid up share capital of the Company is ₹ 10,589 Million (Rupees Ten Thousand Five Hundred Eighty Nine million only) divided into 1,058,849,676 equity shares of ₹ 10 (Rupees ten only) each.

B. **Preference share capital**

The preference share capital of the Company is ₹ 12,864 Million (Twelve Thousand Eight Hundred Sixty Four million only) divided into 205,420,000 Non Convertible Preference Shares of ₹ 10 each (Rupees ten only) and 1,081,000,000 Optionally Convertible Preference Shares of ₹ 10 (Rupees ten only) each.

The Company's share capital structure as on March 31, 2022 is as follows:

Particulars	Amount (in ₹ Million)
Authorised Capital:	
Equity	15,000
Preference	20,000
Total	**35,000**
Paid up Capital:	
Equity	10,589
Preference	12,864
Total	**23,453**

8. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review is presented in a separate section, forming part of this Annual Report.

9. Employee Stock Option Plan

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on July 20, 2021, the Board at its meeting held on July 21, 2021 agreed to introduce the "Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24" (hereinafter referred to as "the Plan") designed to drive performance towards achieving the Board approved strategy plan for the FY 2022-24.

The Plan would cover key employees who, by virtue of the roles they play, would be influencing the accomplishment of the strategy plan.

The Plan would be implemented through a trust route wherein the Company would issue shares to the Trust by way of fresh allotment over a period of time. The Trust may acquire shares by way of fresh allotment from the Company or through secondary market acquisition, once the Company is listed on stock exchanges, such number of shares of the Company, as may be required, in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended and applicable from time to time and such subscription or purchase may, inter alia, be financed by a loan given by the Company, provided the loan is obtained in compliance with the requirements of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended.

The Plan would be administered by the Nomination and Remuneration Committee of the Company or through the Trust.

The maximum number of Restricted Stock Units ("RSUs") that may be issued pursuant to this Plan would not exceed 7,134,885 (Seven Million One Hundred Thirty Four Thousand Eight Hundred Eighty Five) which would upon exercise be convertible into 7,134,885 (Seven Million One Hundred Thirty Four Thousand Eight Hundred Eighty Five) equity shares, equivalent to ~0.68% of the paid-up equity share capital of the Company (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time).

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on February 27, 2022, and the Board of Directors, amendment to the Plan was approved so as to add one more class or category of persons by extending the benefits of this Plan to certain employees of holding company or its affiliates in each case providing services to any group company as may be applicable under the law. The said alteration is subject to approval of the shareholders by special resolution in ensuing 6th AGM.

The applicable disclosures as stipulated under sub rule 9 of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2022 are appended herewith as Annexure II 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.

10. Credit Rating of Securities

During the year under review, the Company maintained CRISIL AA+/ Stable rating pertaining to its ₹ 2,000 Million (Rupees Two Thousand Million only) Unlisted Rated Secured Redeemable Non-Convertible Debentures issued to HDFC Bank Limited.

Further, the Company also maintained CRISIL AA+/ Stable rating pertaining to its bank loan facilities.

11. Investor Education and Protection Fund

There were no amounts required to be deposited into the Investor Education and Protection Fund during the financial year 2021-22.

12. Management

A. Directors and Key Managerial Personnel

I. Appointment of Directors

a) Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors on April 27, 2021, Mr. Peter Baron Piot (DIN: 09015343) was appointed as an Independent Director at the 5th Annual General Meeting of the Company held on July 22, 2021, to hold office for a term which comprises of 3 (three) consecutive years with effect from January 21, 2021.

b) Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Thomas Jason Roberts (DIN: 09337723) was appointed as a Non-Executive Non-Independent Director with effect from November 15, 2021.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Thomas Jason Roberts holds directorship upto the date of the ensuing 6th Annual General Meeting of the Company.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 27, 2022, recommended his appointment as a director, to the shareholders of the Company.

II. Retirement and Re-appointment of Directors

As per the provisions of Section 152(6) of Companies Act, 2013, Ms. Kiran Mazumdar Shaw (DIN 00347229), Executive Chairperson, retires by rotation at the ensuing 6th Annual General Meeting and being eligible, offers herself for re-appointment.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 27, 2022, recommended her re-appointment to the shareholders of the Company.

III. Reappointment of Independent Director

a) Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors on June 7, 2021, Mr. John Russell Fotheringham Walls (DIN: 03528496) was re-appointed as an independent director of the Company for a second term comprising of 3 (three) consecutive years with effect from June 8, 2021.

The Shareholders, subsequently, at the 5th Annual General Meeting of the Company held on July 22, 2021, approved re-appointment of Mr. John Russell Fotheringham Walls, for a second tenure comprising of 3 (three) consecutive year with effect from June 8, 2021.

The decision for such re-appointment was made based on finance and governance knowledge, acumen, experience and substantial contribution made by Mr. John Russell Fotheringham Walls during his initial tenure of 5 (five) years as an independent director of the Company.

b) The Board of Directors, at their meeting held on July 25, 2019 and subsequently, the shareholders, at the 4th Annual General Meeting of the Company held on July 24, 2020 appointed Mr. Bobby Kanubhai Parikh (DIN: 00019437) as an independent director effective from August 1, 2019 up to the conclusion of 6th Annual General Meeting of the Company to be held in the year 2022, i.e. the ensuing AGM.

On the basis of performance evaluation of Directors, the Nomination and Remuneration Committee at its Meeting held on April 20, 2022, 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 finance and governance knowledge, acumen, experience and the substantial contribution made by Mr. Bobby Kanubhai Parikh during his first and current tenure.

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 6th Annual General Meeting until conclusion of the 11th Annual General Meeting, proposed to be held in 2027.

c) The Board of Directors, at their meeting held on July 25, 2019 and subsequently, the shareholders, at the 4th Annual General Meeting of the Company held on July 24, 2020, appointed Ms. Nivruti Rai (DIN: 01353079) as an independent director which was effective from August 1, 2019 up to conclusion of the 6th Annual General Meeting of the Company to be held in the year 2022, i.e. the ensuing AGM.

On the basis of performance evaluation of Directors, the Nomination and Remuneration Committee at its Meeting held on April 20, 2022, recommended to the Board for the continued association of Ms. Nivruti Rai as an independent director of the Company. The decision was made based on the information technology and digital innovation knowledge, acumen, experience and the substantial contribution made by Ms. Nivruti Rai during her first and current tenure.

The Board recommends the re-appointment of Ms. Nivruti Rai 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 6th Annual General Meeting until conclusion of the 11th Annual General Meeting, proposed to be held in 2027.

d) The Board of Directors, at their meeting held on July 25, 2019 and subsequently, the shareholders, at the 4th Annual General Meeting of the Company held on July 24, 2020, appointed Mr. Daniel Mark Bradbury (DIN: 06599933) as an independent director which was effective from August 1, 2019 up to conclusion of the 6th Annual General Meeting of the Company to be held in the year 2022, i.e. the ensuing AGM.

On basis of performance evaluation of Directors, the Nomination and Remuneration Committee at its Meeting held on April 20, 2022, recommended to the Board for continued association of Mr. Daniel Mark Bradbury 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. Daniel Mark Bradbury during his first and current tenure.

The Board recommends re-appointment of Mr. Daniel Mark Bradbury 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 6th Annual General Meeting until conclusion of the 11th Annual General Meeting, proposed to be held in 2027.

IV. Declaration by Independent Directors

The Company received necessary declarations from Mr. John Russell Fotheringham Walls, Mr. Daniel Mark Bradbury, Mr. Bobby Kanubhai Parikh, Ms. Nivruti Rai and Mr. Peter Baron Piot, Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013. The Independent Directors also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Biocon Group's Code of Conduct.

They have further confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, the independent directors have also submitted their declaration in compliance with provisions of sub rule 3 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated 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 lifetime till they continue to hold the office of an independent director.

During the year under review, Ms. Nivruti Rai successfully completed her proficiency test conducted through the IICA pursuant to the provisions of sub rule 4 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. John Russell Fotheringham Walls, Mr. Daniel Mark Bradbury and Mr. Bobby Kanubhai Parikh are exempted from the requirement of taking the online proficiency pursuant to the exemption provided under proviso (A) to sub-rule 4 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

V. Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors

Based on performance evaluation of the independent directors of the Company conducted for the FY 2021-22, the Board is of the view that they have requisite integrity, expertise, proficiency and experience to carry out their duties with respect to the Company.

VI. Key Managerial Personnel appointed/ ceased during financial year 2021-22

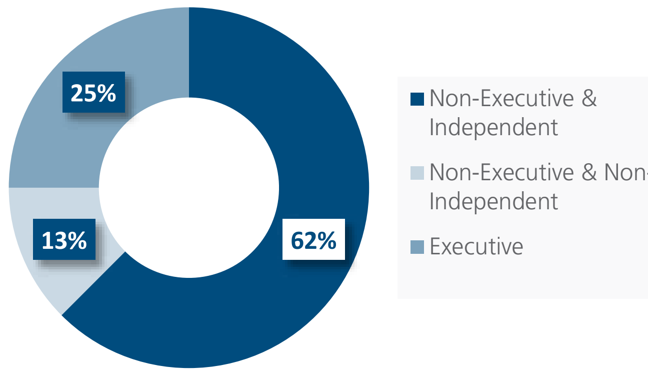
During the year under review, the Board of Directors at their meeting held on February 27, 2022, approved reappointment of Ms. Kiran Mazumdar Shaw (DIN No. 00347229) as an executive director of the Company for a period of two (2) years from April 1, 2022 upto March 31, 2024 and continuation of her designation as Executive Chairperson of the Company upto March 31, 2024 subject to the approval of shareholders by special resolution at the ensuing 6th Annual General Meeting.

VII. None of the Directors of the Company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. The Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013.

VIII. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for purposes of attending meetings of the Company.

As on the date of this report the Directors of the Company were:

Name	Designation
Ms. Kiran Mazumdar Shaw	Executive Chairperson
Dr. Arun Suresh Chandavarkar	Managing Director
Mr. John Russell Fotheringham Walls	Independent Director
Mr. Daniel Mark Bradbury	Independent Director
Mr. Bobby Kanubhai Parikh	Independent Director
Ms. Nivruti Rai	Independent Director
Mr. Peter Baron Piot	Independent Director
Mr. Thomas Jason Roberts	Non-Independent Non-Executive Director



As on the date of this report the Key Managerial Personnel (KMP) of the Company were:

Name	Designation
Ms. Kiran Mazumdar Shaw	Executive Chairperson
Dr. Arun Suresh Chandavarkar	Managing Director
Mr. Chinappa MB	Chief Financial Officer
Mr. Akhilesh Nand	Company Secretary
Mr. Shreehas Tambe*	Deputy Chief Executive Officer

*On account of the role of Mr. Shreehas Tambe he is a key management person.

B. Meetings of the Board of Directors

The Board of Directors met 8 (eight) times during the year under review.

DIRECTORS	MEETING DATES							
	1 Apr 27, 2021	2 Jun 4, 2021	3 Jul 21, 2021	4 Sep 16, 2021	5 Oct 20, 2021	6 Jan 3, 2022	7 Jan 19, 2022	8 Feb 27, 2022
Kiran Mazumdar Shaw	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Arun Suresh Chandavarkar	Present	Present	Present	Present	Present	Present	Present	Present
Bobby Kanubhai Parikh	Present	Present	Present	Present	Present	Present	Present	Present
Daniel Mark Bradbury	Absent	Present	Present	Present	Present	Present	Present	Present
John Russell Fotheringham Walls	Present	Present	Present	Present	Present	Present	Present	Present
Nivruti Rai	Present	Present	Present	Present	Present	Present	Present	Present
Peter Baron Piot	Present	Present	Present	Present	Present	Present	Present	Present
Thomas Jason Roberts	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Present	Present	Present
% of Attendance	**85.71%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Present **Absent** **Not Applicable**

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

During the year under review, the independent directors also met at their separate meeting held on July 21, 2021 and January 18, 2022 as required under Schedule IV to the Companies Act, 2013.

C. Committees

The Board of Directors have the following committees. Details of members of such committees as on March 31, 2022 as well as number and dates of meetings of the committees held during the year are provided as under:

Committees of the Board

Audit Committee
- Bobby Kanubhai Parikh (C)
- Dr. Arun Suresh Chandavarkar
- Daniel Mark Bradbury
- John Russell Fotheringham Walls

Nomination and Remuneration Committee
- Nivruti Rai (C)
- Daniel Mark Bradbury
- Peter Baron Piot

Risk Management Committee
- Bobby Kanubhai Parikh (C)
- Dr. Arun Suresh Chandavarkar
- Daniel Mark Bradbury
- John Russell Fotheringham Walls
- Peter Baron Piot
- Thomas Jason Roberts*

Corporate Social Responsibility Committee
- Peter Baron Piot (C)#
- Kiran Mazumdar Shaw
- Nivruti Rai
- Thomas Jason Roberts*

Environment Social and Governance Committee
- Peter Baron Piot (C)
- Kiran Mazumdar Shaw
- Nivruti Rai
- Thomas Jason Roberts*

(C) denotes chairperson of the committee

* During the year under review, Mr. Thomas Jason Roberts was inducted on the following committees with effect from November 15, 2021:

a) Corporate Social Responsibility ("CSR") Committee

b) Risk Management Committee

c) Environment Social and Governance Committee

Mr. Peter Baron Piot was appointed as the Chairperson of the CSR Committee with effect from February 27, 2022. Ms. Kiran Mazumdar Shaw, who was the former Chairperson of the CSR Committee, continues as a member.

I. Audit Committee

The members of the Audit Committee met seven (7) times during the year under review.

DIRECTORS	MEETING DATES						
	1 Apr 27, 2021	2 Jun 4, 2021	3 Jul 21, 2021	4 Oct 20, 2021	5 Jan 3, 2022	6 Jan 19, 2022	7 Feb 27, 2022
Bobby Kanubhai Parikh							
Dr. Arun Suresh Chandavarkar							
Daniel Mark Bradbury							
John Russell Fotheringham Walls							
% of Attendance	**75%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Present | Absent | Not Applicable

II. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee met five (5) times during the year under review.

DIRECTORS	MEETING DATES				
	1 Apr 27, 2021	2 Jul 20, 2021	3 Oct 20, 2021	4 Jan 18, 2022	5 Feb 27, 2022
Nivruti Rai	Present	Present	Present	Present	Present
Daniel Mark Bradbury	Absent	Present	Present	Present	Present
Peter Baron Piot	Present	Present	Present	Present	Present
% of Attendance	**66.66%**	**100%**	**100%**	**100%**	**100%**

Present **Absent** **Not Applicable**

III. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee met three (3) times during the year under review.

DIRECTORS	MEETING DATES		
	1 Apr 23, 2021	3 Oct 18, 2021	3 Jan 19, 2022
Peter Baron Piot	Present	Present	Present
Kiran Mazumdar Shaw	Present	Present	Present
Nivruti Rai	Present	Present	Present
Thomas Jason Roberts	Not Applicable	Not Applicable	Present
% of Attendance	**100%**	**100%**	**100%**

Present **Not Applicable**

IV. Risk Management Committee

The members of the Risk Management Committee met 4 times during the year under review.

DIRECTORS	MEETING DATES			
	1 Apr 23, 2021	2 Jul 16, 2021	3 Oct 18, 2021	4 Jan 14, 2022
Bobby Kanubhai Parikh	Present	Present	Present	Present
Dr. Arun Suresh Chandavarkar	Present	Present	Present	Present
Daniel Mark Bradbury	Present	Present	Present	Present
John Russell Fotheringham Walls	Present	Present	Present	Present
Peter Baron Piot	Present	Present	Present	Present
Thomas Jason Roberts	Not Applicable	Not Applicable	Not Applicable	Present
% of Attendance	**100%**	**100%**	**100%**	**100%**

Present **Not Applicable**

V. Environment Social and Governance Committee

In line with adopting best corporate governance practices at par with global standards, the Board of Directors constituted the Environment Social and Governance Committee ('ESG Committee') with effect from October 20, 2021.

During the year under review, all members of ESG Committee met once (1) on January 19, 2022.

13. Auditors

a) Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022) who were appointed as the Statutory Auditors of the Company, held office from the conclusion of the 1st Annual General Meeting held on July 28, 2017 until the conclusion of the ensuing 6th Annual General Meeting.

The Company has received confirmation from M/s. B S R & Co. LLP, Chartered Accountants to the effect that their re-appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and in satisfaction of the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit and Auditors) Rules 2014.

The Audit Committee at their meeting on April 27, 2022 approved re-appointment of M/s. B S R & Co. LLP, Chartered Accountants for a second tenure of 5 years, i.e from the conclusion of the ensuing 6th Annual General Meeting, till the conclusion of the 11th Annual General Meeting to be held in the calendar year 2027 and recommended the same to the Board of Directors which was approved by the later on April 27, 2022.

The Board of Directors recommends re-appointment of M/s. B S R & Co. LLP, as Statutory Auditors to the shareholders for a second tenure of five years, i.e. from the conclusion of the ensuing 6th Annual General Meeting, till the conclusion of the 11th Annual General Meeting to be held in the calendar year 2027, at such remuneration to be mutually agreed and approved by the Board.

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark.

Further, there was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013 for the financial year under review.

The Auditors' Report is enclosed with the financial statements forming part of the annual report for FY 2021-22.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, M/s V. Sreedharan and Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors of the Company to conduct the secretarial audit of the Company for the financial year 2021-22.

There were no adverse comments/ observations or reservations made by the Secretarial Auditors for the year 2021-22 in the report issued by them.

In compliance with Section 204(1) of Companies Act, 2013 read with applicable rules made thereunder, the secretarial audit report issued by M/s V. Sreedharan and Associates for the financial year 2021-22 is annexed in Annexure III to this annual report for FY 2021-22.

Further, the Board of Directors at its meeting on April 27, 2022 approved reappointment of M/s V. Sreedharan and Associates as secretarial auditors of the Company for the financial year 2022-23.

c) Internal Auditors

M/s S. R. Batliboi & Associates LLP, Chartered Accountants who were appointed as the internal auditors of the Company, hold such office upto September 30, 2022.

The Internal Auditors present their report to the Audit Committee on a quarterly basis which is discussed upon and necessary action is taken by the management of the Company wherever required.

d) Cost Auditors

The Cost Records of the Company were maintained in accordance with the provisions of Section 148(1) of the Companies Act, 2013 as specified by the Central Government.

The Cost Audit Report for FY 2020-21 was submitted by M/s Rao, Murthy & Associates, Cost Accountants (Firm Registration Number 000065), Cost Auditors of the Company to the Board of Directors which was noted by the later at their meeting on July 21, 2021. The Cost Auditors issued an unqualified cost audit report for the FY 2020-21.

M/s Rao, Murthy & Associates were re-appointed as the Cost Auditors of the Company for the FY 2021-22 by the Board of Directors on April 27, 2021. The remuneration to the Cost Auditors of ₹ 0.3 Million per annum for the FY 2021-22 was approved at the 5th Annual General Meeting of the Company held on July 22, 2021.

The Cost Auditors would place their report for FY 2021-22 before the Board of Directors on or before the due date. The Board's Report for FY 2022-23 shall cover the same.

Based on the recommendation of the Audit Committee at its meeting on April 27, 2022, the Board of Directors re-appointed M/s Rao, Murthy & Associates, Cost

Accountants (Firm Registration Number 000065), as the Cost Auditors of the Company for the financial year 2022-23 at their meeting held on April 27, 2022.

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.

14. Reporting of frauds by auditors

During the year under review, no fraud was reported by the Statutory Auditor, Secretarial Auditor and Cost Auditor to the Audit Committee, as required under Section 143 (12) of the Companies Act, 2013.

15. Company's policy on Director's appointment and remuneration

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on January 19, 2022, approved the revised Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees to align it with group companies which are listed/ SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 in order to adopt good and uniform corporate governance practices within Biocon Group.

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. As on March 31, 2022, the Board consists of 8 Directors, majority of them being Independent Directors.

The Board comprises of an Executive Chairperson, a Managing Director, 5 (five) Independent Directors and a Non-Executive Non-Independent Director. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, are formulated by the Nomination and Remuneration Committee and is enclosed to this report in Annexure IV.

16. Annual evaluation of performance of the Board, its Committees and of Individual Directors

The Nomination and Remuneration Committee at its meeting held on October 19, 2021, approved the criteria for evaluation of individual directors, the Chairperson, committees and the Board as whole for the FY 2021-22 along with a set of questionnaires.

The questionnaires covered various aspects of the individual directors, committees and Board of Director's functioning such as:

- Adequacy of the composition of the Board and its Committees
- Board culture, execution and performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, interpersonal relationships, attendance and contribution at meetings etc
- Participation and contribution by the Director, commitment, including guidance provided to the senior management outside of Board / committee meetings, effective deployment of knowledge and expertise, effective management of relationship with various stakeholders, independence of behaviour and judgment etc

Subsequently, an evaluation process was conducted through an online survey (through Diligent Board Books) during the months of December 2021 - January 2022.

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee carried out annual performance evaluation of all committees of the Board except its own, individual directors and the Board of Directors as a whole for the FY 2021-22.

Further, pursuant to the provisions of the Section 134 of the Companies Act, 2013, the Board of directors evaluated performance of independent directors of the Company and Nomination and Remuneration Committee for the FY 2021-22.

Also, pursuant to the provisions of Schedule IV of the Companies Act, the independent directors of the Company evaluated performance of the Chairperson, non-independent directors, Board as a whole and the flow of information between the Board of Directors and management of the Company including quantity and quality of such information for the FY 2021-22.

A presentation on the outcome of the aforementioned evaluation exercises were presented at the meeting of the concerned forum in January 2022.

The Board also reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

During the year, the Board of Directors approved the revised Board Skill Matrix in their meeting held on April 27, 2022 as below:

Directors	Area of Expertise						
	Scientific Knowledge	Research and Innovation	Global Healthcare	Finance and Risk Management	Compliance and Governance	Technology and Digital Perspective	General Management and Leadership
Kiran Mazumdar Shaw	√	√	√	√	√		√
Dr. Arun Suresh Chandavarkar	√	√	√	√	√		√
Bobby Kanubhai Parikh				√	√		√
Daniel Mark Bradbury		√	√	√	√		√
Nivruti Rai					√	√	√
John Russell Fotheringham Walls				√	√		√
Peter Baron Piot	√	√	√				√
Thomas Jason Roberts	√		√				√

17. Remuneration received by Directors from holding or subsidiary company

The Managing Director of the Company did not receive commission or remuneration from its holding company or subsidiary company(s).

Ms. Kiran Mazumdar Shaw, Executive Chairperson received ₹ 24.6 Million (Rupees Twenty Four Million Six Hundred Thousand only) in FY 2021-22 from Biocon Limited, holding company of the Company in her capacity as Executive Chairperson at such company as well.

18. Internal Financial Controls

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

Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material mis-statements 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 policies or procedures may deteriorate.

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls 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.

19. Details of Deposits

During the year under review, the Company has not accepted any deposits from the public.

20. Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of Companies Act, 2013 are given in the notes to the financial statements for FY 2021-22.

21. Particulars of contracts or arrangements with related parties referred to in Section 188(1)

There were no materially significant related party transactions entered into between the Company and its related parties, except for those disclosed in the financial statements.

All the contracts/arrangements/transactions entered by the Company with the related parties during FY 2021-22 were in the ordinary course of business and on an arm's length basis.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such a contract or arrangement in Form AOC-2 does not form a part of this report.

22. Particulars of Employees

Since the Company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2022 is not applicable.

23. Corporate Social Responsibility

The Company has adopted Corporate Social Responsibility Policy. Salient features of this policy are as under:

The vision of the CSR policy is to strive towards developing and sustaining healthy and empowered communities by promoting social and economic inclusion and improving overall quality of life

Some of the core areas in which the Company will contribute towards CSR activities includes:

- Promoting healthcare including preventive healthcare
- Eradicating hunger, poverty and malnutrition.
- Promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills and livelihood enhancement projects.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- Rural development projects.

The Company shall spend at least two percent (2%) of its average net profit of the immediately (3) three preceding financial years on CSR activities in accordance with the provisions of the Companies Act, 2013.

The Company may either partner with external agencies for undertaking various CSR activities or execute them directly.

The target beneficiary of CSR initiatives may primarily be disadvantaged, impoverished, underserved and marginalised sections of the society. The emphasis shall be given to communities living around the area of operations of the Company.

The Annual Report on CSR activities for the FY 2021-22 is enclosed to this report in Annexure V.

24. Conservation of energy, technology absorption and foreign exchange earnings and outgo

a) Conservation of energy

The Company was established with an objective to set up green field biosimilar biologics facility.

Some of the measures adopted by the Company to conserve energy and absorb technology are as follows:

- Manufacturing has been simplified by improving on ease of execution, reduction in the redundant operator activities, e-reports, simplification of documentation, log books etc. which would aid in making the manufacturing records being lean and compliant while optimising productivity and resource utilization.
- Optimal use of hardware and machinery has also yielded improvement.

i)	The steps taken or impact on conservation of energy	•	Using new practices and procedures and without the need of any investment, the Company has reduced its chilled water load by ~21% and ~69% for RHI 1 (PHI and PHI A*) and RHI 2 (PHI E*) respectively, and average reduction in chilled water load consumption to 3,34,507 Ton of refrigeration (TR) and 8,19,100 Ton of refrigeration (TR) per annum for RHI 1 and RHI 2 respectively, resulting in actual chilled water cost savings of ~₹125 Million (Rupees One Hundred Twenty Five million only) and electricity savings of ₹ 0.09 Million for the year ended March 31, 2022. *RHI - Recombinant Human Insulin *PHI - Production Human Insulin, E – Expansion, A – Annex
		•	The old CFL Power Lamps were replaced by LED lamps resulting in overall energy saving of 3854.4 KW per annum and total savings amounting to ₹ 0.06 Million per annum.
ii)	The steps taken by the company for utilizing alternate source of energy		Nil
iii)	The Capital investment on energy conservation equipments		Nil

b) Technology absorption

i)	The efforts made towards technology absorption	
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	No technology was imported by the Company during the year.
iv)	The expenditure incurred on Research and Development (R&D)	Expenditure incurred on Research and Development by the Company is tabled below

Expenditure incurred on Research and Development (Standalone)

(Amounts in ₹ Million)

Particulars	FY 21-22	FY 20-21
Capital Expenditure	-	-
Recurring Expenditure		
Research and Development expenses	1,532	395
Other Research and Development expenses included in other heads of account:		
A. Employee Benefit Expenses	809	728
B. Lab Consumables	984	925
Total	**3,325**	**2,048**

c) Foreign exchange earnings and outgo (Standalone)

Particulars	Amount in ₹ Million
Total earnings in foreign exchange during the year	17,745
Total outflow of foreign exchange during the year	10,805

25. Risk management policy and internal adequacy

The Company has put in place an enterprise wide risk management framework with an object of timely identification of risks, assessment and evaluation of the same in line with overall business objectives and define adequate mitigation strategy.

On a quarterly basis, the Board of Directors reviews critical risks on a rotation basis in line with the mitigation progress/ effectiveness and its impact on overall risk exposure of the Company. All the critical risk areas are covered at least once a year. Annually, all critical risk areas identified are re-evaluated.

The Board has also constituted a Risk Management Committee to oversee risk matters and risk mitigation efforts.

During the year under review, the Board of Directors of the Company had, in their meeting held on January 19, 2022 revised the Risk Management Policy/ Manual, as recommended by the Risk Management Committee, so as to align it with that of listed group companies/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in order to adopt good and uniform corporate governance practices within Biocon Group.

26. Details of Establishment of Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013 and the rules prescribed thereunder is implemented through the Whistle Blower Policy of the Company to enable the Directors and employees 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 in appropriate or exceptional cases.

The Biocon Group Integrity Policy is applicable to the Company. As such the vigil mechanism is established under this policy which is applicable to entire Biocon Group including the Company.

27. Significant and material orders

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in the future.

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details of cases for the financial year 2021-22 were as below:

Sl.	Particulars	Numbers
1.	Number of complaints filed during the financial year	3
2.	Number of complaints disposed of during the financial year	3
3.	Number of complaints pending as on end of the financial year	NIL

29. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year

During the year under review, there were no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016.

30. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

During the year under review, there was no such valuation done.

31. Compliance with Secretarial Standards

The Company has complied with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India.

32. Failure to implement any corporate action

There has been no failure to implement any corporate action by the Company for the FY 2021-22.

33. Annual Return

Pursuant to Sections 134(3)(a) read with 92(3) of the Companies Act, 2013, as the Company does not have its own website, hence placing the annual return on the website of the Company and disclosing the web-link of such annual return in the Board's Report does not arise.

The Annual Return for the FY 2021-22 shall be filed with the Registrar of Companies as per the provisions of the Companies Act, 2013.

34. Directors' Responsibility Statement

In compliance with the provisions of Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors hereby confirm the following:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments 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 of the Company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Acknowledgements

We place on record our appreciation for the committed services by every member of the Biocon Biologics 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 Governments of India and Malaysia, Government of Karnataka, 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 of Directors
of Biocon Biologics Limited

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Date: April 27, 2022
Place: Bengaluru

Annexure I - Statement containing salient features of the financial statement of subsidiaries

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

FORM AOC -1

Part A - Subsidiaries

In ₹ Million

Sl. No	Name of the subsidiary	Date since subsidiary was incorporated	Reporting Period	Reporting currency	Share capital	Reserves and Surplus (other equity)*	Total Assets*	Total Liabilities (excl. capital and 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	Biocon Biologics UK Limited, UK (formerly known as "Biocon Biologics Limited")	March 02, 2016	April - March	USD	19,678	9,000	50,900	22,222	102	16,035	3,307	782	2,525	-	100%
2	Biocon SDN BHD, Malaysia	January 19, 2011	April - March	USD	36,659	(8,806)	34,819	6,966	-	7,869	(1,080)	-	(1,080)	-	Refer note 2 and 3
3	Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia (formerly known as "Biocon Healthcare SDN BHD")	August 10, 2017	April - March	MYR	36	(37)	1	2	-	-	-	-	-	-	Refer note 2
4	Biocon Biologics Inc., USA	November 12, 2019	April - March	USD	129	(201)	29	101	-	12	(110)	-	(110)	-	Refer note 2
5	Biocon Biologics Do Brasil Ltda	August 17, 2020	April - March	USD	53	(69)	-	16	-	-	(49)	-	(49)	-	Refer note 2
6	Biocon Biologics FZ LLC	November 26, 2020	April - March	USD	76	(2)	136	62	-	129	1	-	1	-	Refer note 2

* Exchange rate considered in the case of foreign subsidiaries - 1 USD = 75.92; 1 MYR = 18.05

Converted at monthly average exchange rates

Notes:

1. None of the subsidiaries have proposed dividends as at March 31, 2022
2. Biocon Biologics UK Limited, UK holds 100% of equity stake in:-
   a) Biocon SDN BHD, Malaysia
   b) Biocon Biologics Healthcare Malaysia Sdn. Bhd.
   c) Biocon Biologics Inc., USA
   d) Biocon Biologics Do Brasil LTDA
   e) Biocon Biologics FZ LLC
3. The reporting currency of Biocon SDN BHD is MYR, however USD is disclosed since it is the functional currency.

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

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Dr. Arun Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Place: Bengaluru
Date: April 27, 2022

Annexure II - Details of Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24

[Pursuant to sub rule 9 of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014]

(a)	Options granted	5,142,857
(b)	Options vested	NA
(c)	Options exercised	NA
(d)	The total number of shares arising as a result of exercise of option	NA
(e)	Options lapsed	Nil
(f)	The exercise price	₹ 10/- (Face value of the shares as on date of exercise)
(g)	Variation of terms of options	NA
(h)	Money realized by exercise of options	NA
(i)	Total number of options in force	5,142,857
(j)	Employee wise details of options granted during FY22 to:	
	(i) Key managerial personnel:	
	1. Mr. Chinappa MB Chief Financial Officer	4,28,571
	2. Mr. Akhilesh Nand Company Secretary and Chief – Legal, Risk and Compliance Officer	2,14,286
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

Annexure III
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]

For the Financial Year Ended 31.03.2022

To,
The Members,
Biocon Biologics Limited
(Formerly known as Biocon Biologics India Limited)
Biocon House, Ground Floor, Tower-3,
Semicon Park, Electronic City, Phase - II,
Hosur Road, Bengaluru - 560100

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

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

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

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

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, Overseas Direct Investment and External Commercial Borrowing;

v. Other laws specifically applicable to the Company:

   a. Drugs and Cosmetics Act 1940

   b. Drugs and Cosmetics Rules, 1945

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

   d. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1954

   e. Narcotic Drugs and Psychotropic substance Act

   f. Atomic Energy Act 1962

   g. The Hazardous Waste (Management, Handling and Trans-boundary movement) Rules 2008, amended in 2016.

   h. Hazardous Substances (Classification packaging and labelling) Rules 2011

   i. The Explosives Act 1983

   j. Manufacture, Storage, and Import of Hazardous Chemicals Rules 1989

   k. Drug (Price Control) Order (DPCO) 2013 (NPPA)

   l. Regulation of Drug Act 1978

   m. National Biodiversity Act 2002

   n. Uniform Code of Pharmaceuticals Marketing Practices (UCPMP) Guidelines

   o. Livestock Importation Act 1898

   p. Generic Drug User Fee Amendment (GDUFA) 2012

   q. Cosmetics, Devices and Drugs Act 1980

   r. Registration Guideline for Registration of the Medicinal Products, 2013

   s. The Special Economic Zone Act 2005, Special Economic Zone Rules 2006

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

e. Ms. Kiran Mazumdar Shaw (DIN:00347229) was re-appointed as an Executive Director and Chairperson of the company for a period of 2 (two) years w.e.f April 01, 2022;

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

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; C.P. No: 7835
UDIN: F007260D000216381
Peer Review Certificate No. 589/2019

Date: April 27, 2022
Place: Bengaluru

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 Biologics Limited
(Formerly known as Biocon Biologics India Limited)
Biocon House, Ground Floor, Tower-3,
Semicon Park, Electronic City, Phase - II,
Hosur Road, Bengaluru - 560100

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

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

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

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

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

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

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

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

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)
Partner
FCS: 7260; C.P. No: 7835
UDIN: F007260D000216381
Peer Review Certificate No. 589/2019

Date: April 27, 2022
Place: Bengaluru

Annexure IV

Biocon Biologics Limited CIN NO: U24119KA2016FLC093936	Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees	Version no: **2.0** Rev due on: **Need basis** Prepared by: **Secretarial dept.** Approved on: **27.04.2021** Last Amended on: **19.01.2022**

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Background

The policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees ("the Policy") provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. The policy has been prepared pursuant to the provision of Section 178(4) of the Companies Act, 2013 ('the Act').

This Policy is divided in four parts: -

- **Section I** – Key objectives of the Nomination and Remuneration Committee ("the Committee") and this Policy;
- **Section II** –Duties of the Committee in relation to various matters including recommendations to be made by the Committee to the Board;
- **Section III** – The Policy on appointment, term and retirement of Director, Key Managerial Personnel and Senior Management by the Committee;
- **Section IV** – Provisions relating to the Remuneration for the Whole-time Director, Key Managerial Personnel, Senior Management Personnel.

Definition

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means the Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee.

'Directors' mean Directors of the Company.

Other words, expressions specifically not defined here, shall assume to carry the meaning as defined in the Companies Act, 2013 or any other law.

A brief summary of the policy in relation to the objective, appointment criteria, remuneration and general matters as administered by the Nomination and Remuneration Committee are reproduced herewith:

Section I

The Key Objectives of the Policy would be:

- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To recommend to the Board, the level and composition of remuneration payable to Directors, Key Management Personnel and Senior Management is reasonable and sufficient to attract, retain and motivate them;
- To ensure that the, remuneration payable to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To devise a policy on Board diversity;
- To develop a succession plan for the Board and Senior Management and to regularly review the plan.

SECTION II

This section covers the duties of the Committee in relation to various matters and recommendations to be made by the Committee to the Board.

Duties and Role of Committee

Matters to be dealt with, perused and recommended to the Board by the Committee shall include –

- Formulating the criteria for determining qualifications, positive attributes and independence of a Director;
- Identifying persons who are qualified to become Director and persons who may be appointed in Key Managerial positions in accordance with the criteria laid down in this policy;
- Recommending to the Board, appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.

Specifically, the duties include

A. Nomination Matters

- Determining the appropriate size, composition and diversity of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Ensuring that there is an appropriate induction plan in place for new Directors and reviewing its effectiveness;
- Identifying and recommending Directors who are to be put forward for appointment, reappointment and eligible for retire by rotation;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance, industry benchmarks and compliance;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Recommend necessary changes to the Board in line with Board Diversity Policy;
- Considering any other matters, as may be requested by the Board.

B. Remuneration Matters

- To consider and determine whether the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors;
- To consider and recommend remuneration payable to senior management including Key Managerial Personnel of the Company by maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company, and its growth strategy;
- To manage and administer the Employee Stock Option Plans including long term incentive in the form of RSUs of the Company;
- To consider any other matters as may be requested by the Board.

SECTION III

This section covers the Policy for appointment, term and retirement of Director and Key Managerial Personnel by the Committee.

Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or Senior Management and recommend to the Board his / her appointment;
- The Committee shall, with reference to every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- The Committee may, for the purpose of identifying suitable candidates undertake the following –

  i. use the services of an external agencies, if required;

  ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

  iii. consider the time commitments of the candidates.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Company shall not appoint any person as Managing

Director/Whole-time Director who has attained the age of seventy years, unless with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years;

- The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Term / Tenure:

- **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board.

- **Independent Director** - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment*, re-appointment or removal* pursuant to a special resolution passed by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

  Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- The committee shall ensure to include evaluation as a criteria towards the decision on whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.

  ** This will be effective from January 1, 2022.*

Evaluation

The Committee shall carry out evaluation of performance of every Director at regular intervals and at least on an annual basis.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Acts, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director or Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

SECTION IV

This Section of the Policy covers provisions relating to the Remuneration for the Whole-time Director, Key Managerial Personnel and Senior Management Personnel.

General

- The remuneration to the Whole-time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. Wherever required, the remuneration / compensation / commission etc. shall be subject to approval of the shareholders of the Company and Central Government, as may be applicable from time to time.

- The remuneration and commission including increments recommended to be paid to the Whole-time Director shall be in accordance with the percentage / slabs/ conditions laid down as per the provisions of the Act. These would be subject to approval of the shareholders of the Company.

- Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director / Key Managerial Personnel and Senior Management:

a) **Fixed pay:** The Executive Directors, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

I. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or

II. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

b) The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board and approved by the shareholders and Central Government, wherever required. The Committee shall recommend to the Board for approval of the remuneration payable to the Senior Management.

c) **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

d) **Long-term rewards:** The long-term rewards are linked to contribution to the performance of the Company based on relative position of the personnel in the organisation. These rewards could be in the form / nature of stock options including long term incentive in the form of RSUs and are based on level of employees and their criticality.

e) **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

a) **Remuneration / Commission:** The remuneration / commission shall be fixed as per the limits mentioned in the Act, subject to approval from the shareholders as applicable. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

b) **Sitting Fees:** The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.

c) **Stock Options:** An Independent Director shall not be entitled to any stock option including long term incentive in the form of RSUs of the Company.

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board meetings, Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

Amendments and Updates

The Nomination and Remuneration Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Act. In case of any modifications, amendments or inconsistencies with the Act, the provisions of the applicable prevailing laws and the rules made thereunder would prevail over the Policy.

ANNEXURE V
FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company**
The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to its business. 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 CSR strategy shall create long-term and scalable values for communities and society. In the process of executing CSR, the Company shall comply with the statutory requirements of the Companies Act, 2013, and the related rules and regulations as may be amended from time to time.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Peter Baron Piot (Appointed as Chairperson of CSR Committee with effect from February 27, 2022)	Chairperson – Independent Director	3	3
2.	Ms. Kiran Mazumdar Shaw	Member - Executive Chairperson	3	3
3.	Ms. Nivruti Rai	Member – Independent Director	3	3
4.	Mr. Thomas Jason Roberts (Appointed as additional director and inducted on CSR Committee with effect from November 15, 2021)	Member – Additional Director	1	1

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- **Not Applicable**

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 (attach the report) – **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)

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

6. Average net profit of the Company as per section 135(5): ₹ **2,128 Million**

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹ **43 Million**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **Not Applicable**

   (c) Amount required to be set off for the financial year, if any – **Not Applicable**

   (d) Total CSR obligation for the financial year (7a+7b- 7c) – ₹ **43 Million**

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

Total Amount Spent for the Financial Year (in ₹ Million)	Amount Unspent				
	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
43	NA	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (In ₹ Million)	Amount spent in the current financial year (In ₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	eLAJ Smart Clinics	Promoting Healthcare	Yes	Karnataka	Bangalore Urban	4 years (Apr 20 to March 24)	15	15	0.00	No	Biocon Foundation	CSR00002304
	TOTAL						**15**	**15**	**0.00**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Mass Transit System	Environmental Sustainability	Yes	Karnataka	Bangalore Urban	28	No	Biocon Foundation	CSR00002304
	TOTAL					**28**			

(d) Amount spent in Administrative Overheads : **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable : **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ **43 Million**

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

Sl. No.	Particulars	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per section 135(5)	**43**
(ii)	Total amount spent for the financial year	**43**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**NIL**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	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:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Million)	Amount spent in the reporting Financial Year (in ₹ Million)	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 ₹ Million)
				Name of the Fund	Amount (in ₹ Million)	Date of transfer	
NA							

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

(1) Sl. 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 ₹ Million)	(7) Amount spent on the project in the reporting Financial Year (in ₹ Million)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹ Million)	(9) Status of the project -Completed/ Ongoing
NA								

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 –

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **NA**

(b) Amount of CSR spent for creation or acquisition of capital asset: **NA**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NA**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **NA**

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): **NA**

Dr. Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

Mr. Peter Baron Piot
Chairperson – CSR Committee
DIN: 09015343

Management Discussion and Analysis

Management Discussion and Analysis

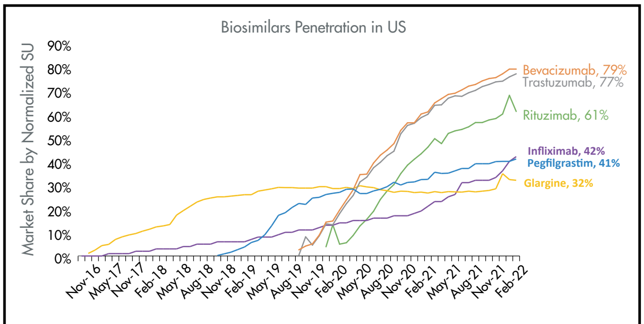
Biosimilars (Biocon Biologics Limited)

Biocon operates its biosimilar business through its subsidiary Biocon Biologics Limited (BBL). We develop high-quality and affordable biosimilars that can expand access to cutting-edge therapeutics for patients globally at our R&D sites in Bengaluru and Chennai (India). These are manufactured at scale for both developed and emerging markets in Bengaluru (India) and Johor (Malaysia). Our products are marketed globally through a hybrid commercial model, wherein we have direct commercial presence in a few countries and in others, we leverage partners such as Viatris.

Biosimilars : An attractive market

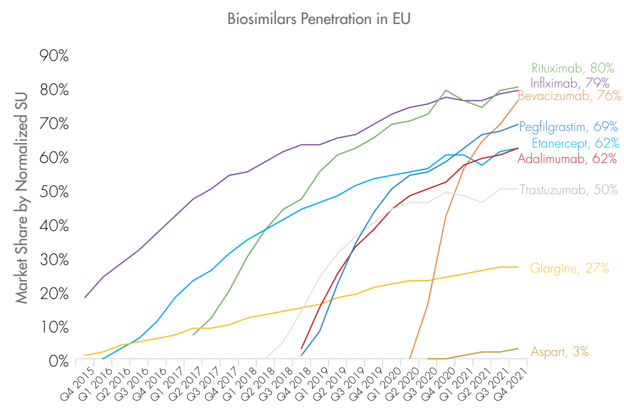
In the last decade, the biosimilar industry has grown significantly in all parts of the world. We have witnessed rapid adoption of biosimilars in Europe and emerging markets. More recently, there has been strong penetration of biosimilars in the US. Biosimilars introduced for several multi-billion-dollar therapeutics have been well received by the patients, doctors, customers and payers.

Since 2015, biosimilars have been launched in the US referencing eight innovator molecules in oncology, immunology, and diabetes (as of March 2022). Biosimilar penetration has continued to improve with increased acceptance from all the stakeholders, including payors and providers.



Note: Biosimilar penetration based on IQVIA monthly data; Glargine includes Lantus, Basaglar and Semglee

Europe has been a frontrunner in biosimilar adoption with penetration being over 60% across most molecules. The introduction of biosimilars has led to market expansion for most molecules, improving access for patients. The level of biosimilar penetration varies across countries considering the heterogenous market dynamics.



Note: Biosimilar penetration based on IQVIA quarterly data; Glargine includes Lantus, Basaglar and Semglee

Biosimilars have an important role in improving access to cutting-edge therapeutics in emerging markets. We have witnessed growing demand for biosimilars in several countries. There has been an adverse impact of COVID-19 on healthcare budgets in these markets as countries have been diverting resources to mitigate the impact of the pandemic, further increasing the demand for affordable therapies.

Over the next 5 years, biologic brands having revenues of more than $70 billion will lose exclusivity, presenting multiple new opportunities for the biosimilar industry; a significant step up against $25 billion in the prior 5-year period[8]. According to IQVIA, this has the potential to generate about $215 billion in cumulative savings for healthcare systems globally. Biologic therapies form a large proportion of the total new drugs under development, paving the way for a significant increase in biosimilar market size in the long-term.

Inception of Biocon's biosimilars business

Biocon's early entry into the biosimilar segment, more than 20 years ago, has enabled us to become a frontrunner in the biosimilars industry. Our journey started with the development and commercialization of our proprietary *Pichia pastoris* platform-based recombinant Human Insulin which was followed by our entry into oncology monoclonal antibodies (mAbs). In 2009, we entered a global strategic collaboration with Viatris (earlier Mylan) for the development, manufacturing, supply, and commercialization of a few biosimilars.

The Viatris collaboration is a cost-share and profit-share model wherein we participate in about one-third of the economics

[8] IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021

from the developed markets where Viatris has exclusive commercial rights and about a half in emerging markets where we have shared commercial rights. The investments made by both companies in scaling complementary skills in R&D, manufacturing, and commercialization, ahead of our peers, have allowed us to develop a strong foundation in each of these areas. Despite the nascent biosimilars regulatory pathway, we have been able to achieve many firsts, setting new benchmarks for the industry.

The experience and early success of our first wave of molecules enabled us to go up the value chain and garner a higher share in commercial rights along with increased participation in the risk-reward equation of sharing costs and profits. The partnership with Sandoz is structured on an equal economic share with Biocon Biologics having increased rights in developed markets and exclusive rights in most emerging markets. The responsibility for development, manufacturing and ownership of the marketing authorizations is shared between the partners.

Evolving Biocon Biologics to a fully integrated global biosimilars enterprise

The biosimilar industry has been maturing rapidly with increased acceptance across the globe. Improved clarity on the regulatory pathway, success stories of several biosimilars and a growing market opportunity have drawn interest from several companies. Biocon's initial foray into biosimilars through a partner led model wherein we focused on certain activities while benefitting from partners' capabilities for others has enabled us to build a strong R&D, manufacturing, and emerging markets commercial platform. We have made substantial investments with Viatris to build complimentary capabilities – a strategy which has allowed us to de-risk our journey in an uncharted territory.

The aspiration to build a world leading biosimilar company calls for bold and transformational changes, adapting to the evolving market dynamics in the coming decade.

In February 2022, we entered into a definitive agreement to acquire our partner Viatris' biosimilars business. The combined business will have all the elements to serve the global biosimilar market, including R&D capabilities, product portfolio, manufacturing capacity, global commercial infrastructure, and an experienced management team, creating a global organization for the next decade and beyond.

The acquisition will allow us to capture the full value from all of the collaboration programs post completion of the transaction. The higher economic benefit from these molecules will further strengthen our financials and provide us with the scale and incremental capabilities to support the next wave of products.

It will enable us to directly leverage the biosimilar commercial infrastructure built by Viatris for our existing and future pipeline of products. The commercial team will be dedicated to biosimilars when they become a part of Biocon Biologics, providing sharper focus in their respective territories. A combination of longstanding track record with patients and customers, growing biosimilar portfolio and focused commercial efforts forms the basis of our developed markets biosimilar strategy.

We believe that vertical integration in the biosimilars industry is critical to be both agile and competitive. A fully integrated model will help us bring efficiencies in the system with quicker decision making, improved market insights and common focus across functions, backed by one common organizational vision and mission. The acquisition of Viatris' biosimilar business enables a vertically integrated structure and fills the gap in our missing capabilities in developed markets, especially around local supply chain, regulatory and commercialization.

Seamless integration and focused execution will allow us to maximize the value from this transaction. The companies will enter into a Transition Services Agreement, pursuant to which Viatris will provide certain transition services, including commercialization services, for an expected two-year period. Our long-standing relationship with Viatris, positions us well to ensure smooth integration of the two businesses.

Expansion into adjacencies

We have been primarily focused on bio-therapeutics for non-communicable disease to deliver on our vision of affordable, innovative, and inclusive healthcare solutions. However, a strong presence in communicable disease is an essential element to have a holistic impact on patient lives. In the last couple of decades, we have seen a rapid increase in the frequency of viral outbreaks. Besides COVID-19, there have been several other viral outbreaks in different parts of the world such as Dengue, Zika, Ebola, etc. Infectious diseases led by viral outbreaks have a devastating impact on human life as demonstrated in the recent pandemic. Through our Covid-care portfolio, anchored by Alzumab-L (our novel antibody Itolizumab), we were able to realize the potential of bio-therapeutics in the fight against infectious diseases. Biocon's more than 20 years of investments in biologics provides a strong foundation to contribute further to this fight, leading to our strategic expansion into adjacencies such as vaccines and antibodies.

In July 2021, we partnered with US based Adagio Therapeutics for an exclusive license to manufacture and commercialize ADG20 in India and select emerging markets. ADG20 is a novel monoclonal antibody targeting the spike protein of SARS-CoV-2 and related coronaviruses. The preliminary results from Phase 2/3 clinical trials of ADG20 showed that in the pre-Omicron population, ADG20 administered as a single 300mg IM dose met primary endpoints with statistical significance.

However, given the lack of neutralizing activity against the BA.2 variant, Adagio has paused the submission of an Emergency Use Authorization (EUA) request to the US FDA.

In September 2021, Biocon Biologics and Serum Institute Life Sciences (SILS) entered into a strategic alliance for vaccines and infectious disease antibodies. We will get committed access to 100 million doses of vaccines per annum from SILS' upcoming vaccine facility in Pune for about 15 years post-closing of the transaction. We will also get commercialization rights to SILS' vaccine portfolio, including COVID-19 vaccines for markets where SILS has rights. The near to medium-term focus will be on commercialization of SILS portfolio wherein our commercial teams will collaborate to maximize the value of the vaccines which are a part of the alliance. Pursuant to the terms of the agreement, commencing H2FY23, the business will generate a committed revenue stream and related margins. Gradually we will establish a vaccine R&D division to support the strategic alliance in developing both vaccines and biologics for communicable diseases, providing long-term growth drivers for this business.

Building a robust product portfolio

We have one of the deepest portfolios of biosimilars in the industry, spanning across insulin, antibodies and recombinant proteins. The partnership with Viatris has yielded several molecules in diabetes, oncology, and immunology of which five have been already commercialized in markets globally[9]. We were the first company to receive US FDA approval for bTrastuzumab and bPegfilgrastim. The commercial success of bPegfilgrastim, bTrastuzumab and bGlargine and in-licensed biosimilars bAdalimumab and bEtanercept has allowed us to continue to invest in our pipeline. Launches of bBevacizumab, bAspart and bAdalimumab, especially in the US, are expected to contribute to the near-term growth of the business.

We have built a sizeable portfolio of unpartnered biosimilars that are at various stages of development. We are developing various presentations of recombinant human insulins (rHI) for the US. Our biosimilar referencing Eli Lilly's Humulin-R, a short-acting rHI, demonstrated equivalence in a pharmacokinetic (PK) and pharmacodynamic (PD) study published in the journal, 'Diabetes, Obesity and Metabolism', in January 2022. We have also advanced bUstekinumab and bDenosumab into clinical development. We are conducting Phase 1 and Phase 3 clinical trials for both the programs backed by the robust pre-clinical CMC packages. The pipeline will be augmented by Viatris' bAflibercept, wherein we have the option to acquire Viatris' rights in the program as a part of the aforementioned acquisition.

Our portfolio also includes bPertuzumab, bGlargine 300U and seven other early stage undisclosed programs that would sustain our growth in the long-term.

STATUS OF BIOCON BIOLOGICS PORTFOLIO (April 2022)

Therapeutic Area	Molecule	US	Dev. Markets: ex-US	MoW[4]
Oncology	Pegfilgrastim[1]		Europe, CANZ	
	Trastuzumab[1]		Europe, CANZ	
	Bevacizumab[1]		Europe, AU, CA	
	Denosumab		Europe, CANZ, JP	
	Pertuzumab[1]			
Immunology	Adalimumab[1,2]		Europe, CA, JP	
	Etanercept[1,2]		Europe	
	Ustekinumab		UK, CANZ, JP	
Diabetes	Glargine 100U[1,3]		Europe, CANZ, JP	
	Glargine 300U[1]		Europe	
	Aspart[1]		Europe, CA	
	rHI			
Ophthalmology	Aflibercept[5]			
Bone Health	Denosumab		Europe, CANZ, JP	
Undisclosed	7 Assets			

Early Dev./ Preclinical | Clinical | Filed | Approved

Access to SILS vaccine portfolio (Covishield and Covovax) and other next generation vaccines (e.g., mosquito-borne disease vaccines)[6]

1 In partnership with Viatris; 2 Partner Viatris has in-licensed product (Biocon benefits from economic interest) | 3 Japan is outside of Viatris partnership | 4 MoW represents Most of the World markets. Chart represents the status of the country where the product is in most advanced stage. Every country has a different status | 5 Expected to be included in BBL portfolio post the completion of BBL's acquisition of Viatris' biosimilar business (Product partnered with Momenta) | 6 Subject to completion of the acquisition of Covishield Technologies Private Limited (CTPL) 1

[9] Does not include Viatris in-licensed programs (bAdalimumab and bEtanercept)

Commercial performance of Biocon Biologics

Through our partnership with Viatris, we have been able to access all the key developed markets with multiple products across therapy areas, creating a strong track record. Market shares garnered by our products have meaningfully contributed to the growing biosimilar penetration in the US. In July 2021, US FDA granted 'interchangeability' designation to biosimilars with Semglee, our bGlargine 100U, being the first to achieve the feat. Interchangeability allows pharmacists to automatically substitute the reference drug with the interchangeable biosimilar, increasing the confidence of patients, doctors, and payors. There has been strong demand for our interchangeable bGlargine in the US evidenced by the market share ramp up seen in Q4 FY22. The evolving market dynamics around biosimilars indicate a preference for the interchangeability designation for patient-administered drugs.

We have pursued select European countries thus far as a part of our Viatris collaboration. It will continue to be an important market for Biocon Biologics, benefitting from the strong acceptance of biosimilars in the region. In other developed markets of Canada, Australia and Japan, our products continue to see strong demand. For instance, we have one of the leading bTrastuzumab in Canada and Australia. In February 2021, Viatris received regulatory approval for bAdalimumab in Japan, wherein we have an economic interest, and it will be an important growth driver in the region.

Our presence in emerging markets has been fortified through our organically developed B2B business and Viatris' emerging markets business. Our B2B business has increased its breadth by entering new countries through regional partnerships and addition of new products following approval in developed markets. In addition to the products developed in collaboration with Viatris, we have been commercializing recombinant human insulin (rHI) through our B2B platform. During the year, we entered 44 new partnerships across 50 countries for our products, enabling entry into new markets. We continue to see strong demand for our commercialized products in existing markets. For example, in FY22, we have won a three-year contract for Insugen in Malaysia, valued at $90 million.

Biocon Biologics has been investing to build its direct commercial footprint in emerging markets, allowing it to capture higher value from the products sold in the region. We have added field force in the UAE and Saudi Arabia to augment commercialization efforts for our biosimilars in the region, enabling us to get closer to the patients and customers.

Our Branded Formulations India (BFI) business has a large field force network focusing on specialty brands in critical therapies and offering world-class quality therapeutics to thousands of patients in India. These include biologics (including biosimilars, novel molecules, and others), in-licensed products, and branded generics for acute and chronic conditions. The business focuses on therapeutic areas such as metabolics (diabetes, cardiovascular), oncology, nephrology, and autoimmune diseases. In FY22, our BFI commercial team was instrumental in helping more than 50,000 COVID-19 patients through distribution of our comprehensive Covid-care portfolio.

Biosimilars - FY22 Highlights:
FY22 was an important year for Biocon Biologics as we witnessed several transformational events, both strategic and operational. Both the BBL-led business and the Viatris-led business have delivered strong performance during the year.

- bPegfilgrastim: In the US, we have seen an uptick in market share of Fulphila® versus FY21 with resilience demonstrated throughout the year despite competitive dynamics.

- bTrastuzumab: In the US, there has been a gradual increase in the market share of Ogivri® through the year. We have also seen a strong performance of Ogivri® in Canada and Australia. We continue to enter new markets through our B2B business, opening new opportunities for growth.

- bBevacizumab: We launched bBevacizumab in the EU, Canada and Malaysia. We have received regulatory approvals in several emerging markets, supporting our B2B business. We are awaiting site inspection of our Bengaluru facility by the US FDA in Q2 FY23 which has been delayed because of the pandemic.

- bAdalimumab: Hulio™ continues to improve market share in EU. It has been approved by the US FDA with launch expected in July 2023.

- bEtanercept: We have an economic interest in Nepexto® due to our three-way collaboration with Viatris and Lupin. Nepexto® was launched in the EU in August 2020.

- bGlargine: Semglee® received interchangeability designation in July 2021. Effective January 2022, Express Scripts and Prime Therapeutics, leading pharmacy benefit management organizations, have listed our bGlargine as a preferred insulin brand on their national formularies that together include more than 60 million lives in the US. It will also be offered through the Walgreens Prescription Savings Club, saving members up to 80% off the cash price of comparable long-acting insulins purchased at Walgreens. We have seen strong growth in market shares of our bGlargine from January 2022 on account of these commercial arrangements.

- bAspart: US FDA conducted an on-site pre-approval inspection (PAI) of our Malaysian manufacturing facility in September 2021. Following the inspection, it issued a Complete Response Letter (CRL) which did not identify any outstanding scientific issues with the product and the CRL was responded to in due course. bAspart is approved in EU, Canada, and Malaysia.

- Recombinant Human Insulin (rHI): We have commercialized recombinant human insulin in several emerging markets worldwide. We continue to progressively file Biologics License Applications for various formulations of rHI.

Our product portfolio continues to grow as we develop existing products for new markets and develop new products for global markets. We progressed our bUstekinumab and bDenosumab into clinical development. We have initiated the expansion of our insulin manufacturing facility in Malaysia, driven by a strong demand for our current insulin portfolio. This will also support our future pipeline. We have built two mAbs Drug Substance facility (B3 and B5) located in Bengaluru catering to the growing demand for our existing products along with the upcoming pipeline. These facilities are going through regulatory process to qualify existing portfolio as well as our pipeline. Our investment strategy is to build capacity in a modular manner, in-line with our projection of market opportunity.

As the world celebrates the 100th anniversary of the discovery of insulin, Biocon Biologics tied up with the Research Society for the Study of Diabetes in India (RSSDI), Asia's largest organization of researchers and healthcare professionals for diabetes. We will launch a Comprehensive Care Program, BRIDGE-1, the Biocon & RSSDI Initiative for Diabetes Knowledge in Type 1 patients. The program will identify and train ~400 physicians in different districts across India country. It reinforces our commitment towards affordable access of our products.

In September 2021, we entered a strategic alliance with SILS wherein we will offer approximately 15% stake in BBL to SILS, at a post-money valuation of ~$4.9 billion. As mentioned previously, we will get committed access to a 100 million doses of vaccines per annum for about 15 years. Adar Poonawalla will have a Board seat in BBL. We will issue shares and receive the contemplated rights through a merger with Covidshield Technologies Pvt. Ltd. (CTPL), a wholly owned subsidiary of SILS, on customary closing conditions and receipt of regulatory approvals.

In February 2022, we entered into a definitive agreement to acquire Viatris' biosimilars business to create a unique fully integrated global biosimilars enterprise. Post completion of the transaction, Viatris will receive consideration of up to $3.335 billion, including cash up to $2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL valued at $1 billion, equivalent to an equity stake of at least 12.9% on a fully diluted basis. Cash consideration will be distributed over the next few years with $2 billion payable on closing of the transaction and up to $335 million as additional payments expected to be paid in 2024. The deferred considerations include $175 million to be paid for the acquisition of Viatris' rights in its bAflibercept. Viatris will pay $50 million to BBL to fund certain capital expenditures. Cash payment of $2 billion will be funded by ~$800 million raised through equity infusion in BBL and the remainder will be funded by debt. Equity infusion of ~$800m will see participation from SILS, Biocon Limited and other private equity investors.

The two strategic partnerships have enabled Biocon Biologics to expand its business horizontally and vertically. It reflects a high level of conviction in Biocon Biologics' position as a global frontrunner in biosimilars, transforming to be the world's leading fully integrated biosimilar company.

Biosimilars - FY22 Financial Performance:

The biosimilars business continued to see strong growth with sustainable profitability. Biocon Biologics' revenues have grown by 24% over last year to ₹34,643 million, representing 42% of consolidated revenues from operations. Revenue growth was driven by a strong uptake of our interchangeable insulin glargine in the second half of the year, improved market shares of Trastuzumab in US and an improved performance in other developed and emerging markets. Core EBITDA margin, which is EBITDA less licensing, forex, mark-to-market loss on investments and R&D expense was at 39% versus 36% in FY21. The improved margins were a result of a higher revenue base. The business delivered EBITDA margins of 29% in FY22.

Biosimilars - FY23 Outlook:

FY22 has been a transformational year for Biocon Biologics on account of the two strategic deals entered into. We will be focused on completing these deals and integrating the acquired businesses into Biocon Biologics. Combining the Viatris' biosimilar business with BBL will accelerate the build out of our commercial capabilities in developed markets in order to become a strong global brand. Vertical integration will drive operational efficiencies and business agility, thereby underpinning cost competitiveness. The vaccines alliance with Serum and our continued investment in R&D, adding products to our portfolio, opens up new growth avenues for Biocon Biologics in the coming years. FY23 will witness the first full year of revenues from our interchangeable insulin glargine in the US. In FY23 we are anticipating several regulatory milestones including potential approval of bBevacizumab and bAspart in the US. We will be progressing our in-house biosimilar programs, bUstekinumab and bDenosumab, through clinical development. The business catalysts and strategic levers will further strengthen Biocon Biologics as a platform to become the world's leading vertically integrated biosimilar enterprise augmented by presence in strategic adjacencies.

Financial Performance - An Overview

Consolidated Balance Sheet

The following table highlights the Consolidated Balance Sheet as on March 31, 2022 (FY22) and March 31, 2021 (FY21)

			All figures in ₹ million
Particulars	FY 22	FY21	Change
Assets			
Non-current assets			
Tangible, Intangible and Right-of-use assets	61,533	54,801	12%
Financial assets	124	143	-13%
Income-tax assets (net)	766	776	-1%
Deferred tax assets (net)	1,095	1,414	-23%
Other non-current assets	1,533	1,347	14%
	65,051	**58,481**	**11%**
Current assets			
Inventories	14,105	12,437	13%
Financial assets	15,579	18,038	-14%
Other current assets	2,216	1,774	25%
	31,900	**32,249**	**-1%**
Total	**96,951**	**90,730**	**7%**
Equity and Liabilities			
Equity share capital	10,588	10,588	-
Other equity	11,520	7,223	59%
	22,108	**17,811**	**24%**
Non-current liabilities			
Financial liabilities	33,269	26,524	25%
Deferred tax liability (net)	523	793	-34%
Provisions and other non-current liabilities	9,888	8,114	22%
	43,680	**35,431**	**23%**
Current liabilities			
Financial liabilities	29,695	35,783	-17%
Income -tax liability (net)	288	411	-30%
Provisions and other current liabilities	1,180	1,294	-9%
	31,163	**37,488**	**-17%**
Total	**96,951**	**90,730**	**7%**

Non-current assets

Non-current assets grew 11%, primarily due to additions in tangible assets and capitalization of product development expenses. Additions to tangible assets pertain primarily to Plant and Equipment and Research and Development equipment.

Other equity

Other equity mainly comprises of securities premium, reserves and surplus, equity component of preference shares, optionally convertible debentures and other reserves. The total other equity of the company increased by 59% in FY22, primarily due to profit accumulation.

Non-current liabilities

Non-current liabilities increased by 23% in FY 22, primarily due to new term loans taken from Banks during the year to finance current maturities of long-term borrowings.

Working capital (current assets less current liabilities)

As at March 31, 2022 the Company had working capital of ₹ 13,601 million (i.e. excluding Preference share liability to Biocon Limited of ₹ 12,864 million). Likewise comparison for working capital as on March 31, 2021 was at ₹ 7,625 million (i.e. excluding Preference share liability to Biocon Limited of ₹ 12,864 million). The improved working capital is on account of higher inventories and receivable and repayment of current maturities of long-term borrowings from proceeds of new term loans taken during the year.

Debt equity

Total debt as at March 31, 2022 stood at ₹ 37,759 million (Refer note 32 of the Consolidated Financial Statements of Biocon Biologics Limited) and the debt equity ratio stood at 1.08. No material changes that may affect the financial position of the Group, have occurred after the close of the year, until date of Directors 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, 2022 (FY22) and March 31, 2021 (FY21)

			All figures in ₹ million
Particulars	FY 22	FY21	Change
Total Revenue	**34,747**	**28,036**	**24%**
Expenses			
Cost of material consumed	10,037	7,254	38%
Employee benefit expense	7,169	6,106	17%
Finance costs	668	372	80%
Depreciation and amortisation expense	4,029	3,430	17%
R&D expenses, net of recovery from co-development partners	3,100	2,840	9%
Other expenses	4,312	4,388	-2%
Total Expenses	**29,315**	**24,390**	**20%**
Profit before tax and exceptional item	**5,432**	**3,646**	**49%**
Exceptional item	(804)	(226)	-256%
Profit before tax	**4,628**	**3,420**	**35%**
Tax expense	803	745	8%
Profit attributable to shareholders of the Company	**3,825**	**2,675**	**43%**
Other comprehensive income attributable to shareholders	959	(449)	314%
Total comprehensive income attributable to shareholders	**4,784**	**2,226**	**115%**

Revenue

During the year, revenues grew by 24% on a consolidated basis from ₹ 28,036 million to ₹ 34,747 million. Revenue growth was driven by a strong uptake of our interchangeable insulin glargine in the second half of the year, improved market shares of Trastuzumab in US and an improved performance in other developed and emerging markets.

Cost of materials consumed

Material costs for the year comprised of raw materials, packing materials, traded goods and change in inventories. In FY22, cost of material consumed, as a percentage of revenue from operations increased by ~3% as compared to FY21 due to increase in solvents and natural gas pricing.

Employee benefit expenses

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 17% in FY22, primarily due to headcount increase driven by growth in business.

Research and development expenses, net of recovery

The net R&D expenditure for FY22 increased 9% to ₹ 3,100 million (₹ 2,840 million in FY21). Total spend was at ~9% (10% in FY21) of revenue.

Depreciation and amortization

During this fiscal, depreciation and amortization increased 17% to ₹ 4,029 million from ₹ 3,430 million in FY21, primarily due to commissioning of new facilities and amortization of intangible assets.

Finance costs

The finance cost increased 80% to ₹ 668 million from ₹ 372 million in FY 21, primarily due to full year impact of finance costs on debts obtained in second half of the FY 21.

Exceptional items (net)

The Exceptional items during FY 22 comprised the following:

1. The Company has obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) during FY 22 for proposed acquitions amounting ₹ 410 million which is presented under Exceptional items in the consolidated financial statements. Consequential tax impact of ₹ 169 million is included within tax expense.

2. The Company has entered into an amendment agreement with Goldman Sachs India AIF Scheme – 1 (Goldman Sachs) which resulted in modification in the terms of the compound financial instrument. This resulted in modification loss of ₹ 274 million which is presented under Exceptional items in the consolidated financial statements. Consequential tax impact of ₹ 49 million is included within tax expense during the year FY 22.

3. The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at ₹ 50 million per exporter for the period. The Company during the year FY 22 reversed the SEIS claim accruals ₹ 120 million for the financial year 2019-2020 and the same has been presented under exceptional items in the consolidated financial statements for the year ended March 31, 2022. Consequential tax impact of ₹ 21 million is included within tax expense for the year ended March 31, 2022

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 (FCTR). The increase is primarily due to higher gains on hedging instruments in FY22 as compared to FY21 and FCTR gain of ₹ 569 million in FY 22 as against loss of ₹ 145 million in FY21.

Key financial ratios

Particulars	FY 22	FY21*
Debtors turnover	4.74	6.14
Inventory turnover	0.76	0.71
Current ratio #	1.74	1.31
Debt equity ratio ^	1.08	1.15
Net profit margin (%)	11%	10%

* Updated as per guidance provided by amended Schedule III to the Companies Act, 2013 effective from April 1, 2021

Current liabilities exclude Non-Convertible Redeemable Preference Shares ("NCRPS") and Optionally Convertible Redeemable Preference Shares ("OCRPS") issued to Biocon Limited

^ Equity includes NCRPS and OCRPS issued to Biocon Limited

Standalone Financial Statements

Independent Auditor's Report

To the Members of Biocon Biologics Limited (formerly known as Biocon Biologics India Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Biocon Biologics Limited (*formerly known as Biocon Biologics India Limited*) (the "Company") and its employee welfare trust which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein 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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors'/Board of Trustees Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company/Board of Trustees of the employee welfare trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors/Board of Trustees are also responsible for overseeing the financial reporting process of each Company/Trust.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 33 (i) to the standalone financial statements.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 31 to the standalone financial statements.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company ; or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party ; or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AHYMVA3719

Place: Bengaluru
Date: 27 April 2022

Annexure A to the Independent Auditors' Report

on the Standalone financial statements of Biocon Biologics Limited (formerly known as Biocon Biologics India Limited) for the year ended 31 March 2022

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(i) (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(i) (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(i) (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided guarantees during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee to limited liability partnership or any other parties during the year.

(a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has stood guarantee to subsidiary as below:

Particulars	Guarantees
Aggregate amount during the year - Subsidiary*	₹ 7,349 million
Balance outstanding as at balance sheet date - Subsidiary*	Nil

*As per Companies Act, 2013

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not stood guarantee to a party other than a Subsidiary.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of guarantee provided are, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loan or advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(c) to (iii)(f) of the order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made and guarantee provided by the Company, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including GST, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of examination of records of the Company, statutory dues relating Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Entry Tax, Value Added Tax, Central Sales Tax, Duty of Customs or Cess or any other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Million)	Amount paid in protest (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	986	166	FY 2009-10, FY 2015-16 and FY 2017-18	Commissioner (Appeals)
Entry Tax (The West Bengal Tax on Entry of Goods into Local Area Act 2012)	Entry Tax	20	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 (Appeal)
Value Added Tax Act, 2005	Value Added Tax	81	8	FY 2008-09 to FY 2015-16	Joint Commissioner (Appeal)
Central Sales Tax Act 1956	CST	38	1	FY 2008-09 to 2013-14	Joint Commissioner (Appeal)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AHYMVA3719

Place: Bengaluru
Date: 27 April 2022

Annexure B to the Independent Auditors' Report

on the standalone financial statements of Biocon Biologics Limited (formerly known as Biocon Biologics India Limited) for the period ended 31 March 2022

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 2 (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 Biologics Limited (formerly known as Biocon Biologics India Limited) ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AHYMVA3719

Place: Bengaluru
Date: 27 April 2022

Standalone Balance Sheet

as at March 31, 2022

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

	Note	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	6,981	6,793
Capital work-in-progress	3(a)	20,952	15,924
Other intangible assets	4	277	90
Right-of-use assets	3(b)	1,759	1,730
Financial assets			
(i) Investments	5(a)	18,051	18,051
(ii) Derivative assets		53	26
(iii) Other financial assets	6(a)	60	49
Income-tax assets (net)		766	776
Deferred tax assets (net)	7	1,095	1,040
Other non-current assets	8(a)	1,329	1,201
Total non-current assets		**51,323**	**45,680**
Current assets			
Inventories	9	9,840	9,074
Financial assets			
(i) Investments	5(b)	105	3,330
(ii) Trade receivables	10	8,477	4,664
(iii) Cash and cash equivalents	11	628	1,891
(iv) Bank balances other than (iii) above	11	1,000	2,000
(v) Derivative assets		171	103
(vi) Other financial assets	6(b)	340	226
Other current assets	8(b)	1,655	1,466
Total current assets		22,216	22,754
TOTAL		**73,539**	**68,434**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	10,588	10,588
Other equity	12(b)	10,618	9,905
Total equity		**21,206**	**20,493**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	23,538	21,283
(ii) Lease liabilities	27	1,572	1,527
(iii) Derivative liabilities		30	384
Provisions	14(a)	299	270
Other non-current liabilities	15(a)	1,094	904
Total non-current liabilities		**26,533**	**24,368**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	18,771	15,646
(ii) Lease liabilities	27	486	438
(iii) Trade payables	17		
Total outstanding dues of micro and small enterprises		375	453
Total outstanding dues of creditors other than micro and small enterprises		4,517	4,873
(iv) Derivative liabilities		106	179
(v) Other financial liabilities	18	763	1,331
Provisions	14(b)	421	357
Income tax liabilities (net)		86	-
Other current liabilities	15(b)	275	296
Total current liabilities		**25,800**	**23,573**
TOTAL		**73,539**	**68,434**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

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

	Note	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	19	23,625	19,408
Other income	20	103	63
Total income		**23,728**	**19,471**
EXPENSES			
Cost of raw materials and packing materials consumed	21	7,170	7,424
Purchases of traded goods		1,467	688
Changes in inventories of traded goods, finished goods and work-in-progress	22	(687)	(1,823)
Employee benefits expense	23	5,399	4,235
Finance cost	24	591	369
Depreciation and amortisation expense	25	1,552	1,183
Other expenses	26	6,733	5,054
		22,225	17,130
Less: Recovery of cost from co-development partners (net)		(224)	(221)
Total expenses		**22,001**	**16,909**
Profit before exceptional item and tax		1,727	2,562
Exceptional items	38	(804)	(121)
Profit before tax		**923**	**2,441**
Tax expense	29		
Current tax		267	468
Deferred tax charge/(credit)			
MAT credit entitlement		(97)	(261)
Other deferred tax		(107)	137
Tax expense		**63**	**344**
Profit for the year		860	2,097
Other comprehensive income/(expense)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(19)	(5)
Income tax effect		6	2
		(13)	**(3)**
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		507	(487)
Income tax effect		(154)	110
		353	**(377)**
Other comprehensive income/(expense) for the year, net of taxes		**340**	**(380)**
Total comprehensive income for the year		**1,200**	**1,717**
Earnings per equity share	34		
Basic (in ₹)		0.81	2.02
Diluted (in ₹)		0.78	1.95

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Standalone Statement of Changes In Equity

for the year ended March 31, 2022

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

A. Equity share capital	March 31, 2022	March 31, 2021
Opening balance	10,588	2,060
Bonus shares issued during the year	-	8,242
Shares issued during the year	-	286
Closing balance	**10,588**	**10,588**

B. Other equity

	Reserves and surplus								Other comprehensive income		Total other equity
	Equity component of optionally convertible debentures	Securities premium	Retained earnings	SEZ reinvestment reserve	Amalgamation Adjustment	Debenture redemption reserve	Capital Redemption Reserve	Employee stock options outstanding reserve	Cash flow hedging reserve	Other items of other comprehensive income	
As at April 1, 2020	**-**	**5,244**	**3,755**	**-**	**(1,614)**	**-**	**-**	**-**	**(40)**	**748**	**8,093**
Profit for the year	-	-	2,097	-	-	-	-	-	-	-	2,097
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	(377)	(3)	(380)
Total comprehensive income for the year	**-**	**-**	**2,097**	**-**	**-**	**-**	**-**	**-**	**(377)**	**(3)**	**1,717**
Transactions recorded directly in equity											
Utilised for issue of bonus shares during the year	-	(5,244)	(2,998)	-	-	-	-	-	-	-	(8,242)
Premium received on Issue of shares during the year	-	7,514	-	-	-	-	-	-	-	-	7,514
Share issue expense incurred during the year	-	(136)	-	-	-	-	-	-	-	-	(136)
Transfer to debenture redemption reserve	-	-	(1,325)	-	-	1,325	-	-	-	-	-
Transfer to Special Economic Zone ("SEZ") reinvestment reserve	-	-	(223)	223	-	-	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	223	(223)	-	-	-	-	-	-	-
Transfer to Reserves and surplus	-	-	782	-	-	-	-	-	-	(782)	-
Transfer to Capital Redemption Reserve	-	-	(1,292)	-	-	-	1,292	-	-	-	-
Equity component of optionally convertible debentures (refer note 13(d))	959	-	-	-	-	-	-	-	-	-	959
As at March 31, 2021	**959**	**7,378**	**1,019**	**-**	**(1,614)**	**1,325**	**1,292**	**-**	**(417)**	**(37)**	**9,905**
Profit for the period	-	-	860	-	-	-	-	-	-	-	860
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	353	(13)	340
Total comprehensive income for the year	**-**	**-**	**860**	**-**	**-**	**-**	**-**	**-**	**353**	**(13)**	**1,200**
Transactions recorded directly in equity											
Transfer to debenture redemption reserve (refer note 13(d))	-	-	(38)	-	-	38	-	-	-	-	-
Modification impact on OCD (refer note 13(d))	(959)	-	60	-	-	-	-	-	-	-	(899)
Employee stock compensation expense [refer note 36]		-	-	-	-	-	-	412	-	-	412
Transfer to Special Economic Zone ("SEZ") reinvestment reserve	-	-	(103)	103	-	-	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	103	(103)	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**7,378**	**1,901**	**-**	**(1,614)**	**1,363**	**1,292**	**412**	**(64)**	**(50)**	**10,618**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Standalone Statement of Cash Flows

for the year ended March 31, 2022

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

		Year ended March 31, 2022	Year ended March 31, 2021
I	**Cash flows from operating activities**		
	Profit for the year	860	2,097
	Adjustments to reconcile profit for the year to net cash flows		
	Depreciation and amortisation expenses	1,552	1,183
	Unrealised foreign exchange (gain)/loss	20	(67)
	Tax expense	63	344
	Finance costs	591	369
	Interest income	(53)	(6)
	Provision/(reversal) for doubtful debts, net	-	1
	Net gain on sale of current investments	(25)	(57)
	Employee stock compensation expense	412	-
	Loss on sale of property, plant and equipment	1	-
	Operating profit before working capital changes	**3,421**	**3,864**
	Movements in working capital		
	(Increase) in inventories	(766)	(3,646)
	(Increase)/Decrease in trade receivables	(3,715)	4,294
	(Decrease)/Increase in trade payables, other liabilities and provisions	(29)	296
	(Increase) in other assets	(433)	(1,307)
	Cash (used in)/generated from operations	**(1,522)**	**3,501**
	Income taxes paid (net of refunds)	(170)	(337)
	Net cash flow (used in)/generated from operating activities	**(1,692)**	**3,164**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(5,686)	(7,543)
	Purchase of other intangible assets	(244)	(33)
	Purchase of preference shares of subsidiary	-	(7,241)
	Proceeds from sale of current investments	10,555	28,144
	Purchase of investments	(7,306)	(31,417)
	Investment made in Fixed deposit with original maturity more than 3 months	-	(2,000)
	Redemption of Fixed deposit with original maturity more than 3 months	1,000	-
	Interest received	42	6
	Net cash flow (used in) investing activities	**(1,639)**	**(20,084)**
III	**Cash flows from financing activities**		
	Proceeds from issuance of equity shares (net of expenses)	-	7,664
	Proceeds from issuance of optionally convertible debentures (net of expenses)	-	11,016
	Proceeds from issuance of non convertible debentures	-	2,000
	Proceeds from non-current borrowings	-	3,500
	Repayment of non-current borrowings	-	(1,006)
	Repayment of preference shares	-	(5,000)
	Repayment of lease liabilities (including interest)	(506)	(475)
	Proceeds of current borrowings (net)	3,145	105
	Interest paid	(638)	(526)
	Net cash flow generated from financing activities	**2,001**	**17,278**

Standalone Statement of Cash Flows

for the year ended March 31, 2022

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

		Year ended March 31, 2022	Year ended March 31, 2021
IV	**Net (decrease)/increase in cash and cash equivalents (I + II + III)**	(1,330)	358
V	Effect of exchange differences on cash and cash equivalents held in foreign currency	67	(7)
VI	Cash and cash equivalents at the beginning of the year	1,891	1,540
VII	**Cash and cash equivalents at the end of the year (IV + V + VI)**	**628**	**1,891**
	Reconciliation of cash and cash equivalents as per statement of cash flow		
	Cash and cash equivalents (Note 11)		
	Balances with banks - on current accounts	628	1,851
	Deposits with original maturity of less than 3 months	-	40
	Balance as per statement of cash flows	**628**	**1,891**
	Other bank balance		
	Deposits with remaining maturity of less than 12 months	1,000	2,000
	Total Cash and bank balance	**1,628**	**3,891**

Reconciliation between opening and closing balances for liabilities arising from financing activities

	As at April 1, 2021	Cash flows	Non-cash movement	As at March 31, 2022
Non-current borrowings (including current maturities)	34,147	-	2,255	36,402
Current borrowings (excluding current maturities)	2,782	3,145	(20)	5,907
Interest accrued but not due	122	9	-	131
Total liabilities from financing activities	**37,051**	**3,154**	**2,235**	**42,440**

	As at April 1, 2020	Cash flows	Non-cash movement *	As at March 31, 2021
Non-current borrowings (including current maturities)	24,520	10,510	(883)	34,147
Current borrowings (excluding current maturities)	2,733	105	(56)	2,782
Interest accrued but not due	26	96	-	122
Total liabilities from financing activities	**27,279**	**10,711**	**(939)**	**37,051**

* includes equity component of Optionally convertible debentures ("OCD") amounting to ₹ 959. [Refer note 13 (d)]

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(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 Biologics Limited ("BBL" or "the Company") (formerly known as "Biocon Biologics India Limited"), a subsidiary of Biocon Limited, was incorporated on June 8, 2016 under the Companies Act, 2013 as a public limited company. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka. The Company is engaged in manufacture and development of pharmaceutical formulations.

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 basis of relevant Ind AS notwithstanding the fact that it has net current liabilities position of ₹ 3,584 as at March 31, 2022 primarily on account of classification of Non Convertible Redeemable Preference Shares ("NCRPS") and Optionally Convertible Redeemable Preference Shares ("OCRPS") issued to Holding Company as financial liabilities amounting to ₹ 2,054 and ₹ 10,810, respectively. Outstanding NCRPS and OCRPS issued to Holding Company are for a tenure of 10 years from the date of issue and are disclosed under current maturities of long-term borrowings. NCRPS is repayable on demand. However, the OCRPS is convertible into variable number of shares on demand but is not repayable in cash within the next twelve months. Hence excluding the OCRPS liability, the Company has a positive working capital which is sufficient to meet its current liquidity requirements.

These standalone financial statements were authorised for issuance by the Company's Board of Directors on April 27, 2022.

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

b) Functional and presentation currency

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

c) Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations;
- Employee stock compensation

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 standalone 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 standalone financial statements is included in the following notes:

- Note 1.2(b) — Assessment of functional currency;
- Note 2(a) and 31 — Financial instruments;
- Note 2(b), 2(c), 2(d) and 3 — Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 2(n) and 27 — Lease classification;
- Note 2(h) and 30 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 2(l), 29 and 33 — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets;
- Note 2(j) and 19 — Revenue recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

— Note 2(g)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;

— Note 7 and 29 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

— Note 30 – measurement of defined benefit obligation: key actuarial assumptions;

— Note 31 – impairment of financial assets; and

— Note 14 and 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

— Note 36 – Employee stock compensation

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).

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 2(a) and 31 – 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 (FVOCI) – debt investment;

— FVOCI – equity investment; or

— FVTPL

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

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

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

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

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

— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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

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

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

Financial 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 31 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.
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 and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to 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: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Company 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.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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 or 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.

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 statement of profit or loss.

vi. 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.

vii. Cash and cash equivalents

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

viii. 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 the cost of materials and direct labor, any other costs including import duty, and other non-refundable taxes or levies that are directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are disclosed under other non-current assets and cost of assets not ready for intended use before the year end, are disclosed 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 Company 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	Management estimate of useful life	Useful life as per Schedule II
Building	25 years	30 years
Roads	5 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	9-11 years	8-20 years
Computers and servers	3 years	3-6 years
Office equipment	5 years	5 years
Research and development equipment	9 years	5-10 years
Furniture and fixtures	6 years	10 years
Vehicles	6 years	6-10 years
Leasehold improvements	5 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 internally generated goodwill and 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
— Developed technology 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.

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 – common control transaction

Business combination involving entities that are controlled by the Company is accounted for at carrying value. No adjustments are made to reflect the fair values, or recognise any new assets or liabilities except to harmonise accounting policies. The financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements, irrespective of the actual date of combination. The identity of the reserves are preserved and the reserves of transferor becomes the reserves of the transferee. The difference, if any between the amounts recorded as share capital issued plus any additional consideration in the form of cash and the amounts of share capital of the transferor is transferred to amalgamation adjustment reserves and is presented separately from other capital reserves.

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.

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. Impairment

i. Impairment of financial assets

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

— financial assets measured at amortised cost; and
— 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.

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 CGU exceeds its estimated recoverable amount in the statement of profit and 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. Goodwill once impaired are not subsequently reversed.

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, inventories and deferred tax 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 groups of CGUs) on a pro rata basis.

h. Employee benefits

i. 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 statement of 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.

ii. 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.

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.

iv. Employee stock 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 "Employee stock options outstanding 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. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

i. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

j. 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 good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. However, in certain cases, revenue is recognized on sale of products where shipment is on hold at specific request of the customer provided performance obligation conditions has been satisfied and control is transferred, with customer taking title of the goods. The amount of revenue to be 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.

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 expense.

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 when 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 and when underlying sales are made/ completed.

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. Research services

In respect of research services involving 'time and materials' contracts, research fee are recognised as services are rendered, in accordance with the terms of the contracts. The rates charged to customers are arrived at a cost plus markup basis as per the terms of the agreement with each customer.

iv. 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.

v. 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.

vi. Dividends

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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.

ix. Export incentive accrual

Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme on recognition of the related export sales.

k. Government grants

The Company recognises 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 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.

l. Income taxes

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

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 standalone 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 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 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.

m. 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 statement of profit and loss in the period in which they are incurred.

n. 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 bene0fits 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.

o. Earnings per equity share

Basic earnings per equity share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per equity 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. 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. All assets and liabilities have been classified as current and non-current as per the Company's Operating cycle.

q. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

3 (a). Property, plant and equipment and Capital work-in-progress

	Building	Leasehold improvements	Plant and equipment [Refer note (a)]	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress [Refer note (b)]
Gross carrying amount								
As at April 01, 2020	12	17	7,981	1,560	136	19	9,725	11,526
Additions	**-**	**52**	**2,183**	**571**	**117**	**6**	**2,929**	**7,327**
Disposals/transfers	-	-	-	-	-	-	-	(2,929)
As at March 31, 2021	**12**	**69**	**10,164**	**2,131**	**253**	**25**	**12,654**	**15,924**
Additions	-	35	1,228	69	34	16	1,382	6,410
Disposals/transfers	-	-	(155)	(68)	-	(5)	(228)	(1,382)
As at March 31, 2022	**12**	**104**	**11,237**	**2,132**	**287**	**36**	**13,808**	**20,952**
Accumulated depreciation								
As at April 01, 2020	**4**	**4**	**4,064**	**878**	**88**	**3**	**5,041**	**-**
Depreciation for the year [refer note (f)]	-	4	667	128	17	4	820	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2021	**4**	**8**	**4,731**	**1,006**	**105**	**7**	**5,861**	**-**
Depreciation for the year	1	18	907	165	36	5	1,131	-
Disposals	-	-	(130)	(33)	-	(2)	(165)	-
As at March 31, 2022	**5**	**26**	**5,508**	**1,138**	**141**	**10**	**6,827**	**-**
Net carrying amount								
As at March 31, 2021	**8**	**61**	**5,433**	**1,125**	**148**	**18**	**6,793**	**15,924**
As at March 31, 2022	**7**	**78**	**5,729**	**994**	**146**	**26**	**6,981**	**20,952**

(a) Plant and equipment includes computer and office equipment.
(b) Capital work-in-progress primarily comprises of the Biologics manufacturing unit being set up in India.
(c) For details on security on certain property, plant and equipment, refer note 13.
(d) Borrowing cost capitalised during the year amounted to ₹ 990. (March 31, 2021: ₹ 699).
(e) Refer note 33(ii) for contractual commitments for purchase of property, plant and equipment.
(f) Depreciation for Building are not presented since the amounts are rounded off to Rupees million.

CWIP ageing schedule:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,252	6,068	4,793	3,839	20,952
As at March 31, 2022	**6,252**	**6,068**	**4,793**	**3,839**	**20,952**
Projects in progress	6,629	5,356	3,786	153	15,924
As at March 31, 2021	**6,629**	**5,356**	**3,786**	**153**	**15,924**

CWIP completion schedule (CWIP whose completion is overdue or has exceeded its cost compared to its original plan)

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	13,239	-	-	-	13,239
Project 2	-	1,637	-	-	1,637
Project 3	-	4,470	-	-	4,470
As at March 31, 2022	**13,239**	**6,107**	**-**	**-**	**19,346**
Projects in progress					
Project 1	-	10,013	-	-	10,013
Project 2	-	-	1,272	-	1,272
Project 3	-	-	3,275	-	3,275
As at March 31, 2021	**-**	**10,013**	**4,547**	**-**	**14,560**

3 (b). Right-of-use assets

	Land	Buildings	Plant and equipment	Total
Gross carrying amount				
As at April 01, 2020	53	1,297	1,064	2,414
Additions	-	-	-	-
As at March 31, 2021	**53**	**1,297**	**1,064**	**2,414**
Additions	-	398	-	398
As at March 31, 2022	**53**	**1,695**	**1,064**	**2,812**
Accumulated depreciation				
As at April 01, 2020	5	156	160	321
Depreciation for the year*	5	183	175	363
As at March 31, 2021	**10**	**339**	**335**	**684**
Depreciation for the year*	5	189	175	369
As at March 31, 2022	**15**	**528**	**510**	**1,053**
Net carrying amount				
As at March 31, 2021	43	958	729	1,730
As at March 31, 2022	**38**	**1,167**	**554**	**1,759**

*includes ₹ 5 capitalised during the year (March 31, 2021: ₹ 28).-

4. Other intangible assets

	Computer software	Total
As at April 01, 2020	164	164
Additions	33	33
As at March 31, 2021	**197**	**197**
Additions	244	244
As at March 31, 2022	**441**	**441**
Accumulated amortisation		
As at April 01, 2020	79	79
Amortisation for the year	28	28
As at March 31, 2021	**107**	**107**
Amortisation for the year	57	57
As at March 31, 2022	**164**	**164**
Net carrying amount		
As at March 31, 2021	90	90
As at March 31, 2022	**277**	**277**

(a) Refer note 33(ii) for contractual commitments for purchase of intangible assets.

5. Investments

		March 31, 2022	March 31, 2021
(a)	**Non-current**		
	Unquoted equity instruments		
	In subsidiary company at cost:		
	Biocon Biologics UK Limited (Formerly known as Biocon Biologics Limited) - 116,771,297 (March 31, 2021 : 116,771,297) equity shares of GBP 1 each	10,810	10,810
	Unquoted preference shares		
	In subsidiary company at cost:		
	Biocon Biologics UK Limited (Formerly known as Biocon Biologics Limited) Optionally convertible redeemable-non cumulative preference shares of USD 1 each 100,000,000 (March 2021 - 100,000,000 shares) fully paid	7,241	7,241
		18,051	**18,051**
	Aggregate amount of unquoted investments	18,051	18,051
	Aggregate amount of impairment in value of investments	-	-
	[Also refer note 28 for details on related party transactions]		
(b)	**Current**		
	Quoted - Investment in mutual funds at fair value through profit or loss :		
	Investment in mutual funds	105	3,330
	Quoted - Investment in mutual funds at fair value through profit or loss	**105**	**3,330**
	Aggregate market value of quoted investments	105	3,330
	Aggregate carrying value of quoted investments	105	3,330
	The Company's exposure of credit and currency risks, and loss allowances are disclosed in notes 31.		

6. Other financial assets

	March 31, 2022	March 31, 2021
(a) Non-current		
Deposits	60	49
	60	**49**
(b) Current		
Interest accrued but not due	12	-
Other receivables (considered good - Unsecured):		
Others	328	226
	340	**226**

7. Deferred tax assets

	March 31, 2022	March 31, 2021
Deferred tax liabilities		
Property, plant and equipment and intangible assets	283	120
Derivative assets	78	38
Gross deferred tax liabilities	**361**	**158**
Deferred tax assets		
MAT credit entitlement	913	816
Provision for employee benefit	132	71
Allowance for doubtful debts	9	8
Derivative liabilities	51	165
Deferred revenue	30	46
Lease obligation	90	52
Expenses allowed on payment basis	189	-
Others	43	40
Gross deferred tax assets	**1,456**	**1,198**
Deferred tax asset (net)	**1,095**	**1,040**

8. Other assets

	March 31, 2022	March 31, 2021
(Unsecured considered good, unless otherwise stated)		
(a) Non-current		
Capital advances	140	142
Duty drawback receivable	32	13
Balances with statutory/government authorities	467	293
Prepayments	690	753
	1,329	**1,201**
(b) Current		
Advance to suppliers	294	148
Export incentive receivable	143	386
Balances with statutory/government authorities	869	737
Prepayments	349	195
	1,655	**1,466**

9. Inventories

	March 31, 2022	March 31, 2021
Raw materials, including goods-in-bond*	2,475	2,379
Packing materials	1,242	1,259
Work-in-progress	4,387	3,450
Finished goods	1,481	1,765
Traded goods	255	221
	9,840	**9,074**

*includes goods in-transit ₹ 19 (March 31, 2021: ₹ 52)

Write-down of inventories to net realisable value and provision for stock obsolescence amounted to ₹ 266 (March 31, 2021: ₹ 249). These were recognised as an expense during the year and included in 'changes in inventories of traded goods, finished goods and work-in-progress' in statement of profit and loss.

10. Trade receivables

	March 31, 2022	March 31, 2021
Current		
(a) Trade receivables considered good - Unsecured [also refer note 28]	8,477	4,664
(b) Trade receivables - credit impaired	27	27
	8,504	**4,691**
Allowance for expected credit loss	(27)	(27)
	8,477	**4,664**

Refer note 28 for details on related party transactions. Also refer note 31 for the Company's exposure to credit risk and currency risk.

(a) Trade receivables ageing schedule

	Unbilled	Outstanding for following periods from due date of payment						
		Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,930	5,515	554	152	326	-	-	8,477
Undisputed Trade Receivables - credit impaired	-	-	-	12	9	-	6	27
As at March 31, 2022	**1,930**	**5,515**	**554**	**164**	**335**	**-**	**6**	**8,504**
Undisputed Trade Receivables - considered good	1,995	2,203	171	295	-	-	-	4,664
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	18	9	27
As at March 31, 2021	**1,995**	**2,203**	**171**	**295**	**-**	**18**	**9**	**4,691**

11. Cash and bank balances

	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks:		
On current accounts	628	1,851
Deposits with original maturity of less than 3 months	-	40
Cash on hand [refer note (a) below]	-	-
	628	**1,891**
Other bank balances		
Deposits with maturity of less than 12 months	1,000	2,000
	1,000	**2,000**
Total cash and bank balances	**1,628**	**3,891**

(a) The Company has cash on hand which are not disclosed above since amounts are rounded off to Rupees million

12(a). Share capital

	March 31, 2022	March 31, 2021
Authorised		
1,500,000,000 (March 31, 2021: 1,500,000,000) equity shares of ₹ 10 each (March 31, 2021: ₹ 10 each)	15,000	15,000
2,000,000,000 (March 31, 2021: 2,000,000,000) preference shares of ₹ 10 each (March 31, 2021: ₹ 10 each)	**20,000**	**20,000**
Issued, subscribed and fully paid-up share capital		
1,058,849,676 (March 31, 2021: 1,058,849,676) equity shares of ₹ 10 each	10,588	10,588
205,420,000 (March 31, 2021: 205,420,000) Non Convertible Redeemable Preference Shares ("NCRPS") of ₹ 10 each	2,054	2,054
1,081,000,000 (March 31, 2021: 1,081,000,000) Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹ 10 each	10,810	10,810
	23,452	**23,452**
Less : Preference share capital classified as a financial liability (refer note 13)	(12,864)	(12,864)
Equity share capital	**10,588**	**10,588**

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

(a) Equity shares	March 31, 2022		March 31, 2021	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	1,058,849,676	10,588	206,043,983	2,060
Issued during the year	-	-	852,805,693	8,528
Outstanding at the end of the year	**1,058,849,676**	**10,588**	**1,058,849,676**	**10,588**

(b) Non convertible redeemable preference shares	March 31, 2022		March 31, 2021	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	205,420,000	2,054	705,420,000	7,054
Redeemed during the year	-	-	(500,000,000)	(5,000)
Outstanding at the end of the year	**205,420,000**	**2,054**	**205,420,000**	**2,054**

(c) Optionally convertible redeemable preference shares	March 31, 2022		March 31, 2021	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	1,081,000,000	10,810	1,081,000,000	10,810
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,081,000,000**	**10,810**	**1,081,000,000**	**10,810**

(ii) Terms/ rights attached

(a) Equity shares

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

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

(b) Non convertible redeemable preference shares

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

(ii) The Company or NCRPS holder shall have the option to redeem the NCRPS at any time during the tenure of the NCRPS. If the Company or holder of NCRPS exercises such option of early redemption, the NCRPS shall be redeemable at its face value.

(iii) The holder of the NCRPS shall be entitled to preferential dividend of 8.3% per annum on the face value of the NCRPS as may be mutually decided between the Company and the NCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.

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

(c) Optionally convertible redeemable preference shares

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

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

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

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

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

(d) The aforesaid preference shares 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 classified as financial liability and disclosed at its fair value which is equivalent to the face value. Also refer note 13.

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

	March 31, 2022		March 31, 2021	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid				
Biocon Limited, the Holding Company (including shares held through nominees)	**989,717,600**	**93.47%**	989,717,600	93.47%
NCRPS of ₹ 10 each fully paid				
Biocon Limited, the Holding Company	**205,420,000**	**100.00%**	205,420,000	100.00%
OCRPS of ₹ 10 each fully paid				
Biocon Limited, the Holding Company	**1,081,000,000**	**100.00%**	1,081,000,000	100.00%

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

(iv) During the previous year the shareholders at their extra-ordinary general meeting held on July 31, 2020 approved to further increase authorised equity share capital to 1,500,000,000 equity shares of ₹ 10 each.

(v) Pursuant to the Scheme of amalgamation between the Company and Biocon Research Limited, the Board of Directors on March 27, 2020 allotted 155,300,000 equity shares of ₹ 10 each to the shareholders of Biocon Research Limited. These shares were issued for consideration other than cash.

(vi) Pursuant to approval of the shareholders the Company on September 3, 2020 issued 824,175,932 bonus shares to equity shareholders at a ratio of 4:1 by utilising retained earnings and securities premium balances.

(vii) The Company on September 3, 2020 allotted 8,830,456 equity shares of ₹ 10 each at an issue price of ₹ 254.80 per share to Tata Capital Growth Fund II, on a private placement basis.

(viii) The Company during the previous year redeemed 500,000,000 NCRPS of ₹ 10 each at face value.

(ix) The Company during the previous year allotted 19,799,305 equity shares of ₹ 10 each at an issue price of ₹ 280.31 per share to Beta Oryx Limited, a wholly owned subsidiary of ADQ on a private placement basis.

(x) For details of any securities convertible into equity, please refer notes 12(a)(c), 12(a)(II)(c) and note 13(e).

(xi) For details of shares reserved for issue under Employee stock compensation plans, please refer note 36.

(xi) Shareholding of Promoters

	March 31, 2022		March 31, 2021		March 31, 2020		% Change during the year ending	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares	March 31, 2022	March 31, 2021
Biocon Limited								
(a) Equity shares	989,717,600	93.47%	989,717,600	93.47%	197,943,520	96.07%	-	(2.60%)
(b) NCRPS	205,420,000	100.00%	205,420,000	100.00%	705,420,000	100.00%	-	-
(c) OCRPS	1,081,000,000	100.00%	1,081,000,000	100.00%	1,081,000,000	100.00%	-	-

12(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.

Retained earnings

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

SEZ reinvestment 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.

Amalgamation adjustment reserve

The amalgamation adjustment reserve is created to account for business combinations of entities under common control.

Debenture redemption reserve

The Company had issued Redeemable Non-Convertible Debentures ("NCD") and Redeemable Optionally Convertible Debentures ("OCD") in the pervious year. As per the provisions of the Companies Act, 2013, debenture redemption reserve is created out of profits of the Company available for payment of dividend.

Capital redemption reserve

The Company had redeemed Non Convertible Redeemable Preference Shares [refer note 12(a)(viii)] during the previous year and as per the provisions of the Companies Act, 2013, a sum equal to the nominal value of the shares redeemed is transferred to the capital redemption reserve.

Employee stock options outstanding reserve

The Company has established equity settled share based payment plans for certain categories of employees of the Company. Refer note 36 for further details on these plans.

Cash flow hedging reserves

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

Other Items of other comprehensive income

Other Items of other comprehensive income represents mark to market gain or loss on financial assets classified as FVTOCI and re-measurements of the defined benefits plan.

13. Non-current borrowings

	March 31, 2022	March 31, 2021
Loans from banks (secured)		
Term loan [refer note (a) and (b) below]	9,194	8,990
Non convertible debentures ("NCD") [refer note (c) below]	2,000	2,000
Other loans from related parties (unsecured)		
Non Convertible Redeemable Preference Shares [refer note 12(a)(ii)(b)]	2,054	2,054
Optionally Convertible Redeemable Preference Shares [refer note 12(a)(ii)(c)]	10,810	10,810
Other loans (unsecured)		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (d) below]	12,344	10,293
	36,402	**34,147**
Less: Amount disclosed under the head "Current borrowings" [refer note 16]	(12,864)	(12,864)
	23,538	**21,283**

(a) During the year ended March 31, 2019, the Company had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. The loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of LIBOR + 1% p.a. The term loan facility is secured by first priority pari-passu charge on the plant and machinery of the proposed facility for the manufacturing of pharmaceuticals. Carrying value of the loan as at March 31, 2022 amounts to ₹ 5,694 (March 31, 2021: 5,490).

(b) During the year ended March 31, 2021, the Company had obtained a term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to ₹ 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months Treasury Bill + 2.39% p.a. and are secured by first pari-passu charge on the present and future of movable fixed assets of the Company.

(c) During the year ended March 31, 2021, the Company had issued NCD of face value ₹ 1,000,000 each to HDFC Bank Limited amounting to ₹ 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured by first pari-passu charge on the movable fixed assets of the Company.

(d) During the year ended March 31, 2021, the Company had entered into an agreement with Goldman Sachs India AIF Scheme-1 ('Investor') whereby the Investor had infused ₹ 11,250 against issuance of OCD. 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. OCD bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption. The debentures have been accounted 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. During the current year, the Company had entered into amendment to the terms of OCD agreement which provides for redemption amount INR equivalent of USD 153.23 million with reference to rate published by RBI for conversion of USD to INR one day prior to redemption. This resulted in the modification of the compound financial instrument and OCD is classified as financial liability from the modification date. This modification resulted in loss of ₹ 274 in statement of profit and loss and a gain of ₹ 60 in other equity.

(e) The Company has met all the covenants under the above borrowings as at March 31, 2022.

(f) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 31.

14. Provisions

	March 31, 2022	March 31, 2021
(a) Non-Current		
Provision for employee benefits		
Gratuity [refer note 30]	299	270
	299	**270**
(b) Current		
Provision for employee benefits		
Gratuity [refer note 30]	49	31
Compensated absences	236	190
Provision for sales return	136	136
	421	**357**

(i) Movement in provisions

	For the year ended March 31, 2022		
	Gratuity	Compensated Absences	Sales Return
Opening Balance	301	190	136
Provision recognised/(utilised) during the year	47	46	-
Closing Balance	**348**	**236**	**136**

	For the year ended March 31, 2021		
	Gratuity	Compensated Absences	Sales Return
Opening Balance	255	190	136
Provision recognised/(utilised) during the year	46	-	-
Closing Balance	**301**	**190**	**136**

15. Other liabilities

	March 31, 2022	March 31, 2021
(a) Non-current		
Deferred revenues [refer note 19]	1,094	904
	1,094	**904**
(b) Current		
Advance from customers [refer note 19]	20	33
Statutory dues and dues payable	124	146
Deferred revenues [refer note 19]	131	117
	275	**296**

16. Current borrowings

	March 31, 2022	March 31, 2021
From banks/ financial institutions		
Packing credit foreign currency loan (unsecured) [refer note (i) below]	2,657	2,782
Packing credit rupee export loan (unsecured) [refer note (ii) below]	3,250	-
Current maturities of non-current borrowings [refer note 13]	12,864	12,864
	18,771	**15,646**

(i) The Company has obtained foreign currency denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from SOFR+0.20% p.a to SOFR+1.40% p.a. Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.

(ii) The Company has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest of 4.40% p.a. Packing credit rupee loan tenure is upto 180 days from the date of draw down.

17. Trade payables

	March 31, 2022	March 31, 2021
Trade payables		
Total outstanding dues of micro and small enterprises	375	453
Total outstanding dues of creditors other than micro and small enterprises	4,517	4,873
	4,892	**5,326**

Refer note 28 for details on related party transactions

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

		March 31, 2022	March 31, 2021
(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	375	453
	Interest due on the above	1	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	1,757	1,285
(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	11	6
(iv)	The amount of interest accrued and remaining un-paid at the end of each accounting year	1	1
(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	12	7

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.

Trade payables ageing schedule:

		Unbilled	Not due	Outstanding for following periods from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Micro and small enterprises	-	220	152	1	1	1	375
(ii)	Others	2,575	918	983	20	18	3	4,517
As at March 31, 2022		**2,575**	**1,138**	**1,135**	**21**	**19**	**4**	**4,892**
(i)	Micro and small enterprises	-	214	234	4	1	-	453
(ii)	Others	1,400	1,766	1,676	24	4	3	4,873
As at March 31, 2021		**1,400**	**1,980**	**1,910**	**28**	**5**	**3**	**5,326**

All the trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 31.

18. Other financial liabilities

	March 31, 2022	March 31, 2021
Current		
Interest accrued but not due	131	122
Payables for capital goods	632	1,114
Derivative premium payable	-	95
	763	**1,331**

19. Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Finished goods [refer note (a) below]	14,953	13,106
Traded goods	2,415	1,418
Sale of services		
Research fees [refer note (a) below]	3,942	4,217
Licensing and development fees	22	-
Other operating revenue		
Export incentives	-	96
Sale of process waste	12	9
Others [refer note (b) below]	2,281	562
	23,625	**19,408**

(a) Revenue from sale of Finished goods and Research fees for the year ended March 31, 2021 includes additional amounts received for earlier years based on invoices issued amounting to ₹ 583 and ₹ 388 respectively.

(b) Others include processing charges and cross charge of facilities by the Company to its group companies.

	Year ended March 31, 2022	Year ended March 31, 2021
19.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenues By Geography		
India	6,689	5,398
United Kingdom	9,126	8,944
Rest of the world	5,517	4,399
	21,332	**18,741**
Revenue from other sources		
Other operating revenue	2,293	667
	2,293	**667**
Total revenue from operations	**23,625**	**19,408**
Geographical revenue is identified based on the location of the customers.		
19.2 Changes in contract liabilities: deferred revenue and advance from customers		
Balance at the beginning of the year	1,054	1,125
Add:- Increase due to invoicing during the year	397	198
Less:- Amounts recognised as revenue during the year	(206)	(269)
Balance at the end of the year	**1,245**	**1,054**
Expected revenue recognition from remaining performance obligations:		
- Within one year	151	150
- More than one year	1,094	904
	1,245	**1,054**

	Year ended March 31, 2022	Year ended March 31, 2021
19.3 Contract balances		
Trade receivables	8,477	4,664
Contract liabilities	1,245	1,054
Trade receivables are non-interest bearing. Contract liabilities include deferred revenue and advance from customers		

19.4 Performance obligation:

In relation to information about Company's performance obligations in contracts with customers [refer note 2(j)].

19.5 Significant customer

One customer individually accounted for ₹ 12,010 which is more than 10% of the total revenue of the Company for the year ended March 31, 2022 (March 31, 2021: ₹ 10,342).

20. Other income

	Year ended March 31, 2022	Year ended March 31, 20221
Interest income on deposits with banks and financial institutions	53	6
Net gain on sale of current investments	25	57
Other non-operating income	25	-
	103	**63**
21. Cost of raw materials and packing materials consumed		
Inventory at the beginning of the year	3,638	1,815
Add: Purchases	7,249	9,247
Less: Inventory at the end of the year	(3,717)	(3,638)
	7,170	**7,424**
22. Changes in inventories of traded goods, finished goods and work-in-progress		
Inventory at the beginning of the year		
Traded goods	221	244
Finished goods	1,765	1,557
Work-in-progress	3,450	1,812
	5,436	**3,613**
Inventory at the end of the year		
Traded goods	255	221
Finished goods	1,481	1,765
Work-in-progress	4,387	3,450
	6,123	**5,436**
	(687)	**(1,823)**
23. Employee benefits expense		
Salaries, wages and bonus	4,397	3,624
Contribution to provident and other funds	191	177
Gratuity [refer note 30]	61	52
Employee stock compensation expense [refer note 36]	531	142
Staff welfare expenses	219	240
	5,399	**4,235**

24. Finance cost

	Year ended March 31, 2022	Year ended March 31, 20221
Interest expenses on financial liabilities [refer note (a) below]	385	159
Interest expenses on lease liabilities [refer note 27]	206	210
	591	**369**

(a) Interest expense on financial liabilities is net off borrowing cost capitalised during the year amounting to ₹ 990 (March 31, 2021 - ₹ 699).

25. Depreciation and amortisation expense

Depreciation of tangible assets [refer note 3(a)]	1,131	820
Depreciation of right-of-use assets [refer note 3(b)]	364	335
Amortisation of intangible assets [refer note 4]	57	28
	1,552	**1,183**

26. Other expenses

Royalty and technical fees	93	42
Rent	5	19
Communication expenses	17	5
Power and fuel	1,052	855
Repairs and maintenance:		
Plant and machinery	597	501
Building	106	65
Others	191	180
Selling expenses:		
Freight outwards and clearing charges	189	257
Sales promotion expenses	515	173
Commission and brokerage (other than sole selling agents)	123	87
Lab consumables	984	925
Professional charges	610	961
Payment to auditors [refer note (a) below]	13	8
Rates, taxes and fees	92	65
Travelling and conveyance	159	146
Research and development expenses	1,532	395
Foreign exchange loss, net	143	146
Printing and stationery	33	28
Provision/(reversal) for doubtful debts, net	-	1
Directors' fees including commission	31	19
Corporate social responsibility (CSR) expenses [refer note 39]	43	31
Insurance	122	99
Miscellaneous expenses	83	46
	6,733	**5,054**
(a) Payments to auditors:		
As auditor:		
Statutory audit fee	11	7
Tax audit fee [refer note (b) below]	-	-
Limited review		
In other capacity:		
Other services (certification fees) [refer note (b) below]	1	-
Reimbursement of out-of-pocket expenses	1	1
	13	**8**

(b) Amounts are not presented since the amounts are rounded off to Rupees million.

27. Lease

The Company had entered into lease agreements for use of land, buildings and plant & machinery which expires over a period ranging up to the financial year of 2032-2033. Gross payment for the year aggregate to ₹ 506 (March 31, 2021 - ₹ 475).

The following is the movement in the lease liability.

	Total
Balance as at April 01, 2020	2,219
Additions during the year	-
Finance cost accrued during the year*	221
Payment of lease liabilities	(475)
Balance as at March 31, 2021	**1,965**
Additions during the year	388
Finance cost accrued during the year*	211
Payment of lease liabilities	(506)
Balance as at March 31, 2022	**2,058**

*includes ₹ 5 (March 31, 2021 - ₹ 11) capitalised during the year.

The following is the breakup of current and non current lease liability

Particulars	March 31, 2022	March 31, 2021
Current lease liabilities	486	438
Non-current lease liabilities	1,572	1,527
The table below provides details regarding the contractual maturities of lease liabilities, on an undiscounted basis:		
Less than one year	533	481
One to five years	1,581	1,606
More than five years	691	629
Total	**2,805**	**2,716**
The following are the amounts recognised in Statement of profit or loss for the year		
Depreciation expense of right of use-assets	364	335
Interest expenses on lease liabilities	206	210
Current lease payment [refer note (i) below]	5	19
Total	**575**	**564**

(i) The Company 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).

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28. Related Party Disclosures:

The following table provides the value of transactions that have been entered into with related parties for the relevant financial year:

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
1	Biocon Limited	Holding Company	Expenses incurred by related party on behalf of the Company	130	-	108	-
			Expenses incurred on behalf of the related party	(2)	-	(25)	-
			Professional charges	349	-	396	-
			Charges for Guarantee Cost	27	-	23	-
			Research fees	(48)	-	(87)	-
			Cross charges towards facility and other expenses	(29)	-	(14)	-
			Sale of goods	(4)	-	(149)	-
			Payment for leases	230	-	208	-
			Power and fuel	1,499	-	1,221	-
			Staff welfare expenses towards canteen charges	27	-	24	-
			Royalty expense	46	-	22	-
			Share based payments to employees	120	-	142	-
			Purchase of goods	54	-	567	-
			Redemption of Preference shares	-	-	5,000	-
			Funding paid towards property plant and equipment / Prepayment	53	719	610	666
			Trade payables	-	(327)	-	(748)
			Trade Receivables	-	-	-	39
			Loan repaid / (taken from) to Holding company, net [refer note (c)]	-	-	1,006	-
			Interest on borrowings	-	-	34	-
			Guarantee released / (given) by related party to a bank on behalf of the Company	7,100	-	1,283	(7,100)
			Sale of Car	(3)	-	-	-

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
2	Biocon Biologics UK Limited (Formerly known as Biocon Biologics Limited)	Subsidiary	Research fees	(3,038)	-	(3,244)	-
			Cross charges towards facility and other expenses	(2,860)	-	(1,400)	-
			Expenses incurred on behalf of the related party	-	-	(4)	-
			Sale of goods	(6,112)	-	(5,698)	-
			Licensing and development fees	-	-	(2)	-
			Funding received towards property plant and equipment	-	-	(164)	-
			Trade Receivables	-	5,895	-	2,792
3	Biocon SDN BHD	Subsidiary	Expenses incurred on behalf of the related party	-	-	(87)	-
			Research fees	(845)	-	(859)	-
			Cross charges towards facility and other expenses	(292)	-	(36)	-
			Sale of goods	(353)	-	(346)	-
			Expenses incurred by related party on behalf of the Company	-	-	2	-
			Purchase of goods	763	-	271	-
			Charges for Guarantee Income	(14)	-	-	
			Trade Receivables	-	71	-	259
			Trade payables	-	-	-	(85)
4	Syngene International Limited	Fellow subsidiary	Research and development expenses	31	-	20	-
			Expenses incurred by related party on behalf of the Company	24	-	58	-
			Sale of goods [Refer note (h) below]	(7)	-	(0)	-
			Purchase of goods	304	-	19	-
			Expenses incurred on behalf of the related party	-	-	(8)	-
			Power and Utility expense	87	-	84	-
			Payment for leases	253	-	244	-
			Royalty expense	(1)	-	3	-
			Profit share expense	5	-	4	-
			Trade payables	-	(109)	-	(134)
			Trade Receivables	-	-	-	1

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
5	Bicara Therapeutics Inc.	Fellow associate	Research fees	-	-	(1)	-
			Cross charges towards facility and other expenses	(2)	-	(10)	-
			Trade Receivables	-	12	-	9
6	Biocon Pharma Limited	Fellow subsidiary	Research fees	(8)	-	(24)	-
			Cross charges towards facility and other expenses	(122)	-	(35)	-
			Sale of goods/other product	(123)	-	(58)	-
			Trade Receivables	-	43	-	8
7	Biocon Biologics Inc, USA	Subsidiary	Expenses incurred on behalf of the related party [Refer note (h) below]	(0)	-	(0)	-
			Sale of goods	(9)	-	-	-
			Trade Receivables [Refer note (h) below]	-	9	-	0
8	Biocon FZ LLC	Fellow subsidiary	Professional charges	14	-	35	-
			Trade payables	-	-	-	(27)
9	Biocon Foundation	Fellow subsidiary	Expenses incurred on behalf of the related party	-	-	-	-
			Contribution towards CSR expense	43	-	31	-
			Trade Receivables	-	-	-	2
10	Biofusion Therapeutics Limited	Fellow subsidiary	Expenses incurred on behalf of the related party	(8)	-	-	-
			Transfer of fixed assets	(62)	-	-	-
			Trade Receivables	-	70	-	-

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
11	Biocon Biologics Healthcare Malaysia Sdn Bhd (Formerly known as Biocon Healthcare Sdn Bhd)		Trade payables	-	-	-	(1)
12	Jeeves	Enterprise in which relative to a director of the Company is proprietor	Laundry charges	31	-	21	-
13	Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors	Sale of goods/other products	(78)	-	(55)	-
			Trade Receivables	-	21	-	18
14	Refer note (d) below	Key management personnel	Salary and perquisites [refer note (e) & (f) below]	154	-	280	-
			Sitting fees and remuneration	31	-	19	-

(a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

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

(c) The loan from holding company is presented net of repayments due to multiple transactions

(d) Key managerial personnel include:

(i) Dr. Christiane Hamacher, Managing Director & Chief Executive Officer (CEO w.e.f March 01, 2019 till February 28, 2021 and Managing Director w.e.f. October 11, 2019 till January 20, 2021)

(ii) Arun Chandavarkar, Non-Executive Director till January 20, 2021 and Managing Director w.e.f. January 21, 2021

(iii) Kiran Mazumdar Shaw, Non-Executive Director Chairperson till January 20, 2021 and Executive Chairperson w.e.f. January 21, 2021

(iv) Akhilesh Nand, Company Secretary (w.e.f. July 23, 2020)

(v) Mayank Verma, Company Secretary (w.e.f. August 1, 2019 upto July 23, 2020)

(vi) M.B. Chinappa, Chief Financial Officer (w.e.f January 06, 2020)

(vii) Peter Piot, Independent director (w.e.f. January 21, 2021)

(viii) Bobby Kanubhai Parikh, Independent director (w.e.f. August 1, 2019)

(ix) Nivruti Rai, Independent director (w.e.f. August 1, 2019)

(x) Russell Walls, Independent director

(xi) Daniel M Bradbury, Independent director (w.e.f. August 1, 2019)

(xii) Thomas Jason Roberts, Non-Independent Non-Executive Director (w.e.f. November 15, 2021)

(e) 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 Group as a whole.

(f) Share based compensation expense allocable to key management personnel is ₹ 57 (March 31, 2021: ₹ 8), which is not included in the remuneration disclosed above.

(g) Fellow subsidiary companies and subsidiaries with whom the Company did not have any transactions:

(i) Biocon Biologics Do Brasil LTDA., a subsidiary of Biocon Biologics UK Limited

(ii) Syngene USA Inc., a subsidiary of Syngene International Limited

(iii) Biocon Biosphere Limited, a subsidiary of Biocon Limited

(iv) Biocon SA, a subsidiary of Biocon Limited

(v) Biocon Pharma Malta I, a subsidiary of Biocon Pharma Malta

(vi) Biocon Academy, a subsidiary of Biocon Limited

(vii) Biocon Pharma UK Limited, a subsidiary of Biocon Pharma Limited

(viii) Biocon Pharma Ireland Limited, a subsidiary of Biocon Pharma Limited

(ix) Biocon Pharma Inc., a subsidiary of Biocon Pharma Limited

(x) Biocon Pharma Malta, a subsidiary of Biocon Pharma Limited

(h) Amounts are not presented since the amounts are rounded off to Rupees million.

29. Tax expense

		March 31, 2022	March 31, 2021
(a)	**Amount recognised in statement of profit and loss**		
	Current tax	267	468
	Deferred tax charge/(credit) related to:		
	MAT credit entitlement	(97)	(261)
	Origination and reversal of temporary differences	(107)	137
	Tax expense for the year	**63**	**344**
(b)	**Reconciliation of effective tax rate**		
	Profit before tax	923	2,441
	Tax at statutory income tax rate 34.944% (March 31, 2021 - 29.12%)	323	711
	Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
	Exempt income and other deductions	(315)	(334)
	Non-deductible expense	18	6
	Tax for earlier years	27	(35)
	Others	10	(4)
	Income tax expense	**63**	**344**

(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, 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax liability					
Property, plant and equipment and intangible assets	120	163	-	-	283
Derivative assets	38	-	40	-	78
Gross deferred tax liability	**158**	**163**	**40**	**-**	**361**
Deferred tax assets					
Provision for employee benefit	71	55	6	-	132
Allowance for doubtful debts	8	1	-	-	9
MAT credit entitlement	816	97	-	-	913
Derivative liabilities	165	-	(114)	-	51
Deferred revenue	46	(16)	-	-	30
Lease liabilities	52	38	-	-	90
Expenses allowed on payment basis	-	189	-	-	189
Others	40	3	-	-	43
Gross deferred tax asset	**1,198**	**367**	**(108)**	**-**	**1,456**
Deferred tax assets (net)	**1,040**	**204**	**(148)**	**-**	**1,095**

For the year ended March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax liability					
Property, plant and equipment and intangible assets	-	120	-	-	120
Derivative assets	-	-	38	-	38
Gross deferred tax liability	**-**	**120**	**38**	**-**	**158**
Deferred tax assets					
Employee benefit obligations	69	-	2	-	71
Allowance for doubtful debts	8	-	-	-	8
Property, plant and equipment and intangible assets	50	(50)	-	-	-
MAT credit entitlement	555	261	-	-	816
Derivative liabilities	17	-	148	-	165
Deferred revenue	29	17	-	-	46
Lease liabilities	36	16	-	-	52
Others	40	-	-	-	40
Gross deferred tax assets	**804**	**244**	**150**	**-**	**1,198**
Deferred tax assets (net)	**804**	**124**	**112**	**-**	**1,040**

30. 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 unfunded.

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 Company's financial statements as at balance sheet date:

	March 31, 2022	March 31, 2021
Balance as at beginning of the year	301	255
Current service cost	44	37
Interest expense	17	15
Amount recognised in Statement of profit and loss	**61**	**52**
Remeasurements:		
Actuarial (gain)/loss arising from:		
Financial assumptions	(10)	3
Experience adjustment	29	2
Amount recognised in other comprehensive income	**19**	**5**
Benefits paid	(33)	(11)
Balance as at end of the year	**348**	**301**
Non-current	299	270
Current	49	31
	348	**301**

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

	March 31, 2022	March 31, 2021
Interest rate	6.1%	5.6%
Discount rate	6.1%	5.6%
Expected return on plan assets	NA	NA
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 7 years (March 31, 2021: 7 years).

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

(iii) Sensitivity analysis

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

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(18)	20	(17)	19
Salary increase (1% change)	20	(18)	18	(17)
Attrition rate (1% change)	(4)	5	(5)	5

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.

Maturity profile of defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
1st Following year	49	31
2nd Following year	36	31
3rd Following year	42	37
4th Following year	37	34
5th Following year	35	29
Years 6 and above	324	285

31. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments#	105	-	18,051	18,156	105	-	-	105
Trade receivables	-	-	8,477	8,477	-	-	-	-
Cash and cash equivalents	-	-	628	628	-	-	-	-
Other bank balance	-	-	1,000	1,000	-	-	-	-
Derivative Assets	-	224	-	224	-	224	-	224
Other financial assets	-	-	400	400	-	-	-	-
	105	**224**	**28,556**	**28,885**	**105**	**224**	**-**	**329**
Financial liabilities								
Borrowings	12,864	-	29,445	42,309	-	-	12,864*	12,864
Lease liabilities	-	-	2,058	2,058	-	-	-	-
Trade payables	-	-	4,892	4,892	-	-	-	-
Derivative liability	-	136	-	136	-	136	-	136
Other financial liabilities	-	-	763	763	-	-	-	-
	12,864	**136**	**37,158**	**50,158**	**-**	**136**	**12,864**	**13,000**

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level1	Level2	Level3	Total
Financial assets								
Investments#	3,330	-	18,051	21,381	3,330	-	-	3,330
Trade receivables	-	-	4,664	4,664	-	-	-	-
Cash and cash equivalents	-	-	1,891	1,891	-	-	-	-
Other bank balance	-	-	2,000	2,000	-	-	-	-
Derivative Assets	-	129	-	129	-	129	-	129
Other financial assets	-	-	275	275	-	-	-	-
	3,330	**129**	**26,881**	**30,340**	**3,330**	**129**	**-**	**3,459**
Financial liabilities								
Borrowings	12,864	-	24,065	36,929	-	-	12,864*	12,864
Lease liabilities	-	-	1,965	1,965	-	-	-	-
Trade payables	-	-	5,326	5,326	-	-	-	-
Derivative liability	-	563	-	563	-	563	-	563
Other financial liabilities	-	-	1,331	1,331	-	-	-	-
	12,864	**563**	**32,687**	**46,114**	**-**	**563**	**12,864**	**13,427**

Investments other than those categorised as FVTPL are carried at cost in accordance with Ind AS 27.

* Preference shares are convertible / 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 recorded at its fair value which is equivalent to the face value.

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. Measurement of fair values

Derivative financial instruments are value 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 and options contracts of foreign currencies and interest rate swaps, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

	March 31, 2022 Impact on other components of equity		March 31, 2021 Impact on other components of equity	
Significant observable inputs	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(110)	110	(74)	86
Interest rates (100 bps movement)	186	(186)	246	(246)

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.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. As at the end of the reporting period, there were no significant concentrations of credit risk and the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the balance sheet. The Company uses ageing analysis to monitor the credit quality of its receivables.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables, unbilled revenue and other receivables. The exposure to credit risk as at reporting date amounts to ₹ 27 (March 31, 2021: ₹ 27).

Allowance for impairment	March 31, 2022	March 31, 2021
Opening Balance	27	26
Impairment loss recognised / (reversed)	-	1
Closing Balance	**27**	27

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

Refer to Note 10 for details of ageing of trade receivables.

Trade receivables including unbilled revenue from an individual customer is ₹ 5,895 (March 31, 2021 : ₹ 2,792) which is individually more than 10 percent of the Company's trade receivables including unbilled revenue.

Credit risk on cash and cash equivalents is limited as the Company generally transacts with Banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(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.

As at March 31, 2022, outstanding NCRPS and OCRPS issued to Holding Company amounts to ₹ 12,864 with a tenure of 10 years from the date of issue has been disclosed under current maturities of non-current borrowings. The Company believes that the working capital excluding NCRPS and OCRPS is sufficient to meet its current liquidity requirements as the OCRPS redemption is at the Company's option. Also, refer note 1.2 (a). Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	18,771	-	23,538	-	42,309
Lease liabilities	533	505	1,076	691	2,805
Trade payables	4,892	-	-	-	4,892
Derivative liabilities	106	6	24	-	136
Other financial liabilities	763	-	-	-	763
Total	**25,065**	**511**	**24,638**	**691**	**50,905**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	15,646	-	8,794	12,489	36,929
Lease liabilities	481	478	1,128	629	2,716
Trade payables	5,326	-	-	-	5,326
Derivative liabilities	179	155	225	4	563
Other financial liabilities	1,331	-	-	-	1,331
Total	**22,963**	**633**	**10,147**	**13,122**	**46,865**

(iv) Market risk

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

Foreign currency risk

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

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

March 31, 2022	USD	EUR	Others	Total
Financial assets				
Trade Receivables	7,442	45	1	7,488
Cash and cash equivalents	158	12	-	170
Derivative Assets	224	-	-	224
Other financial assets	229	-	-	229
Financial liabilities				
Non-current borrowings	(18,038)	-	-	(18,038)
Current borrowings	(2,657)	-	-	(2,657)
Derivative liabilities	(136)	-	-	(136)
Trade Payables	(599)	(119)	(5)	(723)
Other financial liabilities	(138)	(54)	(30)	(222)
Net assets / (liabilities)	**(13,515)**	**(116)**	**(34)**	**(13,665)**

March 31, 2021	USD	EUR	Others	Total
Financial assets				-
Trade Receivables	3,895	-	-	3,895
Cash and cash equivalents	1,185	27	-	1,212
Derivative Assets	129	-	-	129
Other financial assets	36	-	-	36
Financial liabilities				
Non-current borrowings	(5,490)	-	-	(5,490)
Current borrowings	(2,782)	-	-	(2,782)
Derivative liabilities	(563)	-	-	(563)
Trade Payables	(1,148)	(457)	(48)	(1,653)
Other financial liabilities	(183)	(125)	(93)	(401)
Net assets / (liabilities)	**(4,921)**	**(555)**	**(141)**	**(5,617)**

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD Sensitivity				
INR/USD - Increase by 1%	(135)	(49)	(245)	(123)
INR/USD - Decrease by 1%	135	49	245	135
EUR Sensitivity				
INR/EUR - Increase by 1%	(1)	(6)	(1)	(6)
INR/EUR - Decrease by 1%	1	6	1	6

Derivative financial instruments

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

		in USD Million
Particulars	**March 31, 2022**	**March 31, 2021**
Foreign exchange forward contracts to buy between 0-2 Years	151	100
European style option contracts with periodical maturity dates between 0-2 Years	70	70
European style range forward contracts with periodical maturity dates between 0-2 Years	63	70
Interest rate swaps used for hedging LIBOR component in external commercial borrowings	75	75

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from non-current borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended March 31, 2022 and March 31, 2021 the Company's borrowings at variable rate were denominated in INR and USD.

(a) Interest rate risk exposure

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

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	6,157	6,282
Fixed rate borrowings	36,152	30,647
Total borrowings	**42,309**	**36,929**

(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.

32. 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 capital to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focuses on keeping strong total capital base to ensure independence, security as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The Company has issued NCRPS and OCRPS to the Holding Company which are classified as financial liabilities in these financial statements. However, given the support letter provided by the Holding Company, the Company has considered these preference shares as part of its capital for the purpose of its capital management.

To maintain a stable capital structure, during the year ended March 31, 2021, the Company had issued equity shares (refer note 12) and debentures (refer note 13) for a consideration (net of issue expense) of ₹ INR 7,664 and ₹ 13,016.

The Company has issued NCRPS and OCRPS to the Holding Company which are classified as financial liabilities in these financial statements. However, the Company has considered NCRPS and OCRPS as part of capital for below disclosure.

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 and preference shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

	March 31, 2022	March 31, 2021
Total equity	21,206	20,493
Preference share capital (NCRPS and OCRPS)	12,864	12,864
Total capital attributable to the shareholders of the Company (including NCRPS and OCRPS)	**34,070**	**33,357**
As a percentage of total capital	54%	58%
Non-current borrowings*	**23,538**	**21,283**
Current borrowings	**5,907**	**2,782**
Total borrowings	29,445	24,065
As a percentage of total capital	46%	42%
Total capital (Equity capital, preference capital and borrowings)	**63,515**	**57,422**

* includes OCD amounting to ₹ 12,344 (March 31, 2021 : 10,293) [refer note 13]

33. Contingent liabilities and commitments to the extent not provided for

	March 31, 2022	March 31, 2021
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**1,107**	**1,041**
The above includes		
(i) Direct taxation	986	986
(ii) Indirect taxation (includes matters pertaining to disputes on VAT and CST)	**121**	**55**

The Company 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 substantially 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 will not have any material adverse effect on the Company's financial position and results of operations.

(ii) Commitments:

	March 31, 2022	March 31, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,100	2,223

34. Earnings per equity share (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Earnings		
For Basic and dilutive EPS *	860	2,097
Shares		
Basic outstanding shares	1,058,849,676	1,030,219,915
Add: Weighted average shares issued during the year	-	6,328,164
Weighted average shares used for computing basic EPS	**1,058,849,676**	**1,036,548,079**
Add: Effect of dilutive rights granted under OCRPS	38,456,065	38,564,446
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	2,333,060	-
Add: Effect of dilutive rights granted under OCD *	-	-
Weighted average shares used for computing diluted EPS	**1,099,638,801**	**1,075,112,525**
Earnings per equity share		
Basic (in ₹)	0.81	2.02
Diluted (in ₹)	0.78	1.95

*As at March 31, 2022, outstanding OCD are anti-dilutive in nature.

35. Segmental reporting

The Chief Operating Decision Maker reviews the operations of the Company as Pharmaceutical business, which is considered to be the only reportable segment by the management.

Geogrpahical segement

For details of revenue by geogrpahy please refer to note 19.1

For details of significant customer refer note 19.5

36. Employee stock compensation

a) Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24

On July 21, 2021, Board of Directors of the Company approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24 ('RSU Plan') for the grant of Restricted stock units to the employees of the Company and its subsidiaries. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon Biologics Employees Welfare Trust (ESOP Trust).

In July 2021, the Company approved the grant to its employees under the RSU Plan. The options under this grant would vest to the employees as 33%, 33% and 34% of the total grant at the end of first, second and third year, respectively from the date of grant. Exercise period is 3 years for each grant. These options are exercisable at ₹ 10 per RSU. The RSU Plan provides for certain market and non-market conditions for vesting which are measured through revenue, profit, achievement of key milestones and share price increase.

Particulars	March 31, 2022		March 31, 2021	
	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	5,142,857	10	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	5,142,857	10	-	-
Exercisable at the end of the year	5,142,857	10	-	-
Weighted average remaining contractual life (in years)	5.3	-	-	-
Weighted average fair value of options granted	208.1	-	-	-

Assumptions used in determination of the fair value of the stock options under the option pricing model for grants during the year are as follows:

Particulars	March 31, 2022	March 31, 2021
Weighted Average Exercise Price	10	-
Expected volatility	49.2% - 50.2%	-
Life of the options granted (vesting and exercise period) in years	6	-
Average risk-free interest rate	5.3% - 5.6%	-
Expected dividend rate	0%	-

The Company has recorded an amount of ₹ 412 (March 31, 2021: Nil) as cost of the above RSU Plan in the statement of profit and loss.

b) The employees of the Company are also eligible for shares under the Biocon Employee Stock Option Plan ('ESOP Plan 2000'), Biocon - Restricted Stock Units of Syngene International Limited ('RSU Plan 2015') and Biocon - Restricted Stock Units of Biocon Biologics Limited (formerly "Biocon Biologics India Limited") ('RSU Plan 2019') (collectively "stock option plans") of Biocon Limited.

Total number of options outstanding	March 31, 2022	March 31, 2021
ESOP Plan 2000	3,552,567	6,335,596
RSU Plan 2015	64,303	178,701
RSU Plan 2019 #	4,244,686	4,706,410

adjusted for the impact of bonus issue

The Company has recorded an amount of ₹ 120 (March 31, 2021: ₹ 142) as cost of the above stock option plans based on amounts cross charged by its Holding company.

37. Acquisitions:

a) The Company has entered into merger co-operation agreement with Serum Institute Life Sciences Private Limited ("SILS") and Covidshield Technologies Private Limited ("CTPL" or Transferor company) wholly owned subsidiary of SILS on September 16, 2021. Further, on January 03, 2022, the Board of Directors approved the scheme of Merger by Absorption (the Scheme) of CTPL with and into the Company (the Transferee company), with an appointed date of October 01, 2022. The Scheme is subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT") and/or such other competent authorities (including the Competition Commission of India), and the shareholders and creditors of the Transferor company and the Transferee company.

b) On February 27, 2022, the Company entered into a definitive agreement with its collaboration partner Viatris Inc. to acquire Viatris' biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in the Company, valued at USD 1 billion. This transaction is subject to necessary regulatory and other approvals. As at March 31, 2022, the closing conditions of the transaction are yet to be satisfied.

38. Exceptional item

a) The Company has obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for acquisitions mentioned in note 37. These services were availed during the financial year ended March 31, 2022 and hence these amounts aggregating to ₹ 410 have been recorded as an expense in the statement of profit and loss under the head 'Exceptional items'. Consequential tax impact of ₹ 169 is included within tax expense.

b) During the year ended March 31, 2022, the Company had entered into amendment agreement with Goldman Sachs India AIF Scheme-I('Investor') which resulted in modification of the compound financial instrument. Resulting loss on the modification was recorded within statement of profit and loss. The amount of ₹ 274 was charged in the statement of profit and loss and has been disclosed as an exceptional item during the year ended March 31, 2022. Consequential tax impact of ₹ 49 is included within tax expense. Refer to note 13(d) for further details.

c) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated September 23, 2021 on Service Exports from India Scheme {SEIS) for services rendered in financial year 2019-20 with the total entitlement capped at ₹ 50 per exporter for the period. The Company during the year has reversed the SEIS claim receivables of ₹ 120 for the financial year 2019-20 and the same has been presented under exceptional items. Consequential tax impact of ₹ 21 is included within tax expense.

d) During year ended March 31, 2021, the Company had paid registration fees for increasing authorise share capital of the Company and stamp duty fees on issue of such shares, amounting to ₹ 5 is recorded as exceptional item. Consequential tax of ₹ 1 is included within tax expense.

e) During the year ended March 31, 2021, the Company had incurred severance cost amounting to ₹ 116 arising from exit of certain key personnel which is recorded as exceptional item. Consequential tax of ₹ 15 is included within tax expense.

39. 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.

Total number of options outstanding	In cash	Yet to be paid in cash	Total
March 31, 2022			
(i) Construction/acquisition of any asset *	28	-	28
(ii) On purposes other than (i) above	15	-	15
Total	43	-	43
March 31, 2021			
(i) Construction/acquisition of any asset *	24	-	24
(ii) On purposes other than (i) above	7	-	7
Total	31	-	31

* not owned by the Company

Particulars	March 31, 2022	March 31, 2021
Amount required to be spent by the company during the year	43	31
Amount of expenditure incurred	43	31
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-

Nature of CSR activities conducted by company during year ending March 31, 2022 and March 31, 2021 are as follows:

1. Promoting Healthcare
2. Environmental Sustainability

Refer note 28 for details for related party transactions

40. 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.

41. Financial ratios:

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
a. Current ratio	Current assets	Current liabilities excluding NCRPS and OCRPS	1.72	2.12	-19%
b. Debt-Equity ratio	Total borrowings * excluding NCRPS and OCRPS	Total equity including NCRPS and OCRPS	0.86	0.72	20%
c. Debt service coverage ratio[1]	Earnings for debt service = Net profit before tax + Depreciation and amortisation + Finance costs + Non cash exceptional items	Debt service = Current lease liabilities + Current borrowings	0.49	1.05	-54%
d. Return on equity ratio[2]	Profit for the year	Average total equity including NCRPS and OCRPS	2.55%	6.83%	-63%
e. Inventory turnover ratio	Cost of goods sold = Cost of raw materials and packing materials consumed + Purchases of traded goods + Changes in inventories	Average inventory	0.84	0.87	-3%
f. Trade receivables turnover ratio[3]	Net credit sales = Revenue from operations	Average Trade Receivable	3.60	2.80	28%
g. Trade payables turnover ratio	Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses	Average trade payables	3.02	2.87	5%
h. Net capital turnover ratio	Revenue from operations	Average Working capital (Working capital = Current assets – Current liabilities excluding NCRPS and OCRPS)	2.22	2.24	-1%
i. Net profit ratio[2]	Profit for the year	Revenue from operations	3.64%	10.80%	-66%
j. Return on capital employed[2]	Earnings before interest and taxes = Profit before tax + Finance costs	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings	2.39%	4.90%	-51%
k. Return on investment[4]	Realised and Unrealised gain	Average investment during the year	1.46%	3.42%	-57%

* includes OCD amounting to ₹ 12,344 (March 31, 2021 : 10,293) [refer note 13]

[1] Debt service coverage ratio has decreased due to lower earnings for the year and increase in short term working capital borrowings.

[2] Return on equity, Net profit ratio and Return on capital employed has decreased due to lower profits. Profits for the year are lower as compared to previous year primarily on account of exceptional expenses and higher spends on research and development expenses during the year.

[3] Trade receivables turnover ratio has increased due to higer revenues and decrease in Daily sales outstanding (DSO) days.

[4] Return on investments has decreased due to lower yields on treasury investments.

42. 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 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 Company will continue to closely monitor any material changes to future economic conditions.

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

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

44. Other statutory information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(ii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

45. Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification as per the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Biocon Biologics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Biocon Biologics Limited (*formerly known as Biocon Biologics India Limited*) (hereinafter referred to as the "Holding Company"), its employee welfare trust and its subsidiaries (Holding Company, its employee welfare trust and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of a subsidiary as was audited by the other auditor, 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 as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 auditor referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

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

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors'/Board of Trustees 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 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 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 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 are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the 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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

(a) We did not audit the financial statements / financial information of a subsidiary, whose financial statements/ financial information reflect total assets (before consolidation adjustments) of b 34,644 million as at 31 March 2022, total revenues (before consolidation adjustments) of b 7,867 million and net cash flows (before consolidation adjustments) amounting to b 106 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

This subsidiary is 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 auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of its subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) 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 report of the other auditor and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company , and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matter 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 auditor on separate financial statements of a subsidiary, as noted in the "Other Matter" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 35(i) to the consolidated financial statements.

b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 31 to the consolidated financial statements in respect of such items as it relates to the Group.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company, or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 42 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company, shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Holding Company and its subsidiary company, have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, 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, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AHYMWT8503

Place: Bengaluru
Date: 27 April 2022

Annexure A to the Independent Auditors' Report

on the Consolidated financial statements of Biocon Biologics Limited (formerly known as Biocon Biologics India Limited) for the year ended 31 March 2022

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AHYMWT8503

Place: Bengaluru
Date: 27 April 2022

Annexure B to the Independent Auditors' Report

on the consolidated financial statements of Biocon Biologics Limited (formerly known as Biocon Biologics India Limited) for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Biocon Biologics Limited (formerly known as Biocon Biologics India Limited) (hereinafter referred to as "the Holding Company"), a company incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company 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 Holding 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 Holding 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 Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AHYMWT8503

Place: Bengaluru
Date: 27 April 2022

Consolidated Balance Sheet as at March 31, 2022

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

	Note	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	24,172	24,541
Capital work-in-progress	3(a)	23,922	17,800
Right-of-use assets	3(b)	1,769	1,730
Other Intangible assets	4	5,504	5,838
Intangible assets under development	4	6,166	4,892
Financial assets			
(i) Derivative assets		53	26
(ii) Other financial assets	5(a)	71	117
Income tax assets (net)		766	776
Deferred tax assets (net)	6	1,095	1,414
Other non-current assets	7(a)	1,533	1,347
Total non-current assets		**65,051**	**58,481**
Current assets			
Inventories	8	14,105	12,437
Financial assets			
(i) Investments	9	207	3,330
(ii) Trade receivables	10	8,780	5,849
(iii) Cash and cash equivalents	11	1,537	2,583
(iv) Bank balances other than (iii) above	11	1,064	2,060
(v) Derivative assets		171	103
(vi) Other financial assets	5(b)	3,820	4,113
Other current assets	7(b)	2,216	1,774
Total current assets		**31,900**	**32,249**
TOTAL		**96,951**	**90,730**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	10,588	10,588
Other equity	12(b)	11,520	7,223
Total equity		**22,108**	**17,811**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	31,664	24,607
(ii) Lease liabilities	27	1,575	1,527
(iii) Derivative liabilities		30	390
Provisions	14(a)	299	270
Deferred tax liabilities (net)	6	523	793
Other non-current liabilities	15(a)	9,589	7,844
Total non-current liabilities		**43,680**	**35,431**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	18,959	23,675
(ii) Lease liabilities	27	492	438
(iii) Trade payables	17		
- Total outstanding dues of micro and small enterprises		375	453
- Total outstanding dues of creditors other than micro and small enterprises		8,669	8,861
(iv) Derivative liabilities		106	228
(v) Other financial liabilities	18	1,094	2,128
Provisions	14(b)	425	357
Income tax liabilities (net)		288	411
Other current liabilities	15(b)	755	937
Total current liabilities		**31,163**	**37,488**
TOTAL		**96,951**	**90,730**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

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

	Note	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	19	34,643	27,972
Other income	20	104	64
Total income		**34,747**	**28,036**
EXPENSES			
Cost of raw materials and packing materials consumed	21	9,547	9,313
Purchases of traded goods		1,467	688
Changes in inventories of finished goods, traded goods and work-in-progress	22	(977)	(2,747)
Employee benefits expense	23	7,169	6,106
Finance costs	24	668	372
Depreciation and amortisation expense	25	4,029	3,430
Other expenses	26	12,176	10,708
		34,079	27,870
Less: Recovery of cost from co-development partners (net)		(4,764)	(3,480)
Total expenses		**29,315**	**24,390**
Profit before tax and exceptional items		5,432	3,646
Exceptional items	40	(804)	(226)
Profit before tax		**4,628**	**3,420**
Tax expenses	29		
Current tax		931	685
Deferred tax (credit) / charge			
MAT credit entitlement		(97)	(261)
Other deferred tax		(31)	321
Total tax expense		**803**	**745**
Profit for the year		3,825	2,675
Other comprehensive (expense)/income (OCI)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement losses on defined benefit plans		(19)	(5)
Income tax effect		6	2
		(13)	**(3)**
(ii) Items that may be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		557	(411)
Exchange difference on translation of foreign operations		569	(145)
Income tax effect		(154)	110
		972	**(446)**
Other comprehensive income/(expense) for the year, net of tax		**959**	**(449)**
Total comprehensive income for the year		**4,784**	**2,226**
Earnings per equity share	36		
Basic (in ₹)		3.61	2.58
Diluted (in ₹)		3.48	2.49

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

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Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
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Bengaluru
April 27, 2022

Consolidated Statement of Changes In Equity

for the year ended March 31, 2022

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

(A) Ordinary equity share capital	March 31, 2022	March 31, 2021
Opening balance	10,588	2,060
Bonus shares issued during the year	-	8,242
Shares issued during the year	-	286
Closing balance	**10,588**	**10,588**

B. Other equity

	Reserves and surplus									Other comprehensive income			Total other equity
	Equity portion of preference shares [refer note 12 and 13]	Equity portion of Optionally convertible debentures [refer note 13]	Securities Premium	Retained earnings	SEZ reinvestment reserve	Amalgamation adjustment reserve	Debenture redemption reserve	Capital redemption reserve	Employee stock option outstanding reserve	Cash flow hedging reserves	Foreign currency translation reserve	Other items of other comprehensive income	
Balance at April 1, 2020	**766**	**-**	**5,244**	**(703)**	**-**	**(1,348)**	**-**	**-**	**-**	**(160)**	**849**	**748**	**5,396**
Profit for the year	-	-	-	2,675	-	-	-	-	-	-	-	-	2,675
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	(301)	(145)	(3)	(449)
Total comprehensive income for the year	**-**	**-**	**-**	**2,675**	**-**	**-**	**-**	**-**	**-**	**(301)**	**(145)**	**(3)**	**2,226**
Transactions recorded directly in equity													
Premium received on issue of shares during the year	-	-	7,514	-	-	-	-	-	-	-	-	-	7,514
Utilised for issue of bonus shares during the year	-	-	(5,244)	(2,998)	-	-	-	-	-	-	-	-	(8,242)
Transfer to Debenture redemption reserve	-	-	-	(1,325)	-	-	1,325	-	-	-	-	-	-
Equity component of optionally convertible debentures [refer note 13 (i)]	-	959	-	-	-	-	-	-	-	-	-	-	959
Share issue expense incurred during the year	-	-	(136)	-	-	-	-	-	-	-	-	-	(136)
Transfer to Reserves and surplus	-	-	-	782	-	-	-	-	-	-	-	(782)	-
Transfer to Capital redemption reserve	-	-	-	(1,292)	-	-	-	1,292	-	-	-	-	-
Transfer to Special Economic Zone ("SEZ") reinvestment reserve	-	-	-	(223)	223	-	-	-	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	-	223	(223)	-	-	-	-	-	-	-	-
Purchase of Non-cumulative redeemable convertible preference shares [refer note 13(f)]	(666)	-	-	172	-	-	-	-	-	-	-	-	(494)
Balance at March 31, 2021	**100**	**959**	**7,378**	**(2,689)**	**-**	**(1,348)**	**1,325**	**1,292**	**-**	**(461)**	**704**	**(37)**	**7,223**
Profit for the year	-	-	-	3,825	-	-	-	-	-	-	-	-	3,825
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	403	569	(13)	959
Total comprehensive income for the year	**-**	**-**	**-**	**3,825**	**-**	**-**	**-**	**-**	**-**	**403**	**569**	**(13)**	**4,784**
Transactions recorded directly in equity													
Transfer to Special Economic Zone ("SEZ") reinvestment reserve	-	-	-	(103)	103	-	-	-	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	-	103	(103)	-	-	-	-	-	-	-	-
Employee stock compensation expense (refer note 38)	-	-	-	-	-	-	-	-	412	-	-	-	412
Transfer to Debenture redemption reserve [refer note 13 (i)]	-	-	-	(38)	-	-	38	-	-	-	-	-	-
Modification impact of OCD [refer note 13 (i)]	-	(959)	-	60	-	-	-	-	-	-	-	-	(899)
Balance at March 31, 2022	**100**	**-**	**7,378**	**1,158**	**-**	**(1,348)**	**1,363**	**1,292**	**412**	**(58)**	**1,273**	**(50)**	**11,520**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
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Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

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

		Year ended March 31, 2022	Year ended March 31, 2021
I	**Cash flows from operating activities**		
	Profit for the year	3,825	2,675
	Adjustments to reconcile profit for the year to net cash flows		
	Depreciation and amortisation expense	4,029	3,430
	Tax expense	803	745
	Finance costs	668	372
	Employee stock compensation expense	412	-
	Provision for doubtful debts, net	-	1
	Net gain on sale of current investments	(37)	(57)
	Fair value loss on financial assets measured at fair value through profit or loss	299	-
	Unrealised foreign exchange (gain) / loss	(114)	134
	Interest income	(56)	(7)
	Operating profit before working capital changes	**9,829**	**7,293**
	Movements in working capital		
	(Increase) in inventories	(1,531)	(4,654)
	(Increase) in trade receivables	(2,647)	(2,710)
	Increase in trade payables, other liabilities and provisions	869	3,274
	(Increase) in other assets	(20)	(1,624)
	Cash generated from operations	**6,500**	**1,579**
	Income taxes paid (net of refunds)	(1,057)	(386)
	Net cash flow generated from operating activities	**5,443**	**1,193**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment including Capital work-in-progress	(6,918)	(8,679)
	Purchase of other intangible assets and intangible assets under development	(1,882)	(1,935)
	Purchase of investments	(7,306)	(31,417)
	Proceeds from sale of investments	10,555	28,144
	Investment in Adagio Therapeutics Inc.	(374)	-
	Redemption of fixed deposit with original maturity more than 3 months	998	(2,060)
	Interest received	43	7
	Net cash flow used in investing activities	**(4,884)**	**(15,940)**
III	**Cash flows from financing activities**		
	Proceeds from issuance of equity shares (net of expenses)	-	7,664
	Purchase of preference shares of subsidiary	-	(3,846)
	Proceeds from issuance of optionally convertible debentures (net of expenses)	-	11,016
	Proceeds from issuance of non convertible debentures	-	2,000
	Redemption of preference shares	-	(5,000)
	Proceeds from non-current borrowings	7,489	7,937
	Repayment of non-current borrowings	(10,453)	(3,979)
	Proceeds from short-term borrowings (net)	3,145	105
	Repayment of lease liabilities	(514)	(475)
	Interest paid	(850)	(874)
	Net cash flow (used in) / generated from financing activities	**(1,183)**	**14,548**

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

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

		Year ended March 31, 2022	Year ended March 31, 2021
IV	**Net (decrease) in cash and cash equivalents (I + II + III)**	(624)	(199)
V	**Effect of exchange differences on cash and cash equivalents held in foreign currency**	46	(20)
VI	**Cash and cash equivalents at the beginning of the year**	2,022	2,241
VII	**Cash and cash equivalents at the end of the year (IV + V + VI)**	**1,444**	**2,022**
	Reconciliation of cash and cash equivalents as per statement of cash flow		
	Cash and cash equivalents (Note 11)		
	Balances with banks - on current accounts	1,537	2,543
	Deposits with original maturity of less than 3 months	-	40
		1,537	**2,583**
	Cash credits (note 16)	(93)	(561)
	Balance as per statement of cash flows	**1,444**	**2,022**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	As at April 1, 2021	Cash flows	Non-cash movement	As at March 31, 2022
Non-current borrowings (including current maturities)	44,939	(2,964)	2,648	44,623
Current borrowings	2,782	3,145	(20)	5,907
Interest accrued but not due	122	13	-	135
Total liabilities from financing activities	47,843	194	2,628	**50,665**

	As at April 1, 2020	Cash flows	Non-cash movement *	As at March 31, 2021
Non-current borrowings (including current maturities)	37,602	8,128	(791)	44,939
Current borrowings	2,733	105	(56)	2,782
Interest accrued but not due	26	96	-	122
Total liabilities from financing activities	**40,361**	**8,329**	**(847)**	**47,843**

* includes equity component of Optionally convertible debentures (“OCD”) amounting to ₹ 959. [Refer note 13 (i)]

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**
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DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022

Notes to the consolidated Financial Statements

for the year ended March 31, 2022

(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 Biologics Limited ("BBL" or the "parent company" or "the Company"), a subsidiary of Biocon Limited, together with its subsidiaries (collectively, the "Group"), is engaged in manufacture and development of pharmaceutical formulations. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka.

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 basis on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2022.

These consolidated financial statements were authorised for issuance by the Company's Board of Directors on April 27, 2022.

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

b) *Functional and presentation currency*

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries 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, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations;
- Employee stock compensation

d) *Use of estimates and judgements*

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

Judgements

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

- Note 1.2(b) — Assessment of functional currency;
- Note 2(c) and 31 — Financial instruments;
- Note 2(d), 2(e), 2(f) and 3 — Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 2(p) and 27 — Lease whether as arrangement contains a lease;
- Note 2(j) and 30 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 2(n), 6 and 29 — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets.

- Note 2(l) and 19 — Revenue Recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time;

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

— Note 2(i)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;

— Note 6 and 29 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

— Note 30 – measurement of defined benefit obligations: key actuarial assumptions;

— Note 31 – impairment of financial assets; and

— Note 14 and 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

— Note 38 – Employee stock compensation

1.4 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).

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 2(c) and 31 – 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 ventures 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;

— FVOCI – equity investment; or

— FVTPL

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 and loss. However, see Note 32 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.
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 and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to 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: Classification, subsequent measurement and gains and losses

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

iii. *Derecognition*
Financial assets

The 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.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 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. *Cash and cash equivalents*

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

vii. *Cash dividend to equity holders*

The Group 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 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 the cost of materials and direct labor, any other costs including import duty, and other non-refundable taxes or levies that are directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are disclosed under other non-current assets and cost of assets not ready for intended use before the year end, are disclosed 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	Management estimate of useful life	Useful life as per Schedule II
Building	25-30 years	30 years
Roads	5-12 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	9-15 years	8-20 years
Computers and servers	3 years	3-6 years
Office equipment	3-5 years	5 years
Research and development equipment	9 years	5-10 years
Furniture and fixtures	6 years	10 years
Vehicles	6 years	6-10 years
Leasehold improvements	5 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. 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 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 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 internally generated goodwill and 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
— Developed technology rights	5-10 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.

Any gain or loss on disposal of an investment property is recognised in statement of profit and 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.

Business combinations – common control transaction

Business combination involving entities that are controlled by the group is accounted for at carrying value. No adjustments are made to reflect the fair values, or recognise any new assets or liabilities except to harmonise accounting policies. The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of combination. The identity of the reserves are preserved and the reserves of transferor becomes the reserves of the transferee. The difference, if any between the amounts recorded as share capital issued plus any additional consideration in the form of cash and the amounts of share capital of the transferor is transferred to amalgamation adjustment reserves and is presented separately from other capital reserves.

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.

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, 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.

ii. *Impairment of non-financial assets*

The Group 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 CGU exceeds its estimated recoverable amount in the statement of profit and 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, inventories and deferred tax 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 groups of CGUs) on a pro rata basis.

j. Employee benefits

i. *Gratuity*

The Group 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 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.

ii. *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.

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.

iv. *Employee stock 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 Biocon Biologics 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 "Employee stock options outstanding 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. 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 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

i. *Sale of goods*

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. However, in certain cases, revenue is recognized on sale of products where shipment is on hold at specific request of the customer provided performance obligation conditions has been satisfied and control is transferred, with customer taking title of the goods. The amount of revenue to be 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.

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 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 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. *Research services*

In respect of research services involving 'time and materials' contracts, research fee are recognised as services are rendered, in accordance with the terms of the contracts. The rates charged to customers are arrived at a cost plus markup basis as per the terms of the agreement with each customer.

iv. *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.

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. *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.

viii. *Interest income and expense*

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

m. Government grants

The Group recognises 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 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.

n. Income taxes

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

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

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 consolidated 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 realised.

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 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.

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. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. 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.

q. Earnings per equity share

Basic earnings per equity share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per equity 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.

r. 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. All assets and liabilities have been classified as current and non-current as per the Group's Operating cycle.

s. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

3 (a). Property, plant and equipment and Capital work-in-progress

	Land	Building	Leasehold improvements	Plant and equipment [Refer note (a)]	Research and development equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress [Refer note (b)]
Gross carrying amount									
At April 01, 2020	1,347	6,918	17	23,223	1,560	195	29	33,289	11,965
Additions	**10**	**3**	**52**	**2,226**	**571**	**129**	**6**	**2,997**	**8,853**
Disposals/transfers	-	(43)	-	-	-	-	(4)	(47)	(2,997)
Other adjustments								-	
- Foreign currency translation adjustment	(38)	(195)	-	(433)	-	(2)	-	(668)	(21)
At March 31, 2021	**1,319**	**6,683**	**69**	**25,016**	**2,131**	**322**	**31**	**35,571**	**17,800**
Additions	-	-	35	1,411	69	34	16	1,565	7,617
Disposals/transfers	-	-	-	(155)	(68)	-	(5)	(228)	(1,565)
Other adjustments									
- Foreign currency translation adjustment	49	248	-	557	-	3	-	857	70
At March 31, 2022	**1,368**	**6,931**	**104**	**26,829**	**2,132**	**359**	**42**	**37,765**	**23,922**
Depreciation/ Amortisation									
At April 01, 2020	**-**	**840**	**4**	**7,136**	**878**	**116**	**11**	**8,985**	**-**
Charge for the year	-	259	4	1,744	128	27	5	2,167	-
Disposals	-	-	-	-	-	-	(4)	(4)	-
Other adjustments									
- Foreign currency translation adjustment	-	(26)	-	(91)	-	(1)	-	(118)	-
At March 31, 2021	**-**	**1,073**	**8**	**8,789**	**1,006**	**142**	**12**	**11,030**	**-**
Charge for the year	-	263	18	2,028	165	48	6	2,528	-
Disposals	-	-	-	(130)	(33)	-	(2)	(165)	-
Other adjustments									
- Foreign currency translation adjustment	-	43	-	155	-	2	-	200	-
At March 31, 2022	**-**	**1,379**	**26**	**10,842**	**1,138**	**192**	**16**	**13,593**	**-**
Net carrying amount									
At March 31, 2021	**1,319**	**5,610**	**61**	**16,227**	**1,125**	**180**	**19**	**24,541**	**17,800**
At March 31, 2022	**1,368**	**5,552**	**78**	**15,987**	**994**	**167**	**26**	**24,172**	**23,922**

(a) Plant and equipment includes computer and office equipment.
(b) Capital work-in-progress primarily comprises of the biologics manufacturing unit being set up in India.
(c) For details on security on certain property, plant and equipment, refer note 13.
(d) Borrowing cost capitalised during the year amounted to ₹ 1,445 (March 31, 2021: ₹ 893).
(e) Refer note 35(ii) for contractual commitments for purchase of property, plant and equipment.

3 (a). Property, plant and equipment and Capital work-in-progress

CWIP ageing schedule:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7,481	7,415	5,185	3,841	23,922
As at March 31, 2022	**7,481**	**7,415**	**5,185**	**3,841**	**23,922**
Projects in progress	8,111	5,749	3,788	152	17,800
As at March 31, 2021	**8,111**	**5,749**	**3,788**	**152**	**17,800**

Capital work-in-progress ('CWIP') completion schedule (CWIP whose completion is overdue or has exceeded its cost compared to its original plan)

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	13,481	-	-	-	13,481
Project 2	-	1,637	-	-	1,637
Project 3	-	4,527	-	-	4,527
Project 4	287	-	-	-	287
Project 5	1,547	-	-	-	1,547
As at March 31, 2022	**15,315**	**6,164**	**-**	**-**	**21,479**
Projects in progress					
Project 1	-	10,159	-	-	10,159
Project 2	-	-	1,272	-	1,272
Project 3	-	-	3,308	-	3,308
Project 4	-	260	-	-	260
Project 5	-	964	-	-	964
As at March 31, 2021	**-**	**11,383**	**4,580**	**-**	**15,963**

3 (b). Right-of-use assets

	Land	Buildings	Plant and equipment	Total
Gross carrying amount				
At April 01, 2020	53	1,297	1,064	2,414
Additions	-	-	-	-
At March 31, 2021	**53**	**1,297**	**1,064**	**2,414**
Additions	-	415	-	415
At March 31, 2022	**53**	**1,712**	**1,064**	**2,829**
Accumulated depreciation				
At April 01, 2020	5	156	160	321
Depreciation for the year*	5	183	175	363
At March 31, 2021	**10**	**339**	**335**	**684**
Depreciation for the year*	5	196	175	376
Other adjustments				
- Foreign currency translation adjustment	-	-	-	-
At March 31, 2022	**15**	**535**	**510**	**1,060**
Net carrying amount				
At March 31, 2021	43	958	729	1,730
At March 31, 2022	**38**	**1,177**	**554**	**1,769**

*includes ₹ 5 capitalised during the year (March 31, 2021 : ₹ 28).

4. Other Intangible assets

	Other Intangible assets				Intangible assets under development
	Developed technology rights	Marketing and Manufacturing rights	Computer software	Total	
Gross carrying amount					
At April 01, 2020	3,396	791	174	4,361	5,796
Additions	2,589	444	33	3,066	2,276
Disposals / transfer	-	-	-	-	(3,066)
Other adjustments					
- Foreign currency translation adjustment	(128)	(27)	-	(155)	(114)
At March 31, 2021	**5,857**	**1,208**	**207**	**7,272**	**4,892**
Additions	345	-	254	599	1,721
Disposals / transfer	-	-	-	-	(599)
Other adjustments					
- Foreign currency translation adjustment	236	45	1	282	152
At March 31, 2022	**6,438**	**1,253**	**462**	**8,153**	**6,166**
Accumulated amortisation					
At April 01, 2020	298	158	82	538	-
Amortisation for the year	747	150	31	928	-
Other adjustments					
- Foreign currency translation adjustment	(24)	(8)	-	(32)	-
At March 31, 2021	**1,021**	**300**	**113**	**1,434**	**-**
Amortisation for the year	889	178	63	1,130	-
Other adjustments					
- Foreign currency translation adjustment	71	14	-	85	-
At March 31, 2022	**1,981**	**492**	**176**	**2,649**	**-**
Net carrying amount					
At March 31, 2021	**4,836**	**908**	**94**	**5,838**	**4,892**
At March 31, 2022	**4,457**	**761**	**286**	**5,504**	**6,166**

(a) Borrowing cost capitalised during the year amounted to ₹ 36 (March 31, 2021: ₹ 12).

(b) Refer note 35 (ii) for contractual commitments for purchase of intangible assets.

Intangible assets under development ageing schedule:

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Projects in progress	1,509	1,338	2,116	1,203	6,166
As at March 31, 2022	**1,509**	**1,338**	**2,116**	**1,203**	**6,166**
Projects in progress	1,310	2,150	1,432	-	4,892
As at March 31, 2021	**1,310**	**2,150**	**1,432**	**-**	**4,892**

Intangible assets under development completion schedule (projects whose completion is overdue or has exceeded its costs compared to its original plan)

	To be completed in				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	2,288	-	-	-	2,288
As at March 31, 2022	**2,288**	**-**	**-**	**-**	**2,288**
Projects in progress					
Project 1	2,418	-	-	-	2,418
As at March 31, 2021	**2,418**	**-**	**-**	**-**	**2,418**

5. Other financial assets

	March 31, 2022	March 31, 2021
(a) Non-current		
Deposits	71	117
	71	**117**
(b) Current		
Interest accrued on bank deposits	13	-
Other receivables (considered good - Unsecured) from:		
Others	3,807	4,113
	3,820	**4,113**

[Also refer note 28 for details on related party transactions]

6. Deferred tax assets (net)

	March 31, 2022	March 31, 2021
Deferred tax liabilities (net)	(523)	(793)
Deferred tax assets (net)	1,095	1,414
Total	**572**	**621**
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(875)	(575)
Derivative assets	(78)	(38)
Gross deferred tax liabilities	**(953)**	**(613)**
Deferred tax assets		
MAT credit entitlement	913	816
Provision for employee benefit	132	71
Allowance for doubtful debts	9	8
Derivative liabilities	51	165
Deferred revenue	30	82
Lease liabilities	90	52
Expenses allowed on payment basis	189	-
Others	111	40
Gross deferred tax assets	**1,525**	**1,234**
Deferred tax assets (net)	**572**	**621**

7. Other assets

Unsecured considered good, unless otherwise stated

	March 31, 2022	March 31, 2021
(a) Non-current		
Capital advances	333	231
Duty drawback receivable	32	13
Balances with statutory / government authorities	467	293
Prepayments	701	810
	1,533	**1,347**
(b) Current		
Balances with statutory / government authorities	971	737
Export incentive receivable	143	386
Advance to suppliers	645	299
Prepayments	457	352
	2,216	**1,774**

[Also refer note 28 for details on related party transactions]

8. Inventories

	March 31, 2022	March 31, 2021
Raw materials, including goods-in-bond (refer note (a) below)	3,022	2,818
Packing materials	2,486	1,999
Finished goods	6,619	1,816
Work-in-progress	1,765	5,583
Traded goods	213	221
	14,105	**12,437**

(a) Inventories includes goods in-transit ₹ 129 (March 31, 2021: ₹ 185)

(b) Write-down of inventories to net realisable value and provision for stock obsolescence amounted to ₹ 329 (March 31, 2021: ₹ 308). These were recognised as an expense during the year and included in 'changes in inventories of traded goods, finished goods and work-in-progress' in statement of profit and loss.

9. Current investments

	March 31, 2022	March 31, 2021
Quoted - Investments at fair value through profit or loss:		
Investment in mutual funds	105	3,330
Investment in Adagio Therapeutics Inc - 294,000 (March 31, 2021 - Nil) Common Stock, par value USD 0.0001 each	102	-
	207	**3,330**
Aggregate market value of quoted investments	207	3,330
Aggregate carrying value of quoted investments	207	3,330

The Group's exposure of credit and currency risks, and loss allowances are disclosed in notes 31.

10. Trade receivables

	March 31, 2022	March 31, 2021
Current		
(a) Trade receivables considered good - Unsecured	8,780	5,849
(b) Trade receivables - credit impaired	27	27
	8,807	**5,876**
Allowance for expected credit loss	(27)	(27)
	8,780	**5,849**

[Also refer note 28 for details on related party transactions]

The Group's exposure to credit and currency risks are disclosed in Note 31.

(a) Trade receivables Ageing Schedule

		Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,769	6,019	840	152	-	-	-	8,780
Undisputed Trade Receivables - credit impaired	-	-	-	12	9	-	6	27
As at March 31, 2022	**1,769**	**6,019**	**840**	**164**	**9**	**-**	**6**	**8,807**
Undisputed Trade Receivables - considered good	1,809	3,599	424	17	-	-	-	5,849
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	18	9	27
As at March 31, 2021	**1,809**	**3,599**	**424**	**17**	**-**	**18**	**9**	**5,876**

11. Cash and bank balances

	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,537	2,543
Deposits with original maturity of less than 3 months	-	40
Cash on hand [refer note (a) below]	-	-
	1,537	**2,583**
Other bank balances		
Deposits with remaining maturity of less than 12 months	1,000	2,000
Margin money deposits	64	60
	1,064	**2,060**
Total cash and bank balances	**2,601**	**4,643**

(a) The Group has cash on hand which are not disclosed above since amounts are rounded off to Rupees million.

12(a). Share capital

	March 31, 2022	March 31, 2021
Authorised		
1,500,000,000 (March 31, 2021: 1,500,000,000) equity shares of ₹ 10 each (March 31, 2021: ₹ 10 each)	15,000	15,000
2,000,000,000 (March 31, 2021: 2,000,000,000) preference shares of ₹ 10 each (March 31, 2021: ₹ 10 each)	**20,000**	**20,000**
Issued, subscribed and fully paid-up		
1,058,849,676 (March 31, 2021: 1,058,849,676) equity shares of ₹ 10 each	10,588	10,588
205,420,000 (March 31, 2021: 205,420,000) Non Convertible Redeemable Preference Shares ("NCRPS") of ₹ 10 each	2,054	2,054
1,081,000,000 (March 31, 2021: 1,081,000,000) Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹ 10 each	10,810	10,810
	23,452	**23,452**
Less : Preference share capital classified as a financial liability [refer note 13]	(12,864)	(12,864)
Equity share capital	**10,588**	**10,588**

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

(a) Equity shares	March 31, 2022		March 31, 2021	
	No.	b Million	No.	b Million
At the beginning of the year	1,058,849,676	10,588	206,043,983	2,060
Issued during the year	-	-	852,805,693	8,528
Outstanding at the end of the year	**1,058,849,676**	**10,588**	**1,058,849,676**	**10,588**

(b) Non convertible redeemable preference shares	March 31, 2022		March 31, 2021	
	No.	b Million	No.	b Million
At the beginning of the year	205,420,000	2,054	705,420,000	7,054
Issued during the year	-	-	-	-
Redeemed during the year	-	-	(500,000,000)	(5,000)
Outstanding at the end of the year	**205,420,000**	**2,054**	**205,420,000**	**2,054**

(c) Optionally convertible redeemable preference shares	March 31, 2022		March 31, 2021	
	No.	b Million	No.	b Million
At the beginning of the year	1,081,000,000	10,810	1,081,000,000	10,810
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,081,000,000**	**10,810**	**1,081,000,000**	**10,810**

(ii) Terms/ rights attached to

(a) Equity shares

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

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

(b) Non convertible redeemable preference shares

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

(ii) The Company or NCRPS holder shall have the option to redeem the NCRPS at any time during the tenure of the NCRPS. If the Company or holder of NCRPS exercises such option of early redemption, the NCRPS shall be redeemable at its face value.

(iii) The holder of the NCRPS shall be entitled to preferential dividend of 8.3% per annum on the face value of the NCRPS as may be mutually decided between the Company and the NCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.

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

(c) Optionally convertible redeemable preference shares

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

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

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

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

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

(d) The aforesaid preference shares 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 classified as financial liability and disclosed at its fair value which is equivalent to the face value. Also refer note 13.

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

	March 31, 2022		March 31, 2021	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid				
Biocon Limited, the Holding Company (including shares held through nominees)	989,717,600	93.47%	989,717,600	93.47%
NCRPS of ₹ 10 each fully paid				
Biocon Limited, the Holding Company	205,420,000	100.00%	205,420,000	100.00%
OCRPS of ₹ 10 each fully paid				
Biocon Limited, the Holding Company	1,081,000,000	100.00%	1,081,000,000	100.00%

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

(iv) During the previous year the shareholders at their extra-ordinary general meeting held on January 6, 2020 had approved to increase the authorised equity share capital from 50,050,000 equity shares of ₹ 10 each to 1,050,050,000 equity shares of ₹ 10 each. Further, during the year at the extra-ordinary general meeting held on July 31, 2020 approved to further increase authorised equity share capital to 1,500,000,000 equity shares of ₹ 10 each.

(v) Pursuant to the Scheme of amalgamation between the Company and Biocon Research Limited, the Board of Directors on March 27, 2020 allotted 155,300,000 equity shares of ₹ 10 each to the shareholders of Biocon Research Limited. These shares were issued for consideration other than cash.

(vi) Pursuant to approval of the share holders the Company on September 3, 2020 issued 824,175,932 bonus shares to equity share holders at a ratio of 4:1 by utilising retained earnings and securities premium balances.

(vii) The Company on September 3, 2020 allotted 8,830,456 equity shares of ₹ 10 each at an issue price of ₹ 254.80 per share to Tata Capital Growth Fund II, on a private placement basis.

(viii) During the previous year, the Company on December 29, 2020 redeemed 500,000,000 NCRPS of ₹ 10 each at Face value.

(ix) During the previous year, the Company on March 9, 2021 allotted 19,799,305 equity shares of ₹ 10 each at an issue price of ₹ 280.31 per share to Beta Oryx Limited, a wholly owned subsidiary of ADQ on a private placement basis.

(x) For details of any securities convertible into equity shares, please refer notes 12(a)(c), 12(a)(ii)(c) and note 13(i).

(xi) For details of shares reserved for issue under Employee stock compensation plans, please refer note 38.

(xii) Shareholding of Promoters

	March 31, 2022		March 31, 2021		March 31, 2020		% Change during the year ending	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares	March 31, 2022	March 31, 2021
Biocon Limited								
(a) Equity shares	98,971,7,600	93.47%	989,717,600	93.47%	197,943,520	96.07%	-	(2.60)%
(b) NCRPS	205,420,000	100.00%	205,420,000	100.00%	705,420,000	100.00%	-	-
(c) OCRPS	1,081,000,000	100.00%	1,081,000,000	100.00%	1,081,000,000	100.00%	-	-

12(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.

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.

Amalgamation adjustment reserve

The amalgamation adjustment reserve is created to account for business combinations of entities under common control.

Debenture redemption reserve

The Group had issued Redeemable Non-Convertible Debentures ("NCD") and Redeemable Optionally Convertible Debentures ("OCD") in the previous year. As per the provisions of the Companies Act, 2013, debenture redemption reserve is created out of profits of the Company available for payment of dividend.

Capital redemption reserve

The Group had redeemed Non Convertible Redeemable Preference Shares [refer note 12(a)(viii)] in the previous year and as per the provisions of the Companies Act, 2013, a sum equal to the nominal value of the shares redeemed is transferred to the capital redemption reserve.

Employee stock option outstanding reserve

The Group has established equity settled share based payment plans for certain categories of employees of the Group. Refer note 38 for further details on these plans.

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.

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. Indian Rupees) 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.

13. Non-current borrowings

	March 31, 2022	March 31, 2021
Loans from banks (secured)		
Term loan [refer note (a) (b) (c) and (d) below]	14,888	14,815
Redeemable Non-Convertible Debentures ("NCD") [refer note (e) below]	2,000	2,000
Loans from banks (unsecured)		
Term loan [refer note (f) and (g) below]	1,898	4,392
Other loans from related parties (unsecured)		
Non-Convertible Redeemable Preference Shares ("NCRPS") [refer note 12(a)(ii)(b)]	2,054	2,054
Optionally Convertible Redeemable Preference Shares ("OCRPS") [refer note 12(a)(ii)(c)]	10,810	10,810
Non-Cumulative Redeemable Convertible Preference Shares [refer note (h) below]	629	575
Other loans (unsecured)		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (i) below]	12,344	10,293
	44,623	**44,939**
Less: Amount disclosed under the head "Current borrowings" [refer note 16]	(12,959)	(20,332)
	31,664	**24,607**
The above amount includes		
Secured borrowings	16,888	16,815
Unsecured borrowings	**27,735**	**28,124**
Amount disclosed under the head "Current borrowings" [refer note 16]	(12,959)	(20,332)
Net amount	**31,664**	**24,607**

(a) During the year ended March 31, 2019, the Company had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. This loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of LIBOR + 1% p.a. The term loan facility is secured by first priority pari-passu charge on the plant and machinery of the proposed facility for the manufacturing of pharmaceuticals. Carrying value of the loan as at March 31, 2022 amounts to ₹ 5,694 (March 31, 2021: ₹ 5,490).

(b) 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 Malaysia had entered into a new term loan agreement with Standard Chartered Bank (Hong Kong) Limited for an amount of USD 70 million. The loan is repayable in quarterly instalments commenced from March, 2017. The term loans are denominated in USD and carried an interest rate of LIBOR + 2.25% p.a and LIBOR + 1.80% p.a for facility of USD 130 million and USD 70 million respectively. Effective January 28, 2021, Biocon Malaysia had restructured loan with respect to interest rate for both the facilities. Revised interest rate is LIBOR + 1.20% p.a. During the year, the outstanding loan has been repaid. Carrying value of the loan as at March 31, 2022 is Nil (March 31, 2021: ₹ 5,825).

The term loan was secured by a fixed and floating charge over all present and future assets and a charge over the freehold property of Biocon Malaysia.

(c) During the year ended March 31, 2021, the Company had obtained a Term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to ₹ 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months T Bill + 2.39% p.a. and are secured by first pari-passu charge on the present and future of movable fixed assets of the Company. Carrying value of the loan as at March 31, 2022 amounts to ₹ 3,500 (March 31, 2021: 3,500).

(d) During the year ended March 31, 2022, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") has obtained a term loan facility of USD 75 million from The Hongkong and Shanghai Banking Corporation Limited for a tenure of 5 years. The term loan is repayable at the end of the term in one instalment and carries an interest rate of 1 month LIBOR + 1% p.a. and are secured by first pari-passu charge on the present and future Plant and Machineries of Biocon Malaysia. Carrying value of the term loan as at March 31, 2022 is ₹ 5,694 (March 31, 2021: Nil).

(e) During the year ended March 31, 2021, the Company had issued NCD of face value b 10,00,000 each to HDFC Bank Limited amounting to ₹ 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured by first pari-passu charge on the movable fixed assets of the Company. Carrying value of the loan as at March 31, 2022 amounts to ₹ 2,000 (March 31, 2021: ₹ 2,000).

(f) During the year ended March 31, 2022, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") has obtained a term loan facility of USD 25 million from The HDFC Bank Limited for a tenure of 5 years. The term loan is repayable in 5 annual instalments starting from the end of year 1 and carries an interest rate of 3 months LIBOR + 1.25% p.a. Carrying value of the term loan as at March 31, 2022 is ₹ 1,898 (March 31, 2021: Nil).

(g) During the year ended March 31, 2021, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") had obtained a term loan facility of USD 60 million from HDFC Bank Limited for a tenure of 13 months, repayable in January 2022. The term loan was repayable at the end of the term in one instalment and carried an interest rate of 1 month LIBOR + 0.95% p.a. The loan was rapid in full at the end of the tenure. Carrying value of the term loan as at March 31, 2022 is Nil (March 31, 2021: ₹ 4,392).

(h) As at March 31, 2022, Biocon Malaysia has outstanding 3,067,506 (March 31, 2021: 3,067,506) non-cumulative redeemable convertible preference shares ("NCRCPS") which were issued at issue price and par value of RM 10 each. These NCRCPS are issued to Biocon SA, a fellow subsidiary. The NCRCPS rank pari passu with one another without any preference or priority among themselves. Each NCRCPS shall confer on the holder thereof a right to receive a non-cumulative coupon of 2.5% per annum, subject to the availability of the post taxation profits for distribution. The NCRCPS shall be redeemable at par value, in full or in part, and in any number of tranches at the option of the NCRCPS shareholder at any time after ten years from the date of issue of the NCRCPS. The NCRCPS shall be convertible at par value to ordinary shares of Biocon Malaysia of RM 10 each at any time at the option of the NCRCPS holder.

NCRCPS been accounted as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, it has been bifurcated into financial liability and equity.

During the previous year, the Group had purchased 17,981,242 NCRCPS from Biocon SA, by paying ₹ 3,846 (USD 52 million). This had led to extinguishment of liability in the Group, resulting in gain in Statement of Profit and Loss and Other Equity amounting to ₹ 265 and ₹ 172, respectively.

The NCRCPS shall have no voting right or right to move or second any resolutions at any general meetings of the Biocon Malaysia, except:

(i) upon any resolution which varies or is deemed to vary the right and privileges attached to the NCRPS; and

(ii) upon any resolution for the winding up of the Biocon Malaysia.

(i) During the year ended March 31, 2021, the Company had entered into an agreement with Goldman Sachs India AIF Scheme-1 ('Investor') whereby the Investor had infused ₹ 11,250 against issuance of OCD. 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. OCD bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption.

The debentures have been accounted 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.

During the current year, the Company had entered into amendment to the terms of OCD agreement which provides for redemption amount INR equivalent of USD 153.23 million with reference to rate published by RBI for conversion of USD to INR one day prior to redemption. This resulted in the modification of the compound financial instrument and OCD is classified as financial liability from the modification date. This modification resulted in loss of ₹ 274 in statement of profit and loss and a gain of ₹ 60 in other equity.

(j) The Group has met all the covenants under the above borrowings as at March 31, 2022.

(k) The Group's exposure to liquidity, interest rate and currency risks are disclosed in note 31.

14. Provisions

	March 31, 2022	March 31, 2021
(a) Non-Current		
Provision for employee benefits		
Gratuity [refer note 30]	299	270
	299	**270**
(b) Current		
Provision for employee benefits		
Gratuity [refer note 30]	50	31
Compensated absences	239	190
Provision for sales return	136	136
	425	**357**

(i) Movement in provisions

	For the year ended March 31, 2022		
	Gratuity	Compensated Absences	Sales Return
Opening Balance	301	190	136
Provision recognised during the year	48	49	-
Closing Balance	**349**	**239**	**136**

	For the year ended March 31, 2021		
	Gratuity	Compensated Absences	Sales Return
Opening balance	255	190	136
Provision recognised during the year	46	-	-
Closing balance	**301**	**190**	**136**

15. Other liabilities

	March 31, 2022	March 31, 2021
(a) Non-current		
Deferred revenues [refer note 19]	9,589	7,844
	9,589	**7,844**
(b) Current		
Deferred revenues [refer note 19]	582	604
Advances from customers [refer note 19]	20	157
Statutory taxes and dues payable	153	176
	755	**937**

16. Current borrowings

	March 31, 2022	March 31, 2021
From banks/ financial institutions		
Packing credit foreign currency loan (unsecured) [refer note (a) below]	2,657	2,782
Packing credit rupee export loan (unsecured) [refer note (b) below]	3,250	-
Cash credit (unsecured) [refer note (c) below]	93	561
Current maturities of non-current borrowings [refer note 13]	12,959	20,332
	18,959	**23,675**
The above amount includes		
Unsecured borrowings	6,000	3,343

(a) The Company has obtained foreign currency denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from SOFR+0.20% p.a. to SOFR+1.40% p.a. Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.

(b) The Company has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest of 4.40% p.a. Packing credit rupee loan tenure is upto 180 days from the date of draw down.

(c) Biocon Malaysia had availed working capital facilities upto USD 15 million carrying an interest rate of LIBOR + 0.5% p.a.

17. Trade payables

	March 31, 2022	March 31, 2021
Trade payables		
- Total outstanding dues of micro and small enterprises ('MSME')	375	453
- Total outstanding dues of creditors other than micro and small enterprises	8,669	8,861
	9,044	**9,314**

All trade payable are 'current'. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 31.

[Also refer note 28 for details on related party transactions]

Trade payables ageing schedule:

		Unbilled	Outstanding for following periods from due date of payment					
			Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Micro and small enterprises	-	220	152	1	1	1	375
(ii)	Others	4,717	2,121	1,747	36	21	27	8,669
As at March 31, 2022		**4,717**	**2,341**	**1,899**	**37**	**22**	**28**	**9,044**
(i)	Micro and small enterprises	-	214	234	4	1	-	453
(ii)	Others	3,959	2,008	2,544	321	24	5	8,861
As at March 31, 2021		**3,959**	**2,222**	**2,778**	**325**	**25**	**5**	**9,314**

18. Other financial liabilities

	March 31, 2022	March 31, 2021
(a) Current		
Interest accrued but not due	135	122
Derivative premium payable	-	95
Payables for capital goods	959	1,911
	1,094	**2,128**

19. Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Finished goods*	31,225	25,401
Traded goods	2,415	1,418
Sale of services		
Licensing and development fees	460	354
Research fees	60	112
Other operating revenue		
Sale of process waste	19	17
Export incentives	-	96
Others	464	574
Revenue from operations	**34,643**	**27,972**
* includes profit share		

19.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended March 31, 2022	Year ended March 31, 2021
Revenues by geography		
Revenues from contracts with customers		
Ireland	16,863	13,327
India	6,921	5,216
Rest of the world	10,376	8,742
	34,160	**27,285**
Revenue from other sources		
Other operating revenue	483	687
	483	**687**
Total revenue from operations	**34,643**	**27,972**

Geographical revenue is identified based on the location of the customers.

19.2 Changes in contract liabilities: deferred revenue and advance from customers

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	8,605	8,077
Add:- Increase due to invoicing during the year	2,108	1,471
Add:- Foreign currency translation	262	(181)
Less:- Amounts recognised as revenue during the year	(784)	(762)
Balance at the end of the year	**10,191**	**8,605**
Expected revenue recognition from remaining performance obligations:		
- Within one year	602	761
- More than one year	9,589	7,844
	10,191	**8,605**

	Year ended March 31, 2022	Year ended March 31, 2021
19.3 Contract balances		
Trade receivables	8,780	5,849
Contract liabilities	10,191	8,605
Trade receivables are non-interest bearing. Contract liabilities include deferred revenues and advance from customers.		

19.4 Performance obligation:

In relation to information about Group's performance obligations in contracts with customers [refer note 2(l)].

19.5 Significant customer

One customer group individually accounted for ₹ 17,337 which is more than 10% of the total revenue of the Company for the year ended March 31, 2022 (March 31, 2021: ₹ 13,670).

20. Other income

	Year ended March 31, 2022	Year ended March 31, 20221
Interest income on:		
Deposits with banks and financial institutions	53	7
Others	3	-
Net gain on sale of current investments	37	57
Other non-operating income	11	-
	104	**64**
21. Cost of raw materials and packing materials consumed		
Inventory at the beginning of the year	4,817	2,991
Add: Purchases	10,238	11,139
Less: Inventory at the end of the year	(5,508)	(4,817)
	9,547	**9,313**
22. Changes in inventories of finished goods, traded goods and work-in-progress		
Inventory at the beginning of the year		
Traded goods	221	244
Finished goods	1,816	2,817
Work-in-progress	5,583	1,812
	7,620	**4,873**
Inventory at the end of the year		
Traded goods	213	221
Finished goods	6,619	1,816
Work-in-progress	1,765	5,583
	8,597	**7,620**
	(977)	**(2,747)**
23. Employee benefits expense		
Salaries, wages and bonus	5,903	5,233
Contribution to provident and other funds	330	297
Gratuity [refer note 30]	61	52
Employee stock compensation expense [refer note 38]	549	161
Staff welfare expenses	326	363
	7,169	**6,106**

24. Finance cost

	Year ended March 31, 2022	Year ended March 31, 20221
Interest expenses on financial liabilities [refer note (a) below]	462	162
Interest expenses on lease liabilities [refer note 27]	206	210
	668	**372**

(a) Interest expense on financial liabilities is net of capitalisation amounting to ₹ 1,481 (March 31, 2021 - ₹ 905).

25. Depreciation and amortisation expense

	Year ended March 31, 2022	Year ended March 31, 20221
Depreciation of tangible assets [refer note 3(a)]	2,528	2,167
Depreciation of right-of-use assets [refer note 3 (b)]	371	335
Amortisation of other intangible assets [refer note 4]	1,130	928
	4,029	**3,430**

26. Other expenses

	Year ended March 31, 2022	Year ended March 31, 20221
Royalty and technical fees	93	42
Rent	25	29
Communication expenses	28	16
Travelling and conveyance	179	165
Professional charges	821	1,691
Directors' fees including commission	47	25
Power and fuel	1,776	1,540
Insurance	145	122
Rates, taxes and fees, net of refunds of taxes	122	88
Lab consumables	1,212	969
Foreign exchange loss, net	147	156
Repairs and maintenance		
Plant and machinery	1,086	1,076
Buildings	125	75
Others	710	471
Selling expenses		
Freight outwards and clearing charges	227	279
Sales promotion expenses	1,305	1,029
Commission and brokerage (other than sole selling agents)	123	87
Provision/ (reversal) for doubtful debts, net	-	1
Net loss on financial assets designated at fair value through profit or loss	299	-
Printing and stationery	49	42
Research and development expenses	4,651	3,414
Corporate social responsibility (CSR) expenses	43	31
Miscellaneous expenses	118	90
	13,331	**11,438**
Less: Expenses capitalized to intangible assets	(1,155)	(730)
	12,176	**10,708**

27. Lease

The Group has entered into lease agreements for use of land, buildings and plant & machinery which expires over a period ranging up to the financial year 2032-33. Gross payment for the year aggregate to ₹ 514 (March 31, 2021: ₹475)

The following is the movement in the lease liability.

	Total
Balance as at April 1, 2020	2,219
Additions during the year	-
Finance cost accrued during the year*	221
Payment of lease liabilities	(475)
Balance as at March 31, 2021	**1,965**
Additions during the year	405
Finance cost accrued during the year*	211
Payment of lease liabilities	(514)
Balance as at March 31, 2022	**2,067**

*includes ₹ 5 (March 31, 2021 - ₹ 11) capitalised during the year

The following is the breakup of current and non-current lease liability:

Particulars	March 31, 2022	March 31, 2021
Current lease liabilities	492	438
Non-current lease liabilities	1,575	1,527
The table below provides details regarding the contractual maturities of lease liabilities, on an undiscounted basis:		
Less than one year	539	481
One to five years	1,585	1,606
More than five years	691	629
Total	**2,815**	**2,716**
The following are the amounts recognised in Statement of profit or loss for the year:		
Depreciation expense of right of use-assets	371	335
Interest expenses on lease liabilities	206	210
Current lease payment [refer note (i) below]	25	29
Total	**602**	**574**

(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).

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28. Related Party Disclosures:

The following table provides the value of transactions that have been entered into with related parties for the relevant financial year:

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
1	Biocon Limited	Holding Company	Expenses incurred by related party on behalf of the Group	127	-	108	-
			Expenses incurred on behalf of the related party	(2)	-	(25)	-
			Professional charges	349	-	396	-
			Guarantee fees	35	-	-	-
			Research fees	(48)	-	(87)	-
			Cross charges towards facility and other expenses	(28)	-	(14)	-
			Sale of goods	(4)	-	(334)	-
			Payment for leases	233	-	208	-
			Power and fuel	1,499	-	1,221	-
			Research and development expense	11	-	9	-
			Staff welfare expenses towards canteen charges	27	-	24	-
			Royalty expense	46	-	22	-
			Share based payments to employees	137	-	160	-
			Purchase of goods	54	-	567	-
			Redemption of Preference shares	-	-	5,000	-
			Funding towards property plant and equipment/Prepayment	53	719	610	666
			Trade payables	-	(365)	-	(755)
			Trade Receivables	-	8	-	48
			Loan repaid / (taken from) to Holding company, net [refer note (c) below]	-	-	1,006	-
			Interest on borrowings	-	-	34	-
			Guarantee fees	-	-	42	-
			Guarantee released / (given) by related party to a bank on behalf of the Group	12,925	-	4,483	(12,925)
			Sale of car	(3)	-	-	-

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
					-		
2	Syngene International Limited	Fellow subsidiary	Research and development expenses	172	-	65	-
			Expenses incurred by related party on behalf of the Group	24	-	59	-
			Sale of goods	(7)	-	-	-
			Expenses incurred on behalf of the related party	(1)	-	(8)	-
			Purchase of goods	304	-	23	-
			Power and Utility Charges	87	-	84	-
			Royalty expense	-	-	3	-
			Profit share expense	5	-	4	-
			Payment for leases	253	-	244	-
			Trade payables	-	(209)	-	(179)
			Trade receivables		-	-	1
					-		
3	Bicara Therapeutics Inc.	Fellow associate	Research fees	-	-	(1)	-
			Cross charges towards facility and other expenses	(2)	-	(10)	-
			Trade receivables		12	-	9
					-		
4	Biocon FZ LLC	Fellow subsidiary	Professional charges	14	-	35	-
			Trade payables		-	-	(27)
5	Biocon SA	Fellow subsidiary	Interest on preference shares	54	-	-	-
			Purchase of preference shares of Biocon Malaysia	-	-	3,846	-
6	Biocon Pharma UK Limited	Fellow subsidiary	Expenses incurred by related party on behalf of the Group [Refer note (h) below]	-	-	0	-
			Trade payables	-	-	-	-

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2021 to March 31, 2022 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2022 (Payable)/ Receivable	April 1, 2020 to March 31, 2021 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2021 (Payable)/ Receivable
7	Biocon Pharma Limited	Fellow subsidiary	Research Service	(8)	-	(24)	-
			Cross charges towards facility and other expenses	(122)	-	(35)	-
			Sale of goods/other product	(123)	-	-	
			Product sales		-	(58)	-
			Trade Receivables		43	-	8
					-		
8	Biocon Foundation	Fellow subsidiary	Contribution towards CSR expenses	43	-	31	-
			Trade receivables	-	2	-	2
9	Jeeves	Enterprise in which relative to a director of the Company is proprietor	Laundry charges	31	-	21	-
					-		
10	Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors	Sale of goods	(78)	-	(55)	-
			Trade receivables	-	21	-	18
11	Biofusion Therapeutics Limited	Fellow Subsidiaries	Expenses incurred on behalf of the related party	(8)	-	-	-
			Transfer of assets	(62)	-	-	-
			Trade Receivables	-	70	-	-
12	Refer note (d) below	Key management personnel	Salary and perquisites [refer note (e) & (f) below]	154	-	280	-
			Sitting fees and remuneration	47	-	19	-

(a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

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

(c) The loan from holding company is presented net of repayments due to multiple transactions

(d) Key managerial personnel include:

(i) Dr. Christiane Hamacher, Managing Director & Chief Executive Officer (CEO w.e.f March 01, 2019 till February 28, 2021 and Managing Director w.e.f. October 11, 2019 till January 20, 2021)

(ii) Arun Chandavarkar, Non-Executive Director till January 20, 2021 and Managing Director w.e.f. January 21, 2021

(iii) Kiran Mazumdar Shaw, Non-Executive Director Chairperson till January 20, 2021 and Executive Chairperson w.e.f. January 21, 2021

(iv) Akhilesh Nand, Company Secretary (w.e.f. July 23, 2020)

(v) Mayank Verma, Company Secretary (w.e.f. August 1, 2019 upto July 23, 2020)

(vi) M.B. Chinappa, Chief Financial Officer (w.e.f January 06, 2020)

(vii) Peter Piot, Independent director (w.e.f. January 21, 2021)

(viii) Bobby Kanubhai Parikh, Independent director (w.e.f. August 1, 2019)

(ix) Nivruti Rai, Independent director (w.e.f. August 1, 2019)

(x) Russell Walls, Independent director

(xi) Daniel M Bradbury, Independent director (w.e.f. August 1, 2019)

(xii) Thomas Jason Roberts, Non-Independent Non-Executive Director (w.e.f. November 15, 2021)

(e) 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 Group as a whole.

(f) Share based compensation expense allocable to key management personnel is ₹ 57 (March 31, 2021: ₹ 8), which is not included in the remuneration disclosed above.

(g) Fellow subsidiary companies with whom the Group did not have any transactions:

(i) Syngene USA Inc., a subsidiary of Syngene International Limited

(ii) Biocon Biosphere Limited, a subsidiary of Biocon Limited

(iii) Biocon Academy, a subsidiary of Biocon Limited

(iv) Biocon Pharma Ireland Limited, a subsidiary of Biocon Pharma Limited

(v) Biocon Pharma Inc., a subsidiary of Biocon Pharma Limited

(vi) Biocon Pharma Malta, a subsidiary of Biocon Pharma Limited

(vii) Biocon Pharma Malta I, a subsidiary of Biocon Pharma Malta

(h) Amounts are not presented since the amounts are rounded off to Rupees million.

29. Tax expense

		March 31, 2022	March 31, 2021
(a)	**Amount recognised in statement of profit and loss**		
	Current tax	931	685
	Deferred tax (credit) / expense related to:		
	MAT credit entitlement	(97)	(261)
	Origination and reversal of temporary differences	(31)	321
	Tax expense for the year	**803**	**745**
(b)	**Reconciliation of effective tax rate**		
	Profit before tax	**4,628**	**3,420**
	Tax at statutory income tax rate 34.944% (March 31, 2021: 29.12%)	1,617	996
	Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
	Difference in overseas/domestic tax rates	(527)	(111)
	Exempt income and other deductions	(889)	(519)
	Tax losses for which no deferred tax was recognised	433	416
	Non-deductible expense	18	6
	Tax for earlier years	27	-
	Impact of true-up of deferred tax due to rate change	114	-
	Others	10	(43)
	Income tax expense	**803**	**745**

(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, 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax liabilities					
Property, plant and equipment and intangible assets	575	271	-	29	875
Derivative assets	38	-	40	-	78
Gross deferred tax liabilities	**613**	**271**	**40**	**29**	**953**
Deferred tax assets					
Provision for employee benefits	71	55	6	-	132
Allowance for doubtful debts	8	1	-	-	9
MAT credit entitlement	816	97	-	-	913
Derivative liabilities	165	-	(114)	-	51
Deferred revenue	82	(52)	-	-	30
Lease liabilities	52	38	-	-	90
Expenses allowed on payment basis	-	189	-	-	189
Others	40	71	-	-	111
Gross deferred tax assets	**1,234**	**399**	**(108)**	**-**	**1,525**
Deferred tax assets (net)	**621**	**128**	**(148)**	**(29)**	**572**

For the year ended March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax liabilities					
Property, plant and equipment and intangible assets	376	223	-	(24)	575
Derivative assets	-	-	38	-	38
Gross deferred tax liabilities	**376**	**223**	**38**	**(24)**	**613**
Deferred tax assets					
Provision for employee benefits	69	-	2	-	71
Allowance for doubtful debts	8	-	-	-	8
MAT credit entitlement	555	261	-	-	816
Derivative liabilities	17	-	148	-	165
Deferred revenue	199	(114)	-	(3)	82
Lease liabilities	36	16	-	-	52
Others	40	-	-	-	40
Gross deferred tax assets	**924**	**163**	**150**	**(3)**	**1,234**
Deferred tax assets (net)	**548**	**(60)**	**112**	**21**	**621**

30. 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 unfunded.

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:

	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**301**	**255**
Current service cost	44	37
Interest expense/(income)	17	15
Amount recognised in Statement of profit and loss	**61**	**52**
Remeasurements:		
Actuarial (gain)/loss arising from:		
Financial assumptions	(10)	3
Experience adjustment	29	2
Amount recognised in other comprehensive income	**19**	**5**
Benefits paid	(33)	(11)
Balance at the end of the year	**349**	**301**
Non-current	299	270
Current	50	31
	349	**301**

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

	March 31, 2022	March 31, 2021
Interest rate	6.1%	5.6%
Discount rate	6.1%	5.6%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 7 years (March 31, 2021 - 7 years).

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

(iii) Sensitivity analysis

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

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(18)	20	(17)	19
Salary increase (1% change)	20	(18)	18	(17)
Attrition rate (1% change)	(4)	5	(5)	5

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.

Maturity profile of defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
1st Following year	49	31
2nd Following year	36	31
3rd Following year	42	37
4th Following year	37	34
5th Following year	35	29
Years 6 to 10	324	285

31. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	207	-	-	207	207	-	-	207
Trade receivables	-	-	8,780	8,780	-	-	-	-
Cash and cash equivalents	-	-	1,537	1,537	-	-	-	-
Other bank balance	-	-	1,064	1,064	-	-	-	-
Derivative assets	-	224	-	224	-	224	-	224
Other financial assets	-	-	3,891	3,891	-	-	-	-
	207	**224**	**15,272**	**15,703**	**207**	**224**	**-**	**431**
Financial liabilities								
Lease liabilities	-	-	2,067	2,067	-	-	-	-
Derivative liability	-	136	-	136	-	136	-	136
Borrowings	12,864	-	37,759	50,623	-	-	12,864*	12,864
Trade payables	-	-	9,044	9,044	-	-	-	-
Other financial liabilities	-	-	1,094	1,094	-	-	-	-
	12,864	**136**	**49,964**	**62,964**	**-**	**136**	**12,864**	**13,000**

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level1	Level2	Level3	Total
Financial assets								
Investments	3,330	-	-	3,330	3,330	-	-	3,330
Trade receivables	-	-	5,849	5,849	-	-	-	-
Cash and cash equivalents	-	-	2,583	2,583	-	-	-	-
Other bank balance	-	-	2,060	2,060	-	-	-	-
Derivative assets	-	129	-	129	-	129	-	129
Other financial assets	-	-	4,230	4,230	-	-	-	-
	3,330	**129**	**14,722**	**18,181**	**3,330**	**129**	**-**	**3,459**
Financial liabilities								
Lease Liability	-	-	1,965	1,965	-	-	-	-
Derivative liability	-	618	-	618	-	618	-	618
Borrowings	12,864	-	35,418	48,282	-	-	12,864*	12,864
Trade payables	-	-	9,314	9,314	-	-	-	-
Other financial liabilities	-	-	2,128	2,128	-	-	-	-
	12,864	**618**	**48,825**	**62,307**	**-**	**618**	**12,864**	**13,482**

*Preference shares are convertible / 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 recorded at its fair value which is equivalent to the face value.

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. 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 price.

Sensitivity analysis

For the fair values of forward contracts and options contracts of foreign currencies and interest rate swaps, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

	March 31, 2022 Impact on other components of equity		March 31, 2021 Impact on other components of equity	
Significant observable inputs	**Increase**	**Decrease**	**Increase**	**Decrease**
Spot rate of the foreign currency (1% movement)	(110)	110	(74)	86
Interest rates (100 bps movement)	186	(186)	272	(272)

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.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. As at the end of the reporting period, there were no significant concentrations of credit risk and the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the balance sheet. The Group uses ageing analysis to monitor the credit quality of its receivables.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables, unbilled revenue and other receivables. The exposure to credit risk as at reporting date amounts to ₹ 27 (March 31, 2021: ₹ 27).

Allowance for impairment	March 31, 2022	March 31, 2021
Opening Balance	27	26
Impairment loss recognised	-	1
Closing Balance	27	27

Refer to Note 10 for details of aging of trade receivables and allowance for credit losses. Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired.

Trade receivables including unbilled revenue from an individual customer is ₹ 4,483 (March 31, 2021 - ₹ 2,846) which is more than 10 percent of the Group's trade receivables including unbilled revenue.

Credit risk on cash and cash equivalents is limited as the Group generally transacts with Banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(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.

As at March 31, 2022, outstanding NCRPS and OCRPS issued to Holding Company amounts to ₹ 12,864 with a tenure of 10 years from the date of issue has been disclosed under current maturities of non-current borrowings. The Group believes that the working capital is sufficient to meet its current liquidity requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	18,958	247	30,788	630	50,623
Lease liabilities	539	509	1,076	691	2,815
Trade payables	9,044	-	-	-	9,044
Derivative liabilities	106	6	24	-	136
Other financial liabilities	1,094	-	-	-	1,094
Total	**29,741**	**762**	**31,888**	**1,321**	**63,712**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	23,675	2,750	8,794	13,063	48,282
Lease liabilities	481	478	1,128	629	2,716
Trade payables	9,314	-	-	-	9,314
Derivative liabilities	228	161	225	4	618
Other financial liabilities	2,128	-	-	-	2,128
Total	**35,826**	**3,389**	**10,147**	**13,696**	**63,058**

(iv) Market risk

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

Foreign currency risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently, the Group is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Group holds derivative instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

March 31, 2022	USD	EUR	Others	Total
Financial assets				
Investments	102	-	-	102
Trade receivables	7,618	45	137	7,800
Cash and cash equivalents	896	12	171	1,079
Other bank balance	64	-	-	64
Derivative assets	224	-	-	224
Other financial assets	3,691	-	20	3,711
Financial liabilities				
Non-current borrowings	(26,164)	-	-	(26,164)
Current borrowings	(2,845)	-	-	(2,845)
Derivative liabilities	(136)	-	-	(136)
Trade payables	(3,888)	(265)	(715)	(4,867)
Lease liabilities	(10)	-	-	(10)
Other financial liabilities	(424)	(54)	(57)	(535)
Net liabilities	**(20,872)**	**(262)**	**(444)**	**(21,577)**

	USD	EUR	Others	Total
Financial assets				
Trade receivables	4,749	3	342	5,094
Cash and cash equivalents	1,783	27	93	1,903
Other bank balance	60	-	-	60
Derivative assets	129	-	-	129
Other financial assets	3,910	-	69	3,979
Financial liabilities				
Non-current borrowings	(8,815)	-	-	(8,815)
Current borrowings	(10,483)	-	(328)	(10,811)
Derivative liabilities	(618)	-	-	(618)
Trade payables	(4,394)	(642)	(591)	(5,627)
Other financial liabilities	(834)	(145)	(205)	(1,184)
Net liabilities	**(14,513)**	**(757)**	**(620)**	**(15,890)**

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD Sensitivity				
INR/USD - Increase by 1%	(195)	(73)	(318)	(219)
INR/USD - Decrease by 1%	195	73	318	231
EUR Sensitivity				
INR/EUR - Increase by 1%	(1)	(6)	(3)	(8)
INR/EUR - Decrease by 1%	1	6	3	8

Derivative financial instruments

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

		in million
Particulars	**March 31, 2022**	**March 31, 2021**
Foreign exchange forward contracts to buy between 0-2 Years	USD 151	USD 100
European style option contracts with periodical maturity dates between 0-2 Years	USD 70	USD 70
European style range forward contracts with periodical maturity dates between 0-2 Years	USD 63	USD 70
Interest rate swaps used for hedging LIBOR component in external commercial borrowings	USD 75	USD 107

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from non-current borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended March 31, 2022 and March 31, 2021 the Group's borrowings at variable rate were denominated in INR and USD.

(a) Interest rate risk exposure

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

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	13,842	11,235
Fixed rate borrowings	36,781	37,047
Total borrowings	**50,623**	**48,282**

(b) Sensitivity

The Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

32. 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 capital to uphold investor, creditor and customer confidence and to ensure future development of its business. The Group focused on keeping strong total capital 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.

To maintain a stable capital structure, during the previous year the Group had issued equity shares (refer note 12) and debentures (refer note 13) in previous year for a consideration (net of issue expense) of ₹ 7,664 and ₹ 13,016.

The Group has issued NCRPS and OCRPS to the Holding Company which are classified as financial liabilities in these financial statements. However, the Group has considered NCRPS and OCRPS as part of capital for below disclosure.

The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future period.

The future dividends of equity and preference shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

	March 31, 2022	March 31, 2021
Total equity	22,108	17,811
Preference share capital (NCRPS and OCRPS)	12,864	12,864
Total capital attributable to the shareholders of the Company (including NCRPS and OCRPS)	**34,972**	**30,675**
As a percentage of total capital	48%	46%
Non-current borrowings *	**31,664**	**24,607**
Current borrowings	**6,095**	**10,811**
Total borrowings	37,759	35,418
As a percentage of total capital	**52%**	**54%**
Total capital (Equity capital, preference capital and borrowings)	**72,731**	**66,093**

* includes OCD amounting to ₹ 12,344 (March 31, 2021 : ₹ 10,293) [refer note 13(g)]

33. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries as at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the Group (%)		Principal activities
		March 31, 2022	March 31, 2021	
Biocon Biologics UK Limited	United Kingdom	100	100	Sale of biosimilar products
Biocon Sdn Bhd	Malaysia	100	100	Biopharmaceutical manufacturing and Sale of biosimilar products
Biocon Biologics Inc.	United States of America	100	100	Sale of biopharmaceutical products
Biocon Biologics Healthcare Malaysia Sdn Bhd (formerly "Biocon Healthcare Sdn Bhd")	Malaysia	100	100	Sale of biopharmaceutical products
Biocon Biologics Do Brasil LTDA	Brazil	100	100	Sale of biopharmaceutical products
Biocon Biologics FZ LLC	United Arab Emirates	100	100	Sale of biopharmaceutical products
Biocon Biologics Employees Welfare Trust	India	100	NA	Administration of the Employee stock option plans of the Group

34. Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary

Name of Entity	Net assets as at March 31, 2022		Share in profit or loss for the year ended March 31, 2022		Share in other comprehensive income for the year ended March 31, 2022		Share in total comprehensive income for the year ended March 31, 2022	
	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 Biologics Limited (formerly "Biocon Biologics India Limited")	49%	21,206	40%	860	87%	340	47%	1,200
Subsidiaries								
Foreign								
Biocon Sdn Bhd	-11%	(4,834)	-50%	(1,080)	13%	50	-41%	(1,030)
Biocon Biologics UK Limited	62%	26,840	117%	2,524	0%	-	100%	2,524
Biocon Biologics Healthcare Malaysia Sdn Bhd (formerly "Biocon Healthcare Sdn Bhd")	0%	(1)	0%	(0)	0%	-	0%	(0)
Biocon Biologics Inc	0%	(72)	-5%	(110)	0%	-	-4%	(110)
Biocon Biologics Do Brasil LTDA	0%	(16)	-2%	(49)	0%	-	-2%	(49)
Biocon Biologics FZ LLC	0%	74	0%	1	0%	-	0%	1
Gross Total	**100%**	**43,197**	**100%**	**2,146**	**100%**	**390**	**100%**	**2,536**
Adjustment arising on consolidation		(21,089)		1,679		569		2,248
Total		**22,108**		**3,825**		**959**		**4,784**

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 Biologics Limited (formerly "Biocon Biologics India Limited")	50%	20,493	177%	2,097	125%	(380)	195%	1,717
Subsidiaries								
Foreign								
Biocon Sdn Bhd	-12%	(4,972)	-208%	(2,465)	-25%	76	-271%	(2,389)
Biocon Biologics UK Limited	62%	25,174	140%	1,660	0%	-	188%	1,660
Biocon Biologics Healthcare Malaysia Sdn Bhd (formerly "Biocon Healthcare Sdn Bhd")	0%	(1)	0%	-	0%	-	0%	-
Biocon Biologics Inc	0%	(42)	-7%	(87)	0%	-	-10%	(87)
Biocon Biologics Do Brasil LTDA	0%	1	-2%	(19)	0%	-	-2%	(19)
Biocon Biologics FZ LLC	0%	-	0%	-	0%	-	0%	-
Gross Total	**100%**	**40,653**	**100%**	**1,186**	**100%**	**(304)**	**100%**	**882**
Adjustment arising on consolidation		(22,842)		1,489		(145)		1,344
Total		**17,811**		**2,675**		**(449)**		**2,226**

35. Contingent liabilities and commitments to the extent not provided for

		March 31, 2022	March 31, 2021
(i)	**Contingent liabilities**		
	(a) Claims against the Group not acknowledged as debt	**1,107**	**1,041**
	The above includes		
	(i) Direct taxation	986	986
	(ii) Indirect taxation (includes matters pertaining to disputes on VAT and CST)	**121**	**55**

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 substantially 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 Group 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 will not have any material adverse effect on the Group's financial position and results of operations.

(ii)	**Commitments:**		
	b) Estimated amount of contracts remaining to be executed on capital account and not provided for	4,031	3,119

36. Earnings per equity share (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Earnings		
For basic and diluted EPS*	3,825	2,675
Shares		
Basic outstanding shares	1,058,849,676	1,030,219,915
Add: Weighted average shares issued during the year	-	6,328,164
Weighted average shares used for computing basic EPS	**1,058,849,676**	**1,036,548,079**
Add: Effect of dilutive rights granted under OCRPS	38,456,065	38,564,446
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	2,333,060	-
Add: Effect of dilutive rights granted under OCD *	-	-
Weighted average shares used for computing diluted EPS	**1,099,638,801**	**1,075,112,525**
Earnings per equity share		
Basic (in ₹)	3.61	2.58
Diluted (in ₹)	3.48	2.49

*As at March 31, 2022, outstanding OCD are anti-dilutive in nature.

37. Segmental reporting

The Chief Operating Decision Maker reviews the operations of the Group as Pharmaceutical business, which is considered to be the only reportable segment by the management.

Geogrpahical segement

For details of revenue by geography please refer to note 19.1

Non-current assets

Particulars	March 31, 2022	March 31, 2021
India	31,867	26,024
Malaysia	24,727	23,614
Rest of the world	6,542	6,627
Total	**63,137**	**56,265**

Note: Non-current assets excludes financial instruments, income tax and deferred tax assets.

For details of significant customer refer note 19.5

38. Employee stock compensation

a) Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24

On July 21, 2021, Board of Directors of the Company approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24 ('RSU Plan') for the grant of Restricted stock units to the employees of the Company and its subsidiaries. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon Biologics Employees Welfare Trust (ESOP Trust).

In July 2021, the Company approved the grant to its employees under the RSU Plan. The options under this grant would vest to the employees as 33%, 33% and 34% of the total grant at the end of first, second and third year, respectively from the date of grant. Exercise period is 3 years for each grant. These options are exercisable at ₹ 10 per RSU. The RSU Plan provides for certain market and non-market conditions for vesting which are measured through revenue, profit, achievement of key milestones and share price increase.

Particulars	March 31, 2022		March 31, 2021	
	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	5,142,857	10	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**5,142,857**	**10**	**-**	**-**
Exercisable at the end of the year	5,142,857	10	-	-
Weighted average remaining contractual life (in years)	5.3	-	-	-
Weighted average fair value of options granted	208.1	-	-	-

Assumptions used in determination of the fair value of the stock options under the option pricing model for the grants during the year are as follows:

Particulars	March 31, 2022	March 31, 2021
Weighted Average Exercise Price	10	-
Expected volatility	49.2% - 50.2%	-
Life of the options granted (vesting and exercise period) in years	6	-
Average risk-free interest rate	5.3% - 5.6%	-
Expected dividend rate	0%	-

The Company has recorded an amount of ₹ 412 (March 31, 2021: Nil) as cost of the above RSU Plan in the statement of profit and loss.

b) The employees of the Group are eligible for shares under the Biocon Employee Stock Option Plan ('ESOP Plan 2000'), Biocon - Restricted Stock Units of Syngene International Limited ('RSU Plan 2015') and Biocon - Restricted Stock Units of Biocon Biologics Limited (formerly "Biocon Biologics India Limited") ('RSU Plan 2019') (collectively "stock option plans") of Biocon Limited.

Total number of options outstanding	March 31, 2022	March 31, 2021
ESOP Plan2000	42,54,067	73,06,345
RSU Plan 2015	69,942	1,88,568
RSU Plan 2019 #	47,71,688	56,10,785

adjusted for the impact of bonus issue

The Group has recorded an amount of ₹ 137 (March 31, 2021: ₹ 161) as cost of the above stock option plans based on amounts cross charged by its Holding company.

39. Acquisitions:

a) The Company has entered into merger co-operation agreement with Serum Institute Life Sciences Private Limited ("SILS") and Covidshield Technologies Private Limited ("CTPL" or Transferor company) wholly owned subsidiary of SILS on September 16, 2021. Further, on January 03, 2022, the Board of Directors approved the scheme of Merger by Absorption (the Scheme) of CTPL with and into the Company (the Transferee company), with an appointed date of October 01, 2022. The Scheme is subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT") and/or such other competent authorities (including the Competition Commission of India), and the shareholders and creditors of the Transferor company and the Transferee company.

b) On February 27, 2022, the Company entered into a definitive agreement with its collaboration partner Viatris Inc. to acquire Viatris' biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in the Company, valued at USD 1 billion. This transaction is subject to necessary regulatory and other approvals. As at March 31, 2022, the closing conditions of the transaction are yet to be satisfied.

40. Exceptional item

a) The Group has obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for above acquisitions mentioned in note 39. These services were availed during the financial year ended March 31, 2022 and hence these amounts aggregating to ₹ 410 have been recorded as an expense in the statement of profit and loss under the head 'Exceptional items'. Consequential tax impact of ₹ 169 is included within tax expense.

b) During the year ended March 31, 2022, the Company had entered into amendment agreement with Goldman Sachs India AIF Scheme-I ('Investor') which resulted in modification of the compound financial instrument. Resulting loss on the modification was recorded within statement of profit and loss. The amount of ₹ 274 was charged in the statement of profit and loss and has been disclosed as an exceptional item during the year ended March 31, 2022. Consequential tax impact of ₹ 49 is included within tax expense. Refer to note 13(i) for further details.

c) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated September 23, 2021 on Service Exports from India Scheme {SEIS) for services rendered in financial year 2019-20 with the total entitlement capped at ₹ 50 per exporter for the period. The Company during the year has reversed the SEIS claim receivables of ₹ 120 for the financial year 2019-20 and the same has been presented under exceptional items. Consequential tax impact of ₹ 21 is included within tax expense.

d) During the year ended March 31, 2021, the Company had paid registration fees for increasing authorise share capital of the Company and stamp duty fees on issue of such shares, amounting to ₹ 5 is recorded as exceptional item. Consequential tax of ₹ 1 is included within tax expense.

e) During the year ended March 31, 2021, the Group had incurred severance cost amounting to amounting to ₹ 221 arising from exit of certain key personnel which was recorded as exceptional item for the year ended March 31, 2021. Consequential tax of ₹ 27 was included within tax expense.

41. 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.

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

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

43. Other statutory information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(ii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Group is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

44. Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification as per the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

As per our Report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Bengaluru
April 27, 2022

For **and on behalf of the Board of Biocon Biologics Limited**
(formerly known as "Biocon Biologics India Limited")

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Arun Suresh Chandavarkar
Managing Director
DIN: 01596180

M. B. Chinappa
Chief Financial Officer

Akhilesh Kumar Nand
Company Secretary

Bengaluru
April 27, 2022