Independent Auditor's Report

To
The Members of
Biocon Academy

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Biocon Academy ("the Company"), which comprise the balance sheet as at 31 March 2024, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, total 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report is the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- • Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act is not applicable to the Company during the year as it fulfills conditions of paragraph 1 (2) (v) of the said Order and as such, we have not annexed a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) In our opinion, proper books of account as required by law have been kept by the Company so far, it appears from our examination of those books;
    c) The balance sheet, the statement of profit and loss and statement of changes in equity dealt with by this Report are in agreement with the books of account;
    d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
    e) On the basis of written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of Section 164(2) of the Act; and
    f) As the Company fulfils conditions of paragraph 9A of the notification no. GSR 464 (E) dated 05 June 2015 as amended reporting under section 143(3)(i) of the Act with respect to the adequacy of internal financial control over financial reporting of the company and operating effectiveness of such controls is not applicable for the year.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    i. The Company does not have any pending litigations as at 31 March 2024 which would impact its financial position;
    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
    iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
        b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
        c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
    v. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances

mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

(i) We are unable to comment if the audit trail (edit log) facility was enabled at the database layer to log any direct data changes for accounting software operated by the Company.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

vi. The Company has not declared or paid any dividend during the quarter and has not proposed final dividend for the quarter.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided remuneration to its directors during the quarter. Accordingly, compliance with the provision of Section 197(16) read with schedule V of the Act is not required.

For **Suresh Surana and Associates LLP**
Chartered Accountants
Firm's Registration No.: 121750W/W-100010

Veluri Krishnaveni
Partner
Membership No. 215814
Unique Document Identification Number: 24215814BKCBPG3408

Place: Bengaluru
Date: 16 May 2024

Balance Sheet as at March 31, 2024

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

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	679	1,033
Capital work in progress	3	-	-
Other non-current assets	4	14,848	6,984
		15,527	**8,017**
Current assets			
Financial assets			
Cash and cash equivalents	5	28,889	11,860
Other financial assets	6	200	200
Other current assets	7	9,807	3,773
		38,896	**15,833**
TOTAL ASSETS		**54,423**	**23,850**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	500	500
Other equity			
Retained earnings	9	-	-
Total equity		**500**	**500**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	30	6	9
Current tax liabilities (net)		96	72
Other non current liabilities	16(a)	290	187
Provisions	13(a)	27	22
Total non-current liabilities		**418**	**290**
Current liabilities			
Financial liabilities			
Trade payables	10		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		32,846	8,523
Other current liabilities	11	18,004	12,408
Short-term provisions	12	3,072	2,419
		53,923	**23,350**
TOTAL EQUITY AND LIABILITIES		**54,423**	**23,850**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for **Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No.: 121750W/W-100010

Veluri Krishnaveni
Partner
Membership No.: 215814

Bengaluru
Date :

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

Kiran Mazumdar-Shaw
Director
DIN: 00347229

Bengaluru
Date :

Siddharth Mittal
Director
DIN: 03230757

Statement of Profit & Loss for the year ended March 31, 2024

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

	Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
	Continuing operations			
I	**Revenue**			
	Revenue from operations	13	74,920	67,788
	Other income	14	1,289	536
	Total revenue (I)		**76,209**	**68,324**
II	**Expenses**			
	Employee benefit expenses	15	14,633	13,945
	Depreciation expenses	3	354	29
	Other expenses	16	61,222	54,349
	Total expenses (II)		**76,209**	**68,324**
III	**Profit/(Loss) before tax from continuing operations (I-II)**		**-**	**-**
IV	**Tax expense**			
	a) Current tax		-	-
	b) Deferred tax		-	
			-	**-**
V	**Profit/(Loss) for the year from continuing operations (III-IV)**		**-**	**-**
VI	**Other comprehensive income/(expense)**			
	Items that will not to be reclassified subsequently to profit or loss			
	Re-measurement of the net defined benefit liability/asset		-	-
	Other comprehensive income/(expense) for the year, net of income tax		-	-
VII	**Total comprehensive income for the year (V+VI)**		**-**	**-**
VIII	**Earnings per equity share from continuing operations**	19		
	Basic and diluted		-	-
	Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for **Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No.: 121750W/W-100010

Veluri Krishnaveni
Partner
Membership No.: 215814

Bengaluru
Date :

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

Kiran Mazumdar-Shaw
Director
DIN: 00347229

Siddharth Mittal
Director
DIN: 03230757

Bengaluru
Date :

Statement of Changes in Equity for the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Equity shares of ₹100 each issued, subscribed and fully paid		
Opening balance	500.00	500.00
Share allotted during the year	-	-
Closing balance	**500.00**	**500.00**

B. Other equity

Particulars	Note No.	Reserve and surplus Retained earnings	Total	Reserve and surplus Retained earnings	Total
Opening balance		-	-	-	-
Profit/(Loss) for the year	9	-	-	-	-
Other comprehensive income		-	-	-	-
Closing balance		**-**	**-**	**-**	**-**

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

As per our report of even date attached

for **Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No.: 121750W/W-100010

Veluri Krishnaveni
Partner
Membership No.: 215814

Bengaluru
Date :

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

Kiran Mazumdar-Shaw
Director
DIN: 00347229

Bengaluru
Date :

Siddharth Mittal
Director
DIN: 03230757

Statement of Cash Flows for the year ended March 31, 2024

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit/(Loss) before tax from continuing operations	-	-
Adjustment for:		
Depreciation and amortization	354	29
Operating capital before working capital changes:	**354**	**29**
Adjustments for changes in working capital		
(Increase) / Decrease in other current assets	(6,033)	(3,521)
Increase / (Decrease) in trade payables	24,323	6,426
Increase / (Decrease) in other current liabilities and provisions	6,249	(12,913)
Increase / (Decrease) in other non-current assets	(7,864)	6,332
Cash generated from / (used in) operations	**17,029**	**(3,647)**
Income taxes paid (net of refunds)		-
Net cash flow generated from/(used in) operating activities (A)	**17,029**	**(3,647)**
Cash flows from investing activities		
Net cash flow generated from/(used in) investing activities (B)	-	-
Cash flows from financing activities		
Net cash flow from financing activities (C)	-	-
Net decrease in cash and cash equivalents (A+B+C)	**17,029**	**(3,647)**
Cash and cash equivalents at the beginning of the year	11,860	15,507
Cash and cash equivalents at the end of the year	**28,889**	**11,860**
Components of cash and cash equivalents as at end of the year		
Balance with banks:		
- on current accounts	28,889	11,860
Cash & cash equivalents (refer note 5)	**28,889**	**11,860**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for **Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No.: 121750W/W-100010

Veluri Krishnaveni
Partner
Membership No.: 215814

Bengaluru
Date :

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

Kiran Mazumdar-Shaw
Director
DIN: 00347229

Siddharth Mittal
Director
DIN: 03230757

Bengaluru
Date :

Notes to the financial statement for the year ended March 31, 2024

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

1. Company Overview

1.1 Reporting entity

Biocon Pharma Limited ("the Company") was incorporated in India on October 31, 2014, as a wholly owned subsidiary of Biocon Limited. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka. The Company has setup its formulations manufacturing facility for oral solid dosages at Biocon SEZ, Bengaluru and commenced its commercial production on March 23, 2020.

1.2 Basis of preparation of financial statements

a) *Statement of compliance*

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

The Company has net current liability position of ₹ 5,502 million as at March 31, 2024 (March 31, 2023: ₹ 6,356 millions). Notwithstanding the current liability position, the management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on its future cash flow projections and continued financial support from Biocon Limited, "the Holding Company". The Holding Company undertakes to provide sufficient financial and other support to the Company for a foreseeable future and not to call for settlement of any amounts that the Company owes to it. Accordingly, these financial statements have been prepared under the going concern assumption. These financial statements were authorized for issuance by the Company's Board of Directors on May 16, 2024.

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

b) *Functional and presentation currency*

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

c) *Basis of measurement*

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

- Certain financial assets and liabilities are measured at fair value; and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

d) *Use of estimates and judgements*

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

Judgements

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

- Note 2(a) and 28 — Financial instruments
- Note 2(b), 2(c) — Useful lives of property, plant and equipment and intangible assets
- Note 2(n) and 30 — Lease, whether an agreement contains a lease
- Note 27 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 34 — Share based payments
- Note 2(k) and 26 — Provision for income taxes and related tax contingencies and Evaluation of recoverability of deferred tax assets
- Note 2(i) and 17 — Revenue Recognition: whether revenue from sale of product 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 for the year ended March 31, 2024 is included in the following notes:

— Note 2(f)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts;

— Note 26 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

— Note 27 – measurement of defined benefit obligation; key actuarial assumptions.

— Note 13(a), 13(b) and 31 – recognition and measurement of provisions, contingencies and commitments: key assumptions about the likelihood and magnitude of an outflow of resources;

Notes to the financial statement for the year ended March 31, 2024

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

1.4 Measurement of fair values

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

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

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

Further information about the assumptions made in measuring fair values is included in following notes

- Note 34 – Share based payments
- Note 2(a) and 28 – Financial Instruments

2. Material accounting policies

a. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

— Amortised cost;

— Fair value through other comprehensive income (FVOCI) – equity investment; or

— Fair value through profit or loss (FVTPL)

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

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

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

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

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

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

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company

Notes to the financial statement for the year ended March 31, 2024

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

makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: 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.

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

Financial liabilities

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

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

iv. Offsetting

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

v. Convertible Preference shares

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

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since

Notes to the financial statement for the year ended March 31, 2024

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

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

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

vi. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

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

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of

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

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

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

vii. Cash and cash equivalents

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

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 property, plant and equipment including self-constructed items, comprises its purchase price including import duty and non refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised.

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

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

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

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

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. 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.

Notes to the financial statement for the year ended March 31, 2024

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

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

Asset	Management estimate of useful life	Useful life as per Schedule II	Useful life as per Schedule II
Building	30 years	30 years	30 years
Plant and equipment (including Electrical installation and Lab equipment)	12 -15 years	8-20 years	6-10 years
Computers and servers	3 years	3-6 years	
Furniture and fixtures	6 years	10 years	

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c. Intangible assets

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 5 years

— Marketing and Manufacturing rights 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

d. 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.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

e. Foreign currency Transactions and translations:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

f. 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

Notes to the financial statement for the year ended March 31, 2024

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

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal

to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

ii. Impairment of non-financial assets

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

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

The Company's non-financial assets, 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 unit (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.

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

g. Employee benefits

i. Short-term employee benefits:

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

ii. Post-employment benefits:

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

Gratuity

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

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

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

Provident Fund:

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

iii. Compensated absences

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

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

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

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

iv. Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

h. Provisions (other than for employee benefits)

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

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

Onerous contracts

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

i. Revenue from contracts with customers

i. Sale of goods

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

Notes to the financial statement for the year ended March 31, 2024

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

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

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

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

ii. 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.

iii. 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.

iv. Interest income and expense

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

j. Government grants

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

k. 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 or simultaneously.

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

— temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;

— 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

l. 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.

Notes to the financial statement for the year ended March 31, 2024

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

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

m. Earnings per share

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

n. Business Combinations

Business combinations involving entities under common control are be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the earliest period presented in the financial statements. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

o. 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.

p. Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

q. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the financial statement for the year ended March 31, 2024

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

3. PROPERTY, PLANT AND EQUIPMENT

	Tangible Assets		Capital work-in-progress
	Computer Equipments	Total	
Gross block (At cost)			
As at March 31, 2022	-	-	1,062
Additions	1,062	1,062	-
Deductions	-	-	(1,062)
As at March 31, 2023	1,062	1,062	-
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2023	1,062	1,062	-
Accumulated Depreciation			
As at March 31, 2022	-	-	-
Charge for the year	29	29	-
Deductions	-	-	-
Charge for the year	354	354	-
Deductions	-	-	-
As at March 31, 2024	383	383	-
Net block			
As at March 31, 2024	679	679	-
As at March 31, 2023	1,033	1,033	-

(a) As at March 31, 2024 and March 31, 2023, there is no balance of capital work in progress, accordingly aging analysis of capital work in progress is not applicable

(b) There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023

4 Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Balances with statutory/government authorities	44,398	37,592
Less: Impairment allowance (allowance for bad and doubtful receivable)*	(29,550)	(30,608)
	14,848	**6,984**

*As at March 31, 2024 and March 31, 2023, the Company does not have any export transaction for claiming refund of input tax credit from the Government authorities, accordingly the Company based on the estimated utilisation of input tax credit create the impairment allowance as at the year end.

5 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
in current accounts	28,889	11,860
Total	**28,889**	**11,860**

6 Other Financial Assets

	As at March 31, 2024	As at March 31, 2023
Security deposit	200	200
	200	**200**

7 Other Current Assets

	As at March 31, 2024	As at March 31, 2023
Prepayments	9,455	3,444
Advance to suppliers	352	329
	9,807	**3,773**

Notes to the financial statement for the year ended March 31, 2024

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

8 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised		
50,000 Equity shares of ₹ 10 each	**500.00**	**500.00**
Ordinary Shares		
Issued, Subscribed and Paid Up:		
50,000 (as at 31 March 2023: 50,000) Equity shares of ₹ 10 each, fully paid up	500.00	500.00
	500.00	**500.00**

(i) Reconciliation of number and amount of shares outstanding:

	As at March 31, 2024		As at March 31, 2023	
	No.	₹ Million	No.	₹ Million
Shares outstanding at the beginning of the year	50,000	500	50,000	500
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**50,000**	**500**	**50,000**	**500**

(ii) Terms and rights attached to equity shares

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

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Biocon Limited, including shares held through nominees	50,000	100%	50,000	100%

(iv) Particulars of shareholders held by Holding Company

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Biocon Limited, including shares held through nominees	50,000	100%	50,000	100%

(v) The Company has not allotted its shares as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares and also not bought back its shares since incorporation.

(vi) Disclosure of Shareholding of Promoters

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Biocon Limited, including shares held through nominees	50,000	100%	50,000	100%

9 Other equity

Retained earnings

	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Add/Less: Profit/(Loss) for the year	-	-
Closing balance	**-**	**-**
Total other equity	**-**	**-**

10 Trade payables

	As at March 31, 2024	As at March 31, 2023
Total Outstanding dues to		
Micro and Small enterprise (refer note 19)	-	-
Related parties (refer note 22)	17,626	8,444
Others	**15,220**	**79**
	32,846	**8,523**

Notes to the financial statement for the year ended March 31, 2024

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

(a) Aging analysis of Trade payables as at March 31, 2024:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	15,107	9,291	8,427	3	18	32,846
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**15,107**	**9,291**	**8,427**	**3**	**18**	**32,846**

(b) Aging analysis of Trade payables as at March 31, 2023:

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	8,502	3	5	13	8,523
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**8,502**	**3**	**5**	**13**	**8,523**

11 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues	3,116	3,305
Employee dues	901	829
Advance fees received from students	6,222	4,476
Accrued expenses	7,765	3,798
	18,004	**12,408**

12 Short-term provisions

	As at March 31, 2024	As at March 31, 2023
Provision for gratuity	2,083	1,647
Provision for leave encashment	989	772
	3,072	**2,419**

13 Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Donation	56,744	50,300
Tuition fees	18,176	17,488
	74,920	**67,788**

14 Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on fixed deposit	-	328
Income tax refund received (Gross)*	-	208
Provision no longer required written back	1,189	-
Gain on Forex	100	-
	1,289	**536**

*includes income tax paid

Notes to the financial statement for the year ended March 31, 2024

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

15 Employee Benefit expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries wages and bonus	14,180	13,597
Staff welfare expenses	453	348
	14,633	**13,945**

16 Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Training & professional charges, net	43,397	37,993
Payments to auditors	53	50
Advertisement expenses	1,472	1,060
Travelling and conveyance	261	528
Communication expenses	500	588
Printing and stationery	2,091	22
Rent charges	9,713	9,592
Power charges	3,558	-
Bank charges	4	-
Loss on forex	-	569
Operating expenses	102	529
Other consumables	69	154
Rates & taxes	2	3,264
	61,222	**54,349**

17 Earnings per share (from continuing operations)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit/(loss) attributable to the shareholders	-	-
Weighted average number of outstanding equity shares during the year	50,000	50,000
Basic and diluted earning per share	-	-

18 Financial Instruments

The carrying value and fair value of financial instrument by categories as at March 31, 2024 and March 31, 2023 were as follows:

a At amortised cost

Particulars	As at March 31, 2024 Level 3	As at March 31, 2023 Level 3
Financial assets		
(i) Cash and cash equivalents	28,889	11,860
(ii) Other financial assets	200	200
At end of the year	**29,089**	**12,060**
Financial liabilities		
(i) Trade payables	32,846	8,194
At end of the year	**32,846**	**8,194**

Notes to the financial statement for the year ended March 31, 2024

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

19 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES ACT, 2006 ("MSMED")

Particulars		As at March 31, 2024	As at March 31, 2023
a)	Principal amount remaining unpaid as at end of each accounting year:	-	-
b)	Interest due thereon remaining unpaid as at the end of each accounting year	-	-
c)	The amount of interest paid by the buyer in terms of Section 16 of MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
e)	The amount of interest accrued and remaining unpaid on 31 March in respect of principle amount settled during the year	-	-
f)	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 MSMED Act	-	-
Total		-	-

Note:

The above information has been determined to the extent such parties have been identified by the Company, which has been relied upon by the auditors.

20 Additional Regulatory Information

(a) Ratios

Ratio	Numerator	Denominator	March 31,2024	March 31,2023	%change	Reason for variance
(a) Current ratio (in times)	Current assets	Current liabilities	0.72	0.68	(6.38%)	
(b) Trade payables turnover ratio (in times)	Net Credit Purchases	Closing Trade Payables	1.86	6.38	70.77%	Refer note (iii)
(c) Net capital turnover ratio (in times)	Total revenue	Average working capital (i.e. Total current assets less Total current liabilities)	(5.07)	(9.09)	44.20%	Refer note (iii)

Notes:

(i) During the year ended March 31, 2024 and March, 31 2023, the Company does not have balances of inventory, borrowings and trade receivables, accordingly the debit equity, debt service coverage, inventory turnover and trade receivable turnover ratios pertaining to those balances would be not applicable to the Company

(ii) During the year ended March 31, 2024 and March, 31 2023, the Company is a non-profit organisation under section 8 of the Companies Act, 2013. Accordingly there is no profit/loss as at year end and the ratios pertaining to profit i.e., return on equity, net profit, return on capital employed and investment ratio is not applicable.

(iii) During the year, trade payable has increased from ₹ 70,625 to ₹ 2,440,049 in previous year. Accordingly there is variance

B OTHER STATUTORY INFORMATION

(i) Registration of charges or satisfaction with Registrar of Companies (ROC)
The Company has not availed any borrowings/loans from Banks or financial institutions or others as at March 31, 2024 and March 31, 2023. Accordingly there is no charge created on any of the assets of the Company. Therefore, the disclosure is not applicable.

(ii) Undisclosed income
The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(iii) Title deeds of Immovable Properties not held in name of the Company
The Company does not possess any immovable property as at March 31, 2024 and March 31, 2023, accordingly the disclosure is not applicable.

(iv) Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

Notes to the financial statement for the year ended March 31, 2024

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

(v) Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

(vi) Wilful Defaulter

The Company does not have any borrowing during the year ended March 31, 2024 and March 31, 2023, accordingly the said disclosure is not applicable

(vii) The Company do not have any transactions with companies struck off.

(viii) Loans & Advances

The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ix) Loans Received

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

21 Contingent liabilities and capital commitments

There are no contingent liabilities as at March 31, 2024. (as at March 31, 2023 ₹ Nil)

There are no capital commitments as at March 31, 2024. (as at March 31, 2023 ₹ Nil)

22 Related party disclosures

22.1 Names of related parties and description of relationship:

Holding Company, Fellow subsidiary Company

Biocon Limited

Biocon Biologics Limited

Key management personnel

Kiran Mazumdar Shaw

Siddharth Mittal

22.2 Related party disclosures

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Donation received		
Biocon Limited	-	48,300
Biocon Biologics Limited	46,744	-
Rent, Lease & power charges during the year		
Biocon Limited	-	479
Biocon Biologics Limited	7,901	8,353
Training and Seminar charges during the year		
Biocon Limited	1,220	-
Insurance charges during the year		
Biocon Limited	78	-

22.3 Balance outstanding

	As at March 31, 2024	As at March 31, 2023
Trade payables		
Biocon Biologics Limited	16,328	8,443.67
Biocon Limited	1,299	-

All transactions with the related parties are priced on arm's length basis and resulting outstanding balances are to be settled in cash. None of the balances outstanding with related parties is secured

Notes to the financial statement for the year ended March 31, 2024

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

23 The Company's Cash flow statement does not have any liabilities which are classified as financing activities in the statement of cash flows. Accordingly, requirement of paragraph 44(A) to 44(E) of IND AS 7 relating to presentation of 'Net debt reconciliation' is not applicable to the Company.

24 Events occurring after reporting date

There are no significant events after reporting date which has material impact on the financial statements.

As per our report of even date attached

for **Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No.: 121750W/W-100010

Veluri Krishnaveni
Partner
Membership No.: 215814

Bengaluru
Date :

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

Kiran Mazumdar-Shaw
Director
DIN: 00347229

Siddharth Mittal
Director
DIN: 03230757

Bengaluru
Date :